

**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**[ADJUDICATION ORDER/SS/AS/2019-20/6539-6560]**

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

In respect of:

1. Amrut Securities Ltd. (currently known as Amrut Dredging & Shipping Limited) (PAN: AABCA8006G)
2. Mr. Ashwinbhai Prabhudas Ruparel (PAN: ADYPR3689M)
3. Mr. Baldevsinh Vijasinh Zala (PAN: AABPZ9137C)
4. Mr. Manish Kanakshi Ashar (PAN: AEGPA1359E)
5. Ms. Sonal Kanksingh Ashar (PAN: ACZPA1429Q)
6. Aum Technocast Pvt. Ltd (PAN: AADCA4883H)
7. Ayodhyapati Investment Pvt. Ltd. (PAN: AABCA6007B)
8. Mr. Dharmesh Narendra Kumar Solanki (PAN: BJHPS1840P)
9. Om Education (IT) Pvt. Ltd. (PAN: AAACO5614R)
10. Mr. Bhavik Amrutlal Vaza (PAN: AGJPV8045R)
11. Mr. Haresh Lalitbhai Tejani (PAN: ACKPT7735R)
12. Mr. Paresh Chamanlal Doshi (PAN: AFXPD2041L)
13. Mr. Pradeep Syamsunder Swain (PAN: CHMPS7035J)
14. Mr. Shailesh Mulraj Ved (PAN: ABQPV7436E)
15. Ms. Bhavana Manish Asher (PAN: AFSPA5020P)
16. Mr. Hemanshu P. Mehta (PAN: AHIPM9056D)
17. Mr. Jagdish Gordhandas Ved (PAN: ABEPV3294J)
18. Mr. Vijay Ramniklal Rupani (HUF) (PAN: AALHR6115G)
19. Mr. Akash Harishbhai Desai (PAN: AKXPD6172H)
20. Mr. Manish Mansukhbhai Raja (PAN: ADDPR2448D)
21. Atlanta Share Shopee Ltd. (PAN: AAFCA0584K)
22. Presilco Impex Ltd. (PAN: AACCP4844L)

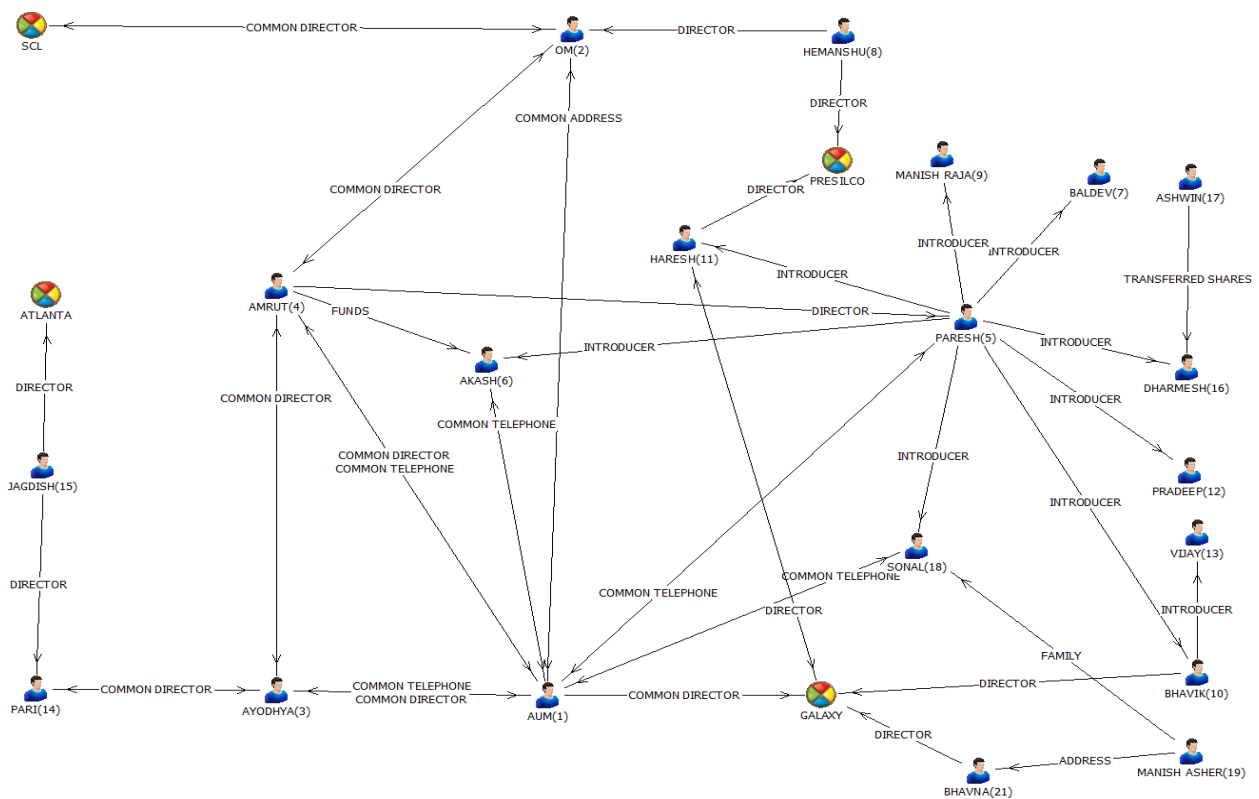
**In the matter of Sarang Chemicals Limited**

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1. Securities and Exchange Board of India ('SEBI') had conducted an investigation in the shares of Sarang Chemicals Ltd. (hereinafter referred to as 'SCL' or 'the Company') to ascertain whether the suspected entities had manipulated price / volume of the scrip of the Company in violations of SEBI

(Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as 'PFUTP Regulations'), the SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 (hereinafter referred to as 'Stock Brokers Regulations') and the SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as 'PIT Regulations') during the period January 03, 2011 to June 08, 2011 (hereinafter referred to as "Investigation Period").

2. During investigation, SEBI had *prima facie* observed that out of the 22 Noticees *viz.* (1) Amrut Securities Ltd., (2) Mr. Ashwinbhai Prabhudas Ruparel, (3) Mr. Baldevsinh Vijasinh Zala, (4) Mr. Manish Kanakshi Ashar, (5) Ms. Sonal Kanksingh Ashar, (6) Aum Technocast Pvt. Ltd., (7) Ayodhyapati Investment Pvt. Ltd., (8) Mr. Dharmesh Narendra Kumar Solanki, (9) Om Education (IT) Pvt. Ltd., (10) Mr. Bhavik Amrutlal Vaza, (11) Mr. Hareesh Lalitbhai Tejani, (12) Mr. Paresch Chamanlal Doshi, (13) Mr. Pradeep Syamsunder Swain, (14) Mr. Shailesh Mulraj Ved, (15) Ms. Bhavana Manish Asher, (16) Mr. Hemanshu P. Mehta, (17) Mr. Jagdish Gordhandas Ved, (18) Mr. Vijay Ramniklal Rupani (HUF), (19) Mr. Akash Harishbhai Desai, (20) Mr. Manish Mansukhbhai Raja, (21) Atlanta Share Shoppee Ltd and (22) Presilco Impex Ltd. (hereinafter referred to as 'the Noticee No. 1 to 22' respectively) or (all to be collectively referred as "the Noticees"), Noticee No. 1-20 had allegedly violated the provisions of the regulation 3 (a),(b),(c) and (d), 4 (1) and 4 (2) (a), (b), (e) and (g) of the PFUTP Regulations, Noticee No. 21 had allegedly violated the provisions of the clause A (2) of the Code of Conduct under Schedule II read with regulation 7 and Noticee No. 22 had allegedly violated the provisions of the clause A (2) of the Code of Conduct under Schedule II read with regulation 15 of the of the Stock Brokers Regulations and regulation 13 (3) read with 13 (5) of the PIT Regulations.
3. In view of above, SEBI had initiated adjudication proceedings and appointed Ms. Rachna Anand, General Manager as Adjudicating Officer (erstwhile AO) vide *communication order* dated April 12, 2016 to inquire into and adjudge under section 15 A(b), 15 HA and 15 HB and of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as 'SEBI Act') read with rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as 'Adjudication Rules') the aforesaid violations of PFUTP Regulations, Stock Brokers Regulations and PIT Regulations, alleged to have been committed by the Noticee(s).
4. In terms of rule 4(1) of the Adjudication Rules, Show Cause Notice No. E&AO/RA/JP/13230/2016 dated May 06, 2016 (hereinafter referred to as "SCN") in the instant proceedings was issued to the Noticees by the erstwhile AO. The allegations against each of the Noticees as described in the said SCN are as given as following:
  - a) During investigations, 21 entities including 20 Noticee(s) i.e. Noticees No. 1-20 ("Group") were identified as connected / related through common address, telephone number, off-market transfers of shares and family members etc. The alleged connection chart in this regard is as follows:



- b) It has been alleged that the said Group had bought 2,76,97,860 shares i.e. 32.97% of the market volume (8,40,17,121 shares) and sold 7,24,08,293 shares i.e. 86.18% of market volume during the investigation period. Further, the Last Traded Price (LTP) analysis was carried out for the entire investigation period in order to find out possible indulgence / execution of trades at the price more than the LTP or price less than the LTP in order to artificially inflate or deflate the price of the scrip or any manipulation of price in the scrip. The 16 Noticees viz. Noticees No. 1-14, 19 and 20 of the Group had traded among themselves and contributed positive impact in the price of scrip of ₹1.86 (i.e. 22.36 % of market positive LTP) as compared to LTP. The summary of the Noticee wise positive LTP contribution whilst trading among themselves, is given in table below:

CLIENTNAME	CP_CLIENTNAME	LTP Diff.	% to Mkt Pos.
Akash Harishbhai Desai	Baldevsinh Vijaysinh Zala	0.07	0.84
Akash Harishbhai Desai	Bhavik Amrutlal Vaza	0.60	7.21
Akash Harishbhai Desai	Haresh Lalitbhai Tejani	0.13	1.56
Akash Harishbhai Desai	Manish Kanakshi Ashar	0.06	0.72
Akash Harishbhai Desai	Pareesh Chamanlal Doshi	0.02	0.24
Akash Harishbhai Desai	Pradeep Syamsunder Swain	0.06	0.72
Akash Harishbhai Desai	Shailesh Mulraj Ved	0.02	0.24
Amrut Securities Ltd.	Manish Manshukhbhai Raja	0.02	0.24
Amrut Securities Ltd.	Sonal Kanaksingh Ashar	0.11	1.32
Ashwinbhai Prabhudas Ruparel	Baldevsinh Vijaysinh Zala	0.36	4.33
Ashwinbhai Prabhudas Ruparel	Haresh Lalitbhai Tejani	0.01	0.12
Ashwinbhai Prabhudas Ruparel	Manish Manshukhbhai Raja	0.01	0.12

Ashwinbhai Prabhudas Ruparel	Om Education (It) Pvt Ltd	0.04	0.48
Ashwinbhai Prabhudas Ruparel	Paresh Chamanlal Doshi	0.06	0.72
Ashwinbhai Prabhudas Ruparel	Shailesh Mulraj Ved	0.07	0.84
Ashwinbhai Prabhudas Ruparel	Sonal Kanaksingh Ashar	0.01	0.12
Aum Technocast Pvt Ltd.	Dharmesh Narendrakumar Solanki	0.07	0.84
Ayodhyapati Investment Pvt Ltd	Manish Kanakshi Ashar	0.03	0.36
Ayodhyapati Investment Pvt Ltd	Manish Manshukhbhai Raja	0.11	1.32
<b>Grand Total</b>		<b>1.86</b>	<b>22.36</b>

In view of the trading by the 16 Noticees (*viz.* Noticee No. 1-14 and 19-20) among themselves in executing buy / sell order at the price higher than the LTP, it was alleged that they have manipulated price of the scrip by contributing 22.36% of market positive price rise in the scrip as compared to LTP.

- c) The trades of the Group had been analysed by bifurcating Investigation period into two patches i.e. January 03, 2011 to March 14, 2011 (Patch-1) and March 15, 2011 to June 08, 2011 (Patch-2). During investigation it was observed that large volume of shares of the Company were traded among the Group during Patch-1 and large volume of shares of the Company were sold by the Group during Patch-2. It was alleged that the Group had created artificial volume during Patch-1 by trading among themselves and this volume constituted 87.17% of the market volume. Subsequently, in Patch-2, the Group had sold 4,82,98,446 shares i.e. 97.85% of the market volume at increased price. It was also observed that the shares of the Company were traded in less volume when the Group did not trade in the market, however, when Group started trading in the scrip of the Company among themselves, the volume of the scrip of the Company raised substantially. The summary of the trade details of the Group patch-wise is as follows:

Period	Market Vol.	Group Vol.	Group vol. % to Mkt.	Group Buy volume	Group buy % to Mkt.	Group Sell volume	Group sell % to Mkt.	Trading among the group	Trading among the group % to Mkt.
Patch-1	2,66,62,070	2,46,25,630	92.36	2,37,56,895	89.10	2,41,09,847	90.43	2,32,41,112	87.17
Patch-2	5,73,55,051	4,93,61,363	86.06	39,40,965	6.87	4,82,98,446	97.85	28,78,048	5.02
<b>Total</b>	<b>8,40,17,121</b>	<b>7,39,86,993</b>	<b>88.06</b>	<b>2,76,97,860</b>	<b>32.97</b>	<b>7,24,08,29</b>	<b>86.18</b>	<b>2,61,19,160</b>	<b>31.09</b>

- d) It was observed that during Patch-1, 11 Noticees (*viz.* Noticees No. 1-9, 18 and 20) of the Group had contributed 87.17% of market volume by trading among themselves for 2,32,41,112 shares repeatedly in the market on most of the days. The pair-wise group details are given below:

Buy Client Name	Sell Client Name	TAG Qty	% of TAG Vol. to Mkt. Vol.
Ayodhyapati Investment Pvt Ltd	Manish Mansukhlal Raja	65,03,435	24.39
Aum Technocast Pvt. Ltd	Dharmesh Narendrakumar Solanki	43,30,559	16.24
Ashwinbhai Prabhudas Ruparel	Manish Mansukhlal Raja	27,59,999	10.35
Amrut Securities Ltd.	Sonal Kanaksingh Ashar	20,76,030	7.79

Om Education (It) Pvt Ltd	Dharmesh Narendrakumar Solanki	16,11,080	6.04
Amrut Securities Ltd.	Manish Mansukhlal Raja	16,05,026	6.02
Amrut Securities Ltd.	Dharmesh Narendrakumar Solanki	11,60,900	4.35
Ayodhyapati Investment Pvt Ltd	Baldevsinh Vijaysinh Zala	6,80,000	2.55
Ashwinbhai Prabhudas Ruparel	Baldevsinh Vijaysinh Zala	6,00,000	2.25
Amrut Securities Ltd.	Manish Kanakshi Ashar	4,95,990	1.86
Ayodhyapati Investment Pvt Ltd	Manish Kanakshi Ashar	4,69,000	1.76
Ashwinbhai Prabhudas Ruparel	Om Education (It) Pvt Ltd	4,43,930	1.67
Dharmesh Narendrakumar Solanki	Sonal Kanaksingh Ashar	3,60,000	1.35
Ashwinbhai Prabhudas Ruparel	Vijay Ramniklal Rupani (Huf)	87,310	0.33
Ashwinbhai Prabhudas Ruparel	Sonal Kanaksingh Ashar	34,970	0.13
Manish Mansukhlal Raja	Dharmesh Narendrakumar Solanki	22,883	0.09
<b>Total</b>		<b>2,32,41,112</b>	<b>87.17</b>

e) Further, Noticee(s)-wise details of trading among themselves during Patch-1 was as follows:

