BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/AA/2022-23/17652-17670]

UNDER SECTION 15-I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995 AND SECTION 23-I OF THE SECURITIES CONTRACT (REGULATION) ACT, 1956, ACT READ WITH RULE 5 OF SECURITIES CONTRACT (REGULATION) (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 2005 AND SECTION 19H OF THE DEPOSITORIES ACT, 1996 READ WITH RULE 4 OF DEPOSITORIES (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 2005

In respect of

S no	Name of entity
1.	Arun Kochar (PAN: ARFPK1390P)
2.	Rahul Kumar (PAN: AULPR4789A)
3.	Amit Mahesh Bhatt (PAN: AJTPB7179F)
4.	Manohar lal Sachdeva (PAN: AJHPS2051D)
5.	Ajay Gupta (PAN: AIIPG0355J)
6.	Vishal Mahesh Waghela (PAN: AAUPW5393G)
7.	Keren S Peters (PAN: APNPP7646H)
8.	Gunjan Dilipbhai Shah (PAN: AWOPS2436C)
9.	Ajmera Shares Trading Private Limited (PAN: AAGCA7395D)
10.	Mridula Vijaykumar Rathi (PAN: ACHPR6926R)
11.	Sangeeta Kailash Purohit (PAN:AKSPP3624K)
12.	NSK Stocks Commodities Private Limited (PAN: AAECN2798P)
13.	Kolluru Surya Prakash Venkata (PAN: ACAPP6667L)
14.	Wisec Global Ltd (PAN: AAACW0033C)
15.	Falcon Jersey Pvt. Ltd (PAN: AAACF3476A)
16.	Pigeon Constructions Pvt. Ltd (PAN: AACCP6748B)
17.	Ranjan Kapoor (PAN: AALPK2595B)
18.	Alankit Assignments Limited (PAN: AAACA9483E)
19.	Arch Finance Limited (PAN: AAACA6706G)

In the matter of Wisec Global Limited

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as ***SEBI***) conducted investigation into trading/dealings in the scrip of Wisec Global Limited (hereinafter referred to as ***WGL***) during the period September 28, 2016 to June 12, 2017 (hereinafter referred to as ***IP***). Pursuant to the investigation, SEBI *interalia* noted that entities named

below have *prima facie* violated the following provisions while dealing/trading in the scrip of WGL:

Name of Noticees	Violations	Regulations
1. Arun Kochar 2. Rahul Kumar 3. Amit Mahesh Bhatt 4. Manohar lal Sachdeva 5. Ajay Gupta 6. Vishal Mahesh Waghela 7. Keren S Peters 8. Gunjan Dilipbhai Shah 9. Ajmera Shares Trading Private Limited 10. Mridula Vijaykumar Rathi 11. Sangeeta Kailash Purohit 12. NSK Stocks Commodities Private Limited 13. Kolluru Surya Prakash Venkata 14. Wisec Global Ltd 15. Falcon Jersey Pvt. Ltd 16. Pigeon Constructions Pvt. Ltd (PAN: AACCP6748B) 17. Ranjan Kapoor (PAN: AALPK2595B) 18. Alankit Assignments Limited 19. Arch Finance Limited	**Noticees at Sl no. 1 to 5** Indulged in an act amounting to manipulation of the price of the scrip and created misleading appearance of trading in the scrip through small trades. In addition to the above, entity at Sl No 4 manipulated the price of the scrip and created misleading appearance of trading in the scrip though First Trades and NHP. And Entities at Sl No 1, 3 & 5 manipulated the price of the scrip and created misleading appearance of trading in the scrip though NHP.	Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d) and 4(1), 4(2) (a) and 4(2)(e) of SEBI (PFUTP) Regulations, 2003
	Noticee at Sl No 1 Non disclosures by the entity in respect of acquisition of shares of Wisec Global Ltd.	Regulation 29(1) read with 29(3) of SEBI (SAST) Regulations, 2011
	Noticees at Sl No 1, 13 & 16 Have mentioned untrue and incorrect information in the DIS stating the reason for transfer as Loan while carrying out the off-market transactions without any creation of pledge of shares thereby falsifying the documents in order to evade compliance of the transactions within the time frame stipulated in Section 2(i)(a) of SCRA 1956.	Reg. 4(1) of SEBI PFUTP Regulations, 2003
	Noticees at Sl No 1, 2, 3, 6, 13 & 16 Entered into off market transaction of shares of Wisec Global Ltd without payment of consideration	Section 2(i) of SC(R)A, 1956 read with Section 13, Section 16, Section 18 of SC(R)A, 1956 and read with SEBI Notification No. LAD-NRO/GN/2013-14/26/6667 dated October 03, 2013
	Noticees at Sl No 1, 2 & 6 failed to comply with summons issued seeking information/documents.	Section 11C (3) of SEBI Act, 1992
	Noticee at Sl No 13 provided false	Section 11C (3) of

	and incorrect information sought through Summons	SEBI Act, 1992
	<u>Noticees at Sl no. 1, 3 & 6-12</u> Indulged in an act leading to creation of artificial/fictitious volume and creating a false and misleading appearance of trading in the scrip of Wisec Global Ltd.	Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d), 4(1) and 4(2) (a) of SEBI (PFUTP) Regulations, 2003.
	<u>Entity at Sr. No. 13</u> Non disclosures by the entity in respect of acquisition and off-loading of shares of Wisec Global Ltd.	Regulation 7(1) read with 7(2)(a) of SEBI (SAST) Regulations,1997, Regulation 13(4) read with 13(5) of SEBI (PIT) Regulations,1992, Regulation 29(2) read with 29 (3) of SEBI (SAST) Regulations, 2011 Regulation 7(2)(a) of SEBI (PIT) Regulations, 2015.
	<u>Entity at Sr. No. 14</u> Non disclosures by the entity in respect of off-loading of shares of Wisec Global Ltd. by Kolluru Surya Prakash Venkata.	Regulation 7(2)(b) of SEBI (PIT) Regulations, 2015
	<u>Entity at Sr. No. 15</u> Non disclosures by the entity in respect of acquisition and off-loading of shares of Wisec Global Ltd.	Regulation 7(1) read with 7(2)(a) of SEBI (SAST) Regulations,1997, Regulation 13(1) of SEBI (PIT) Regulations, 1992 Regulation 29(2) read with 29(3) of SEBI (SAST) Regulations, 2011.

	<u>Entity at Sr. No. 16</u> Non disclosures by the entity in respect of acquisition and off-loading of shares of Wisec Global Ltd.	Regulation 7(1) read with 7(2)(a) of SEBI (SAST) Regulations,1997, Regulation 13(1) of SEBI (PIT) Regulations,1992 Regulation 29(2) read with 29(3) of SEBI (SAST) Regulations, 2011
	<u>Entity at Sr. No. 17</u> Non disclosures by the entity in respect of acquisition of shares of Wisec Global Ltd.	Regulation 29(1) read with 29(3) of SEBI (SAST) Regulations, 2011.
	<u>Entities at Serial Nos 18 & 19</u> have not complied with SEBI Master Circular CIR/MRD/DP/13/2013 dated 15.04.2013 in as much as not exercising due diligence in exceptional circumstances of executing Demat transfers on the grounds of Loan of shares	Clauses 1, 2(b), 3, 4, 11 of Part A of Schedule III of Code of Conduct of SEBI (Depositories and Participants) Regulations, 1996 read with Regulation 20AA ibid read with Reg.98 of SEBI (Depositories and Participants) Regulations, 2018 SEBI Master Circular CIR/MRD/DP/13/2013 dated 15.04.2013.

