BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/AA/MG/2019-20/6919]

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

In respect of

Mr. Santosh Maruti Patil (PAN: AMAPP2722N)

In the matter of Spectacle Industries Limited (now known as Spectacle ventures Limited)

BACKGROUND OF THE CASE

1. The Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') observed huge rise in the traded volumes and/or price of the shares of the Spectacle Industries Limited (Subsequently, name changed to Spectacle Infotek Limited and now known as Spectacle Ventures Limited) (herein after referred to as '**Spectacle/Company**'). In view of the same, SEBI conducted an investigation in the scrip of Spectacle which is listed on the Bombay Stock Exchange (hereinafter referred to as '**BSE'**) and the National Stock Exchange (hereinafter referred to as '**NSE'**) for the period May 29, 2009 to April 30, 2010 (hereinafter referred to as '**Investigation Period /IP'**). It is noted that during the investigation period, the share price of Spectacle increased from Rs. 41.00 to Rs. 122.65.

2. The Adjudicating Officer (hereinafter referred to as '**AO**') of SEBI in its order dated September 26, 2014 (hereinafter referred to as '**AO order**') concluded that certain entities including Shri Santosh Maruti Patil (hereinafter referred to as '**Noticee/ by name'**) has created artificial volume in the scrip of Spectacle and imposed penalties accordingly. The aforesaid AO order was challenged by the Noticee in the Hon'ble Securities Appellate Tribunal (hereinafter referred as '**SAT**') in Appeal No. 360 of 2015 and SAT vide order dated July 27, 2015, (herein after referred to as '**SAT Order**') set aside the AO order with respect to the Noticee and restored the matter to the file of AO.

APPOINTMENT OF ADJUDICATING OFFICER

3. In view of the directions from SAT, the Competent Authority of SEBI, vide order dated August 09, 2017 appointed Shri Suresh B. Menon as AO to conduct the adjudication proceedings in the manner specified under Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as '**AO Rules**') and if satisfied that penalty is liable, impose such penalty deemed fit in terms of Rule 5 of the Adjudication Rules and Section 15HA of the SEBI Act. Pursuant to the posting of Shri Suresh B. Menon to another department of SEBI, the undersigned was appointed as the Adjudicating Officer vide order dated March 18, 2019.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. A Show Cause Notice No. EAD-2/RG/25986/2013 dated October 10, 2013 (herein after referred to as **'SCN'**) issued to the Noticee by the erstwhile AO under Rule 4(1) of the AO Rules is being relied upon in the instant proceedings. Vide the SCN, the Noticee was asked to show-cause as to why an inquiry should not be initiated against the Noticee and penalty be not imposed upon it under section 15HA of the SEBI Act for the alleged violation of the Regulation 3(a), (b), (c), (d), 4(1) and 4(2)(a), (b), (e) & (g) of the SEBI (Prohibition of Fraudulent

and Unfair Trade Practices relation to Securities market), 2003 (hereinafter referred to as the '**PFUTP Regulations'**).

5. The details in respect of violation/ non-compliance by the Noticee as observed from the SCN are as given below:

a. *On analysis of the trading activity in the scrip of SIL on BSE, the investigation, prima facie, revealed that a group of entities namely, Gemstone Investments Limited, Ketan Babulal Shah, Bharat Shantilal Thakkar, Bipin Jayant Thaker, Bharat G Vaghela, Chirag Rajnikant Jariwala, Kishore Chauhan, Bipinkumar Gandhi, Bhavesh Pabari, Prem Mohanlal Parikh, Santosh Maruti Patil, Hemant Madhusudan Sheth, Jigar Praful Ghoghari, Vipul Hiralal Shah, Mala Hemant Shah, Ankit Sanchaniya, Vivek Kishanpal Samant, Bhupesh Rathod, Rajnandi Yarns Pvt. Ltd., Vasudev Ramchandra Kamat, Narendra Prabodh Ganatra, Manish Suresh Joshi, Santosh Vishram Ghadshi, Kaushik Karsanbhai Patel, Kaushik Rajnikant Mehta, Gaurang Ajit Seth (hereinafter collectively referred to as Pabari-Parikh Group) were connected to each other and had traded heavily in the scrip of SIL through multiple brokers.*

b. *It was observed from the trade log analysis that 28 Pabari-Parikh Group entities dealing through multiple brokers purchased 129193874 shares accounting for 76.58% of the total traded volume and sold 106195225 shares accounting for 62.95% of the total volume traded during the period under investigation. From the analysis it was observed that S. P. Jain Securities Pvt. Ltd dealing for Hemant Madhusudan Sheth contributed 6.51 % of the total market volume on buy side transaction and for Bhavesh Prakash Pabari contributed 7.27% of the market volume on sale side of the transactions.*

c. *The list of 28 Pabari-Parikh Group entities along with connection within the group is as under:*

<u>Table - 1</u>

Client Name	***KYC Relation***	***Fund Movement***	***Share movement through off market***	***Client Name***	***KYC Relation***	***Fund Movement***	***Share movement through off market***
1.Gemstone Investments Ltd	*Sl. no.10 is the director in sl. No.1.* *Sl. no.10 & 17 have common office address.* *Sl. no.10 introduced sl. no.17 for trading a/c.*			***15.Santosh Vishram Ghadshi***	*Has off market share and fund movement with Amar Premchand Walmiki, who has off market share and fund movement with sl. no. 17.*		
2.Bhupesh Rathod	*Introduced sl. no.22, 19, 17, 12 for trading a/c and knows sl. No. 25*	*With Sl. No. 27*		***16.Bipinkumar Gandhi***			*With sl. no. 17.*