S.N.	Client Name	Buy TQ	% to Mkt. (Patch)	Sell TQ	% to Mkt. (Patch)
1	Ayodhyapati Investment Pvt Ltd	76,52,435	28.70	-	0.00
2	Amrut Securities Limited	53,37,946	20.02	-	0.00
3	Aum Technocast Pvt Ltd.	43,30,559	16.24	-	0.00
4	Ashwinbhai Prabhudas Ruparel	39,26,209	14.73	-	0.00
5	Om Education (It) Pvt Ltd	16,11,080	6.04	4,43,930	1.67
6	Dharmesh Narendrakumar Solanki	3,60,000	1.35	71,25,422	26.72
7	Manish Mansukhlal Raja	22,883	0.09	1,08,68,460	40.76
8	Sonal Kanaksingh Ashar	-	0.00	24,71,000	9.27
9	Baldevsinh Vijaysinh Zala	-	0.00	12,80,000	4.80
10	Manish Kanakshi Ashar	-	0.00	9,64,990	3.62
11	Vijay Ramniklal Rupani (Huf)	-	0.00	87,310	0.33
	<b>Total</b>	<b>2,32,41,112</b>	<b>87.17</b>	<b>2,32,41,112</b>	<b>87.17</b>

f) In view of the repeated huge indulgence in trading (*viz.* 87.17% of market volume) by the 11 Group entities (*viz.* Noticee No. 1-9, 18 & 20) during the selected patch only, it was alleged that they had deliberately traded among themselves substantially in order to create the artificial volume and to create misleading appearance of trading in the scrip.

g) Details of the top 10 buy and sell brokers during the investigation period are given below:

Buy Broker Name	Trd. Volume	% to Mkt.	Sell Broker Name	Trd. Volume	% to Mkt.
SKSE Securities Ltd.	1,79,35,05	21.35%	Atlanta Share Shoppee Ltd.	5,46,74,32	65.08
Atlanta Share Shoppee Ltd.	1,06,63,51	12.69%	Galaxy Broking Ltd.	1,08,60,00	12.93
Prabhudas Lilladher Pvt.	65,72,100	7.82%	Skse Securities Ltd.	79,21,498	9.43

Inani Securities Ltd.	40,40,700	4.81%	Icici Securities Limited	18,28,316	2.18
Bansal Finstock Pvt. Ltd.	35,25,000	4.20%	Opg Securities Pvt. Ltd.	9,35,023	1.11
Jhaveri Securities Ltd.	30,74,003	3.66%	Jmp Securities Pvt. Ltd.	9,00,020	1.07
Ssj Finance & Securities	30,61,630	3.64%	Anand Rathi Share & Stock	6,59,952	0.79
Joindre Capital Services	28,04,750	3.34%	Inani Securities Ltd.	5,00,000	0.60
Hdfc Securities Ltd.	22,00,000	2.62%	Techno Shares & Stocks Lt	4,26,590	0.51
Motilal Oswal Securities	12,14,101	1.45%	Religare Securities Limit	2,87,656	0.34
<b>Top 10 Buy Brokers</b>	<b>5,50,90,85</b>	<b>65.57%</b>	<b>Top 10 Sell Brokers</b>	<b>7,89,93,38</b>	<b>94.02</b>
<b>Remaining Brokers</b>	<b>2,89,26,26</b>	<b>34.43%</b>	<b>Remaining Brokers</b>	<b>50,23,738</b>	<b>5.98</b>
<b>Total Traded Volume</b>	<b>8,40,17,121</b>	<b>100.00%</b>	<b>Total Traded Volume</b>	<b>8,40,17,121</b>	<b>100.00</b>

h) Details of the top 10 buy and sell clients during the investigation period are given below:

Buy Client Name	Trd. Volume	% to Mkt.	Sell Client Name	Trd. Volume	% to Mkt.
Ayodhyapati Investment Pvt	77,32,184	9.20	Manish Mansukhlal Raja	1,13,23,106	13.48
Amrut Securities Ltd.	64,00,572	7.62	Baldevsinh Vijaysinh Zala	82,80,000	9.86
Aum Technocast Pvt. Ltd	49,14,157	5.85	Shailesh Mulraj Ved	80,00,000	9.52
Ashwinbhai Prabhudas Ruparel	48,50,765	5.77	Dharmesh Narendrakumar Solanki	73,77,000	8.78
Dipakkumar Bhogilal	23,65,173	2.82	Paresh Chamanlal Doshi	70,01,000	8.33
Thakur Estate Development	18,50,000	2.20	Pradeep Syamsunder	69,74,665	8.30
Rajkumar Shyamnarayan	18,50,000	2.20	Sonal Kanaksingh Ashar	42,00,000	5.00
Thakur Fininvestpvt. Ltd.	16,50,000	1.96	Manish Kanakshi Ashar	42,00,000	5.00
Om Education (It) Pvt Ltd	16,41,079	1.95	Haresh Lalitbhai Tejani	39,74,200	4.73
Girish Prabhudas Ruparel	11,05,048	1.32	Bhavik Amrutlal Vaza	38,67,305	4.60
<b>Top 10 Buy Clients</b>	<b>5,50,90,852</b>	<b>40.89</b>	<b>Top 10 Selling Clients</b>	<b>6,51,97,276</b>	<b>77.60</b>
<b>Remaining Clients</b>	<b>2,89,26,269</b>	<b>59.11</b>	<b>Remaining Brokers</b>	<b>1,88,19,845</b>	<b>22.40</b>
<b>Total Traded Volume</b>	<b>8,40,17,121</b>	<b>100.00</b>	<b>Total Traded Volume</b>	<b>8,40,17,121</b>	<b>100.00</b>

i) During investigation, it was observed that prior to the creation of alleged artificial volume by the Group, price of the scrip was ₹0.31 (03.01.2011) and when the price and volume were so manipulated by the Group as alleged, the price of the scrip increased to ₹0.90 (27.04.2011). During Patch-2, 13 Group Noticees (*viz.* Noticees No. 1 – 5 and 10-17) had off-loaded shares at various increased price and thereby had allegedly made unlawful gain of ₹1,60,76,904 from the aforesaid price and volume manipulation. The details of Noticee-wise quantity of shares off-loaded, average sell rate and unlawful gain made by them are as follows:

S.N.	Name of the entity	TRADED_QTY	Avg. Sell Rate	Price diff. from op. price	Gain (₹)
1.	Shailesh Mulraj Ved	72,38,448	0.62	0.31	2,243,919

2.	Pradeep Syamsunder Swain	68,78,110	0.65	0.34	2,338,557
3.	Paresh Chamanlal Doshi	68,16,236	0.61	0.30	2,044,871
4.	Baldevsinh Vijaysinh Zala	61,65,359	0.68	0.37	2,281,183
5.	Hareesh Lalitbhai Tejani	39,59,800	0.70	0.39	1,544,322
6.	Bhavik Amrutlal Vaza	38,09,565	0.72	0.41	1,561,922
7.	Bhavana Manish Asher	34,82,519	0.74	0.43	1,497,483
8.	Manish Kanakshi Ashar	32,05,439	0.72	0.41	1,314,230
9.	Hemanshu P Mehta	18,38,325	0.72	0.41	753,713
10.	Sonal Kanaksingh Ashar	11,60,821	0.49	0.18	208,948
11.	Jagdish Gordhandas Ved	3,77,101	0.65	0.34	128,214
12.	Ashwinbhai Prabhudas Ruparel	3,45,000	0.66	0.35	120,750
13.	Amrut Securities Ltd.	1,43,675	0.58	0.27	38,792
	<b>Grand Total</b>	<b>4,54,20,398</b>	<b>0.67</b>		<b>1,60,76,904</b>

In view of the aforesaid, it was alleged that the Noticee No. 1 to 5 and 10 to 17 had made unlawful gain of ₹1,60,76,904.

- j) During investigation it was observed that the Noticees No. 1-20 had executed their trades through stock brokers/sub-broker namely - Atlanta Share Shoppee Ltd (Noticee No. 21), Galaxy Broking Ltd. and sub-broker *namely*; Presilco Impex Ltd. (Noticee No. 22 - who was a sub-broker of stock broker SKSE Securities Ltd.). It was also observed that Noticee No. 21 and 22 had facilitated the alleged trades to the Group, wherein Group indulged in repeated trading amongst themselves, which ultimately resulted into alleged creation of misleading appearance in the securities market and into creation of artificial volume / price rise in the shares of the Company. Therefore, it was alleged that the Noticee No. 21 & 22 had failed to exercise due skill, care and diligence in avoiding such execution of trades on behalf of the Group. Thus, the Noticees No. 21 and 22 had respectively violated clause A (2) of the Code of Conduct under Schedule II read with regulation 7 of the Stock Brokers Regulations; and clause A (2) of the Code of Conduct under Schedule II read with regulation 15 of the Stock Brokers Regulations.
- k) It was also observed during investigation that Mr. Manish Mansukhbhai Raja (Noticee No. 20) was holding 6.46% shares of the Company at beginning of the investigation period and his shareholding in the Company changed to 4.97% on February 04, 2011 change of was observed in his shareholding (i.e. more than 2% change in his shareholding in the Company). However, the Noticee No. 20 had allegedly failed to make disclosure to the Company upon change in his shareholding and thereby he had violated regulation 13 (3) read with 13 (5) of the PIT Regulations.
- l) The provisions of PFUTP Regulations, Stock brokers Regulations and PIT Regulations alleged to have been violated by the respective Noticees based on aforesaid observations/findings are summarized in the following table: -

S. N.	Names of the Entity	Allegations	Alleged Violations	Penalty provisions
1.	Amrut Securities Limited	(a) Created the misleading appearance of trading in the securities market by trading among the group. (b) Manipulated the price of the scrip. (c) Made gain by off-loading the shares at the increased price.	Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a),(b), (e) and (g) of PFUTP Regulations.	Section 15HA of SEBI Act.
2.	Ashwinbhai Prabhudas Ruparel			
3.	Baldevsinh Vijaysinh Zala			
4.	Manish Kanakshi Ashar			
5.	Sonal Kanaksingh Ashar			
6.	Aum technocast pvt ltd.	(a) Created the misleading appearance of trading in the securities market by trading among the group. (b) Manipulated the price of the scrip.	Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a),(b), (e) and (g) of PFUTP Regulations.	Section 15HA of SEBI Act.
7.	Ayodhyapati Investment Pvt. Ltd.			
8.	Dharmesh Narendrakumar Solanki			
9.	Om Education (IT) Pvt Ltd			
10.	Bhavik Amrutlal Vaza	(a) Manipulated the price of the scrip. (b) Made gain by off-loading the shares at the increased price.	Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a) and (e) of PFUTP Regulations.	Section 15HA of SEBI Act.
11.	Haresh Lalitbhai Tejani			
12.	Pareesh Chamanlal Doshi			
13.	Pradeep Syamsunder Swain			
14.	Shailesh Mulraj Ved			
15.	Bhavana Manish Asher	Made gain by off-loading the shares at the increased price.	Regulations 3(a), (b), (c), (d) and 4(1) and 4(2) (a) of PFUTP Regulations.	Section 15HA of SEBI Act.
16.	Hemanshu P Mehta			
17.	Jagdish Gordhandas Ved			
18.	Vijay Ramniklal Rupani (HUF)	Created the misleading appearance of trading in the securities market by trading among the group.	Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a) and (g) of PFUTP Regulations.	Section 15HA of SEBI Act.
19.	Akash Harishbhai Desai	Manipulated the price of the scrip	Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a) and (e) of PFUTP Regulations.	Section 15HA of SEBI Act.
20.	Manish Manshukhbhai Raja	Created the misleading appearance of trading in the securities market by trading among the group.	Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a) and (g) of PFUTP Regulations.	Section 15HA of SEBI Act.
		Failed to make disclosure within stipulated time to the company.	Regulation 13(3) read with 13(5) of SEBI( PIT regulations), 1992.	Section 15A (b) of SEBI Act.
21.	Atlanta Share Shoppee Ltd	Broker to the entities who had created the misleading appearance in the securities market.	Clause A(2) of the Code of Conduct prescribed under Schedule II read with Regulation 7 of SEBI (Stock Brokers and Sub Brokers) Regulations, 1992.	Section 15HB of SEBI Act.



22.	Presilco Impex Ltd.	Sub-broker to the entities who had created the misleading appearance in the securities market.	Regulation 15 of SEBI (Stock brokers & sub-brokers) Regulations, 1992 read with clause A(2) of the Code of Conduct prescribed in Schedule II of the said Regulations.	Section 15HB of SEBI Act.
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5. The text of aforesaid relevant provisions of PFUTP Regulations, Stock Brokers Regulations and PIT Regulations are as follows:

### **PFUTP Regulations**

#### ***3. Prohibition of certain dealings in securities***

*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 there under;*
- (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 there under.*

#### ***4. Prohibition of manipulative, fraudulent and unfair trade practices***

- (1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.*
- (2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely: —*
  - (a) indulging in an act which creates false or misleading appearance of trading in the securities market.*
  - (b) dealing in a security not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of such security for wrongful gain or avoidance of loss;*
  - (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;*

### **Stock Brokers Regulations**

#### ***Schedule II of regulation 7***

*A (2) Exercise of due skill and care: A stock-broker, shall act with due skill, care and diligence in the conduct of all his business.*

### ***Schedule II of regulation 15***

*A (2) Exercise of due skill and care: A sub-broker, shall act with due skill, care and diligence in the conduct of all investment business.*

### **PIT Regulations**

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

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

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

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

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

6. The erstwhile AO had passed an *ex- parte* order dated October 27, 2017 in the matter. Noticee No. 19 filed an appeal (Appeal No. 320 of 2017) before the Hon'ble Securities Appellate Tribunal ('SAT') and challenged the said order passed by the erstwhile AO. Hon'ble SAT, while disposing of the said appeal of the Noticee No. 19 on November 08, 2017, set aside the impugned order dated October 27, 2017. Vide said order dated November 08, 2017, Hon'ble SAT permitted the Appellant (Noticee No. 19) and other parties against whom the impugned order was passed to submit their reply within three weeks from the date of the order passed by the SAT. Thereafter SEBI shall pass fresh order after giving an opportunity of hearing to all the parties.
7. In view of the aforesaid SAT order, all the Noticees had filed their separate replies and requested for inspection of documents. Considering the same the erstwhile AO allowed the request of inspection of documents of the Noticees and vide letter dated January 03, 2018 advised them to contact Enforcement Department of SEBI for inspection of documents and complete the same latest by January 31, 2018. On February 21, 2018, Enforcement Department of SEBI informed the erstwhile AO that Noticees No. 1-5, 8, 10-21 (i.e. 18 Noticees) had conducted the inspection of documents.