APPOINTMENT OF ADJUDICATING OFFICER

2. SEBI initiated Adjudication Proceedings against the Noticees u/s 15HA, 15A(a), 15A(b) of SEBI Act, 1992 and Section 23H of SCR(A), 1956 and under Section 15HB of SEBI Act, 1992 read with Sec.19G of Depositories Act, 1996 and appointed the undersigned as Adjudicating Officer, which was conveyed vide communique dated August 30, 2021, under Rule 3 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 ("SEBI Adjudication Rules") read with sub-sections (1) and (2) of section 15-I of the SEBI Act, 1992 (hereinafter referred to as "SEBI Act"), Rule 3 of the Securities Contracts (Regulation) (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 ("SCRA Adjudication Rules") read with sub-sections (1) and (2) of section 23-I of the Securities Contract (Regulation) Act, 1956, Act (hereinafter referred to as "SCRA") and Rule 3 of the Depositories (Procedure for

Holding Inquiry and Imposing Penalties) Rules, 2005 (hereinafter referred as the "Depositories Adjudication Rules") read with sub-sections (1) and (2) of section 19H of the Depositories Act, 1996 to inquire into and adjudge under relevant provisions of the SEBI Act, SCRA and Depositories Act, by the Noticees as detailed in the above table.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

3. A common Show Cause Notice dated October 14, 2021 (hereinafter referred to as ***SCN***) was issued *inter-alia* to the Noticees in terms of Section 15-I of the SEBI Act, 1992 read with Rule 4 of the Adjudication Rules, 1995 to show cause as to why an inquiry should not be held against them and why penalty, if any, under SEBI Act, SCRA and Depositories Act, be not imposed on the Noticees. The SCN is summarized below:

    1. Wisec Global Limited ("the Company"/ "Wisec"/ "WGL") primarily operates in the IT sector in India. The company offers IT enabled services, such as data processing services for various private sector corporates, public sector enterprises, and autonomous bodies. It also provides stock broking services; and debt market services, including the sale and purchase of debt instruments, such as government securities, debentures, taxable/tax free bonds issued by various public sectors undertakings, units, and mutual funds, as well as operates as a registrar and share transfer agent. In addition, the company markets collagen based wound care products. Wisec Global Limited was incorporated in 1991 and is based in New Delhi, India. It is listed only on BSE and has its registered office at NH-II, C-Block, 2nd Floor, Community Center, Naraiana Vicar, New Delhi, Delhi, 110028.

    2. Investigations were carried out by SEBI in the scrip of WGL for the period September 28, 2016 to June 12, 2017 (hereinafter referred to as '**Investigation Period'**). The entire price movement in the scrip of WGL during IP was examined in the following patches:
        i. Price Rise Patch (Patch 1): September 28, 2016 to December 27, 2016
        ii. Price Fall Patch (Patch 2): December 28, 2016 to April 28, 2017
        iii. Price Rise Patch (Patch 3): April 29, 2017 to June 12, 2017

    Price volume Analysis

    It was noted that during the IP 58,06,619 shares of Wisec were traded through 6,796 trades. The price/volume data during the price rise/fall during the IP are as follows:

Patch	Period		Open	High	Low	Close	Avg. Volume
Pre-IP	28 June 2016 to 27 September 2016	Price (in ₹)	8.79 (On 28/06/2016)	8.80 (On 29/06/2016)	5.50 (On 14/09/2016)	6.27 (On 27/09/2016)	16.56
		Volume	1 (On 28/06/2016)	201 (On 20/07/2016)	1 (On 28/06/2016, 13/07/16, 25/07/16, 02/08/16, 10/08/16, 11/08/16, 23/08//16, 24/08/16, 06/09/16, 08/09/16, 15/09/16)	101 (On 27/09/2016)	
Patch 1	28 September 2016 to 27 December 2016	Price (in ₹)	5.96 (On 28/09/2016)	10.18 (On 27/12/2016)	5.67 (On 30/09/2016)	10.18 (On 27/12/2016)	959.37
		Volume	5 (On 28/09/2016)	95,572 (On 11/11/2016)	1 (On 10/11/16, 30/11/16, 06/12/16, 07/12/16, 19/12/16, 22/12/16, 23/12/16, 26/12/16, 27/12/16)	1 (On 27/12/2016)	
Patch 2	28 December 2016 to 28 April 2016	Price (in ₹)	10.67 (On 28/12/2016)	10.67 (On 28/12/2016)	3.93 (On 24/04/2017)	4.03 (On 28/04/2017)	713.44
		Volume	318 (On 28/12/2016)	4,50,058 (On 07/02/2017)	1 (On 20/01/2017 and 10/03/2017)	3000 (On 28/04/2017)	
Patch 3	29 April 2017 to 12 June 2017	Price (in ₹)	3.85 (On 02/05/2017)	7.3 (On 09/06/2017)	3.83 (On 02/05/2017)	6.94 (On 12/06/2017)	1892.00
		Volume	33,200 (On 02/05/2017)	1,10,500 (On 30/05/2017)	1 (On 08/06/2017 and 09/06/2017)	5000 (On 12/06/2017)	
Post IP	13 June 2017 to 11 September 2017	Price (in ₹)	7.28 (On 13/06/2017)	7.28 (On 13/06/2017)	5.51 (On 03/08/2017)	6.75 (On 14/08/2017)	996.16
		Volume	701 (On 13/06/2017)	34,831 (On 14/06/2017)	1 (On 27/06/2017 and 10/08/2017)	5 (On 14/08/2017)	

3. It was noted that during the IP, while Sensex moved from 28198.88 to 31095.70 registering an increase of 2896.82 points (10.27%), price of the scrip at BSE moved from Rs 5.96 to Rs 6.94 registering an increase of Rs 0.98 (16.44%). It was also noted that during Patch 1 and Patch 3, price of the scrip rose by Rs 4.22 (Rs 5.96 to Rs 10.18 amounting to increase of 70.80%) and Rs 3.09 (Rs 3.85 to Rs 6.94 amounting to increase of 80.26%), respectively. Further, it was noted that during Patch 2, the price of the scrip fell by Rs 6.64 (Rs 10.67 to Rs 4.03 amounting to 62.23% decrease). During the investigation period, corporate announcements were in nature of declaration of financial results, Annual General Meetings and disclosures pertaining to shareholding pattern. Further, it was noted that the company registered net loss of Rs 0.26 crores and net loss of Rs 1.28 crores for the years ended March 2016 and March 2017 respectively.

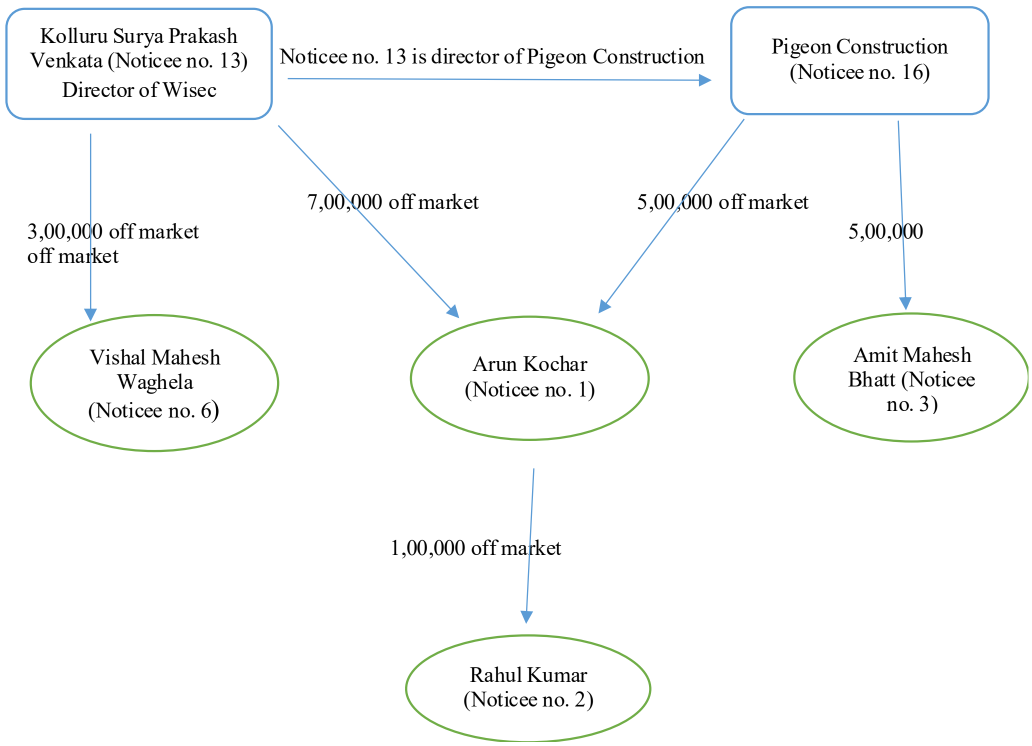
<u>Off-market transactions in the scrip of WGL:</u>