Client Name	*KYC Relation*	*Fund Movement*	*Share movement through off market*	*Client Name*	*KYC Relation*	*Fund Movement*	*Share movement through off market*
3.Ketan Babulal Shah			*With sl. no.19*	***17.Bhavesh Pabari***	*Sl. no.10 & 17 have common office address.* *Sl. no.10 introduced sl. no.17 for trading a/c.* *Sl. no. 5 is his uncle & sl. no. 28 is his brother in law.* *Sl. no. 19 is cousin of sl. no.17* *Sl. no. 17 & 22 both directors of Rajnandi Yarns Pvt. Ltd. (sl.no.4) Share common Tel. no. with sl. no. 27, 28, 6.* *Sl. no. 2 introduced him for trading a/c.* *BR* with sl. no. 6, 11, 12, 19, 22, 25, 27*		*With sl. no. 19, 22, 4, 5, 6, 27, 28, 16,*
4.Rajnandi Yarns Private Limited	*Sl. no. 17 & 22 both directors of Rajnandi Yarns Pvt. Ltd.(sl.no.4)*		*With sl. no. 5, 6, 11, 12, 17, 19, 22, 23, 27, 28,*	***18.Kaushik Karsanbhai Patel***		*With sl. no. 17.*	*With sl. no. 28.*
5.Bharat Shantilal Thakkar	*Sl. no. 17 is his nephew.* *Same address with sl. no.17.* *Sl. no. 17 is his nominee.* *Joint a/c with sl. no. 17.* *BR* with sl. no. 6, 11, 12, 19, 22, 27, 28*	*With sl. no. 17, 19, 27*	*With sl. no. 17, 7, 4,*	***19.Prem Mohanlal Parikh***	*Sl. no. 19 is cousin of sl. no.17.* *Common email with sl. 27, 19 & 28.* *Sl. no. 22 is nominee of sl. no.19.* *BR* with sl. no. 5, 6, 11, 12, 17, 22, 27, 28.*	*With sl. no. 17, 22, 12.*	*With sl. no. 17, 22, 12, 4, 5, 6, 22, 23, 27, 28.*
6.Bipin Jayant Thaker	*Same Tel. no. with sl. no. 17.* *BR* with sl. no. 5, 11, 12, 17, 19, 22, 27, 28,*	*With sl. no. 4, 17.*	*With sl. no. 4, 23, 11, 17, 19, 22.*	***20.Santosh Maruti Patil#***	*Sl. no.10 introduced sl. no.20 for opening a/c with the member Comfort Securities.*	*With sl. no. 10.*	
7.Vasudev Ramchandra Kamat	*Sl. no. 5 share the same address with sl. no.17.*		*With sl. no.5*	***21.Kaushik Rajnikant Mehta***		*With sl. no. 24, 15.*	*With sl. no. 17, 24.*
8.Bharat G Vaghela	*Same address & Tel.no. as sl. no. 16 who share movement with sl.no. 17.* *Sl. No. 11 is nephew of sl. no. 17 and shares same Tel. no. with sl. no. 17.*	*With sl. no. 11.*		***22.Hemant Madhusudan Sheth***	*Sl. no. 17 & 22 both directors of Rajnandi Yarns Pvt. Ltd.* *Same email with sl. no. 28.* *BR* with 2, 5, 19, 27, 28, 6, 11, 12, & sl. no. 25 is his wife & sl. no. 26 is his nephew.*	*With sl. no. 17, 19, 12.*	*With sl. no. 17, 19, 12, 4, 25, 27, 28, 23, 6,*
9. Sagar Janak Vyas	*Similar address as sl.no. 19.*			***23.Jigar Praful Ghoghari***			*With sl. no. 4, 6, 19, 22, 27.*
10.Narendra Prabodh Ganatra	*Sl. no.10 is the director in sl. No.1.* *Sl. no.10 was a director in Spectacle (resigned from the said company on June 01, 2010).* *Sl. no.10 & 17 have common office address.* *Sl. no.10 introduced sl. no.17 for trading a/c.*			***24.Vipul Hiralal Shah***	*Sl. No. 21 has off-market transaction with sl. No. 17.*	*With sl. No. 21.*	*With sl. no.17.*
11.Chirag Rajnikant Jariwala	*Same Tel. no. with sl.no.17.* *Sl. no. 17 is his uncle.* *BR* with sl. no. 5, 6, 12, 17, 22, 27, 28.*	*With sl. no. 17, 22, 8, 4*	*With sl. no. 4, 6*	***25.Mala Hemant Sheth***	*Sl. no. 25 is the wife of sl. no. 22 and sl. no. 26 is the nephew.*	*With sl. no. 17, 19..*	*With sl. no. 22,*

Client Name	**KYC Relation**	**Fund Movement**	**Share movement through off market**	**Client Name**	**KYC Relation**	**Fund Movement**	**Share movement through off market**
12.Kishore Chauhan	*Joint a/c with sl. no. 17 Sl. no. 17 & 22 are witness for demat a/c. BR* with sl. no. 5, 6, 11, 17, 19, 22, 27.*	*With sl. no. 17, 19, 22*	*With sl. no. 4, 17, 19, 22, 28,*	**26.Gaurang Ajit Seth**	*Has common address & Tel. no. with sl. no. 22. & sl. no. 22 and 17 both directors of Rajnandi Yarns Pvt. Ltd. (sl.no.4)*		
13.Manish Suresh Joshi	*Sl. no.10 introduced sl. no.13 for trading a/c.*			**27.Ankit Sanchaniya**	*Same Tel. no. with sl. no. 19 and also shares Tel. no. with sl. no. 17 who is the nominee for his a/c. BR* with sl. no.5, 6, 11, 12, 17, 19, 22, 28,*	*With sl. no. 17, 19.*	*With sl. no. 4, 17, 19, 22, 11, 23, 28.*
14.Kaushik Gangaram Rathod	*Same Tel. no. with sl. no. 16.*	*Sl. no. 16 has fund movement with sl.no. 17.*	*Sl. no. 16 has off-market transfers with sl. no. 17.*	**28.Vivek Kishanpal Samant**	*Sl. no. 17 is the brother in law & shares common Tel. no. & sl.no. 17 is the nominee of sl. no. 28 for trading a/c & bank a/c. Shares email with sl. no. 22. Shares email with sl. no. 19.*	*With sl. no. 22.*	*With sl. no. 4, 17, 22, 11, 12, 19, 27.*

*BR - Business relation.