8. Thereafter, pursuant to transfer of erstwhile AO, Shri Suresh B. Menon, Chief General Manager (hereinafter referred to as 'second AO') was appointed as Adjudicating Officer in the instant matter vide *communication order* dated May 10, 2018. During issuance of hearing notices in the instant proceedings, second AO observed that the aforesaid letter dated January 03, 2018 regarding inspection of documents had returned undelivered with the comment "*left*" with respect to 3 Noticees *viz.* Aum Technocast Pvt. Ltd. (Notice No. 6), Om Education (IT) Pvt. Ltd. (Notice No. 9) and Presilco Impex Ltd. (Notice No. 22). Further, one of the Noticee *viz.* Ayodhyapati Investment Pvt. Ltd. (Notice No. 7) had not reverted back for inspection of documents despite the service of the said letter upon him. Accordingly, the Noticees No. 6, 9 and 22 had been granted another opportunity of the inspection of the documents by second AO vide letter dated July 06, 2018, wherein, they were advised to complete the inspection of documents on or before July 31, 2018. However, the letter dated July 06, 2018 with respect to Noticees No. 6, 9 and 22 returned undelivered with comments '*left*'/ '*not known*'. In view of the same, another letter dated November 16, 2018 was issued to Noticee No. 6, 9 and 22, to serve the same upon the said Noticees *via* 'affixture', wherein, the said Noticees were advised to complete the inspection of documents on or before December 28, 2018. However, the said letter could not be served upon the said Noticees *via* 'affixture', as the said Noticees moved from the said addresses.
9. Subsequently, by a common *communication-order* dated March 25, 2019, this case was transferred to the undersigned with the advice that except for the change of the Adjudicating Officer, the other terms and conditions of the original orders '*shall remain unchanged and shall be in full force and effect*' and that the "*Adjudicating Officer shall proceed in accordance with the terms of reference made in the original orders*". After receipt of records of these proceedings, it was noted that in the instant proceedings a decision in this case was on record to adopt the procedure /manner of service of letter allowing inspection to the Noticees as provided in Rule 7 of Adjudication Rules for service of SCN and hearing Notices. Accordingly, in the interest of principles of natural justice and under Rule 4(3) of the Adjudication Rules the opportunity of personal hearing was granted to the Noticees No. 1-5, 7-8 and 10-21 on June 25, 2019 vide notice dated May 17, 2019. Further, letters allowing inspection of documents to Noticee No. 6, 9 and 22 was uploaded on SEBI website under "*unserved summons/notices*" and under Rule 7(d) of the Adjudication Rules, the letter of inspection to Noticee No. 6, 9 and 22 was served upon them *via* publication of '*public notice*' in leading newspapers on May 21, 2019 and June 26, 2019, wherein they were advised to contact the Enforcement Department of SEBI for inspection of documents and also advised to complete the said inspection on or before June 10, 2019 and July 15, 2019, respectively. It was also mentioned that in case the said Noticees failed to avail the inspection of documents as scheduled, the same would be construed as a waiver of the opportunity of inspection of documents and undersigned would be constrained to proceed further in the matter, *ex-parte*, based on the material as available on record. On August 01, 2019, the Enforcement Department of SEBI informed that none of the Noticees No. 6, 9 and 22 approached for seeking inspection of documents. Thus, it was presumed

that they have nothing to submit in response to the SCN and have waived the opportunity to file any reply/submissions.

10. Vide letter dated June 15, 2019, Ayodhyapati Investments Pvt. Ltd. ( Noticee No.7) submitted its reply to the SCN and vide letter dated June 24, 2019 it waived off the opportunity of hearing and requested to take its written reply on the record as its submissions with regard to SCN. Further, vide letter dated June 25, 2019, Mr. Akash Harishbhai Desai (Noticee No. 19) requested for two weeks of adjournment of scheduled hearing as he was in the process of appointment of its legal representative.
11. On date of scheduled hearing i.e. June 25, 2019, the following Noticees or their Authorised Representative appeared before me. A brief on proceedings of the hearing is as follows:

Noticee's Name	Person Appeared for Hearing	Submissions	Request, if any
Mr. Shailesh Mulraj Ved	Mr. Shailesh Kumar, Advocate  Mr. R.A. Pillai  Mr. Shailesh Mulraj Ved	Made submissions on the lines of Noticees replies dated November 27, 2017.	Sought time upto July 10, 2019 for making additional written submissions in the matter on the ground that separate written submissions are to be filed for 9 Noticees.
Mr. Ashwinbhai Prabhudas Ruparel			
Mr. Manish Kanakshi Ashar			
Mr. Haresh Lalitbhai Tejani			
Ms. Sonal Kanksingh Ashar			
Mr. Pradeep Syamsunder Swain			
Mr. Bhavik Amrutlal Vaza			
Ms. Bhavana Manish Asher			
Mr. Hemanshu P. Mehta			
Mr. Dharmesh Narendra Kumar Solanki	Mr. Nikhil Udeshi, Advocate	Requested to take into account the replies of the respective Noticees dated November 27, 2017.	-
Mr. Jagdish Gordhandas Ved			
Mr. Paresh Chamanlal Doshi			
Mr. Manish Mansukhbhai Raja			
Mr. Baldevsinh Vijaysinh Zala	Mr. J J Bhatt, Advocate	Made submissions on the lines of Noticees replies dated November 27, 2017.	Sough 10 days' time for making additional written submission in the matter.
Mr. Vijay Ramniklal Rupani (HUF)	Mr. Rinku Valanju, Advocate		
Amrut Securities Ltd.	Mr. Anil Gandhi	Made submissions on the lines of Noticees replies dated November 27, 2018 and June 18, 2019.	

Atlanta Share Shoppee Ltd.	Mr. R.A.Pillai	Made submissions on the lines of Noticees replies dated November 27, 2017 and June 17, 2019.	
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12. On July 10, 2019, Mr. Akash Harishbhai Desai authorized representative appeared before me and made submissions on the lines of Noticees replies dated November 27, 2017. Vide letter dated July 01, 2019, Mr. Vijay Ramniklal Rupani (HUF) submitted additional written submission in the matter. Further, vide letters dated July 10, 2019 received on record on July 24, 2019, Mr. Shailesh Kumar, Advocate made additional written submissions on behalf of aforesaid 9 Noticees in the matter.

13. The replies /submissions of the Noticees are *inter alia* as follows:

**Common Replies of the Noticees**

- a. The investigation period considered is from 03.01.2011 to 08.06.2011. The SCN is issued after about 5 years from the dates of settled trades and obligations between us and our brokers. There is therefore a great delay in issuing the SCN which is not explained. The aforesaid delay has caused great prejudice to the Noticees. SEBI has failed to explain the delay and hence on this count itself the SCN becomes illegal and gets nullified.
- b. The power to issue directions under section 15HA of the SEBI Act is a drastic power having serious civil consequences and ramifications on the reputations and livelihoods of those against whom it is directed. Said power is not available for routine and retrospective application and cannot be used for penal action. It is exceptional, extraordinary and discretionary power and SEBI has to justify the need for invocation of the said power clearly after over 7 years from the alleged cause of action and completed / settled / concluded transactions in 2011 in the scrip of the Company. It appears that the said power is used as an afterthought.
- c. No *prima facie* case has also been made out to warrant the issuance of a direction of serious consequences against the Noticees, which is out and out penal in nature and not regulatory *qua* the Noticees. Trading in the said scrip was having upfront surveillance measures, monitored on a daily basis and was 100% delivery based. Therefore, there was no element of illegality in the trading and that could amount to fraudulent and unfair trade practice and attract '*Penalty*'.
- d. In the facts and circumstances of the case, Section 15HA of SEBI Act has no relevance and this provision is inapplicable. SEBI's resorting to Section 15HA and proposing to impose penalty

against the Noticees is improper, invalid, untenable, retrograde and illegal. The purported calculation of gain suffers from following defects –

- i. Instead of actual purchase price, price difference from opening price (i.e. notional or hypothetical) is applied to work out alleged gain;
- ii. 100 % delivery based trading could not be said to have resulted into any manipulation - price or volume as alleged.
- iii. No intimation, communication, alert or caution of any type was issued to the Noticees / Group on a contemporaneous basis, since trading and upfront restrictions on price, deliveries (100%) and margin (100%) and BSE, first level regulator, did not consider the then deliveries based trading as manipulative;
- iv. It is a well-known fact (and can be verified from BSE) that putting a scrip in 'T' group, reduces liquidity and only interested parties take part in such scrip's trading as the buyer has to pay 100% payment and take deliveries. There is no speculative element in such 'T' group scrip and therefore they go out of favour of traders;
- e. Assuming but without admitting, there was trading among Group (as stated in the SCN) it did not automatically mean and did not amount to creation of artificial volume and misleading appearance in trading in the scrip of the Company as deliveries were actual, beneficial ownership passed and consideration paid / received through market mechanism.
- f. While market volume, volume among (purported) Group etc. volume figure has been mentioned in the SCN, the volume of alleged artificial volume is not furnished. In the absence of this critical information, no basis for the charge exists.
- g. BSE's BOLT trading platform is an on-line, real time computerized, price and time priority matching trading system for orders keyed-in in different scrips through a large number of terminals spread throughout the country. The trading module is therefore anonymous and therefore did not know the names of counter brokers and their ultimate clients at the relevant time.

- h. The orders/ trades of the Noticees were separate, independent and stand alone and the respective Noticees had no connection with other Noticees or any counter broker or their clients or other investors in the matter with respect to their respective orders/ transactions in the said scrip of the Company. In the circumstances, matching of orders was purely system driven, technical, unintentional and of no consequence to respective Noticees. The respective Noticees were not a part of any Group as alleged or otherwise.
- i. Whatever quantity of shares of the Company were sold cannot be regarded as '*off loaded*'.
- j. The Noticees had no prior meeting of minds with anyone, nor any contemporaneous knowledge about orders/ trades of other Noticees/parties, and none is pointed out in the order. No role, involvement or participation of the respective Noticees has been shown in the trades of other Noticees and vice-versa. No unholy link between the respective Noticees trades and counter-parties' trades has been shown.
- k. Trading among Group as stated by BSE in its report is misconstrued. There was no several and continuous, consistent, nature throughout in purchase and sale of the shares of the Company and hence *vice-versa* between the connected Noticees. Assuming but without admitting some '*connection*' was between the Noticees, only one leg of transaction happened between them 'X' sold, 'Y' bought and beneficial ownership passed. There being no further trading (*reversal or circular*) between them, the effect being change of beneficial ownership only once and the alleged gain made can be termed as fraudulent trade and be made liable for penalties.
- l. In order to invoke the action under section 15HA, there has to be some higher standard of proof '*illegality*' attached to the trades. There was no unholy element or illegality, none is pointed out, leave alone established in the trades. That being the case, SEBI is precluded from treating them as illegal and imposing penalties.
- m. It may be noted that the primary responsibility for monitoring transactions is of the stock exchanges. BSE accepted that the prices of the shares of the Company recorded in its official quotations and acted upon it for the various purposes and not a single transaction in the Company's scrip was annulled. In other words, BSE never considered the spurt in price as unusual as the shares of the Company were having upfront restrictions on price movement (i.e. *circuits - upper and lower*). If that be so, under no circumstances the investors who bought and sold their

holding of the said shares of the Company could be said to have done any wrongdoing. The primary responsibility for monitoring transactions is on the stock exchanges and this was stated in SEBI's press clarification dated 3-8-2005 in response to the Financial Express editorial titled God's Eye.

- n. In terms of surveillance module of SEBI, the details and data gathered/ captured of every order/ trade are under 91 heads/ columns. SEBI had not furnished details under 91 heads of trades considered objectionable in the order. On account of not making available full, complete and total details of order/ trade data, no critical, meaningful and insightful analysis thereof can be done. This is against rules of natural justice.
- o. The Noticees did not admit that gains, if any, were unlawful. The computation of gains is based on false purchase price and same should have been taken on actual basis. It appears that SEBI had considered partial picture of the matter and the Group's volume, pattern cannot be thrust upon respective Noticees. The Noticees have not made any ill-gotten gain and their conduct was not illegal. No incriminating material/ act/ thing against them have been stated.

### **Specific reply of the Noticees**

#### **Noticee No. 1**

- a. With allegation regarding connection, it may be noted that common director Mr. Manoj Gandhi who had resigned from its company on 29.02.2016 (prior to the SCN of your good self, shows the *bona fide* change/ resignation); While common Director Late Mr. Dilip Joshi expired on 20.11.2008 i.e. much prior to the alleged investigation period hence no explanation is required in this regard; and fund transfer with Noticee No. 17 was much before the investigation period. It had bought the scrip for investment, the same way Noticee No. 17 also bought the shares of the Company, hence the fund transfer allegation are bad in law as well as imaginary.
- b. It had invested in the shares of the Company before and during the investigation period. It had bought shares in Patch-I at average 50 paisa and made gain of just 7 paisa gross (net 5 paisa) and remaining shares it kept for the long term investment and out of which only 3% shares have been sold by it in Patch II of investigation period at rate of 57 paisa, which exclude brokerage of 1 paisa, service tax, S.T.T. and other charges of the stock exchange.



- c. The Noticee not admit that gains, if any, were unlawful. The computation of gains is wrong, as purchase price should have been taken on actual basis i.e. 48 paisa per share.

### **Noticee No. 2**

He had first bought shares of the Company in the market and then sold only 8% shares of the purchased shares during the investigation period and is still holding 92% of the purchased shares. His LTP contribution on account of his trades was negative, as his trades have not contributed to any price rise. Further, purchase price should have been taken on actual basis i.e. 46 paisa in his case.

### **Noticee No. 3**

- a. In year 2009 news an announcement was published in the website of the Company and from there he come to know about the expansion plan of the Company. For making investment he enrolled himself as a client with Atlanta Share Shoppee Ltd., Noticee No.21, wherein one of its official affixed his signatures as introducer.
- b. As the available price of the share of the Company was less than its base price, he purchased 7 lakh shares of the Company at the rate of 80 paisa per share in year 2008-2009 by physical delivery and later on purchased 14,70,251 shares of the Company at the same price. Thereafter, share price of the Company remain low and thus, he decided to hold the same.
- c. In March, 2011 the balance sheet of the Company had been uploaded on BSE portal which declared very good profit in the business of the Company and further announcement of setting up a plant. In view of same, there was a movement and reflection of the result of the Company in BSE in respect of share price of the Company. As he was expanding his business and was in need of the money, he had sold his entire shareholding at the rate of 63 paisa per share by incurring 24% loss. Thus, the investment made by him turned into an absolutely bad investment. Therefore, the allegations of making gains by off-loading the shares at the increased price is incorrect, devoid of merits and based on assumptions and presumptions. SEBI is conveniently calculating price difference from imaginary price of 31 paisa per share of the Company. It is beyond imagination and understanding that how SEBI could neglect the purchase price to determine the profit or loss.

#### **Noticee No. 4**

It has been alleged that he had made a gain of ₹13,14,230/-, however, he had incurred minimum profit as he had purchased the shares of the Company at the rate of 60 paisa per share and later on sold at 67 paisa per share. SEBI has failed in providing the particulars based on which SEBI has arrived on the calculation as mentioned in the report. His LTP contribution on account of his trades was negative, as his trades have not contributed to any price rise. Further, purchase price should have been taken on actual basis i.e. 60 paisa in his case.