4. Based on the details of off-market transactions and director details from MCA website, the following group of entities were identified

S N	Name	Connection
1	Kolluru Surya Prakash Venkata	1. Off- market transactions were observed between Kolluru Surya Prakash Venkata and Arun Kochar for 7 lakh shares. 2. Off- market transactions were observed between Kolluru Surya Prakash Venkata and Vishal Mahesh Waghela for 3 lakh shares. 3. Off- market transactions were observed between Arun Kochar and Rahul for 1 lakh shares. 4. Off- market transactions were observed between Pigeon Constructions Pvt. Ltd. and Arun Kochar for 5 lakh shares. 5. Off- market transactions were observed between Pigeon Constructions Pvt. Ltd. and Amit Mahesh Bhatt for 5 lakh shares. 6. Wisec Global Ltd. and Pigeon Constructions Pvt. Ltd. have common director (Kolluru Surya Prakash Venkata)
2	Pigeon Constructions Pvt. Ltd.	
3	Arun Kochar	
4	Vishal Mahesh Waghela	
5	Rahul	
6	Amit Mahesh Bhatt	

5. The off-market transactions between the aforesaid entities is depicted as follows

Figure 1



Non-compliance of Summons and Incorrect Information pursuant to Summons:

6. Summons were sent to Noticee no. 1, Noticee no. 2, Noticee no. 6 and Noticee no. 13 for information. It is noted that the summons were served on the aforesaid Noticees, however, the Noticees nos. 1, 2, and 6 failed to provide any response to the said summons. Further, it was noted that the information submitted in respect of transfer of Wisec shares by Noticee no. 13 was not true.

7. Therefore, Noticees nos. 1, 2, and 6 failed to furnish the information sought through summons issued to them and the Noticee no. 13 has provided false and incorrect information in response to the summons issued to them, thereby allegedly violating section 11C (3) of the SEBI Act, 1992.

Loan of Shares:

8. Noticees nos. 1, 2, 3, 6, 13 and 16 entered into off market transactions of shares of WGL without payment of consideration, thereby allegedly violating section 2(i) of

SCRA read with section 13, section 16 and section 18 of SCRA and read with SEBI Notification No. LAD-NRO/GN/2013-14/26/6667 dated October 3, 2013. Further, Noticees nos. 1, 13 and 16 mentioned untrue and incorrect information in the DIS by stating the reason for transfer to be "Loan" while carrying out the aforesaid off-market transactions without any pledge-related transaction, in order to allegedly evade the regulatory compliance stipulated in Section 2(i)(a) of the SCRA, thereby alleged to have violated regulation 4(1) of PFUTP Regulations.

9. Noticees nos. 18 and 19 namely: Alankit Assignments Limited and Arch Finance Limited, respectively failed to monitor the transactions of the clients and to ascertain as to whether such transactions are genuine transactions and are not of suspicious nature and also failing to capture the consideration amount in the DIS, thereby, failed to comply with the provisions of para 1.8(vii) of SEBI Master circular CIR/MRD/DP/13/2013 dated April 15, 2013 and failed to exercise due diligence in monitoring the off market transactions and during their execution thereby violated the provisions of Clauses 1, 2(b), 3, 4, 11 of Code of Conduct of SEBI (Depositories and Participants) Regulations, 1996 prescribed for DPs read with Regulation 20AA ibid read with Reg.98 of SEBI (Depositories and Participants) Regulations, 2018.

<u>Trading by Noticees nos. 1, 2, 3, 13 and 16</u>

10. Noticees nos. 1, 2, 3, 13 and 16 purchased 9,91,494 shares (17.08% of total market volume) and sold 29,74,997 shares (51.23% of total market volume) during the Investigation period i.e. 19,83,503 shares were net sold. It was noted that out of the shares transferred by Noticee no. 13 to Noticees nos. 1, 2, 3 and 6 (as noted from off market transaction details given at paragraph 7 above), 19,83,503 shares were offloaded by the said Noticees nos. 1, 2, 3 and 6 during the IP. Summary of the trading done by the aforesaid Noticees during investigation period is provided below:

Sr. No	**Client Name**	**Gross Buy**	**Gross Sale**	**Net Trade**	**Gross Buy % to total Buy vol.**	**Gross Sell % to total Sell vol.**
1.	Kolluru Surya Prakash Venkata	0	0	0	0	0
2.	Pigeon Constructions Pvt. Ltd.	0	0	0	0	0
3.	Arun Kochar	4,60,818	15,45,547	-10,84,729	7.94	26.62

Sr. No	Client Name	Gross Buy	Gross Sale	Net Trade	Gross Buy % to total Buy vol.	Gross Sell % to total Sell vol.
4.	Vishal Mahesh Waghela	3,396	3,03,146	-2,99,750	0.06	5.22
5.	Rahul	34,773	1,34,773	-1,00,000	0.60	2.32
6.	Amit Mahesh Bhatt	4,92,507	9,91,531	-4,99,024	8.48	17.08
Total		**9,91,494**	**29,74,997**	**-19,83,503**	**17.08**	**51.23**

11. <u>Clients concentration</u>:

As per the details of top 10 buy and sell clients concentration as provided below on BSE during the IP, Noticee no. 3 (Amit Mahesh Bhatt) had the highest contribution of 8.48% in gross buy and Noticee no. 1 (Arun Kochhar) had the highest contribution of 26.62% in gross sell on BSE during investigation period:

Buy Client Name	Gross Buy	% of Gross Buy to Mkt. Vol.	Sell Client Name	Gross Sell	% of Gross Sell to Mkt. Vol.
Amit Mahesh Bhatt	492507	8.48%	Arun Kochar	1545547	26.62%
Arun Kochar	460818	7.94%	Amit Mahesh Bhatt	991531	17.08%
Rajesh Garg	159679	2.75%	Vishal Mahesh Waghela	303146	5.22%
Sameer Shantilal Dedia	159056	2.74%	Ranjan Kapoor	180340	3.11%
Mridula Vijaykumar Rathi	148500	2.56%	Rajesh Garg	163355	2.81%
Sudhir Tukaram Parab	147000	2.53%	Mridula Vijaykumar Rathi	148500	2.56%
Pakshal Kirtikumar Parikh	131260	2.26%	Rahul Rahul	134773	2.32%
Keren S Peters	100000	1.72%	Nsk Stocks Commodities Private Limited	117033	2.02%
Sanjay Chandrakant Shah	95000	1.64%	Pakshal Kirtikumar Parikh	115134	1.98%
Nsk Stocks Commodities Private Limited	94498	1.63%	Dipti Kamlesh Parekh	67098	1.16%
Total	**1988318**	**34.24%**	**Total**	**3766457**	**64.86%**

Other buy Clients			Other sell Clients		
Market Total	**5806619**	**100.00%**	**Market Total**	**5806619**	**100.00%**

12. Analysis of Top buyers during IP

It was noted that during IP Arun Kochar (Noticee no. 1), Amit Mahesh Bhatt (Noticee no. 3), Vishal Mahesh Waghela (Noticee no. 6), and Rahul Kumar (Noticee no. 2) have been major net sellers. On perusal of the trade integrated order log, it is noted that certain entities who are amongst the top buyers in the scrip during IP had the aforementioned Noticees nos. 1, 2, 3 and 6 as their majority counterparty sellers. Details of the same are as under:

Sl NO	Name Of The Buy Client	Total Buy Qty Of Major Counterparty Buy Client	Qty Bought From The Noticees nos. 1, 2, 3 and 6	Percentage bought from the Noticees nos. 1, 2, 3, and 6
1.	Keren S Peters (Noticee no. 7)	100000	100000	100.00
2.	Gunjan Dilipbhai Shah (Noticee no. 8)	80130	74067	92.43
3.	Ajmera Shares Trading Pvt Ltd (Noticee no. 9)	91000	75700	83.19
4.	Mridula Vijaykumar Rathi (Noticee no. 10)	148500	148381	99.92
5.	Sangeeta Kailash Purohit (Noticee no. 11)	55300	48302	87.35
6.	Nsk Stocks Commodities Private Limited (Noticee no. 12)	94498	70555	74.66

13. Buy Client – Keren Peters (Noticee no. 7)

It was noted that each of the six buy orders placed by Keren Peters (Noticee no. 7) is immediately followed in close proximity (within one minute) by a sell order either by Noticee no. 1 or by Noticee no. 3 for the exact order rate. Therefore, it was alleged that the entire 1 lakh shares i.e. 100% of shares bought by Keren Peters (Noticee no. 7) during the IP from Noticee no. 1 and Noticee no. 3, were through structured trades.