d. *Upon examination of the material collected during the investigation period, it is noted that the Pabari-Parikh group had indulged in off-market transfer of 5,53,54,390 shares of SIL amongst themselves during the period January 01, 2009 and January 31, 2011. These off-market transfers among the group further establish the connection between the group.*

e. *It was observed that during the investigation period the 28 entities, traded for a total purchase and sale of 129193874 shares and 106195225 shares respectively. Out of 28 Pabari-Parikh Group entities, 26 Pabari-Parikh Group entities traded for 88203123 shares (52.28% of the market volume) accounting for 68.27 % of the total purchases of the group and 83.06 % of the total sale of the group within Pabari-Parikh Group entities and 52.28% of the market volume from within the group entities.*

f. *Out of the total trading of 88203123 shares within the group entities, for 32589257 shares accounting for 19.32% of the market volume the buy and sale orders were placed within one minute time difference. It was noted that 32589257 shares constituted for 25.23% of the total purchases and 30.69% of the total sales of the Pabari-Parikh Group entities. Out of 32589257 shares, it was observed that 4650808 shares accounting for 2.76% of the total market volume, the buy and sale orders were placed in synchronised manner (i.e. difference between placement of order by buyer and seller within one minute and order rate as well as order quantity of buy side and sale side being same). It was noted that 4650808 shares constituted 5.27% of the total purchases and 4.38% of the total sales of the Pabari-Parikh Group entities. The summary of the synchronised trades by various clients is as under:*

Table - 2

PANNO	*Client Name*	*Synchronised buy trade*	*% of Market Volume*	*% of sync to total buy by client*	*Synchronised sale trade*	*% of Market Volume*	*% of sync to total sale by client*
AAACG1483A	*Gemstone Investments Ltd*	*0.00*	*0.00*	*0.00*	*1000*	*0.00*	*0.28*
AACPS0667F	*Ketan Babulal Shah*	*1500*	*0.00*	*3.58*	*0*	*0.00*	*0.00*
AAZPT9542R	*Bharat Shantilal Thakkar*	*472579*	*0.28*	*7.68*	*603777*	*0.36*	*6.35*
ABYPT4984H	*Bipin Jayant Thaker*	*340208*	*0.20*	*7.15*	*123790*	*0.07*	*3.24*
ADYPV0844N	*Bharat G Vaghela*	*436203*	*0.26*	*10.90*	*645020*	*0.38*	*9.17*
AFMPJ7543L	*Chirag Rajnikant Jariwala*	*18400*	*0.01*	*0.75*	*54380*	*0.03*	*3.07*
AFPPC9703G	*Kishore Chauhan*	*288616*	*0.17*	*4.84*	*675839*	*0.40*	*8.39*
AJHPG6989J	*Bipinkumar Gandhi*	*14698*	*0.01*	*2.45*	*11375*	*0.01*	*1.18*
AKGPP8679N	*Bhavesh Pabari*	*486521*	*0.29*	*5.20*	*550177*	*0.33*	*2.66*
ALHPP3489N	*Prem Mohanlal Parikh*	*356139*	*0.21*	*3.88*	*315428*	*0.19*	*4.11*
AMAPP2722N	***Santosh Maruti Patil***	***7584***	***0.00***	***3.04***	***16439***	***0.01***	***5.00***
ANOPS8607E	*Hemant Madhusudan Sheth*	*865351*	*0.51*	*4.27*	*684574*	*0.41*	*3.06*
ASFPG8598L	*Jigar Praful Ghoghari*	*43355*	*0.03*	*4.63*	*27400*	*0.02*	*4.71*
AZCPS9537P	*Vipul Hiralal Shah*	*25000*	*0.01*	*6.85*	*24800*	*0.01*	*10.48*
AZXPS0694J	*Mala Hemant Sheth*	*28900*	*0.02*	*5.79*	*8727*	*0.01*	*1.39*
BLNPS3316L	*Ankit Sanchaniya*	*572209*	*0.34*	*5.50*	*295844*	*0.18*	*2.96*
BRSPS0294N	*Vivek Kishanpal Samant*	*693545*	*0.41*	*5.53*	*612238*	*0.36*	*5.08*
Grand Total		*4650808*	*2.76*	*5.27*	*4650808*	*2.76*	*4.38*

g. *It was further observed that Bharat Shantilal Thakkar, Bipin Jayant Thaker, Bharat Gangasingh Vaghela, Chirag Rajnikant Jariwala, Kishorbhai Balubhai Chauhan, Bipinkumar Ramniklal Gandhi, Bhabesh Prakash Pabari, Prem Mohanlal Parikh,* **Santosh Maruti Patil***, Hemant Madhusudan Sheth, Jigar Praful Ghodhari, Vipul Hiralal Shah, Ankit Rajendre Sanchaniya and Vivek Kishanpal Samant were indulged in self trades (i.e. same buy client as well as the sale client for a given trade resulting in no change of beneficial ownership). The details of the same is given as under:*

Table - 3

PAN NO	*Client Name*	*Total Buy*	*Total Sale*	*Self trade qty*	*% of Total Buy*	*% Total Sale*	*% of Market Volume*	*No of Self trades*
AAZPT9542R	*Bharat Shantilal Thakkar*	*10470357*	*9502811*	*235374*	*2.25*	*2.48*	*0.14*	*115*
ABYPT4984H	*Bipin Jayant Thaker*	*6631816*	*3822962*	*226362*	*3.41*	*5.92*	*0.13*	*57*
ADYPV0844N	*Bharat G Vaghela*	*5632325*	*7036639*	*77008*	*1.37*	*1.09*	*0.05*	*94*
AFMPJ7543L	*Chirag Rajnikant Jariwala*	*3090781*	*1769290*	*39700*	*1.28*	*2.24*	*0.02*	*2*
AFPPC9703G	*Kishore Chauhan*	*9721840*	*8058635*	*197023*	*2.03*	*2.44*	*0.12*	*102*
AJHPG6989J	*Bipinkumar Gandhi*	*1393286*	*962338*	*9121*	*0.65*	*0.95*	*0.01*	*37*
AKGPP8679N	*Bhavesh Pabari*	*14085463*	*20707340*	*1620384*	*11.50*	*7.83*	*0.96*	*430*
ALHPP3489N	*Prem Mohanlal Parikh*	*12723256*	*7670445*	*531618*	*4.18*	*6.93*	*0.32*	*152*
AMAPP2722N	***Santosh Maruti Patil***	***328516***	***328516***	***13363***	***4.07***	***4.07***	***0.01***	***46***
ANOPS8607E	*Hemant Madhusudan Sheth*	*29962411*	*22356173*	*3274627*	*10.93*	*14.65*	*1.94*	*761*
ASFPG8598L	*Jigar Praful Ghoghari*	*947718*	*582260*	*9990*	*1.05*	*1.72*	*0.01*	*1*
AZCPS9537P	*Vipul Hiralal Shah*	*439119*	*236600*	*24800*	*5.65*	*10.48*	*0.01*	*1*
BLNPS3316L	*Ankit Sanchaniya*	*15478199*	*9984834*	*471282*	*3.04*	*4.72*	*0.28*	*470*
BRSPS0294N	*Vivek Kishanpal Samant*	*16355615*	*12056998*	*1028756*	*6.29*	*8.53*	*0.61*	*102*
Grand Total		***127260702***	***105075841***	***7759408***	***6.10***	***7.38***	***4.60***	***2370***