#### **Noticee No. 5**

It has been alleged that she had made a gain of ₹2,08,948/-, however, she had incurred severe loss of 25% in investment value, as she had purchased the shares of the Company at the rate of 60 paisa per share and later on sold at 45 paisa per share. SEBI has failed in providing the particulars based on which SEBI has arrived on the calculation as mentioned in the report. Her LTP contribution on account of her trades was negative, as her trades have not contributed to any price rise. Further, purchase price should have been taken on actual basis i.e. 60 paisa in his case.

#### **Noticee No. 7**

- a. It executed trades in the shares of the Company i.e. purchase of 77,32,184 shares at the rate of 49 paisa per share during 07.01.2011 to 22.02.2011 for a total purchase consideration of ₹37,72,273/-, which is absolutely underprice as compare to its issue price. It has not sold the shares of the Company and kept the entire purchase quantity as investment during the investigation period.
- b. It is clear from the amount of money invested by it, the volume and frequency of trades done by it and the Nil return on it over a period of 6 years (2011 to 2017), that the intention of a prudent investor like it could have never been to indulge in a fraudulent and deceitful act of artificially inflating the price of the scrip and willfully violating Regulations 3(a), (b), (c), (d), and 4(1), 4(2)(a), (b), (e) and (g) of the PFUTP Regulations.
- c. It is not at all related/ connected to the other Noticees in "Group", either through common addresses and/or telephone numbers or by virtue of being a family member.

- d. The SCN ignored the time-tested judicial precedents including rulings of the Hon'ble SAT which caution against suspicion, conjecture and surmise being passed off as proof especially where fraud is alleged. The SCN treats suspicion and evidence as synonymous and ignores foundational principles of the law of evidence that the standard of proof for a charge of fraud to be established must be sufficient to *"overcome the ordinary presumption of honesty and good faith in dealings"*. In the absence of evidence to support the false allegations that it had violated any provisions of the PFUTP Regulations, the allegation ought to be unconditionally withdrawn.
- e. It has been included in the said "Group" and has been linked with the alleged violation merely on the basis of the connection report, wherein the only link/ nexus found to be between it and the other Noticee No. 1 is that it had common director. Its director Mr. Amit Mehta resigned on 23.07.2013, while Mr. Manoj Gandhi resigned on 18.02.2014, much before the SCN was issued. It is reiterated that neither it is part of the Group nor in any manner whatsoever, it is connected to or related to other Noticees. Further, it had not carried out any trading activity on the advice of, or in conjunction with, any of the other Noticees. It is therefore, clear that the SCN wrongfully alleges that it is part of the Group, which forms a necessary pre-condition for the variety of allegations made in the SCN.
- f. It had not made any profit out of the aforesaid shares purchased. The SCN imputes an unwarranted and legally unsustainable violation of PFUTP Regulations on it. It is stated that the said approach is erroneous and is purely based on conjecture and surmises, which is unsustainable and untenable in the eyes of law.
- g. The said solitary act of purchase of shares of the Company by it can also by no stretch of imagination, be said to be an act which has created and/or contributed in creating artificial volumes during Patch-1 by repeated and deliberately trading among the other Noticees constituting the Group as alleged in the SCN. Thus, the solitary act of buy of the entire holding of the share of the Company, would not and cannot legally constitute an act of repeated and deliberate trading among the other Noticees constituting the Group alleged in the SCN, so as to deceive and inflate the price of the scrip, therefore, on this count also entire substratum of the allegations imputed in the SCN against it is without any basis or substance and for this reason also the SCN against it is liable to be withdrawn.

- h. It is unequivocally stated that apart from the above said isolated transaction, it had not done any act/ omission which can constitute an act of repeated and deliberate trading among the Noticees No. 4 and 20. The evidence on record and the transactional history of the shares of the Company manifests that only because it had common directors with Noticees No. 1 and 6 and they also bought the shares of the Company during Patch-1 and Patch-2, an adverse presumption of indulgence in fraudulent and deceitful activity has been drawn against it, which is completely untenable and unsustainable in law.
- i. The comprehensive reading of the PFUTP Regulations makes it clear that the involvement in both set of activities during the Patch-1 and Patch-2, would form *sine qua non* for completion of the offence contemplated under the PFUTP Regulations. It is stated that the involvement in Patch-1 period remains crucial for the charge of fraudulent or deceitful trading, as during Patch-1, the prices were artificially driven up by trading in large quantities of shares among the Noticees. Similarly, it is stated that the simultaneous involvement in Patch-2 is also critical, as in the said Patch the Noticees allegedly reaped the benefits of the artificial inflation carried out in Patch-1. Therefore, for it to have alleged in fraudulent activity, the involvement in both patches was necessary. The artificial volume/ inflation in Patch-1 and the congruous selling in Patch-2 complete the chain of the allegations constituting fraudulent and deceitful activity. It may be noted that admittedly it had not traded/ sold, the shares of the Company bought by it in Patch-1 and kept the shares of the Company as its investment and thus, did not gain any undue profit/advantage as alleged.

#### **Noticee No. 8**

- a. In year 2009 news came that the Company is in the process of setting up a plant nearby Sanand, Gujarat and believing the news and seeing the market trend, he had purchased shares of the Company.
- b. He had purchased 70 lakhs shares of the Company at the rate of 60 paisa in year 2009 and sold his entire holding in the Company at the rate of 43 paisa in year 2011. In all circumstances and at all time the prices of shares of the Company remain below the base price. i.e. ₹1 per share. At that period of time, the price of the shares of the Company were falling down and hence to recover the money as possible he sold his shares at the lower price and incurred loss of about 26% on his total investment in the Company. He had traded in the shares of the Company upto

the above stated volume and transaction from listing of the said shares to suspension of the said shares.

- c. The only basis of connection between him and Mr. Paresh C. Doshi, Noticee No. 12 is that he was introduced by him to the broker. It is reiterated that neither it is part of the Group nor in any manner whatsoever, it is connected to or related to other Noticees. Further, it had not carried out any trading activity on the advice of, or in conjunction with, any of the other Noticees. It is therefore, clear that the SCN wrongfully alleges that it is part of the Group, which forms a necessary pre-condition for the variety of allegations made in the SCN.
- d. He had neither re-purchased and / or re-sold the shares of the Company in Patch-2. He had only sold his entire shareholding in the Company during Patch-1 and such an act cannot constitute as an act of selling the shares of the Company in a fraudulent manner and/ or employment of any manipulative or deceptive device, scheme or artifice to defraud in this matter.

#### **Noticee No. 10**

It was alleged that he had made a gain of ₹15,61,922/-, however, as per the factual position, he has incurred minimum profit as it has been still holding 1506 shares of the Company purchased by him. He first bought shares of the Company at the rate of 61 paisa per share and later on sold the shares of the Company at the rate of 73 paisa per share and thus, made a meager profit. Hence the allegation of manipulation of price of the share of the Company and making gain is absolutely absurd.

#### **Noticee No. 11**

It has been alleged that he had made a gain of ₹15,44,322/-, however, he had incurred severe loss, as he had purchased the shares of the Company at the rate of 71 paisa per share and later on sold at 67 paisa per share. SEBI has failed in providing the particulars based on which SEBI has arrived on the calculation as mentioned in the report. His LTP contribution on account of his trades was negative, as his trades have not contributed to any price rise. Further, purchase price should have been taken on actual basis i.e. 71 paisa in his case.

#### **Noticee No. 12**

- a. In year 2009 news came that the Company is in the process of setting up a plant nearby Sanand, Gujarat and believing the news and seeing the market trend, he had purchased 70 lakh shares of the Company at the rate of 60 paisa per share.

- b. He had sold his entire shareholding in the Company in Patch-2 during 16.03.2011 – 20.04.2011 at the average rate of 60 paisa (at rate of 47 paisa on 16.03.2011 and last sale at the rate of 78 paisa on 20.04.2011. Upon selling the said shares he has not earned any profit. He had traded in the shares of the Company upto the above stated volume and transaction from listing of the said shares to suspension of the said shares. The entire amount from the said sale proceeds was re-invested by him in other scripts through BSE BOLT system during the investment period.
- c. He was the director of Presilco Impex Ltd., Noticee No. 22 and on 04.08.2016 he resigned from the directorship of Noticee No. 22. He is also the director of Amrut Securities Ltd., Noticee No. 1 from 30.09.2004.
- d. The mere introduction of the other Noticees by him, which is also reflected in the mandatory legal requirement of KYC norms, does not by itself demonstrate and/or constitute a legally admissible, much less, reliable/cogent evidence, that he was a part of the Group which may have otherwise allegedly indulged in creating the artificial volume and misleading appearance of trading in the scrip so as to inflate its price. The SCN presupposes (wrongfully) that he and the other Noticees form a part of a certain Group for the purposes of the allegations made there under. It is reiterated that neither he was part of the Group nor in any manner whatsoever, connected to or related to the other Noticees. Further, he had not carried out any trading activity on the advice of, or in conjunction with other Noticees.
- e. He incidentally part of the Patch-1 and sold his entire shareholding in the Company in Patch-2 and exited the market. The said transactions by no stretch of imagination be said to be an act which constitutes a fraudulent or deceitful act as contemplated under PFUTP Regulations.

### **Noticee No. 13**

It has been alleged that he had made a gain of ₹23,38,557/-, however, he had incurred severe loss (11% of the investment value), as he had purchased the shares of the Company at the rate of 76 paisa per share and later on sold at 67 paisa per share. SEBI has failed in providing the particulars based on which SEBI has arrived on the calculation as mentioned in the report. His LTP contribution on account of his trades was negative, as his trades have not contributed to any price rise. Further, purchase price should have been taken on actual basis i.e. 76 paisa in his case.

#### **Noticee No. 14**

It has been alleged that he had made a gain of ₹22,43,919/-, however, he had minimum profit, as he had purchased the shares of the Company at the rate of 60 paisa per share and later on sold at 61 paisa per share. SEBI has failed in providing the particulars based on which SEBI has arrived on the calculation as mentioned in the report. His LTP contribution on account of his trades was negative, as his trades have not contributed to any price rise. Further, purchase price should have been taken on actual basis i.e. 60 paisa in his case.

#### **Noticee No. 15**

It has been alleged that she had made a gain of ₹14,97,483/-, however, she had incurred severe loss as she is still holding 55% of the shares purchased by her. She had bought shares of the Company at the rate of 70 paisa per share and sold at the rate of 73 paisa per share making a meagre profit. SEBI has failed in providing the particulars based on which SEBI has arrived on the calculation as mentioned in the report. She had not attributed any LTP contribution on account of her alleged trades. Further, purchase price should have been taken on actual basis i.e. 70 paisa in his case.

#### **Noticee No. 16**

It has been alleged that he had made a gain of ₹7,53,713/-, however, he had incurred severe loss, as he had purchased the shares of the Company at the rate of 70 paisa per share and later on sold at 65 paisa per share. SEBI has failed in providing the particulars based on which SEBI has arrived on the calculation as mentioned in the report. His LTP contribution on account of his trades was negative, as his trades have not contributed to any price rise. Further, purchase price should have been taken on actual basis i.e. 70 paisa in his case.

#### **Noticee No. 17**

- a. He is one of the directors in Atlanta Share Shoppee Ltd., Noticee No. since 25.01.2005. He was also one of the directors in Pari Stock Trading Pvt. Ltd. and he resigned from same on 04.06.2007.
- b. In year 2011 news came that the Company is in the process of setting up a plant nearby Sanand, Gujarat and believing the news and seeing the market trend, he had purchased shares of the Company. He had purchased 76 thousand shares of the Company at the rate of 53 paisa on 18.03.2011, 3 lakh shares of the Company at the rate of 55 paisa on 21.03.2011 and 1,101 shares

of the Company at the rate of 57 paisa on 22.03.2011. He purchased a total of 3,77,101 shares of the Company with total investment of ₹2,05,907/- in his individual capacity as investor for short term investment and jobbing in the market.

- c. He had sold his entire shareholding in the Company at rate of 64 paisa per share on 28.03.2011 at the last day of the trading of the financial year in trade to trade segment. Upon selling the same he had gained profit of ₹35,437/- excluding the expenses and taxes such totaling to ₹3,967/-, thus the net profit was ₹31,470/-. He was a small short term investor.

#### **Noticee No. 18**

- a. It had bought 86,811 shares of the Company during 10.07.2009 and 500 shares on 13.07.2009 through his broker Atlanta Share Shoppee Ltd. and taken deliveries, held them and remain invested. He sold entire holding of said 87,311 shares on 02.02.2011 by a onetime sale transaction and tendered deliveries thereof and met deliveries obligations. Hence, his sales of shares were on delivery versus payment basis through market mechanism and was thus, actual, real and genuine. He suffered a loss of ₹28,149.31 in the aforesaid investment transactions and he did not buy any shares of the Company during investigation period.
- b. He has been shown as connected to Mr. Bhavik Vaza, Noticee No. 10, who introduced him to the broker. The aforesaid connection does not get reflected in the trading also, as no connection of him was shown with Mr. Ashwinbhai Prabhudas Ruparel, Noticee No. 2. Except the Noticee No. 10, no connection is even shown with any other Noticee of the Group. Further, connection has been shown between Noticee No. 10 and 2. Therefore, the very basis of connection – connecting him with Noticee No. 2 is erroneous. Further, his name does not appear in the respective paras of SCN which deals with unlawful gain. In view of his submission he requested for relieve it from the instant adjudication proceedings.

#### **Noticee No. 19**

- a. He had executed several trades in the shares of the Company i.e. purchase of 10,59,496 shares at the rate of 74 paisa per share equivalent to ₹8,34,735. The SCN is based on an allegation of upward price movement in the shares of the Company, however, his aforesaid trades make it clear that he had only bought share at 74 paisa per share from the BOLT system on the floor of BSE and still hold the investment till the date of written submission.



- b. The above narrated transactional history of the scrip *qua* him, where the total benefit accruing to him is nil beyond any *iota* of doubt, manifests that the allegation levelled in the SCN against it *viz.* in the alleged collusion with the other Noticees, he indulged in creation of a misleading appearance of the shares of the Company in the securities market and created artificial volume in the said shares by repeatedly trading among the Group for the purpose of artificially inflating the price or for manipulating the price in the scrip is *ex-facie* incorrect, bereft of merits and is based purely on conjectures and surmises and for this reason alone the SCN *qua* him ought to be withdrawn.
- c. It is clear from the amount of money invested by him, the volume and frequency of trades done by him and the returns earned by him that the intention of a prudent investor like him could have never been to indulge in a fraudulent and deceitful act of artificially inflating the price of the scrip and willfully violating the provisions of the PFUTP Regulations. He also denied the allegation for new high price (NHP), to place the shares buy order 5 paisa higher. It is natural and usual to buy the share from the market/ BOLT when other are in queue to buy the shares.
- d. He is not at all related/ connected to the other Noticees either through common addresses and /or telephone numbers or by virtue of being a family member, nor through the pattern of off-market transactions as alleged in the SCN or otherwise. Allegation of connection with other Noticees is based on common telephone number, which is incorrect, as he informed his broker regarding the wrong telephone number and updating the same long back. Further, the transaction with Noticee No. 1 were usual loan transaction carried forward much before the investigation period and there was no financial transaction between them during the investigation period.
- e. The common telephone number which is also reflected in the mandatory legal requirement of KYC norms, does not by itself demonstrate and/or constitute a legally admissible, much less, reliable/cogent evidence, that he was a part of the Group which may have otherwise allegedly indulged in creating the artificial volume and misleading appearance of trading in the scrip so as to inflate its price. The SCN presupposes (wrongfully) that he and the other Noticees form a part of a certain Group for the purposes of the allegations made there under. It is reiterated that neither he was part of the Group nor in any manner whatsoever, connected to or related to the other Noticees. Further, he had not carried out any trading activity on the advice of, or in conjunction with other Noticees.