14. Buy client – Gunjan Dilipbhai Shah (Noticee no. 8)

It is noted that *Gunjan Dilipbhai Shah* (Noticee no. 8) and the counterparties Noticee no. 1 and Noticee no. 3 had timed their buy and sell orders in the scrip of Wisec in close proximity to each other (within a minute in 3 cases and less than 2 minutes in 1 case) and at the same or almost same rate. Therefore, it was alleged that the entire 74,067 shares i.e. 100% of the shares bought by Gunjan Dilipbhai Shah (Noticee no. 8) during the IP from the Noticees nos. 1 and 3, were through structured trades.

15. Buy Client - Ajmera Shares Trading Pvt Ltd (Noticee no. 9)

It was noted that *Ajmera Shares Trading* (Noticee no. 9) and the counterparties Noticee no. 1 and Noticee no. 6 had timed their buy and sell orders in the scrip of Wisec in close proximity to each other and the details of the same are as follows:

i. 9 buy orders by Noticee no. 9 and the sell orders by the counter parties were placed within a span of one minute of each other at the same rate.
ii. 7 buy orders by Noticee no. 9 and the sell orders by the counter parties were placed within a span of two minutes of each other at same/almost same rate.
iii. 2 buy orders by Noticee no. 9 and the sell orders by the counter parties were placed within a span of three and four minutes of each other at same/almost same rate.

Therefore, it was alleged that the 65,700 shares out of the total 75,700 shares (i.e. 86.79% of the total trades) bought by Ajmera Shares Trading (Noticee no. 9) during the IP from the Noticees nos. 1 and 6 were through structured trades.

16. Buy Client - Mridula Vijaykumar Rathi (Noticee no. 10)

It was noted that Mridula Vijaykumar Rathi (Noticee no. 10) and the counterparties, Noticee no. 1, Noticee no. 3 and Noticee no. 6, had timed their buy and sell orders in the scrip of Wisec in close proximity to each other and the details of the same are as follows:

i. 6 buy orders by Noticee no. 10 and the sell orders by the counter parties were placed within a span of one minute of each other at same rate.

ii. 2 buy orders by Noticee no. 10 and the sell orders by the counter parties were placed within a span of two minutes of each other at same/almost same rate.
iii. 3 buy orders by Noticee no. 10 and the sell orders by the counter parties were placed within a span of three minutes of each other at same/almost same rate.

Therefore, it is alleged that the 1,18,381 shares out of the total 1,48,381 shares (i.e. 79.78% of the total trades) bought by Mridula Vijaykumar Rathi (Noticee no. 10) during the IP from the Noticees nos. 1, 3 and 6 were through structured trades.

17. Buy Client Name – Sangeeta Kailash Purohit (Noticee no. 11)

It was noted that Sangeeta Kailash Purohit (Noticee no. 11) and the counterparties, Noticee no. 1 and Noticee no. 6 had timed their buy and sell orders in the scrip of Wisec in close proximity to each other and the details of the same are as follows:

i. 16 buy orders by Noticee no. 11 and the sell orders by the counterparties were placed within a span of one minute of each other at same rate.
ii. 1 buy order by Noticee no. 11 and the sell order by the counterparties were placed within a span of two minutes of each other at same/almost same rate.
iii. 3 buy orders by Noticee no. 11 and the sell orders by the counterparties were placed within a span of three/four minutes of each other at same rate.

Therefore, it is alleged that the 31,302 shares out of the total 48,302 shares (i.e., 65% of the total trades) bought by Sangeeta Kailash Purohit (Noticee no. 11) during the IP from the Noticees nos. 1 and 6 were through structured trades.

18. Buy Client Name - NSK Stocks Commodities Private Limited (Noticee no. 12)

It was noted that NSK Stocks Commodities Private Limited (Noticee no. 12) and the counterparties, Noticee no. 1 and Noticee no. 3 had timed their buy and sell orders in the scrip of Wisec in close proximity to each other and the details of the same are as follows:

i. 23 buy orders by Noticee no. 12 and the sell orders by the counterparties were placed within a span of one minute of each other at same rate.

ii. 13 buy orders by Noticee no. 12 and the sell orders by the counterparties were placed within a span of two minutes of each other at same/almost same rate.
iii. 5 buy orders by Noticee no. 12 and the sell orders by the counterparties were placed within a span of three minutes of each other at same rate.

Therefore, it was alleged that the 57,735 shares out of the total 70,555 shares (i.e., 81.83% of the total trades) bought by NSK Stocks Commodities Private Limited (Noticee no. 12) during the IP from the Noticees nos. 1 and 3 were through structured trades.

19. It was alleged that Noticees nos. 1, 3, 6 (net sellers) along with Noticees nos. 7, 8, 9, 10, 11 and 12 (net buyers) have entered into structured trades thereby creating artificial/ fictitious volume and gave a false and misleading appearance of trading in the illiquid scrip of Wisec, so as to enable the aforesaid net sellers to exit the illiquid scrip of Wisec. Therefore, the aforesaid Noticees nos. 1, 3, 6, 7, 8, 9, 10, 11

and 12 have allegedly violated section 12A(a), (b) and (c) of the SEBI Act and regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations

LTP Analysis during investigation period

LTP contributors (Noticees nos. 1, 2 and 3) (Buy Side) (During Patch 1):

20. It is noted that the price of the scrip of Wisec had risen during Patch-1 of IP wherein price moved from Rs. 5.96 on 28/09/2016 to Rs. 10.18 on 27/12/2016 (increase by Rs. 3.91/62.36%).

21. It was noted that during Patch-1, Noticee no. 1, Noticee no. 2, Noticee no. 3 and Noticee no. 6 traded in the scrip of Wisec and contributed Rs. 14.55 to net LTP and Rs. 21.66 to positive LTP in 81 positive LTP trades (37.26% of total market positive LTP) from the buy side. It is also noted that Noticees nos. 1, 2 and 3 have contributed to positive LTP above 5% of the total market positive LTP.

22. From the trading pattern of Noticee no. 1, it was noted that through 46 positive LTP trades, he contributed Rs 11.46 to positive LTP i.e. 19.71% of the market positive LTP.

23. From the trading pattern of Noticee no. 2, it was noted that through 17 positive LTP trades, where the Noticee no. 2 placed buy orders to match the existing sell orders, the Noticee contributed Rs. 6.94 to positive LTP i.e., 11.94% of the market positive LTP.

24. From the trading pattern of Noticee no. 3, it is noted that through 17 positive LTP trades, the Noticee contributed Rs 3.11 to positive LTP (i.e., 5.35% of the market positive LTP).

25. It was noted from the details of buy order quantity (wherever less than 10 shares) for the positive LTP trades by the that Noticees nos. 1, 2, and 3, through 19 small orders varying between 1 share and 10 shares, contributed positive LTP of Rs. 7.64 (i.e. 13.14% towards market positive LTP). Therefore, it is alleged that Noticee no. 1, Noticee no. 2 and Noticee no. 3 as a group manipulated the price of the scrip and created a misleading appearance of trading in the scrip through small trades.

26. The Noticee no. 1, Noticee no. 2 and Noticee no. 3 were alleged to have violated section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2)(a) and 4(2)(e) of the PFUTP Regulations.

LTP contributors (Noticees nos. 4 and 5) (Buy Side) (During Patch 1)

27. It was noted from the top 10 LTP contributors on the buy side during Patch 1 that Noticees no. 4 and 5 had contributed to more than 5% of positive LTP. Based on the counter party analysis from the data available in the Trade Integrated Order Log, it is noted that in case of Noticee no. 4, the highest counterparty concentration in positive LTP trades was Rs. 4.33 i.e 7.45 % of market positive LTP with Rajesh Garg and in case of Noticee no. 5, the highest counterparty concentration in positive LTP trades was Rs 3.00 i.e 5.16% of market positive LTP with Rajesh Garg.