h. *It was observed from the Price volume data that the scrip was traded on 228 trading days. Out of 228 trading days, the group entities traded among themselves on 223 days, i.e. 98% of the total number of days the scrip was traded during the period under investigation. It was observed that the Pabari-Parikh Group entities contribution to the daily market volume ranged from 4.94% on May 29, 2009 to 81.15% on April 30, 2010. It is alleged that out of 223 trading days the Pabari-Parikh Group entities traded among themselves, on 130 trading days Pabari-Parikh Group entities contributed more than 50% of the total market volume.*

i. *Out of 223 Pabari-Parikh Group trading days, on 215 trading days, both buy and sell orders were placed within time difference of one minutes. The Pabari-Parikh Group entities contribution to daily market volume ranged from 3.52% on May 29, 2009 to 83.56% on March 09, 2010. It is alleged that out of 215 trading days, on 11 trading days Pabari-Parikh Group entities contributed more than 50% of the total market volume by placing both buy and sale order within one minute time difference. Out of 215 trading days, on 149 trading days the trades executed by the Pabari-Parikh Group entities were synchronised in nature. It was also observed that by executing synchronised trades among the group entities, Pabari-Parikh Group entities contribution to total market volume ranged from 0.73% on May 29, 2009 to 28.69% on March 18, 2010 in the scrip of SIL.*

j. *In view of the above, it is alleged that that the Pabari-Parikh Group entities indulged in trading among themselves by way of executing synchronised trades resulting in no change of beneficial ownership and thereby, created artificial volume in the scrip of SIL which gave a false and misleading appearance of trading in the scrip on BSE. It is further alleged that Bharat Shantilal Thakkar, Bipin Jayant Thaker, Bharat Ganga singh Vaghela, Chirag Rajnikant Jariwala, Kishorbhai Balubhai Chauhan, Bipin kumar Ramniklal Gandhi, Bhabesh Prakash Pabari, Prem Mohanlal Parikh, **Santosh Maruti Patil**, Hemant Madhusudan Sheth, Jigar Praful Ghodhari, Vipul Hiralal Shah, Ankit Rajendre Sanchaniya and Vivek Kishanpal Samant also indulged in self-trades at BSE which contributed significantly to the creation of artificial volumes in the scrip of SIL and therefore violated provisions of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a), (b), (e) & (g) of the PFUTP Regulations.*

6. It is noted that Hon'ble SAT vide order dated July 27, 2015 set aside the AO order and restored the matter to the file of AO stating the reason of deficiency in service of the SCN and hearing notices to the Noticee. The Noticee vide letter dated September 19, 2015 submitted that he had not executed any trade

in the securities market and someone has misused his name. The Noticee vide aforesaid letter requested for inspection of documents in the matter. The request of the Noticee was acceded to and inspection of documents was conducted on October 09, 2015. The Noticee vide letter dated November 27, 2015, *inter alia* made the following submissions:

- *The Noticee submitted that he is an innocent person and has never traded in the securities market.*
- *That he has never opened a trading account with any of the brokers and HDFC bank account as mentioned in the SCN.*
- *That his signature in the KYC and other documents are forged.*

The Noticee also submitted a copy of *expert opinion on the verification of the questioned signature,* from one private agency viz. Square Advisors, dated July 20, 2015, vide aforesaid letter and again requested for inspection of documents. The request of another inspection of documents was acceded to and inspection of documents was completed on December 15, 2015.

7. The Noticee vide letter dated February 19, 2016, replied to the SCN and *inter alia* made following submissions:

- *The Noticee denied each and every allegation alleges in the SCNs.*
- *The Noticee submitted that he has not executed a single trade in the securities market till date.*
- *That he was not provided copies of all the relevant documents in the matter.*
- *That he has not opened a trading account with any broker including the brokers allegedly shown to be my broker i.e. Comfort Securities Limited and Shriram Insight Share Brokers Ltd.*

- *That he has never opened any demat account with any depository participant except HDFC Bank Limited. The said account was opened in the year 2013.*
- *That his name was misused by the alleged Broker's and/or some unknown person(s) without my consent and knowledge. He is in service from last couple of years and have not indulged in any shares trading activities in the securities market due to nature of his work. He is not allowed to make any phone calls from my work place except emergency/necessary calls.*
- *That his name, his identity/address proof documents with photographs have been misused by some unknown person(s) with the help of the Brokers and the said person(s) had forged his signature in opening fake/bogus bank, demat and trading accounts.*
- *That the unknown person(s) has also created his fake email account patil_santosh9@yahoo.com and given fake mobile number which never belongs to the Noticee.*
- *That one qualified forensic expert had compared original signatures of the Noticee with the signatures used in account opening form of the broker Comfort Securities Limited and certified that signature on account opening form of the broker are not of the Noticee.*
- *That he has never used the address given in the Form i.e. S-13 Basment, Hazari Baug, Station Road, Vikroli (West) Maharashtra-400 079.*
- *That unknown person(s) also opened fake bank account in my name with HDFC Bank Limited, Ghatkopar West Branch.*
- *The Noticee denied that he was interviewed by the employee (Sri Navin Thakur, R.M. of the said Broker) of Comfort Securities Pvt. Limited while opening of alleged account as stated in the alleged Form.*
- *It is alleged in the SCN that Mr. Narendra Prabodh Ganatra had introduced the Noticee for opening account with Comfort Securities Limited. However, In KYC form name of some other person is appearing as introducer.*