- f. Admittedly he had not traded in the shares of the Company during Patch-1 and thus did not gain any undue profit/ advantage as alleged. Further, there is no question of him being benefitted from any artificial inflation in any price of the share of the Company. He bought security in Patch-2 for the purpose of making benefits when the other Noticees would off-load shares in the market at an increased price in Patch-2. It is legally untenable to allege that the incidence of buying shares of the Company by him that too at approx. 74 paisa per share, constitutes a fraudulent or deceitful act as contemplated under PFUTP Regulations.
- g. He had executed a buy transaction which can in no way be connected to a larger conspiracy to fraudulently/artificially driving the price of the share of the Company upwards and subsequently, derive undue profits out of the said conspiracy.

**Noticee No. 20**

- a. In year 2011 news came that the Company is in the process of setting up a plant nearby Sanand, Gujarat and believing the news and seeing the market trend, he had purchased shares of the Company.
- b. He had purchased 76 thousand shares of the Company at the rate of 53 paisa on 18.03.2011, 3 lakh shares of the Company at the rate of 55 paisa on 21.03.2011 and 1,101 shares of the Company at the rate of 57 paisa on 22.03.2011. He purchased a total of 3,77,101 shares of the Company with total investment of ₹2,05,907/- in his individual capacity as investor for short term investment and jobbing in the market.
- c. In year 2009 the Company uploaded announcement on the BSE portal that the Company is in the process of setting up a plant nearby Sanand, Gujarat and believing the news and seeing the market trend, he had purchased 70 lakh shares of the Company at the rate of 60 paisa per share.
- d. He has sold his entire shareholding in the Company at average price of 45 paisa on various dates in the month of January-February, 2011 and made heavy loss in the investment as he was in the urgent need of money and he lost his entire money which he has invested elsewhere.
- e. In March, 2011 the balance sheet of the Company had been uploaded on BSE portal which declared very good profit in the business of the Company and further announcement of setting

up a plant. In view of same, there was a movement and reflection of the result of the Company in BSE in respect of above share transactions. Thus, the investment made by him turned in his favour and ultimately he decided to sell his shares even at the price less than the purchase price. Therefore, the allegations of making gains by off-loading the shares at the increased price is incorrect, devoid of merits and based on assumptions and presumptions.

- f. The only basis of connection between him and Mr. Paresh C. Doshi, Noticee No. 12 is that he was introduced by him to the broker. It is reiterated that neither it is part of the Group nor in any manner whatsoever, it is connected to or related to other Noticees. Further, it had not carried out any trading activity on the advice of, or in conjunction with, any of the other Noticees. It is therefore, clear that the SCN wrongfully alleges that it is part of the Group, which forms a necessary pre-condition for the variety of allegations made in the SCN.

### **Noticee No. 21**

- a. It is a SEBI registered stock broker of BSE. It bought and sold shares of the Company and executed orders of its clients in their name/ client code in the said scrip at the relevant time, in the capacity of a stock broker. It did not trade any shares of the Company in its own account or for its own benefit / gain. It was acting as brokerage firm and no transactions of personal management are allowed since its incorporation.
- b. It is pertinent to mention that no allegation of violation of any substantive provisions, such as PFUTP Regulations has been made against it. Alleged violation of one Code of Conduct only cannot, in the absence of any other sustentative violation of provision, stand valid in the eyes of law. Code of Conduct violation on a standalone basis has no relevance, substance and weight. Further, the allegation is vague, as it does not state what it should have done, what it did and how and in what manner it violated the said Code of Conduct.
- c. Its management/ directors are not connected with any Group or Noticees. It is not usually allowing trading on its name/ investment as per its policy.
- d. It is wrongly treated as "*connected*" with Galaxy Braking Ltd. (broker), Presilco Impex Ltd. (sub-broker) and SKSE Securities Ltd. (broker) which is a subsidiary of Saurashtra Kutch Stock Exchange, Rajkot. It is not shown as "*connected*" with any other entity of Group. Trading pattern

of each of its clients was varied, fragmented and separately textured by each. The so called 'connection' is immaterial and irrelevant as far as its client's trading is concerned.

- e. Mr. Jagdish G. Ved, Noticee No. 17 is its director as other directors. He was one of the directors of Pari Stock Trading Pvt. Ltd., who retired on 4.6.2007. Mr. Jagdish G. Ved has been separately charged for trading in his personal capacity. Pari Stock Broker Trading Pvt. Ltd. is a sub-broker of SKSE, while it is the main broker of BSE. Hence, connection of Atlanta shown with Pari on the basis Mr. Jagdish Ved is erroneous and wrong.
  - f. Its client Noticee No. 3, who sold 6 lacs shares of the Company on 6.1.2011 at 0.33 paisa (order Keyed at 12:38:38 Hrs) and matching with buy orders after over 3 hours (15:16:50 – 15:19:31 Hrs) through market mechanism cannot be faulted on the basis of the time difference/ gap and number of orders. Further, same show that there was no meeting of minds between them and the counter broker or end clients of both the brokers.
14. In the instant case, it is important to mention that in terms of aforesaid order dated November 08, 2017 the second AO had continued the proceedings pursuant to the SCN No. E&AO/RA/JP/13230/2016 dated May 06, 2016 and the opportunity of hearings were provided to all the Noticees as aforesaid. Thus, the charges and allegations as alleged in the said SCN are the subject matter of instant inquiry and adjudication. It is also important to note that erstwhile AO order dated October 27, 2017 was an *ex-parte* order, wherein none of the Noticees had filed their reply to the SCN and findings of the erstwhile AO and penalties imposed vide said order were based on the *prima facie* findings/ observations. I note that the SCN issued by erstwhile AO had to be continued and the matter had to be decided taking into account the replies/ submissions of the Noticees in response to the said SCN. In these peculiar facts and circumstances, the charges and allegation have to be dealt with *de novo* after receiving replies of the Noticees and granting opportunity of hearing and findings have to be arrived at and penalty, if any will have to be determined afresh. In this background of the matter, I proceed to consider the allegation levelled in the SCN and reply/submissions/additional written submissions of the Noticees and the relevant material brought on record.
15. I note that Noticees no. 6, 9 and 22 have neither availed the opportunity of inspection of documents nor did they file their reply to the SCN, despite service of notices/ letters upon them. In the facts and circumstances of this case, I am of the view that the Noticees No. 6, 9 and 22 have nothing to submit and in terms of rule 4(7) of the Adjudication Rules the matter can be proceeded *ex-parte* on the basis

of material available on record *qua* them. In absence of any response from the Noticees No. 6, 9 and 22, it is presumed that they have admitted the charge of provisions as alleged in the case. In this regard, the observations of Hon'ble Securities Appellate Tribunal (SAT) in the matter of *Classic Credit Ltd. vs. SEBI* (Appeal No. 68 of 2003 decided on December 08, 2006) are relevant to rely upon wherein it has that- "... *the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show cause notice were admitted by them*". Further, the Hon'ble SAT in the matter of *Sanjay Kumar Tayal & Others vs SEBI* (Appeal No. 68 of 2013 decided on February 11, 2014), has, *inter alia*, observed that: "... *appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges levelled against them in the show cause notices...*" Therefore, it can reasonably be presumed that the allegations/charges have been admitted by the Noticees No. 6, 9 and 22 in this case. The material on record do not indicate anything to *ex facie* hold otherwise.

16. It is noted that the Noticees have raised certain common contentions. One of such contentions is that there was delay in issuance of the SCN, as same is issued 5 years from the dates of settled trades and obligations between them and their brokers and the said delay has caused great prejudice to them. In this regard, it is noted that the investigation in this case had been initiated by SEBI upon observing significant trading i.e. approximately eight crore shares were traded in the scrip of the Company during the period January to June, 2011. Due to elaborate and extensive investigation process such as - co-ordination with concerned stock exchange in respect of a large number of entities, complexity of connections among them, extensive analysis of the data/ information, etc., in this case, the final investigation report was submitted in March, 2015. Thereafter, on approval of adjudication proceedings in the matter by competent authority, the erstwhile AO was appointed in April 12, 2016 and SCN was issued on May 06, 2016, informing the Noticees about the detailed charges/allegations against them. Upon receipt of SCN, the Noticees sought extension of time to file replies to the SCN. However, none of the Noticees had filed any reply to the SCN despite reminders to them. Subsequently, on the basis of material on record an adjudication order has been passed in the matter by the erstwhile AO on October 27, 2017. Thereafter, the Noticee No. 19 filed an appeal with Hon'ble SAT which was disposed of by Hon'ble SAT in terms of the order dated November 08, 2017 as aforesaid. Thereafter, substantial time has been consumed in proceedings by the respective Noticees in inspection of the documents and filing of replies/making submissions as aforesaid. I, therefore, find that the delay as alleged cannot be the sole ground to exonerate these Noticees from liability of penalty under SEBI Act, if the charges and allegations are established on desired preponderance of probability.

17. Another common contention of certain Noticees is that they have not been provided with copies of relevant documents. I note that the Noticees have been provided with Investigation Report along with the annexures to the said report. The annexures to the investigation report includes – BSE Examination Report, Shareholding Pattern/ Financial details/ Corporate announcements of the Company, Price Volume data of the scrip of the Company, Connection details and parameters, disclosure made by Noticee No. 20, Trade Volume data, Shares off-loaded by the Noticees during investigation period and LTP contribution data of the Group. In view of the same, I note that the aforesaid data/ information/ documents are the only relied upon documents in the instant case on the basis of which the Noticees have been charged in this case. Further, the Noticees have been given the opportunity of inspection of the documents and same have been availed by them, except Noticees No. 6, 9 and 22, who had not availed the said opportunity. Therefore, I am of the view that the Noticees have been provided with all the relied upon documents during the instant proceedings and they had filed their detailed written submissions/ additional written submissions on the basis of the same. I, therefore, do not agree with contentions of respective Noticees in this regard.
18. In this case, charges against the Noticees are – manipulation of price of the scrip of the Company by contributing positively in LTP, creation of artificial volume during Patch-1 of trading, creation of misleading appearance of trading in the scrip of the Company and off-loading shares in the market at increased price in Patch-2 and thereby some of the Noticees allegedly made unlawful gain of ₹1.60 crores.
19. One of the basis of the allegation is the alleged connection amongst the 20 Noticees who are alleged to have traded in the scrip during the investigation period. Some of the Noticees deny their connection with other entities in the Group. These Noticees have contended that their orders/ trades were separate, independent and stand alone and the respective Noticees had no connection with other Noticees or any counter broker or their clients or other investors in the matter with respect to their respective orders/ transactions in the said scrip. The factors for alleging connection amongst Group has been shown in the SCN in pictorial representation. From the said pictorial representation of connection, KYC documents, BSE Report, etc, it is noted that:
- a. Amrut Securities Limited (Noticee No. 1): Noticee No. 1 is connected to the Company through common directors of the group entities i.e. Ayodhyapati Investment Pvt Ltd., Noticee No. 7 and Om Education (It) Pvt Ltd., Noticee No. 9 {According to BSE Report one of the director of the

Company is Manoj Gandhi who is also director of Ayodhyapati Investment Pvt. Ltd. (group entity)}. Admittedly, the said director was a common director of Noticee No. 1 and aforesaid entities namely; Noticees No. 7 and 9 during the investigation period.

- b. Mr. Ashwinbhai Ruparel (Noticee No. 2): Noticee No. 2 transferred shares in off-market to Mr. Dharmesh Solanki, Noticee No. 8 on March 14, 2011, who was introduced by Mr. Paresh Doshi, Noticee No. 12 and director of Amrut Securities Ltd., Noticee No. 1, both share common contact no. 9375736363. The Noticee has not been able to give any plausible reason which can deny his alleged connection.
- c. Mr. Baldevsinh Vijaysinh Zala (Noticee No. 3): Noticee No. 3 was introduced by Mr. Paresh Doshi, Noticee No. 12 and both share common telephone number with Ayodhyapati Investment Pvt Ltd, Noticee No. 7. According to BSE Report Noticee No. 3 and Mr. Anil Gandhi, director of Ayodhyapati Investment Pvt Ltd has common address *viz., 10, station plot, Gondal 360311 Gujrat.*
- d. Mr. Manish Asher (Noticee No. 4): Noticee No. 4 is sibling of Ms. Sonal Kanaksingh Ashar, Noticee No. 5, who is also a common director of Aum Technocast Pvt Ltd. (group entity), Noticee No. 6 and also shares common telephone number with it. According to BSE Report father's name of Ms. Sonal Kanaksingh Ashar and Manish Ashar is Kanakshi Dayalal Asher.
- e. Ms. Sonal Kanaksingh Ashar (Noticee No. 5): Noticee No. 5 was introduced by Mr. Paresh Doshi, Noticee No. 12. Noticee No. 5 is a common director of Aum Technocast Pvt Ltd. (group entity) and she also shares common telephone number with it.
- f. Ayodhyapati Investment Pvt. Ltd. (Noticee No. 7): Mr. Amit Mehta is the common director of Noticee No. 7 and Aum Technocast Pvt Ltd. (group entity), Noticee No. 6. Further, Mr. Manoj Gandhi is the common director of Noticee No. 7, Pari Stock Trading Pvt Ltd. ('Pari') and Amrut Securities Ltd., Noticee No. 1.
- g. Dharmesh Narendrakumar Solanki (Noticee No. 8): Mr. Paresh Doshi, Noticee No. 12 has introduced him to the broker. Also, Noticee No. 2 had transferred shares in off-market to him on March 14, 2011.
- h. Mr. Bhavik Amrutlal Vaza (Noticee No. 10): Mr. Paresh Doshi, Noticee No. 12 and one of the directors of Amrut Securities Ltd has introduced him to the broker. Noticee No. 10 is a director

of the broker - Galaxy Broking Ltd. ('Galaxy') and Mr. Haresh Tejani, Noticee No. 11 is common director in Aum Technocast Pvt Ltd., a group entity and Galaxy.