28. From the trading pattern of Noticee no. 4, it was noted that through 30 positive LTP trades, the Noticee has contributed Rs 12.01 to positive LTP (i.e., 20.66% of the market positive LTP). It was also noted that in all the 30 instances, the Noticee has repeatedly placed buy orders to match the already existing sell orders (with order rate higher than LTP and negligible quantity in all instances).

29. From the trading pattern of Noticee no. 5, it was noted that through 16 positive LTP trades, the Noticee has contributed Rs. 6.34 to positive LTP (i.e., 10.91% of the market positive LTP).

30. It was noted from the details of buy order quantity (wherever less than 10 shares) for the positive LTP trades by the aforesaid Noticees nos. 4 and 5, that Noticee nos. 4, through 30 small orders varying between 1 share and 10 shares, contributed positive LTP of Rs. 12.01 i.e., 20.66% towards market positive LTP. Further, it was noted that Noticee no. 5, through 9 small orders contributed Rs 3.57 i.e., 6.14% towards market positive LTP. Therefore, it is alleged that Noticees nos. 4 and 5 have created a misleading appearance of trading through small trades and manipulated the price of the scrip upwards.

31. Therefore, Noticee no. 4 and Noticee no. 5 were alleged to have violated section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2)(a) and 4(2)(e) of the PFUTP Regulations.

LTP contributor (Noticee no. 4) (Buy Side) (During Patch-3)

32. It was noted from the top 10 Net positive LTP contributors (as buyers) during Patch 3 and from the trading pattern of Noticee no. 4, that through 24 positive LTP trades, the Noticee has contributed Rs. 6.61 to the positive LTP (i.e., 31.43% of the market positive LTP). Based on the counter party analysis from the data available in the Trade Integrated Order Log, Noticee no. 4 was found to have the highest

counterparty concentration in positive LTP trades, i.e. Rs 1.24 and 5.90 % of market positive LTP with Pawan Mantri and Rs 1.11 and 5.28% of market positive LTP with Ranjan Kapoor.

33. In all the 24 instances, the Noticee repeatedly placed buy orders to match the already existing sell orders (with order rate higher than LTP and negligible quantity in all instances).

34. From the details of buy order quantity (wherever less than 10 shares) for the positive LTP trades by the aforesaid Noticee nos. 4, through 24 small orders varying from 1 to 10 shares, noticee no. 4 contributed Rs. 6.61 i.e., 31.43% towards market positive LTP. Therefore, it was alleged that Noticee nos. 4 have created a misleading appearance of trading through small trades and manipulated the price of the scrip upwards, in patch 3 of IP also.

35. In view of the above it was alleged that Noticee no. 4 has violated section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2)(a) and 4(2)(e) of the PFUTP Regulations.

First Trade Analysis

Patch 1 (Buy side)

36. Noticee no. 4 through 26 first trades, was found to have contributed Rs. 9.42 to positive LTP (i.e., 16.21% to market positive LTP). Noticee no. 4 was thus alleged to have manipulated the price of the scrip of Wisec through small trades and violated section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2)(a) and 4(2)(e) of the PFUTP Regulations.

Patch 3 (Buy Side)

37. The Noticee no. 4, through 21 first trades, was alleged to have contributed Rs. 4.59 to positive LTP (i.e. 21.83% to market positive LTP), thereby manipulating the price of the scrip of Wisec through small trades, in violation of section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2)(a) and 4(2)(e) of the PFUTP Regulations.

New High Price (NHP) Analysis

38. In Patch 1 of the Investigation Period, the price of the scrip moved from opening price of Rs. 5.96 to a high price of Rs. 10.18 and NHP of Rs. 4.22 was created.

From the details of NHP contributed by Noticees nos. 1 and 3, it was noted that Noticee no. 1 and Noticee no. 3 collectively was found to have Rs. 0.31 i.e 7.34% to market NHP.

39. From the details of NHP contributed by entities who have contributed significantly towards positive LTP, that Noticee no. 4 and Noticee no. 5 were found to have contributed Rs 2.08 and Rs 0.36 to market NHP which is 49.3% and 8.53% to market NHP, respectively.

40. In Patch 3 of the Investigation Period, the price of the scrip moved from opening price of Rs. 3.85 to a high price of Rs. 7.30 and Rs. 3.45 NHP was created. From the details of NHP contributed by entities who have contributed significantly towards positive LTP, it was noted from the above table, that Noticee no. 4 has contributed Rs 2.65 to market NHP which is 76.85% to market NHP.

41. Therefore, the Noticees nos. 1, 3, 4 and 5 were alleged to have manipulated the price of the scrip through small trades in Patch 1 and Patch 3, in violation of sections 12A(a), 12A(b), 12A(c) of SEBI Act, read with regulation 3(a), 3(b), 3(c) and 3(d) and 4(1), 4(2)(a), 4(2)(e) of PFUTP Regulations.

<u>Disclosure violations</u>

42. It was noted that no disclosures were made by the following Noticees, the details of which are given in below, under SAST Regulations, 1997 and 2011 and PIT Regulations, 1992 and 2015 and therefore were alleged to have violated the respective relevant provisions of securities laws:

Sl No	Name of entity	Transaction Date and details	Actual Date of Disclosure		No of days delay		Alleged Violation of Regulations
			Company	Exchange	Company	Exchange	
1.	Kolluru Surya Prakash Venkata (Noticee no. 13)	Acquired 10,00,000 shares of Wisec Global on March 30, 2009 aggregating to 9.26% of	Not disclosed		Not disclosed		Regulation 7(1) read with 7(2)(a) of SEBI (SAST) Regulations, 1997

		the total shares of the company			Regulation 13(4) read with 13(5) of SEBI (PIT) Regulations, 1992
2.	Kolluru Surya Prakash Venkata (Noticee no. 13)	Off loaded 10,00,000 shares (9.27%) on October 7, 2016 through Off market	Not disclosed	Not disclosed	Regulation 29(2) read with 29 (3) of SEBI (SAST) Regulations, 2011 Regulation 7(2)(a) of SEBI (PIT) Regulations, 2015*
3.	Wisec Global Ltd (Noticee no. 14)	Kolluru Surya Prakash Venkata Off loaded 10,00,000 (9.27%) on October 7, 2016 through Off market	Not disclosed	Not disclosed	Regulation 7(2)(b) of SEBI (PIT) Regulations, 2015
4.	Falcon Jersey Pvt. Ltd (Noticee no. 15)	As per shareholding pattern, the entity held 746261 (6.92%) shares as on June 30, 2009 and 481211 (4.46%) shares as on March 31,	Not disclosed	Not disclosed	Regulation 7(1) read with 7(2)(a) of SEBI (SAST) Regulations, 1997 Regulation 13(1) of SEBI (PIT) Regulations,

		2009			1992
5.	Falcon Jersey Pvt. Ltd (Noticee no. 15)	Off loaded 7,46,261 shares (6.92%) on February 8, 2017 through Off market	Not disclosed	Not disclosed	Regulation 29(2) read with 29 (3) of SEBI (SAST) Regulations, 2011
6.	Pigeon Constructions Pvt. Ltd (Noticee no. 16)	As per shareholding pattern, the entity held 1000000 (9.27%) shares as on December 31, 2006 and Nil shares as on September 30, 2006	Not disclosed	Not disclosed	Regulation 7(1) read with 7(2)(a) of SEBI (SAST) Regulations, 1997 Regulation 13(1) of SEBI (PIT) Regulations, 1992
7.	Pigeon Constructions Pvt. Ltd (Noticee no. 16)	Off loaded 10,00,000 shares (9.27%) on January 7, 2017 through Off market	Not disclosed	Not disclosed	Regulation 29(2) read with 29 (3) of SEBI (SAST) Regulations, 2011
8.	Arun Kochar (Noticee no. 1)	Acquired 7,00,000 shares (6.49%) shares through off market on October 7, 2016	Not disclosed	Not disclosed	Regulation 29(1) read with 29 (3) of SEBI (SAST) Regulations, 2011
9.	Ranjan Kapoor (Noticee no. 17)	Acquired 7,46,261 shares (6.92%)	Not disclosed	Not disclosed	Regulation 29(1) read with 29 (3) of SEBI

		shares through off market on February 8, 2017			(SAST) Regulations, 2011

* For Serial no. 2 in Table above, considering the closing price of the scrip Wisec on October 7, 2016, which was Rs 7.34, the value of 10,00,000 Shares involved in off market transfer is calculated to be Rs. 73,40,000 crossing ten lakhs rupees.