- *That he never had any fund movement with Mr. Narendra Prabodh Ganatra. If there is any fund movement, it is bogus transaction executed by unknown person and not by the Noticee.*
- *I have never opened any account(s) with HDFC Bank Limited except Bank Account Number 50100028070120 which was opened in the year 2013 much after the completion of the Investigation Period.*
- *That there are discrepancies in trade data.*
- *That the Noticee is from a middle class background.*

The Noticee submitted following documents along with aforesaid letter:

Table - 4

Sr. No.	***Name of Document***
1	*ICICI Bank account (A/c No. 054601503522) statement of the Noticee for the period April 01, 2008 to June 09, 2015*
2	*ICICI Bank account (A/c No. 124901502004) statement of the Noticee for the period March 01, 2015 to June 09, 2015*
3	*SBI Loan Account statement from February 17, 2014 to June 13, 2015*
4	*Bank of India Account (A/c No. 002010110004456) statement from June 01, 2007 to May 28, 2015*
5	*HDFC Bank Account (A/c No. 50100028070120) statement from June 01, 2007 to May 28, 2015*
6	*Copy of Complaint against Broker Comfort Securities Limited dated July 01, 2015, filed to SEBI Chairman*
7	*Copy of Passport of the Noticee*
8	*Copy of Ration Card in the name of Mrs. Ranjana Maruti Patil*
9	*Copy of Voter ID of the Noticee*
10	*copy of expert opinion on the verification of the questioned signature dated July 20, 2015*
11	*Letter of appointment of the Noticee from Capgemini*
12	*Employment related documents*

8. The Noticee vide letter dated February 17, 2016 submitted additional reply wherein he informed that he has received a notice from department of income tax in respect of share trading from his trading account. The Noticee also submitted copies of complaints filed to the Police department of Mumbai. The Noticee was granted an opportunity of hearing on June 30, 2017 vide hearing notice dated June 13, 2017. The Noticee vide letter dated June 24, 2017 requested for adjournment of the hearing scheduled on June 30, 2017. Vide email dated June 29, 2017, the Authorized Representative (Herein after

referred to as ‘**AR**’) of the Noticee was informed that his request for adjournment was acceded to.

9. Thereafter, the Noticee was granted another opportunity of hearing on September 26, 2018 vide hearing notice dated September 03, 2018. The Noticee vide letter dated September 11, 2018 requested for adjournment of the hearing scheduled on September 26, 2018.

10. In view of the change in AO, the Noticee was granted another opportunity of hearing on August 09, 2019, vide hearing notice dated July 18, 2019. The AR attended the hearing on the scheduled date and reiterated the submissions made by the Noticee vide letter dated February 19, 2016. The AR also submitted copies of complaints made to the police department of Mumbai and on PG Portal (Portal of Centralized Public Grievance Redress and Monitoring System), in respect of his name being used for trading on the basis of forged documents/signature. In its reply dated February 19, 2016 and also during the personal hearing, the Noticee has submitted that documents substantiating his alleged connections with the group entities are not provided to him. In view of the same, vide email dated August 28, 2019, the AR, was provided a copy of the HDFC bank account statement (A/c. Number - 04061000007837) of the Noticee and the Client Registration Application Form (herein after referred to as ‘**CAF**’) obtained from the broker Comfort Securities Private Limited (herein after referred to as ‘**Comfort**’).

11. The AR vide email dated September 03, 2019 requested for copy of CAF of the Noticee from the broker Shriram Insight Share Brokers Limited (herein after referred to as ‘**Shriram**’) and also requested for another opportunity of personal hearing in the matter. Vide email dated September 18, 2019, the Noticee was granted final opportunity of hearing on September 20, 2019. A copy of CAF, of

the Noticee, from the broker Shriram was also sent to the Noticee along with the aforesaid email. The AR attended the hearing on the scheduled date and reiterated the submissions made by the Noticee vide letter dated November 27, 2015 and February 19, 2016. The AR requested during the hearing that the verification of the signatures of the Noticee, on account opening forms of aforesaid trading and bank accounts of the Noticee, may be carried out by Indian Forensic Sciences laboratories.

12. The AR vide email dated October 05, 2019, requested for signature verification through an Authorized Laboratory. The Noticee, vide email dated October 09, 2019, was granted a time of one month to submit the appropriate documents/orders from the competent authority to the effect that the trading and bank accounts were opened on the basis of forged documents and fake signatures. Vide letter dated November 06, 2019, the Noticee requested for additional time for submitting the aforementioned documents. Vide email dated November 14, 2019, the Noticee was advised to submit final submissions within 3 months i.e. latest by January 30, 2020. Vide email dated January 16, 2020, the Noticee submitted a copy of the First Information Report (herein after referred to as '**FIR**') dated January 14, 2020. The Noticee has lodged the FIR stating that his name /identity has been misused by some unknown persons to open a share trading account using his forged signature and the aforesaid trading account has been misused.

CONSIDERATION OF EVIDENCE AND FINDINGS

13. I have perused the written submissions of the Noticee and the documents available on record. The issues that arise for consideration in the present case are:

a) Whether the Noticee has violated Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a), (b), (e) & (g) of PFUTP Regulations by indulging in manipulative trades?
b) Does the violation, if any, attract monetary penalty under Section 15HA of the SEBI Act?
c) If yes, what should be the quantum of penalty?

14. I note that the Noticee, in his various replies, has submitted that he has opened neither a trading account with any of the brokers nor the HDFC bank account as mentioned in the SCN. He has also submitted that his signature in the KYC and other documents of the aforesaid bank and trading accounts were forged. The Noticee has submitted a copy of an expert opinion from one private agency viz. Square Advisors, dated July 20, 2015, which states that the signature of the Noticee is different from the signatures on the documents used for opening of trading and HDFC bank account. The Noticee also stated that the unknown person(s) has also created his fake email account patil_santosh9@yahoo.com and given fake mobile number which never belonged to the Noticee.