- i. Mr. Haresh Tejani (Noticee No. 11): Mr. Paresh Doshi, Noticee No. 12 and one of the directors of Amrut Securities Ltd has introduced him to the broker and he is also common director in Aum Technocast Pvt Ltd., a group entity and Galaxy.
- j. Mr. Paresh Chamanlal Doshi (Noticee No. 12): He is one of the directors of Amrut Securities Ltd., Noticee No. 1 and Presilco Impex Ltd., Noticee No. 22. Further, he had introduced Noticees No. 3, 5, 8, 10, 11, 13, 19 and 20 to the broker.
- k. Mr. Pradeep Syamsunder Swain (Noticee No. 13): Mr. Paresh Doshi, Noticee No. 12 has introduced him to the broker.
- l. Mr. Shailesh Ved (Noticee No.14): He is one of the directors of Galaxy and introduced Mr. Manish Asher, Noticee No.4 to the broker.
- m. Ms. Bhavna Asher (Noticee No. 15): She and Mr. Manish Asher, Noticee No. 4 are husband and wife and share common address *viz.* 193, V.P.Road, Lalji Dayal Bldg, 1st Floor, R.No. 19, Mumbai-400004. She was also a director of Galaxy.
- n. Mr. Hemanshu Mehta (Noticee No. 16): He is a director of Om Education (IT) Pvt. Ltd, Noticee No. 9, a group entity.
- o. Mr. Jagdish Gordhandas Ved (Noticee No. 17): Mr. Jagdish Gordhandas Ved is one of the directors of broker Atlanta Share Shoppee Ltd, Noticee No. 21. He was also a director in Pari, which is connected to Ayodhyapati Investment Pvt Ltd, a group entity and Noticee No. 1 through common director Mr. Manoj Gandhi.
- p. Mr. Vijay Ramniklal Rupani (HUF) (Noticee No. 18): was introduced by Mr. Bhavik Amrutlal Vaza, Noticee No. 10 to the broker.
- q. Mr. Akash Harishbhai Desai (Noticee No. 19): He share common mobile number 9375736363 with Noticees No. 1, 5, 6, 7 and 12. Further, a fund transaction of amount ₹5,00,000/- has been observed between him and Noticee No. 1 on 07.07.2010.



- r. Mr. Manish Mansukhbhai Raja (Noticee No. 20): Mr. Paresh Doshi, Noticee No. 12 has introduced him to the broker.
- s. Atlanta Share Shoppee Ltd (Noticee No. 21): Mr. Jagdish Gordhandas Ved is one of the directors of broker Atlanta Share Shoppee Ltd. He was also a director in Pari, which is connected to Ayodhyapati Investment Pvt Ltd, a group entity and Noticee No. 1 through common director Mr. Manoj Gandhi.
- t. Presilco Impex Ltd. (Noticee No. 22): Noticee No. 12 is one of the directors of Presilco Impex Ltd. and Amrut Securities Ltd., Noticee No. 1. Further, he had introduced Noticees No. 3, 5, 8, 10, 11, 13, 19 and 20 to the broker.
- u. Aum Technocast Pvt Ltd, Noticee No. 6, Ayodhyapati Investment Pvt Ltd, Noticee No. 7 and Om Education (It) Pvt Ltd., Noticee No. 9 are the group entity of the Company connected with each other through common directors/ address/ contact number.
20. Noticee No. 7 had contended that common directors of Noticee No. 1 and it, Mr. Amit Mehta had resigned on 23.07.2013, while Mr. Manoj Gandhi had resigned on 18.02.2014 i.e. much before the SCN was issued. In this regard, I note that the aforesaid directors were the directors in Noticees No. 1 and 7 during investigation period i.e. when trades had taken place and thus the connection between Noticee No. 1 and 7, at relevant time, is established. Further, the connection amongst Noticee No. 7 and other Noticees i.e. Noticee No. 1 and 6 stand established on basis of common address. In view of the same, I find that the Noticee No. 7 is connected to the Group. Noticee No. 8 has contended that his connection has been shown only on the basis of his introduction to broker by Mr. Paresh C. Doshi, Noticee No. 12. However, it is noted that Noticee No. 2 had transferred him 3,77,000 shares of the Company in off-market transfer on March 14, 2011. Thus, I find the claim of Noticee No. 8 incorrect and note that he is also part of the Group.
21. Noticee No. 18 has submitted that he has been shown connected to the Group only on the basis of introduction of him to broker by Noticee No. 10. The aforesaid connection does not get reflected in the trading as there is no connection between Noticee No. 18 and his counter party Mr. Ashwinbhai Prabhudas Ruparel, Noticee No. 2 or any nexus between him and the broker. I find merit in the submissions of Noticee No. 18 and note that the very basis of connection of Noticee No. 18 with the entire Group is erroneous. I have also taken cognizance of the fact that Noticee No. 18 had traded

only once during the inspection period, wherein he sold his entire shareholding in the Company i.e. 87,311 shares on 02.02.2011 through a one-time sale transaction. Further, his contribution in the entire investigation period in the market volume of the scrip was merely 0.33%. There is no allegation on Noticee No. 18 with regard to price manipulation or unlawful gain and thus, he is not falling in the common thread of artificial appearance of trading - price manipulation - unlawful gain. Considering these facts and circumstances, I am of the opinion that the charge of fraudulent trading upon Noticee No. 18 merely on account of the aforesaid weak and incidental connection with Noticee No. 10 does not hold good and the same also is not established on desired degree of probability.

22. Noticee No. 19 has claimed that he had been shown connected to the Group on the basis of common telephone number only. He has submitted that he had informed his broker about the incorrect contact number and asked it to update the same long back. In this regard, I note that he has failed to produce any document substantiating his claim of updation of telephone number submitted by him to his broker. It is also noted that there was fund transaction of amount ₹5,00,000/- dated 07.07.2010 between Noticee No. 19 and Noticee No. 1. Thus, I find no merit in the claim of the Noticee No. 19.
23. I note that, Noticee No. 20 had bought 23,106 shares of the Company and sold 1,13,23,106 shares of the Company during the investigation period and he had topped the chart of top 10 sell clients by contributing 13.48% in sell market volume in the scrip of the Company. Further, his transactions with other Noticees resulted in positive LTP contribution in the scrip of the Company and while tagging his trades with other Noticees, he has substantially contributed in generating trading volume of the Company i.e. approx. 42% of the market volume out of 87% contributed by the Group. The pattern of trading of the Noticee No. 20 clearly negates the claim of his incidental connection amongst the other entities in the Group. His substantial trades in the scrip with other entities of the Group clearly shows that he was part of the Group and was in league with other entities who indulged in the impugned trading.
24. Noticee No. 21 has submitted that Mr. Jagdish G. Ved, Noticee No. 17, who was also the director in Pari and resigned on 04.06.2007 is one of its director like other directors. Further, Noticee No. 17 has been charged in this case in his personal capacity and Pari is a sub-broker of SKSE, unlike it who is the main broker of BSE. Thus, its connection shown with Pari on the basis Mr. Jagdish Ved is erroneous and wrong. In this regard, I note that, though notice No. 17 had resigned from Pari in June 2007 i.e. before the investigation period, but his trade in the scrip of the Company suggest otherwise.

Further, he had been found connected to the Noticees No. 1 and 7 of the Group. It is also noted that Noticee No. 21 had facilitated trades to the Noticees in the scrip of the Company. Therefore, argument of the Noticee No. 21 that it's one of the director, who is connected to the Group has traded in the individual capacity is of no help to it and thus, I find that Noticee No. 21 is connected to the Group *via* its director, who had traded in the scrip of the Company during inspection period.

25. In view of the above, I find that the connection/ relation amongst the respective Noticees has been established on the basis of factors described hereinabove such as common director in group companies, common address or contact number, family relationship, off-market transfer, introducer, fund transfer, etc. Except Noticee no. 18, others have not given any cogent reasons to negate their *inter se* connection. Their respective trades as alleged in the SCN are also not disputed by either of the Noticees. Thus, from the factors as relied upon in this case, it is established in this case that the Noticees No. 1-17 and 19-20 are connected/related to each other and they had traded during the Patch-I and Patch-II. Noticee no. 21 and 22 acting as stock broker and sub- broker, respectively facilitated the trades of respective Noticees during the investigation period.
26. Some of the Noticees have contended that the scrip of the Company was having upfront surveillance measures, monitored on a daily basis and was 100% delivery based i.e. the scrip of the Company was in "T" Group and that this reduces liquidity and only the interested parties take part in such scrip's trading as the buyer has to pay 100% payment and take deliveries and there is no speculative element in such scrip. I have noted that the scrip of the Company was included in "T" Group vide BSE Notice dated January 31, 2011. The "T" Group securities are settled on a trade-to-trade basis i.e. netting off in that security is not allowed and trading restrictions are in place on that security as a surveillance measure. Thus, usually, in the security placed in "T" Group, traded volume is relatively lower and manipulation in such security is difficult on a stand-alone basis of trading by individuals. In the instant case, allegation of fraudulent act on the Noticees is on account of their connections as a group rather than as an individual or on stand-alone basis. It is noted that, while trading in a Group in the scrip of the Company, their contribution was 87% of the market volume and thus, by trading at such a high volume by a Group, both volume as well as price can be manipulated despite the security classified to be part of "T" Group. In such a case, despite the security under 'trade to trade' settlement obligations i.e. compulsory delivery of shares and no netting of payment obligations, the security and funds simply rotate within the group. Therefore, I find no merit in such contentions.

27. The Noticees have submitted that in the year 2009 by virtue of an announcement published on the website of stock exchange, they got the information that the Company is in the process of setting up a plant nearby Sanand, Gujarat and believing the news and seeing the market trend they purchased shares of the Company. The Noticees further submitted that in March, 2011 the balance sheet of the Company had been uploaded on BSE portal which declared very good profit in the business of the Company and further announcement of setting up a plant. In view of same, there was a movement and reflection of the result of the Company in BSE in respect of share price of the Company and thereon they decided to sell their shareholding in Company. In this regard, I note that, it is matter of record that during the investigation period, no major corporate announcements were made by the Company, other than change of registered office, financial results, etc. Further, the financial results of the Company for financial year ending on March 31, 2010 was not such that it would have major impact on price/volume of the scrip of the Company, as total income during said Financial Year for the Company was ₹31 lakh and Profit After Tax was ₹24 lakh. On perusal of the BSE website, it is noted that there were certain announcements by the Company for increasing authorised share capital by way of issuance of securities convertible into equity shares through GDR/ADR/FCCB etc., in June 2009, which was subsequent to the purchase of shares by the Noticees. Thus, there is no evidence/supporting documents/ information available in public domain regarding the aforesaid claims of the Noticees. In view of the same, I find no merit in such submissions of the Noticees.
28. In the instant case, the trades that are the basis of allegations in the SCN are admitted by the Noticees. I note that Noticees No. 1-17 and 19-20 have failed to give any plausible reason/explanation for the alleged trades which are the basis of charge of fraudulent and manipulated trading by them. Further, the trading of these Noticees in Patch-I and Patch-II to artificially increase the price during the Patch-I and Patch-II needs to be seen holistically. The role played by these Noticees in the Patch-I and Patch-II also needs to be seen in the backdrop of scale and size of transactions as a common unit rather than fragmenting and isolating individual trades and acts of the respective Noticees.
29. One of the allegations in the SCN is that during Patch-1 of the investigation period 11 of the Noticees (Noticees No. 1-9 and 18 & 20) had traded among themselves and their trades resulted in creation of artificial volume and misleading appearance in the trading of the scrip. It has been alleged that the shares of the Company were traded at the large volume (87.17% of the market volume) amongst the Group during Patch-1. I have already found that the Noticee No. 18 cannot be said to be indulged in the alleged trading, hence the volume contributed on account of his trades cannot be taken into

account while calculating day wise volume contribution. Thus the day wise volume contribution by the Group excluding the Noticee No. 18 during Patch-1 of the investigation period would be as follows:

Date	Market Vol.	Group buy vol	Group buy % to Day Mkt. Vol.	Group Sell Vol.	Group Sell % to Day Mkt.	Net(Buy-Sell)	Trading among the group	TAG % to Day Mkt.
03-Jan-11	26,748	0	0.00	0	0.00	0	0	0.00
04-Jan-11	34,632	0	0.00	0	0.00	0	0	0.00
05-Jan-11	276	0	0.00	0	0.00	0	0	0.00
06-Jan-11	6,37,828	6,05,620	94.95	6,00,000	94.07	5,620	6,00,000	94.07
07-Jan-11	8,00,893	6,89,994	86.15	6,80,000	84.91	9,994	6,80,000	84.91
10-Jan-11	81,500	0	0.00	0	0.00	0	0	0.00
11-Jan-11	3,067	0	0.00	0	0.00	0	0	0.00
12-Jan-11	2	0	0.00	0	0.00	0	0	0.00
13-Jan-11	7,500	0	0.00	0	0.00	0	0	0.00
14-Jan-11	16,000	0	0.00	0	0.00	0	0	0.00
17-Jan-11	60,002	0	0.00	0	0.00	0	0	0.00
18-Jan-11	55,566	0	0.00	0	0.00	0	0	0.00
19-Jan-11	82,500	0	0.00	0	0.00	0	0	0.00
20-Jan-11	92,057	0	0.00	0	0.00	0	0	0.00
21-Jan-11	63,755	0	0.00	0	0.00	0	0	0.00
24-Jan-11	37,600	0	0.00	0	0.00	0	0	0.00
25-Jan-11	78,087	0	0.00	0	0.00	0	0	0.00
27-Jan-11	8,45,204	7,99,000	94.53	8,00,000	94.65	-1,000	7,99,000	94.53
28-Jan-11	24,507	12,807	52.26	0	0.00	12,807	0	0.00
31-Jan-11	8,99,078	8,01,000	89.09	8,00,000	88.98	1,000	8,00,000	88.98
01-Feb-11	8,72,815	8,00,000	91.66	8,00,000	91.66	0	8,00,000	91.66
02-Feb-11	3,25,137	2,00,000	61.52	2,00,000	61.52	0	1,99,998	61.51
03-Feb-11	63,449	0	0.00	0	0.00	0	0	0.00
04-Feb-11	9,15,702	8,00,000	87.36	8,00,000	87.36	0	7,95,500	86.87
07-Feb-11	9,47,494	8,39,500	88.60	8,50,000	89.71	-10,500	8,24,500	87.02
08-Feb-11	1,01,405	0	0.00	0	0.00	0	0	0.00
09-Feb-11	9,56,316	7,15,036	74.77	8,00,000	83.65	-84,964	6,84,498	71.58
10-Feb-11	18,08,696	16,95,000	93.71	16,70,957	92.38	24,043	16,70,857	92.38
11-Feb-11	3,42,553	3,33,243	97.28	2,54,043	74.16	79,200	2,54,033	74.16
14-Feb-11	9,44,646	8,45,000	89.45	8,45,000	89.45	0	8,45,000	89.45
15-Feb-11	16,89,500	16,41,000	97.13	16,40,000	97.07	1,000	16,34,400	96.74
16-Feb-11	8,64,100	8,50,000	98.37	8,52,845	98.70	-2,845	8,44,789	97.77
17-Feb-11	2,76,200	2,01,500	72.95	2,70,000	97.76	-68,500	2,01,500	72.95
18-Feb-11	500	0	0.00	0	0.00	0	0	0.00
21-Feb-11	6,79,111	6,15,000	90.56	6,43,600	94.77	-28,600	5,94,500	87.54
22-Feb-11	13,79,795	12,86,795	93.26	13,42,000	97.26	-55,205	12,86,795	93.26
23-Feb-11	10,46,200	10,43,699	99.76	10,43,000	99.69	699	10,42,979	99.69
24-Feb-11	11,72,519	10,07,518	85.93	11,66,519	99.49	-1,59,001	10,07,518	85.93
25-Feb-11	9,68,595	8,39,000	86.62	8,39,000	86.62	0	8,31,963	85.89
28-Feb-11	16,82,829	16,77,429	99.68	16,15,642	96.01	61,787	16,10,242	95.69
01-Mar-11	8,76,680	8,26,680	94.30	8,53,495	97.36	-26,815	8,03,495	91.65
03-Mar-11	13,58,512	12,96,012	95.40	12,86,430	94.69	9,582	12,23,930	90.09
04-Mar-11	8,58,035	7,58,035	88.35	8,53,535	99.48	-95,500	7,53,535	87.82
07-Mar-11	4,85,000	3,63,799	75.01	4,25,000	87.63	-61,201	3,03,799	62.64
08-Mar-11	8,29,117	8,09,117	97.59	8,24,000	99.38	-14,883	8,04,000	96.97
09-Mar-11	4,96,440	4,86,240	97.95	4,95,500	99.81	-9,260	4,85,500	97.80
10-Mar-11	48,970	34,970	71.41	34,970	71.41	0	34,970	71.41
11-Mar-11	21,906	1,000	4.56	0	0.00	1,000	0	0.00
14-Mar-11	8,03,046	7,95,590	99.07	7,37,000	91.78	58,590	7,36,500	91.71
<b>Total</b>	<b>2,66,62,070</b>	<b>2,36,69,584</b>	<b>88.78</b>	<b>2,40,22,536</b>	<b>90.10</b>	<b>-3,52,952</b>	<b>2,31,53,801</b>	<b>86.84</b>