43. The details of the delivery of SCNs and further communication with Noticees are as follows:

i. Arun Kochar (Noticee No.1)

The common SCN was forwarded to the Noticee via SPAD and delivered to NN. 1. Vide email dated December 30, 2021, he acknowledged the receipt of the SCN and filed its reply in the instant matter. Noticee was granted opportunity of personal hearing through video conferencing on February 03, 2022. The same was adjourned on the request of the noticee made vide email February 02, 2022 to February 25, 2022. Finally, the noticee appeared on the hearing scheduled on February 25, 2022 and made the submissions in line with the email dated December 30, 2021.

"*With reference to your notice dated Oct 14, 2021,* ***(SEBI/EFD1/AA/YR/SCN/2848012/2021)*** *regarding the investigation in the scrip of Wisec Global Ltd, in which explanation has been sought from me in respect to the transactions done in the said scrip.*
It is alleged that I have received 700000 shares of Wisec Global Ltd on 07/10/2016 from K.Surya Praksh & 500000 shares on 06/01/2017 from Pigeon Constructions respectively.
It is submitted that the said shares had been received by me on behalf of Mr. Vishal Wahgela/Kaushik Waghela, which was subsequently sold by them in the open market & the entire funds payout had been transferred to Mr. Vishal Wahgela/Kaushik Waghela & their other family accounts respectively."

The noticee was granted further time of seven days to make submissions, if any, vide emails dated February 25, 2022 and May 23, 2022. However, no additional submissions were made by him.

ii. Rahul Kumar (Noticee No. 2)

The common SCN was forwarded to the Noticee via SPAD and delivered to NN. 2. Thereafter, vide Hearing Notice dated January 04, 2022, the noticee was granted opportunity of personal hearing on February 03, 2022. The Hearing Notice could not be delivered to the last known addresses of the noticee. A common newspaper publication was carried out on February 22, 2022 in the national and regional newspapers (Hindustan Express, Sach Kahun (Noida Edition) w.r.t. issuance of SCN and an opportunity of personal hearing was granted on March 08, 2022. Neither did the Noticee submit any reply nor did it appear for the hearing on March 08, 2022.

iii. Amit Mahesh Bhatt (Noticee No. 3)

The common SCN was forwarded to the Noticee via SPAD and delivered to NN. 3. Thereafter, vide Hearing Notice dated January 04, 2022, the noticee was granted an opportunity of personal hearing on February 03, 2022. However, the Noticee did not appear for the hearing scheduled on February 03, 2022. Vide email dated February 14, 2022, noticee requested 7 days to reply to the notices. The noticee was advised vide emails dated March 03, 2022 and May 20, 2022, to make his submission. The noticee neither requested for any further hearing in the matter nor did it make any submission.

iv. Manohar lal Sachdeva (Noticee No. 4)

The common SCN was forwarded to the Noticee via SPAD. However, the SPAD returned undelivered. The same was affixed to the last known address of the noticee on November 18, 2021. Thereafter, vide Hearing Notice dated January 04, 2022, the noticee was granted opportunity of personal hearing on February 03, 2022. The Hearing Notice could not be delivered/affixed at the last known address of the noticee. A common newspaper publication was carried out for issuance of SCN and opportunity of personal hearing scheduled on March 08, 2022 in the national and regional newspapers (Hindustan Times, Sarhad Kesari and Dainik Jagran (Ferozpur Edition) February 22, 2022. However, neither did the Noticee submit any reply nor did it appear for the hearing on March 08, 2022.

v. Ajay Gupta (Noticee No. 5)

The common SCN was forwarded to the Noticee via SPAD. Vide letter dated December 09, 2021, the noticee acknowledged the receipt of the SCN and made submissions in the instant matter. Thereafter, vide Hearing Notice dated January 04, 2022, an opportunity of personal hearing was granted on February 03, 2022. The noticee appeared for the hearing scheduled on February 03, 2022 and made submissions in line with the letter dated December 09, 2021. The submissions of the noticee are summarized as under:

i. The noticee has not done anything wrong and used to buy & sell shares through way2wealth brokers via telephone.
ii. The noticee used to mention profit-loss in its income tax details.
iii. The noticee used to trade in small quantities and before the company got closed, the noticee stopped trading. The noticee used to bear lot of loss in shares and he used to short the shares, which led to loss to the noticee.
iv. The noticee submitted that he was not involved in increasing/decreasing any shares and only used to trade after observing the systems.

vi. Vishal Mahesh Waghela (Noticee No. 6)

The common SCN was forwarded to the Noticee via SPAD. However, the SPAD returned undelivered and the same could not be affixed to the address of NN. 6. Thereafter, vide Hearing Notice dated January 04, 2022, the noticee was granted opportunity of personal hearing on February 03, 2022. The Hearing Notice could not be delivered/affixed to the last known address of the noticee. A common newspaper publication was carried out on February 22, 2022 in the national and regional newspapers (Times of India, Maharashtra Times and Nav Bharat (Mumbai Edition)) for issuance of SCN and opportunity of personal hearing was granted on March 08, 2022 through newspaper publication dated. Neither did the Noticee submit any reply nor did it appear for the hearing on March 08, 2022.

vii. Keren S Peters (Noticee No. 7)

The common SCN was forwarded to the Noticee via SPAD. However, the SPAD returned undelivered. Therefore, SCN was served on the Noticee No. 7 vide affixture on November 11, 2021. Thereafter, vide Hearing Notice dated January 04, 2022, the noticee was granted opportunity of personal hearing on February 03, 2022. The Hearing Notice was affixed to the last known address of the noticee on January 13, 2022. Neither did Noticee submit any reply nor did it appear for the hearing on February 03, 2022.

viii. Gunjan Dilipbhai Shah (Noticee No. 8)

The common SCN was served on the Noticee via SPAD. Thereafter, vide Hearing Notice dated January 04, 2022, the noticee was granted opportunity of personal hearing on February 04, 2022. The noticee vide email dated February 03, 2022 confirmed appearance for the hearing and authorized Mr. Chitraketu Patel to appear on his behalf. The authorized representative (AR) appeared on the hearing scheduled on February 04, 2022 and requested time to make submissions in response to the Show Cause Notice and the same was granted. AR provided its submissions vide email dated February 15, 2022. The submissions of the noticee provided vide email dated Feb 03, 2022 and Feb 15, 2022 is summarized below:

i. *That he was a victim in the whole transaction and lost all my hard-earned money in Wisec and stuck in such legal consequences and never involved in any kind of unfair trade practice.*

ii. Noticee denied the alleged violation levied against him. The trade sheet is from June 28, 2016 to August 14, 2017 for about 200 trading days. Noticee has traded only on single day i.e., March 06, 2017, 75000 shares of cumulative volume of about 58 lakhs shares and just four-five of 6796 trades in all three patches of investigation period.

iii. *That there was No sudden or major hike of fall during the period he purchased the share on March 06, 2017. He has not sold any share since that day neither traded in the shares after that.*

iv. That the Noticee is not part of Top 10 Buy or Sell on BSE platform during the investigation period also not Contributor or Part of any of analysis of LTP like multiple involvement of other notice neither buy side nor Sell side. Noticee is not part of first trade or opening trade on any day of IP and not part of off-market transection of this security.

v. Noticee does not have any direct or indirect relation with promotor or promotor group so there're is no disclosure violation in any manner.

vi. Noticee have not sold those shares till date.

vii. Noticee further submitted that "*Share purchased by the me on 6th march 2017, from that 92.43% shares sold by noticee 1, 2, 3 and 6 but as a buyer as I know is as a retail investor there is such facility provided by exchange or broker that we can observe counter party of trade through the trading window. As a retail investor I was looking for good opportunity of investment and I was following this security from last few days. On that day I got news from some of my known person market that this stock have good future and can be good investment of mine. I thought I should grab this opportunity of investment and I instructed my broker to* *do investment below Rs 5 lacs in this script. I was busy as usual on those days in my education tech business.*