15. In this regard, I place my reliance on the Order of the SAT in SEBI vs. Kalidas Dutta; Appeal No. 262 of 2016 (dated January 23, 2018), wherein the following directions were issued in respect of fraudulently usage of someone's identity without his knowledge/consent:

"…this appeal can be disposed of with a direction to the appellant to obtain appropriate documents/orders from the competent authority to the effect that he was fraudulently appointed as director of the company in question on 10th February, 2015. For this purpose, the appellant is granted time up to one year to do the needful and submit the same to SEBI. …"

Accordingly, vide email dated October 09, 2019, the Noticee was granted time of one month to obtain and submit the appropriate documents/ order from the competent authority to the effect that the signature on the documents used for opening aforesaid trading and bank accounts were forged. Vide letter dated November 06, 2019, the Noticee had requested for grant of further time. The request was acceded to and vide letter dated November 14, 2019, the Noticee, was granted time till January 30, 2020, to furnish aforesaid documents. The Noticee, vide email dated January 16, 2020, has submitted a copy of the FIR dated January 14, 2020 filed with Parksite Police Station, Vikhroli West, Mumbai. The FIR is filed against unknown persons. I note that an FIR is only an information regarding cognizable offence which is registered/ lodged at a police station and it cannot be construed as an order from the competent authority. The copy of FIR, submitted by the Noticee, does not prove or substantiate the claim of the Noticee that the signature on documents used to open his trading and bank accounts was forged. I note that the SAT order was passed in the matter on July 27, 2015. Thus, the Noticee had ample time of more than four years to submit the appropriate documents in this matter. However, he has failed to do so. In view of the above, I find that the submission of the Noticee is not tenable and I proceed on the basis of the material available on record. I find that lodging of an FIR cannot be a mitigating factor in the instant case.

16. Also, I note that the Noticee had requested for a copy of the entire investigation report and certain documents in the matter. Here, I note that the relevant extract of the investigation report formed part of the SCN. I further note that the following information was provided to the Noticees along with the SCN in a CD form.

i. Order appointing the Adjudicating Officer (Annexure I)
ii. Details of purchase and sale of 28 Pabari-Parikh Group entities dealing through multiple brokers (Annexure A and B)
iii. Details of off market transfers (Annexure BB)

iv. Trading details of 28 Pabari-Parikh entities (Annexure C)
v. Trade and Order details of trading within Pabari-Parikh Group entities (Annexure D)
vi. Trading among 26 entities (Annexure E)
vii. Trade and Order details of synchronized Trades (Annexure F)
viii. Details of Trade and Order log containing self-trades (Annexure G)
ix. Details of day wise volume contribution to the total volume traded (Annexure H)
x. Customer Application Form of the Noticee with the brokers viz. Comfort Securities Limited and Shriram Insight Share Brokers Limited
xi. Bank Account statement of the Noticee of HDFC Bank Account (A/c No. 04061000007837) for the relevant Period

17. Before moving forward, it is pertinent to refer to the relevant provisions of the PFUTP Regulations read as under:

> ***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;*
> *(c)............*
> *(d)............*
> ***(e)*** *any act or omission amounting to manipulation of the price of a scrip*

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

18. The first issue for consideration is whether the Noticee has violated provisions of Regulation 3(a), (b), (c), (d) and Regulation 4(1) & 4(2)(a), (b), (e) and (g) of PFUTP Regulations. On consideration of the SCN, its annexures and other material available on record, I observe that a Group of twenty eight (28) entities (hereinafter collectively referred to as the '**Pabari-Parikh Group / PPG entities**') including the Noticee were connected to each other and had traded heavily in the scrip of Spectacle.

19. I note from the SCN that the Noticee is alleged to be connected to the PPG entities at BSE on the basis of fund movement with PPG entity viz. Mr. Narendra Prabodh Ganatra, who also appears as introducer of the Noticee, in his trading account opening form. I note from the CAF of the Noticee filed with the broker Comfort, that introducer of the Noticee is not Mr. Narendra Prabodh Ganatra or any other PPG entity but one Mr. Vijendra. Further, from the CAF of the Noticee filed with Shriram, it is seen that no introducer is mentioned. I note from the Statement of HDFC bank account of the Noticee that on February 09, 2009, the Noticee had transferred Rs. 1,00,000/- to Mr. Narendra Prabodh Kumar. In addition to that the Noticee had transferred a sum of Rs. 20,00,000 to another PPG entity viz. Gemstone Investments Limited in three different transactions on August 14, 2009. Copies of aforesaid bank account statement and CAFs have already been shared with the Noticee. In view of the same, I find that the Noticee is connected to the PPG entities, on the basis of fund movements. In the adjudication proceedings, in respect of Mr. Narendra Prabodh Ganatra, I note that no penalty was imposed on Mr. Narendra Prabodh Ganatra only because his contribution to artificial volume creation was miniscule (only sold 307 shares within the PPG entities). However, the connection of Mr. Narendra Prabodh Ganatra with other PPG entities has been

established and recorded in the Adjudication order Order/AA/MG/ 2019-20/5769 dated November 28, 2019.

20. The Noticee, in collusion with the other PPG entities, is alleged to have contributed to the creation of artificial volume in the scrip of Spectacle, during the Investigation period, on BSE. I observe that out of 228 days, on which the scrip of Spectacle was traded during the period of investigation, the trades amongst Pabari-Parikh Group were executed on 223 days, i.e., 98% of the total no of days the scrip was traded during the period of investigation. Further, the PPG entities purchased 12,91,93,874 shares accounting for 76.58% of the total volume traded during the period under investigation and sold 10,61,95,225 shares accounting for 62.95% of the total volume traded during the period under investigation. Further, out of these 28 PPG entities, 26 PPG entities traded 8,82,03,123 shares (52.28% of the market volume) within the group entities, accounting for 68.27% of the total purchase of the group and 83.06% of the total sale of the group. Thus, I find that the significant trading by Pabari-Parikh Group contributed to the volume in the scrip of Spectacle during the IP.