30. From the day wise volume of trades of scrip during Patch-1 it is noted that –

- a. On January 3, 4 and 5, 2011, the shares of the Company were traded in low volume i.e. 26,748 shares, 34,632 shares and 276 shares respectively with an average of 20,552 shares. However, on January 6, 2011, there was steep increase in the market volume in the scrip, when the market volume had substantially increased to 6,37,828 shares i.e. 30 times to previous three days' average volume. It is observed that such a steep rise in the volume was due to the trades amongst the Group i.e. Noticee No. 2 had sold 6,00,000 shares of the Company to Noticee No. 3, which was the 94% of the market volume. Similarly, on January 7, 2011, the group sell volume was 6,80,000 shares which was 84.91% of the total market volume of 8,00,893.
- b. From January 10, 2011 till January 25, 2011, when the group trading volume was zero, the total market trading volume in the scrip of the Company fell to an average of 48,136 shares, with the lowest trade volume being recorded on January 12, 2011 of 2 shares, and the highest trade volume on January 20, 2011 of 92,057 shares.
- c. The modus-operandi adopted by the Group as observed from the trades executed during January 03, 2011 to March 14, 2011 is illustrated below:
- The steep increase in the volume of shares on January 06, 2011 was due to the trades amongst the Group of the said ten entities. I further note that Mr. Ashwinbhai Prabhudas Ruparel (Noticee No. 2), had sold 6,00,000 shares to Mr. Baldevsinh Vijaysinh Zala (Noticee No.3) which was 94% of the market volume.
  - I note that the broker Atlanta Shopee Ltd. (connected to the Group and Noticee No.17) had placed the sell order on behalf of its client Mr. Baldevsinh Vijaysinh Zala for 6 lakhs shares at Rs.0.33 at 12:38:38, the entire sell quantity was bought by Mr. Ashwinbhai Prabhudas Ruparel through 48 buy orders between 15:16:50 and 15:19:31 through the sub-broker Presilco Impex Ltd., (connected to the Group and Noticee No. 12 who is director of Presilco), affiliated with Stock broker SKSE Securities Ltd. It is to be noted that both broker and sub-broker i.e. Noticees No. 21 and 22 have been found to be connected to the Group.
- d. Noticees No. 1, 2, 6 and 7 had only bought the shares, while Noticees No. 3, 4, 5 had only sold the shares. Noticees No. 8, 9 and 20 had done both i.e. sold and bought the shares. Noticee No. 7 was the largest buyer and Noticee No. 2 was the largest seller during Patch-1.

e. Subsequently a large volume of shares was sold by these Noticees during Patch-2.

31. It is also noted that the Group of following 19 Noticees had bought 2,73,77,160 shares i.e. 32.58% of the market volume (8,40,17,121 shares) and sold 7,23,20,982 shares i.e. 86.07% of market volume during the investigation period -

S. N.	Client Name	Gross Buy	Gross Sell	Net(sell-buy)	Gross Buy % to total Buy vol.	Gross Sell % to total Sell vol.	Net Trade % to total trade vol.
1	Ayodhyapati Investment Pvt Ltd	77,32,184	0	77,32,184	9.20	0.00	9.20
2	Amrut Securities Ltd.	64,00,572	1,43,675	62,56,897	7.62	0.17	7.45
3	Aum Technocast Pvt. Ltd	49,14,157	0	49,14,157	5.85	0.00	5.85
4	Ashwinbhai Prabhudas Ruparel	48,50,765	4,06,000	44,44,765	5.77	0.48	5.29
5	Om Education (It) Pvt Ltd	16,41,079	4,96,430	11,44,649	1.95	0.59	1.36
6	Akash Harishbhai Desai	10,59,996	500	10,59,496	1.26	0.00	1.26
7	Jagdish Gordhandas Ved	3,77,101	3,77,101	0	0.45	0.45	0.00
8	Dharmesh Narendrakumar Solanki	3,77,000	73,77,000	-70,00,000	0.45	8.78	-8.33
9	Manish Mansukhlal Raja	23,106	1,13,23,106	-1,13,00,000	0.03	13.48	-13.45
10	Paresh Chamanlal Doshi	1,000	70,01,000	-70,00,000	0.00	8.33	-8.33
11	Haresh Lalitbhai Tejani	200	39,74,200	-39,74,000	0.00	4.73	-4.73
12	Sonal Kanaksingh Ashar	0	42,00,000	-42,00,000	0.00	5.00	-5.00
13	Manish Kanakshi Ashar	0	42,00,000	-42,00,000	0.00	5.00	-5.00
14	Bhavana Manish Asher	0	37,00,000	-37,00,000	0.00	4.40	-4.40
15	Bhavik Amrutlal Vaza	0	38,67,305	-38,67,305	0.00	4.60	-4.60
16	Hemanshu P Mehta	0	20,00,000	-20,00,000	0.00	2.38	-2.38
17	Pradeep Syamsunder Swain	0	69,74,665	-69,74,665	0.00	8.30	-8.30
18	Baldevsinh Vijaysinh Zala	0	82,80,000	-82,80,000	0.00	9.86	-9.86
19	Shailesh Mulraj Ved	0	80,00,000	-80,00,000	0.00	9.52	-9.52
<b>Group Total</b>		<b>2,73,77,160</b>	<b>7,23,20,982</b>	<b>-4,49,43,822</b>	<b>32.58</b>	<b>86.07</b>	<b>-53.49</b>

32. I note that the trading volume in the scrip of the Company was quite low while the aforesaid ten Noticees were not trading in the market, however, when they started trading in the scrip amongst themselves, the volume in the scrip raised substantially. These Noticees, by trading among themselves, created huge artificial volume in the market on most of the days. I am of the view that such high trading volume in the scrip concentrated to a small set of individuals cannot be by virtue of merely a

coincidence. Such trades in Patch-1 show a manipulative device in connection with its dealing in said scrip. In view of the aforesaid *modus operandi* and repeated huge indulgence in trading by the Noticee No. 1-9 & 20 during Patch-1, I find that these Noticees had traded among themselves heavily in order to create artificial volume and misleading appearance of trading in the scrip. Therefore, I am of a view that the Noticee No. 1-9 & 20 had acted fraudulently and violated the provisions of the regulations 3 (a), (b), (c), (d), 4 (1) and 4 (2) (a) & (g) of the PFUTP Regulations.

33. The other allegation is that 16 of Noticees of the Group viz. Noticees No. 1-14, 19 and 20 traded amongst themselves and contributed the positive LTP of ₹1.86 i.e. 22.36 % of market positive LTP in the scrip of the Company. From the LTP analysis in the investigation report it is noted that out of these 16 Noticees, two Noticees i.e. Noticee No. 2 and Noticee No. 19 had major contribution in LTP in the scrip of the Company. Noticee No. 2 had contributed ₹0.56 i.e. 6.73 % of market positive LTP in the scrip of the Company and Noticee No. 19 had contributed ₹0.96 i.e. 11.53 % of market positive LTP in the scrip of the Company. Taken together these two Noticees had contributed total 18.26% of the market positive LTP in the scrip. When seen in isolation, the arguments taken by these Noticees appear attractive. However, when seen holistically, when all the 16 Noticees being part of a Group consisting of several connected entities, who fraudulently traded to create artificial volume and misleading appearance of trading in the scrip, the arguments clearly look otherwise. Though individually the LTP contribution of other 14 Noticees out of the said 16 Noticees is small, considering the fact that these Noticees were connected and acting in league in a Group and traded amongst themselves in the scrip and created artificial volume in the scrip, they have contributed significantly to the positive LTP which resulted in manipulation of the price of the scrip. Such an act of these Noticees cannot be considered as normal market practice or trading pattern. Here, it is important to refer to the observations made by the Hon'ble Securities Appellate Tribunal (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.”

34. It may be relevant to refer to the observations of the Hon'ble SAT in its order dated July 14, 2006 in *Ketan Parekh Vs. SEBI*, wherein it was held that: “When a person takes part in or enters into transactions in securities with the intention to artificially raise or depress the price he thereby automatically induces the innocent investors



*in the market to buy / sell their stocks. The buyer or the seller is invariably influenced by the price of the stocks and if that is being manipulated the person doing so is necessarily influencing the decision of the buyer / seller thereby inducing him to buy or sell depending upon how the market has been manipulated. We are therefore of the view that inducement to any person to buy or sell securities is the necessary consequence of manipulation and flows therefrom. In other words, if the factum of manipulation is established it will necessarily follow that the investors in the market had been induced to buy or sell and that no further proof in this regard is required. The market, as already observed, is so wide spread that it may not be humanly possible for the Board to track the persons who were actually induced to buy or sell securities as a result of manipulation and law can never impose on the Board a burden which is impossible to be discharged. This, in our view, clearly flows from the plain language of Regulation 4(a) of the Regulations.”*

35. In view of the above, I find that Noticees No. 1-14, 19 and 20 had manipulated the price of the scrip of the Company and thereby violated the provision of regulation 3 (a), (b), (c), (d), 4 (1) & 4 (2) (a) and (e) of the PFUTP Regulations.
36. I note that prior to the creation of artificial volume, i.e., on January 3, 2011, the opening price of the scrip was ₹0.31. While the group entities were trading among themselves and creating artificial volume, i.e. upto March 14, 2011, the price of the scrip saw a steady rise and the closing price of the scrip on March 14, 2011 was ₹0.44. I note that on account of the trading among the group entities including the Noticees which resulted in the creation of artificial volume in the scrip, the price of the scrip went as high as ₹0.90 on April 27, 2011 and generated interest in the innocent investors and during March 15, 2011 and June 8, 2011, the Noticees 1-5 and 10-17 offloaded their shares at various increased prices and made unlawful gains. It has been alleged that these Noticees made an unlawful gain of ₹1,60,76,904. In this regard, these Noticees have contended that gains, if any made by them are not unlawful and computation price of gains is based on false purchase price i.e. price at the beginning of investigation period rather than actual purchase price. It is relevant to mention that vide order no. WTM/MB/SEBI/EFD-DRA-3/71/2018 dated December 31, 2018, SEBI has directed them to disgorge the said unlawful gain of ₹1,60,76,904/- along with simple interest @12% per annum calculated from the respective dates of their transaction till the respective dates of payment. Be that as it may, it is established, in this case, that the respective Noticees as found hereinabove have indulged in fraudulent and manipulative trading thereby creating artificial volume and misleading appearance of trading in the scrip of the Company and manipulating the price of the scrip. Noticee No.12 though had not traded in scrip in Patch-1, he had introduced Noticees No. 3, 5, 8, 10, 11, 13, 19 and 20 to the broker and was thus an active participant in the plan/ scheme/ artifice employed and orchestrated by

the Group of entities as found hereinabove. Further, he had made substantial unlawful gains by off-loading his shares in Patch-2. Though Noticees No. 10, 11, 13-17 themselves were not involved in the creation of artificial volume/ misleading appearance/price manipulation in the scrip, they had substantially benefitted from the scheme orchestrated by the Group of which they were also part as they had off-loaded substantial number of shares in Patch-2 and got major part of the unlawful gains. Thus, these Noticees have also violated provision of regulations 3 (a), (b), (c), (d), 4 (1) & 4 (2) (a) of the PFUTP Regulations.

37. With regard to the role of the stock broker and sub-broker i.e. Notice No. 21 and 22, respectively. I note that Noticees No. 1-9 and 20 had executed their trades through Noticees No. 21 and 22 and Galaxy. The Noticees No. 21 and 22 are found to be connected with the Noticees in the Group. Details of shares traded by the Group through them during investigation period are as follows:

<b>Buy Member Name</b>	<b>Sell Member Name</b>	<b>Total</b>
SKSE Securities Ltd.(Presilco Impex Ltd.)	Atlanta Share Shopee Ltd.	1,41,90,800
SKSE Securities Ltd. (Presilco Impex	Galaxy Broking Ltd.	8,48,000
Atlanta Share Shopee Ltd.	SKSE Securities Ltd. (Presilco Impex Ltd.)	71,25,422
Atlanta Share Shopee Ltd.	Galaxy Broking Ltd.	10,76,890
<b>Grand Total</b>		<b>2,32,41,112</b>

38. From the above table, it is noted that Noticees No. 21 and 22 had executed substantial trades in the scrip of the Company for the Group i.e. 2,13,16,222 shares i.e. approximately 80% of the total market volume during the investigation period). Further, such voluminous trades by the Group had resulted in the creation of artificial volume and price rise in the said scrip. Considering the fact that the connected clients were repeatedly trading in a fraudulent manner in a T group scrip, these Noticees were expected to be more diligent and careful. The pattern of trading as observed in this case could reasonably indicate to any prudent broker that there was something amiss. Therefore, I am of the view that being a stock broker and sub broker, the Noticee No. 21 and 22 should have taken due care and diligence while executing the alleged trades of their clients. Considering the same, I find that Noticees No. 21 & 22 had failed in exercising due skill, care and diligence while executing alleged manipulative trades of its client during investigation period in the scrip of the Company, and therefore, Noticee No. 21 had violated clause A (2) of Schedule II of the Code of Conduct read with regulation 7 of the Stock Broker Regulations; and Noticee No. 22 had violated clause A (2) of Schedule II of the Code of Conduct read with regulation 15 of the Stock Brokers Regulations.