After few days I observed that this share price is not increasing and infect it was started decreasing. Someone suggested me to sell it of but I am not day trader or short term investor and I decided to hold it long term. But unfortunately, company delisted latter on and all my investment got wiped out. It was very shocking for me. I was aware of that stock market investments have risk involved but before that I was not aware that SEBI and Exchange monitored Security can sudden delist from exchange and my entire investment can wipe out. Investment in this security was equivalent of my few years of saving. I have started approaching that market person multiple time who have strongly suggested to invest in this script but failed due to contact number I have was out of service. I would like to share those details with you but when I have received this notice in October 2021 almost after 3-4 years of my trade I lost all my previous data due to migrating to iOS from Android in January 2020. (Ecom exchange invoice attached).
I have bought this share with clear intention of Good investment nothing else. Further want to add that being part of regulatory investment even after losing such big amount is really heart breaking especially for honest tax payer and citizen like me. I am engaged with ed-tech business and always believe in ethical act. I am always ready to help and always available to give all possible answer. if I can find out cause of my loss but I request Board and Investment committee to clear my name in this investigation as I am not part of any unfair practice."

ix. Ajmera Shares Trading Private Limited (Noticee No. 9)

The common SCN was served on the Noticee via SPAD. Thereafter, noticee vide letter dated November 12, 2022 & Email dated December 10, 2021 requested inspection. The inspection in the matter was scheduled on December 23, 2021 which was adjourned on the request of the Authorised representative and held on December 31, 2021. The Authorised representative of Noticee vide emails dated January 03, 2022, February 18, 2022, April 08, 022 and letter dated February 11, 2022 requested copy of Investigation Report. The copy of the Investigation Report was provided to the noticee. The hearing in the matter was scheduled on April 26, 2022 and the AR appeared on the scheduled date and made submissions in line with the letters dated November 12, 2021, February 11, 2022 and email dated April 15, 2022. The AR, thereafter provided additional submission vide letter dated April 29, 2022(forwarded through email dated April 30, 2022). The contents of its replies are discussed later, where the allegation against him is being analyzed.

x. Mridula Vijaykumar Rathi (Noticee No.10)

The common SCN was served on the Noticee via SPAD. Thereafter, vide Hearing Notice dated January 04, 2022, the noticee was granted opportunity of personal hearing on February 04, 2022. The noticee vide email/letter dated February 03, 2022 submitted that the account was misused and the noticee was defrauded by the dealer Mr. Pradeep Kadam – who was in employment of noticees broker (Aditya Birla Money Ltd). Further, noticee denied knowledge of the trades and indulging in any modus operandi as mentioned in the SCN. Noticee further submitted that neither did she place order in respect of impugned trades nor did she know the sellers.

The noticee further, requested copies of entire records/inspection of all records/cross-examination and noticee requested along with exercise of Power u/s 15-(i) -(2) of SEBI Act, 1992.

Inspection was scheduled vide email dated February 09, 2022 on February 14, 2022, which was rescheduled to February 15, 2022 and the following documents were inspected:

Sr. No.	Details
1.	Communication of Order of Appointment of Adjudicating Officer
2.	Details of Price and Volume Data during Investigation Period
3.	Email received from Depository Participant dated February 18, 2021
4.	Email received from Depository Participant dated September 22, 2020
5.	Email dated October 6, 2020 received from Depository Participant enclosing DIS of Noticee no. 1
6.	Emails dated February 9 and February 10, 2021 received from Noticee no. 3
7.	Email dated February 17, 2021 received from Noticee no. 13
8.	Email dated October 7, 2020 received from CDSL and Email dated October 15, 2020 received from NSDL

Thereafter, vide email dated April 19, 2022, a copy of the Investigation Report along with Trade log and order was provided to the noticee. Hearing in the matter was scheduled on April 26, 2022 and the AR appeared during the hearing scheduled. AR further provided its submissions vide letter dated May 05, 2022. The contents of its replies are discussed later, where the allegation against him is being analyzed.

xi. Sangeeta Kailash Purohit (Noticee No.11)

The common SCN was served on the Noticee via SPAD. Thereafter, noticee vide letter dated November 14, 2022 & Email dated December 10, 2021 requested inspection. The inspection in the matter was scheduled on December 23, 2021 which was adjourned on the request of the Authorised representative and held on December 31, 2021. The Authorised representative of Noticee vide emails dated January 03, 2022, February 18, 2022, April 08, 022 and letter dated February 11, 2022 requested for a copy of Investigation Report. The copy of the Investigation Report was provided to the noticee. The hearing in the matter was scheduled on April 26, 2022 and the AR appeared on the scheduled date and made submissions in line with the letters dated November 12, 2021, February 11, 2022 and email dated April 15, 2022. The AR, thereafter provided additional submission vide letter dated April 29, 2022 (forwarded through email dated April 30, 2022). The contents of its replies are discussed later, where the allegation against him is being analyzed.

xii. NSK Stocks Commodities Private Limited (Noticee No. 12)

The common SCN was served on the Noticee via SPAD. Thereafter, vide letter/email dated November 08, 2021, the noticee requested time till November 30, 2021 to make submission. Vide email dated December 10, 2021, the noticee was given time till December 15, 2021 to make their submission. Vide email dated January 03, 2022, the noticee was granted opportunity of personal hearing on February 04, 2022. The noticee vide email dated January 15, 2022, requested virtual hearing details and further stated that the noticee could not respond earlier due to persistent health issues to the director and their family and delay in responding/replying of any particular allegation may not be treated as their admission in any manner. Shri Gurdeep Singh (Director) of noticee appeared for hearing scheduled on February 04, 2022 and requested for time to make submissions in response to the Show Cause Notice and the same was granted. AR provided its submissions vide email/letter dated February 25, 2022. The submissions of the noticee provided vide email/letter dated Feb 25, 2022 are extracted below:

"*MOST RESPECTFULLY SHOWETH: -*

- *At the outset, we submit that we have not violated any provisions of Regulation section 12A (a), (b), and (c) of the SEBI Act and regulations 3 (a), (b), (c), (d), 4 (1) and 4 (2) (a) of PFUTP Regulations, or any other law as alleged in the Show Cause Notice.*
- *We submit that while we shall endeavor to reply to each and every allegation contained in the Show Cause Notice and that non-denial or non-replying of any particular allegation may not be treated as our admission in any manner for want of denial.*

- *Without prejudice to all the above, we wish to make the following submissions on each and every aspect with regard to the findings / observations / allegations highlighted in the said notice.*
- *We further submit that during the period indicated in the notice (28th September 2016 to 12th June 2017) we were engaged in business of only share trading with our market observation and keeping watch on price volume data and activity seen if any. We have undertaken trades for ourselves without any ill design or ill motives.*
- *We submit that it is alleged that the trades we executed were in illiquid Stock at Bombay Stock Exchange Limited. However, we submit that this scrip, in which we traded, were at no time banned and hence there was no bar on trading in the said scripts. Therefore, it would be too farfetched for us to assume that the trades in this share which were done only after watching some price volume activity are so called structured. The mere fact that BSE allowed trading in these shares renders our bonafides in trading in these shares. Moreover, in absence of any warnings, estoppels from BSE, we are at a loss to understand how we could gather the awareness of the shares to be traded or not in the so called scrips.*
- *We further submit that the said trades were executed in the normal course of business and we are in no way related to the alleged Noticees nos. 1, 2, and 3. Also, the said SCN has failed to establish any connection between us and the alleged counter party except for matching of few trades which could also be a chance without any intent and much less malafide. As if we watch Table No. 13 it is clearly evident from that many orders which we placed of the certain quantity only 10% of the quantity was got received (for example placed an order for 1000 shares out of which we got only 100 shares only) Hence, allegations against us are based on mere surmises and conjectures.*
- *We submit that there was no bar on trading in the said illiquid scrip and therefore we continued to trade in this scrip in the normal course of business. We have been trading in various scrips and the purported "ill liquid" scrips for us were normal. The trading summary of the year 2016 to 2017 is attached herewith as ANNEXURE -1 for your kind perusal that our main course of business is pure trading without any malafide or other intentions scrips in which we could undertake trades. All our trades have been backed up with appropriate pay in pay outs which establishes our bonafides in carrying out genuine trades on the floor of the Exchange.*
- *We further submit all the trades executed by us are well recognised, legal and permitted by BSE and carried out on the floor of exchange.*