21. I observe from the available records and the trade log that the Noticee and other PPG entities have executed the following trades, in the scrip:

Table – 5

Client Name	Total Buy (Market)	Percentage of Market Volume	Buy amongst Group	Total Sell (Market)	Percentage of Market Volume	Sell amongst Group
Gemstone Investments Ltd. (Narendra P Ganatra)	626395	0.37	399286	351395	0.21	347193
Bhupesh Harishchandra Rathod	4583	0.00	1750	4583	0.00	722
Ketan Babulal Shah	111045	0.07	41893	18045	0.01	17218
Raj Nandi Yarns Private Limited	50500	0.03	49574	0	0.00	0
Bharat Shantilal Thakkar	10470357	6.21	6153659	9502811	5.63	6930672
Bipin Jayant Thaker	6631816	3.93	4760598	3822962	2.27	3153916
Vasudev Ramchandra Kamat	5000	0.00	4000	20000	0.01	17600
Bharat Gangasingh Vaghela	5632325	3.34	4000455	7036639	4.17	5708621

Client Name	Total Buy (Market)	Percentage of Market Volume	Buy amongst Group	Total Sell (Market)	Percentage of Market Volume	Sell amongst Group
Sagar Janak Vyas	128000	0.08	0	0	0.00	0
Narendra Prabodh Ganatra	13538	0.01	0	13538	0.01	307
Chirag Rajnikant Jariwala.	3090781	1.83	2445224	1769290	1.05	1447682
Kishorbhai Balubhai Chauhan	9721840	5.76	5966256	8058635	4.78	6049066
Manish Suresh Joshi	50000	0.03	0	50000	0.03	48601
Kaushikkumar Gangaram Rathod	97140	0.06	0	0	0.00	0
Santosh Vishram Ghadshi	500	0.00	0	500	0.00	199
Bipinkumar Ramniklal Gandhi	1393286	0.83	598762	962338	0.57	287473
Prakash Pabari Bhavesh	14085463	8.35	9350484	20707340	12.27	18149114
Kaushik Karsanbhai Patel	0	0.00	0	10418	0.01	10418
Prem Mohanlal Parikh	12723256	7.54	9168628	7670445	4.55	6882270
Santosh Maruti Patil	**328516**	**0.19**	**249267**	**328516**	**0.19**	**242572**
Kaushik Rajnikant Mehta	10000	0.01	305	10000	0.01	10000
Hemant Madhusudan Sheth.	29962411	17.76	20269354	22356173	13.25	18715993
Jigar Praful Ghodhari	947718	0.56	936030	582260	0.35	559011
Vipul Hiralal Shah	439119	0.26	365218	236600	0.14	206075
Mala Hemant Sheth	818384	0.49	499338	625863	0.37	544230
Gaurang Ajit Sheth	18087	0.01	8672	15042	0.01	7898
Ankit Rajendre Sanchaniya	15478199	9.17	10398910	9984834	5.92	7620317
Vivek Kishanpal Samant	16355615	9.69	12535460	12056998	7.15	11245955
Total	**129193874**	**76.58**	**88203123**	**106195225**	62.95	88203123

22. I note from the available records that the Noticee's buy and sell quantity was 3,28,516 shares which contributed to 0.19% of the total market volume in the scrip of Spectacle. The Noticee's buy & sell quantity within the Pabari-Parikh Group, in the scrip, was 2,49,267 & 2,42,572 shares, respectively, which was 0.15% & 0.14% of the total market volume. From the above, I find that the Noticee, by trading amongst the Pabari-Parikh Group, has contributed to the volume in the scrip of Spectacle.

23. The PPG entities including the Noticee have executed following synchronized trades and self-trades, in the scrip. The trade and order details of the

synchronized trades of the PPG entities including the Noticee were provided to the Noticee as **Annexure F** to the SCN:

Table – 6 : Synchronized Trades by PPG Entities:

Client Name	Synchronized buy trade	% of Market Volume	% of sync to total buy by client	Synchronized sale trade	% of Market Volume	% of sync to total sale by client
Gemstone Investments Ltd	0.00	0.00	0.00	1000	0.00	0.28
Ketan Babulal Shah	1500	0.00	3.58	0	0.00	0.00
Bharat Shantilal Thakkar	472579	0.28	7.68	603777	0.36	6.35
Bipin Jayant Thaker	340208	0.20	7.15	123790	0.07	3.24
Bharat G Vaghela	436203	0.26	10.90	645020	0.38	9.17
Chirag Rajnikant Jariwala	18400	0.01	0.75	54380	0.03	3.07
Kishore Chauhan	288616	0.17	4.84	675839	0.40	8.39
Bipinkumar Gandhi	14698	0.01	2.45	11375	0.01	1.18
Bhavesh Pabari	486521	0.29	5.20	550177	0.33	2.66
Prem Mohanlal Parikh	356139	0.21	3.88	315428	0.19	4.11
Santosh Maruti Patil	**7584**	**0.00**	**3.04**	**16439**	**0.01**	**5.00**
Hemant Madhusudan Sheth	865351	0.51	4.27	684574	0.41	3.06
Jigar Praful Ghoghari	43355	0.03	4.63	27400	0.02	4.71
Vipul Hiralal Shah	25000	0.01	6.85	24800	0.01	10.48
Mala Hemant Sheth	28900	0.02	5.79	8727	0.01	1.39
Ankit Sanchaniya	572209	0.34	5.50	295844	0.18	2.96
Vivek Kishanpal Samant	693545	0.41	5.53	612238	0.36	5.08
Total	**46,50,808**	**2.76**	**5.27**	**46,50,808**	**2.76**	**4.38**

Table – 7 : Self-Trades by PPG Entities:

Client Name	Total Buy	Total Sale	Self trade qty	% of Total Buy	% Total Sale	% of Market Volume	No of Self trades
Bharat Shantilal Thakkar	10470357	9502811	235374	2.25	2.48	0.14	115
Bipin Jayant Thaker	6631816	3822962	226362	3.41	5.92	0.13	57
Bharat G Vaghela	5632325	7036639	77008	1.37	1.09	0.05	94
Chirag Rajnikant Jariwala	3090781	1769290	39700	1.28	2.24	0.02	2
Kishore Chauhan	9721840	8058635	197023	2.03	2.44	0.12	102
Bipinkumar Gandhi	1393286	962338	9121	0.65	0.95	0.01	37
Bhavesh Pabari	14085463	20707340	1620384	11.50	7.83	0.96	430
Prem Mohanlal Parikh	12723256	7670445	531618	4.18	6.93	0.32	152
Santosh Maruti Patil	**328516**	**328516**	**13363**	**4.07**	**4.07**	**0.01**	**46**
Hemant Madhusudan Sheth	29962411	22356173	3274627	10.93	14.65	1.94	761

Client Name	Total Buy	Total Sale	Self trade qty	% of Total Buy	% Total Sale	% of Market Volume	No of Self trades
Jigar Praful Ghoghari	947718	582260	9990	1.05	1.72	0.01	1
Vipul Hiralal Shah	439119	236600	24800	5.65	10.48	0.01	1
Ankit Sanchaniya	15478199	9984834	471282	3.04	4.72	0.28	470
Vivek Kishanpal Samant	16355615	12056998	1028756	6.29	8.53	0.61	102
Total	**127260702**	**105075841**	**7759408**	**6.10**	**7.38**	**4.60**	**2370**

24. I note that the PPG Entities including the Noticee have bought and sold 46,50,808 shares which is 2.76% of the total market volume, in a synchronized manner. The Noticee has bought 7,584 shares and sold 16,439 shares in a synchronized manner. In addition to that, the PPG Entities including the Noticee have indulged in self-trades and traded 77,59,408 shares through self-trades thus contributing to 4.60% of total market volume. The Noticee has traded 13,363 shares through self-trades.

25. The Noticee has submitted that there are discrepancies in trade data and submitted instances of data discrepancy. The Noticee submitted that on December 15, 2009 an alleged trade was shown to be executed at 10:57:24 at the rate Rs.76.45. The buy order price for the said trade is shown as Rs.76.30 and the sell order price was shown as Rs. 76.45 yet the trade was executed at a price Rs.76.45. On perusal of aforesaid trade details is, it was observed that buy order was modified by the Noticee (Buyer) before it was executed/matched. Thus the trades were matched at the price of Rs. 76.45, which has been mentioned in the Annexure - D of the SCN. The understanding of the Noticee that there is discrepancy in the data provided to him, is therefore incorrect.

26. In view of the above, I conclude that the Noticee being part of the Pabari-Parikh Group, has indulged in trading among the group entities, synchronized trades and self-trades, thus resulting in no change of beneficial ownership. I find that neither the Noticee nor available records provide any plausible justification for

such trading behavior. I find that the trading of the Noticee has also contributed to the creation of artificial volume and such trading is fraudulent in nature. Therefore, I find that the dealings of the Noticee are manipulative and therefore, the charges levelled against them in the SCN regarding the contravention of the provisions of Regulations 3(a), (b), (c), (d) and Regulations 4(1), 4(2)(a), (b) & (g) of PFUTP Regulations stand established.

27. I find from the investigation report that the buy order rate at which the Noticee placed the orders was close to the best available sell orders and as such the price rise on account of the said trades cannot be attributed to the Noticee. In view of the above, the allegation against the Noticee for violation of the provisions of Regulation 4(2)(e) of the PFUTP Regulations does not stand established.

28. The Hon'ble Supreme Court of India in the matter of SEBI Vs. Shri Ram Mutual Fund [2006] 68 SCL 216(SC) held that - *"In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant…".*

29. In view of the above, I am convinced that it is a fit case for imposition of monetary penalty on the Noticee under the provisions of Section 15HA of the SEBI Act, which reads as under:

SEBI Act

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.

30. While determining the quantum of penalty under Section 15HA of the SEBI Act, it is important to consider the relevant factors as stipulated in the Section 15J of the SEBI Act which reads as under:-

> ***Factors to be taken into account while adjudging quantum of penalty.***
> *15J.While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely:—*
>
> *(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;*
> *(b) the amount of loss caused to an investor or group of investors as a result of the default;*
> *(c) the repetitive nature of the default.*
>
> *Explanation.— For the removal of doubts, it is clarified that the power 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.*

31. I note that the available records do not mention the specific profits made by the Noticee or loss suffered by the investors due to price manipulation committed by the Noticee in the instant case. However, I cannot ignore the gravity of violations involved in the matter. Having established that the Noticee had executed trades through which he contributed to the volume manipulation, in my opinion, such trades are certainly in the nature of causing adverse impact in disturbing the equilibrium of fair market mechanism. I also note that the PPG entities including the Noticee, have contributed significantly to the artificial volume creation by trading among themselves and by indulging in synchronized trades and self-trades in the scrip during the investigation period.

ORDER

32. Having considered all the facts and circumstances of the case, the material available on record, the submissions made by the Noticee and also the factors mentioned in Section 15J of the SEBI Act and in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the AO Rules, I hereby impose a penalty of Rs. 3,00,000/- (Rupees Three Lakh only) on the Noticee viz. Shri Santosh Maruti Patil under the provisions of Section 15HA of the SEBI Act. I am of the view that the said penalty is commensurate with the lapse/omission on the part of the Noticee.

33. The Noticee shall remit / pay the said total amount of penalty within 45 days of receipt of this order in either of the way, such as by following the path at SEBI website 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 Noticee may contact the support at portalhelp@sebi.gov.in.

34. The said confirmation of e-payment made in the format as given in table below should be sent to "The Division Chief, EFD-DRA- II, Securities and Exchange Board of India, SEBI Bhavan, Plot no. C- 7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e-mail id:- tad@sebi.gov.in

1. Case Name:	
2. Name of payee:	
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/ disgorgement/recovery/ settlement amount and legal charges along with order details)	

35. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

36. In terms of the provisions of Rule 6 of the Adjudication Rules, copies of this order are being sent to Shri Santosh Maruti Patil and also to the Securities and Exchange Board of India, Mumbai.

Place: Mumbai
Date: February 25, 2020

Dr. ANITHA ANOOP
ADJUDICATING OFFICER