39. With regard to Noticee No. 20, it is noted that change in his shareholding in the Company was 1.49% instead of alleged 2% or more, as he was holding 6.46% shares at the starting of the investigation period and 4.97% on February 04, 2011. Regulation 13(3) of the PIT Regulations provides for making disclosures to the Company, in case a person is holding more than 5% shares or voting rights in a listed company and there is a change of more than 2% in his total shareholding or voting rights in that company. In the instant case, the change in his shareholding in the Company was less than 2%, therefore, I hereby find that the violation of regulation 13(3) of the PIT Regulations as alleged against the Noticee No. 20 is not established.
40. With respect to aforesaid findings and allegations, the Noticees have contended that the alleged trades were executed on BSE's BOLT trading platform, which is an on-line, real time computerized, price and time priority matching trading system for orders keyed-in in different scrips through a large number of terminals spread throughout the country. The trading module is, therefore, anonymous and therefore they did not know the names of counter brokers and their ultimate clients at the relevant time. I note that though direct evidence is not available in the present matter as regards to meeting of minds or collusion of the Noticees with other Noticees in the Group. The genuineness of trading has to be determined based upon circumstantial evidence involving a bundle of factors such as trading pattern, liquidity and volatility in the scrip, 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 the 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."* The Hon'ble Supreme Court further observed that – *"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."*

41. Considering the facts and circumstances as found hereinabove, I do not agree with submissions of the Noticee that the trades executed on BSE BOLT platform in “T” Group scrip cannot be termed as fraudulent, since the trading done by the Noticees was in an on-line anonymous driven system. I note that the impugned trades were carried out by the Noticees within a Group in a “T” group scrip, where liquidity is generally low. Further, before the trading by the Group in Patch-1, there was very low participation of public in the trading of the said scrip. The impugned trades were undertaken by the respective Noticees among themselves with a predetermined arrangement to book profit or losses respectively, and, therefore, the parties to the trades were not trading in the normal sense and ordinary course of business. In view of the foregoing, I hold that the entities in the Group had indulged in execution of non-genuine trades within the Group and thus generated artificial volumes in the said scrip, contributed in positive LTP and therein artificially instrumental in price rise in the said scrip during Patch-1 and completed the full circle by off-loading the shares of the Company in Patch-2.
42. The Noticees in the instant case have further contended that the primary responsibility for monitoring transactions is of the stock exchanges and this was stated in SEBI's press clarification dated 3-8-2005 in response to the Financial Express editorial titled God's Eye. In this regard, I Note that Hon'ble Supreme Court in the matter of *SEBI vs. Rakhi Trading Private Ltd.* held that - *“The stock market is not a platform for any fraudulent or unfair trade practice. The field is open to all the investors.”* I, therefore, find that though the primary responsibility for monitoring the transactions is of the stock exchanges, but the Noticees by trading in a Group in consistent pattern of dealings among themselves in a “T” Group security demonstrates the manipulative intent to use stock exchange platform to carry out non-genuine trades. I also note that such undesirable transactions would certainly include unfair practices in trade and thus, orchestrated trades are a misuse of the market mechanism and therefore, I reject such contentions of the Noticees.
43. With regard to Noticees' submissions of no prior meeting of minds, weak link among them or non-availability of higher standard of proof of allegations, I would like to refer the judgement of Hon'ble Supreme Court in the matter of *Kishore R. Ajmera* case wherein it was held that *“In the quasi-judicial proceeding before SEBI, the standard of proof is preponderance of probability. 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 are as on able/prudent man would adopt to arrive at a conclusion.”*

44. It is noteworthy that the trading of the Noticees as observed during the investigation period was not supported by any fundamentals of the Company. Further, no major corporate announcements were made by the Company other than declaration of financial results which could be suggestive of genuine trading and price movement before or during the investigation period. In the facts and circumstances of this case, it can reasonably be inferred that the impugned trades of the Noticees were carried out with a predetermined arrangement and with prior meeting of minds amongst the Group. I am of the considered view that the manipulation in the price of the scrip by a Group of Noticees, who were connected/related with each other has the potential to induce gullible and genuine investors to trade in the scrip and harm them.
45. I, therefore, find that by indulging in fraudulent, unfair and manipulative acts as established in this case the respective Noticees have contravened the following provisions of PFUTP Regulations and Stock Broker Regulations:

S.No.	Noticees	Findings	Violations
1	Noticees No. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 20	Created the misleading appearance in the securities market by trading among the group.	3 (a), (b), (c), (d), 4 (1) & 4 (2) (a) & (g) of the PFUTP Regulations
2	Noticees No. 1-14, 19 and 20	Manipulated the price of the scrip – LTP contribution.	3 (a), (b), (c), (d), 4 (1) & 4 (2) (a) & (e) of the PFUTP Regulations.
3	Noticees No. 1, 2, 3, 4, 5, 10, 11, 12, 13, 14, 15, 16 and 17	Made gain by off-loading the shares at the increased price.	3 (a), (b), (c), (d), 4 (1) & 4 (2) (a) of the PFUTP Regulations.
4	Noticee No. 21	Broker to the entities who had created the misleading appearance in the securities market.	Clause A (2) of Schedule II of the Code of Conduct read with regulation 7 of the Stock Broker Regulations.
5	Noticee No. 22	Sub-broker to the entities who had created the misleading appearance in the securities market.	Clause A (2) of Schedule II of the Code of Conduct read with regulation 15 of the Stock Brokers Regulations.

46. The acts of artificially increasing the price of scrip have misled and induce gullible and genuine investors to trade in the scrip and harm them and, thus, the fundamental tenets of market integrity get violated with impunity due to such fraudulent acts. Considering the aforesaid facts and circumstances

of this case, I am of the opinion that this case deserves imposition of penalty under section 15HA of the SEBI Act upon Noticees No. 1-17, 19 and 20; and under section 15 HB of the SEBI Act upon Noticees No. 21 and 22. The provisions of sections 15HA and 15 HB of the SEBI Act are reproduced as under:

***Penalty for fraudulent and unfair trade practices.***

***15HA.*** *If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty of twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.*

***Penalty for contravention where no separate penalty has been provided.***

***15HB.*** *Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which may extend to one crore rupees.*

47. When seen lexicographically, the minimum penalty under aforesaid section 15HA of the SEBI Act at the relevant time was twenty-five crore rupees. In this regard, in the explanation appended to section 15J, which was brought vide Part VIII of Chapter VI of the Finance Act, 2017 after Judgement of Hon'ble Supreme Court in the case of *Roofit Industries* wherein it was ruled that minimum prescribed is sacrosanct, the legislative intent has been reinforced that while adjudging the quantum of penalty the adjudicating officer has discretion and such discretion should be exercised having due regard to the factors specified in section 15J. It is also settled position that the words "*shall be liable to*" used in the context of "*penalty*" in any statute, do not convey an absolute imperative; they are merely directory and leave it to the discretion of the authority to impose any penalty as he deems fit and commensurate with violation. Further, from the ratio of the Judgement of Hon'ble SAT in several matters including in the matter of *M/s. Ushdev Trade Ltd. vs. SEBI (SAT Appeal No 106 of 2010- Order dated 14.9. 10)*, it is noted that the adjudicating officer is not bound to be always within the range specified in respective section while imposing the penalty on a delinquent and he must exercise his discretion in imposing any penalty having regard to the factors listed in section 15J.
48. For the purpose of adjudication of penalty, it is relevant to mention that under section 15I of the SEBI Act imposition of penalty is linked to the subjective satisfaction of the Adjudicating Officer. The words in the section that "*he may impose such penalty*" are of considerable significance, especially in view of the guidelines provided by the legislature in section 15J of the SEBI Act. Further, while adjudging the quantum of penalty the adjudicating officer has discretion and such discretion should be exercised

having due regard to the factors specified in section 15J. The factors stipulated in Section 15J, which reads as follows: -

***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 investor/ +s as a result of the default;*
- (c) the repetitive nature of the default.*

*Explanation-For the removal of doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.*

49. While having regard to the factors listed in section 15J and the guidelines issued by Hon'ble Supreme Court of India in *SEBI Vs Bhavesh Pabari Civil Appeal No(S).11311 of 2013* vide judgement dated February 28, 2019 also need to be followed while imposing monetary penalty under the SEBI Act. Further, while imposing penalty it is the accountability of the adjudicating authority to remind himself about his role and reverence for rule of law. He must evince the rationalized judicial discretion and not an individual perception or moral propensity. In the peculiar facts and circumstances of this case, the quantum of penalty has to be adjudged also taking into account the role played by respective Noticees and the magnitude of trades by them, contribution to LTP, unlawful gains, if any, as found in this case and by applying principle of proportionality.
50. In the facts and circumstances of this case, the fraudulent and manipulative acts of Noticees No. 1-9, 12, 19 and 20 and lack of due care and diligence on the part of Noticees No. 21 and 22, as found in this case should be suitably penalized. It is relevant to take into account that Noticees No. 1-5 and 10-17 has also been directed to disgorge their unlawful gains. However, considering the respective roles and active involvement by trading and making unlawful gains during the relevant period in fraudulent manner pursuant to a fraudulent device and plan, no lenient view can be taken so as to exonerate these Noticees merely on the ground that they have been directed to disgorge their unlawful gains. There are no allegations on the Noticee No. 21 and 22 with regard to any collusion or connivance with other Noticees who are found to be indulged in fraudulent dealings. The only charge against Noticees No. 21 and 22 is with regard to lack of due care and diligence. I am also mindful of the fact that the instant proceedings have been initiated in 2016 much after the impugned trades in questions i.e. January –

June, 2011. Considering the nature of violation in this case such delay in enforcing the provisions of law in my view, would not hinder imposition of monetary penalty lest it should lead to compromising with the purpose of effective deterrence. I note that, the leniency to exonerate the violators merely on account of delay in initiation of these proceedings be against the very objective of penal provisions under section 15HA and 15HB of the SEBI Act. Although such delay could be considered as a mitigating factor while adjudging the quantum of penalty.

51. In view of the above guiding principles, factors under section 15J and striking a balance between the gravity of default and mitigating factors as aforesaid, and exercising the powers conferred upon me under section 15I of the SEBI Act read with Rule 5 of the Adjudication Rules, I hereby impose, monetary penalty on the Noticees *viz.* Amrut Securities Ltd., Mr. Ashwinbhai Prabhudas Ruparel, Mr. Baldevsinh Vijasinh Zala, Mr. Manish Kanakshi Ashar, Ms. Sonal Kanksingh Ashar, Aum Technocast Pvt. Ltd., Ayodhyapati Investment Pvt. Ltd., Mr. Dharmesh Narendra Kumar Solanki, Om Education (IT) Pvt. Ltd., Mr. Bhavik Amrutlal Vaza, Mr. Hareesh Lalitbhai Tejani, Mr. Paresch Chamanlal Doshi, Mr. Pradeep Shyamsundar Swain, Mr. Shailesh Mulraj Ved, Ms. Bhavana Manish Asher, Mr. Hemanshu P. Mehta, Mr. Jagdish Gordhandas Ved, Mr. Akash Harishbhai Desai and Mr. Manish Mansukhbhai Raja under section 15HA of the SEBI Act; and on the Noticees *viz.* Atlanta Share Shoppee Ltd and Presilco Impex Ltd. under section 15HB of the SEBI Act as given in the following table. In my view, the said penalty is commensurate with the violations committed by the aforesaid Noticees in this case:

S.No.	Noticee	Amount of Penalty	Applicable Section
1	Amrut Securities Ltd. (Noticee No. 1)	₹5,00,000/- (Rupees Five Lakh Only)	Section 15HA of the SEBI Act
2	Mr. Ashwinbhai Prabhudas Ruparel (Noticee No. 2)	₹15,00,000/- (Rupees Fifteen Lakh Only)	
3	Mr. Baldevsinh Vijasinh Zala (Noticee No. 3)	₹20,00,000/- (Rupees Twenty Lakh Only)	
4	Mr. Manish Kanakshi Ashar (Noticee No. 4)	₹15,00,000/- (Rupees Fifteen Lakh Only)	
5	Ms. Sonal Kanksingh Ashar (Noticee No. 5)	₹10,00,000/- (Rupees Ten Lakh Only)	
6	Aum Technocast Pvt. Ltd. (Noticee No. 6)	₹5,00,000/- (Rupees Five Lakh Only)	
7	Ayodhyapati Investment Pvt. Ltd. (Noticee No. 7)	₹10,00,000/- (Rupees Ten Lakh Only)	



8	Mr. Dharmesh Narendra Kumar Solanki (Noticee No. 8)	₹10,00,000/- (Rupees Ten Lakh Only)	
9	Om Education (IT) Pvt. Ltd. (Noticee No. 9)	₹5,00,000/- (Rupees Five Lakh Only)	
10	Mr. Bhavik Amrutlal Vaza (Noticee No. 10)	₹10,00,000/- (Rupees Ten Lakh Only)	
11	Mr. Haresh Lalitbhai Tejani (Noticee No. 11)	₹10,00,000/- (Rupees Ten Lakh Only)	
12	Mr. Paresch Chamanlal Doshi (Noticee No. 12)	₹20,00,000/- (Rupees Twenty Lakh Only)	
13	Mr. Pradeep Shyamsundar Swain (Noticee No. 13)	₹10,00,000/- (Rupees Ten Lakh Only)	
14	Mr. Shailesh Mulraj Ved (Noticee No. 14)	₹10,00,000/- (Rupees Ten Lakh Only)	
15	Ms. Bhavana Manish Asher (Noticee No. 15)	₹8,00,000/- (Rupees Eight Lakh Only)	
16	Mr. Hemanshu P. Mehta (Noticee No. 16)	₹5,00,000/- (Rupees Five Lakh Only)	
17	Mr. Jagdish Gordhandas Ved (Noticee No. 17)	₹2,00,000/- (Rupees Two Lakh Only)	
18	Mr. Akash Harishbhai Desai (Noticee No. 19)	₹5,00,000/- (Rupees Five Lakh Only)	
19	Mr. Manish Mansukhbhai Raja (Noticee No. 20)	₹10,00,000/- (Rupees Ten Lakh Only)	
20	Atlanta Share Shoppee Ltd (Noticee No. 21)	₹2,00,000/- (Rupees Two Lakh Only)	Section 15HB of the SEBI Act.
21	Presilco Impex Ltd. (Noticee No. 22)	₹2,00,000/- (Rupees Two Lakh Only)	

52. The Noticees shall remit / pay the said total amount of penalty within 45 days of receipt of this order in either of the way of demand draft in favour of “SEBI - Penalties Remittable to Government of India”, payable at Mumbai or by following the path at SEBI website [www.sebi.gov.in](http://www.sebi.gov.in), ENFORCEMENT > Orders > Orders of AO > PAY NOW; OR by using the web link <https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html>. In case of any difficulties in payment of penalties, the Noticees may contact the support at [portalhelp@sebi.gov.in](mailto:portalhelp@sebi.gov.in)

53. The Demand Draft or details and confirmation of e-payment made in the format as given in table below should be sent to "The Division Chief, EFD-DRA-III, Securities and Exchange Board of India, SEBI Bhavan, Plot no. C- 4 A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e-mail id:- [tad@sebi.gov.in](mailto:tad@sebi.gov.in)

1	Case Name	
2	Name of the 'Payer/Noticee'	
3	Date of Payment	
4	Amount Paid	
5	Transaction No.	
6	Bank Details in which payment is made	
7	Payment is made for (like penalties along with order details)	

54. 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, 1992 for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.

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

**Date: January 24, 2020**  
**Place: Mumbai**

**Santosh Shukla**  
**Adjudicating Officer**