There were no wrongful gains made by us out of the alleged trades even for sake of assumptions. Therefore, no motive is established qua us for the presumptions of non-genuine trades by us. We submit that the impugned trades were executed on the floor of exchange through a registered share broker who has provided the requisite softwares as approved by the Exchange, The entire trading process is like blind mechanism as far as buying and/or selling of shares by a client through a broker is concerned. As a client, we had executed the trades in the same mechanism. Thereafter it is impossible for us to know who is/are the counter parties to our trades. To the best of our knowledge, even a broker is not aware of the counter party to any trade carried out. Neither we execute trades through our terminals nor are we aware of the mechanism by which a share broker trades in the market for its clients. We have made due payments for our purchases and have received payments against sale by us. We submit that the said trading system prevents a member who places any orders from identifying the counter-party member or client and thus ensures anonymity of trades. The system does not even display details of all pending orders; rather it only displays the 5 best pending orders. Therefore, at any given point of time, it is impossible for us to even verify the party & counter party of these transactions. We further state that there was no alert from the broker or the Exchange which would prompt us to take any caution or create an alarm in us to estop trading. Under these circumstances, it is erroneous to come to a conclusion that we had executed non-genuine trades which resulted in artificial volume.

- *That there was no alert from exchange. The BSE allowed trading in these shares renders our bonafides in trading in these shares.*
- *That there was no meeting of mind with the alleged counter parties. Matching of trades is a matter of coincidence.*
- *That we did not have any connection with the counter parties and that we are merely a trader/consumer and we have made a victim of the trading mechanism.*
- *Even for sake of assumption trades are very miniscule to attract any adverse inference.*

Therefore, we humbly request that a lenient view be taken and the present proceedings against us may be dropped and we may be exonerated from all the charges and no penalty be imposed against us under section 15HA of SEBI ACT, 1992, as mentioned in the captioned show cause notice…".

xiii. Kolluru Surya Prakash Venkata (Noticee No. 13)

The common SCN was forwarded to the Noticee No. 13 via SPAD. However, the SPAD returned undelivered. Therefore, SCN was served on the Noticee vide affixture on November 12, 2021. Thereafter, vide Hearing Notice dated January 04, 2022, the noticee was granted opportunity of personal hearing on February 04, 2022. The Hearing Notice returned undelivered. Therefore, Hearing Notice was affixed to the last known address of the noticee on January 10, 2022. SCN and HN were also sent to the noticee through email dated January 03, 2022. The Noticee appeared for the hearing on February 03, 2022 and requested copy of SCN and Annexures in the matter and further time for submission. Vide email dated February 03, 2022, SCN along with annexures were provided to the noticee and 14 working days were given to the noticee to make its submissions. The noticee vide email dated February 20, 2022 requested further 15 days to make submission. The noticee was advised vide emails dated March 03, 2022 and reminder dated May 20, 2022, to make his submission. Vide emails dated March 03, 2022 and May 24, 2022, the noticee acknowledged the abovementioned emails sent to him for submission but did not provide any written submissions. Further, vide email dated May 24, 2022, he requested further time till June 15, 2022 to give reply/submissions. A final opportunity was given to make further submission/reply, if any to the noticee vide email dated May 25, 2022 till May 31, 2022. However, neither did he make any submission nor did he request for any further hearing in the matter. Further, it is noted that noticee no 13 is also one of the present Directors of the company namely: *Wisec Global Limited* (NN. 14) and authorized representative of *Pigeon Constructions Limited* (NN. 16).

xiv. Wisec Global Ltd (Noticee No. 14)

The common SCN was forwarded to the Noticee No. 14 via SPAD. However, the SPAD returned undelivered. SCN was served on the Noticee vide affixture on November 11, 2021. Thereafter, vide Hearing Notice dated January 04, 2022, the noticee was granted opportunity of personal hearing on February 04, 2022. The Hearing Notice returned undelivered. Therefore, the Hearing Notice was affixed at the last known address of the noticee on January 21, 2022. Neither did the Noticee submit any reply nor did it appear for the hearing on February 04, 2022. In furtherance with above, SCN/ HNs were again served vide email dated June 18, 2022 and a final opportunity was also given to make any submission/ reply/ correspondence to the noticee namely: Wisec Global Limited. No response has been received from the noticee.

xv. Falcon Jersey Pvt. Ltd (Noticee No. 15)

The common SCN was forwarded to Noticee No. 15 via SPAD. However, the SPAD returned undelivered. Therefore, SCN was served on the Noticee vide affixture on December 10, 2021. Thereafter, vide Hearing Notice dated January 04, 2022, the noticee was granted opportunity of personal hearing on February 04, 2022. The Hearing Notice returned undelivered. Therefore, Hearing Notice was affixed to the last known address of the noticee on January 18, 2022. Neither did Noticee submit any reply nor did it appear for the hearing on February 04, 2022.

xvi. Pigeon Constructions Pvt. Ltd (Noticee No. 16)

The common SCN was forwarded to the Noticee No. 16 via SPAD. However, the SPAD returned undelivered. Therefore, SCN was served on the Noticee vide affixture on December 10, 2021. Thereafter, vide Hearing Notice dated January 04, 2022, the noticee was granted opportunity of personal hearing on February 04, 2022 in the matter. The Hearing Notice returned undelivered. Therefore, Hearing Notice was affixed to the last known address of the noticee on January 20, 2022. Neither did Noticee submit any reply nor did it appear for the hearing on February 04, 2022.

xvii. Ranjan Kapoor (Noticee No. 17)

The common SCN was forwarded to Noticee No. 17 via SPAD. However, the SPAD returned undelivered. Therefore, SCN was served on the Noticee vide affixture on December 11, 2021. Thereafter, vide Hearing Notice dated January 04, 2022, the noticee was granted opportunity of personal hearing on February 04, 2022. The Hearing Notice returned undelivered. Therefore, Hearing Notice was affixed to the last known address of the noticee on January 20, 2022. Neither did the Noticee submit any reply nor did it appear for the hearing on February 04, 2022.

xviii. Alankit Assignments Limited (Noticee No. 18)

The common SCN was delivered to the Noticee No. 18 via SPAD. Thereafter, the noticee submitted the following submissions dated November 29, 2021.

"*In this connection, we beg to submit our Para wise reply relating to Role of the Depository as under: -*

1. *(i). We refer table - 4 SI. No. 1 reporting the Loan transaction in respect of 2(two) clients who had executed 4 (four) transactions for transfer of 20, 00,000 lacs shares of Rs. 10/- each of Wisec Global Limited.*

   Actually 2 delivery instruction slips bearing No. 15023601 & 15023602 were received on 7th Oct. 2016 from Mr. Kolluru Surya Prakash Venkata from his DP Account No. 11306995 for transfer of 3.00 Lacs and 7.00 lacs shares respectively to the Target account no. 10210526 with NSDL DP ID IN302042 of Vogue Commercial Limited and CDSL Account no. 1206290000054816 with DP Way 2 Wealth Broker Private Limited against Reason Code 99 which is specified for "others" (specify), the word "LOAN" was mentioned in the purpose column of the Slips, respectively. Since, the word loan was appearing on the slips, we had enquired from. the beneficiary holder of shares about the transaction. Thereupon, the said beneficiary had stated that Wisec Global Limited and Mr. Jayesh Mehta who is in the business of investment of shares, stocks, etc. had entered into an MOU for unlocking the wealth in the underlying securities and shall provide the funds for this purpose. Mr. Mehta wanted that the underlying securities be transferred in the name of their nominees and upon receiving back the funds financed by him the securities would be retransferred to the beneficiary. He also stated that the word "Loan" mentioned in the slips is only in this context. Mr. Surya Prakash has shared the copy of MOU and letter mentioning all these facts stated herein above. Thereupon we had executed the slips. The copy of the letter received from Mr. Surya Prakash is attached for your kind perusal and record.

   (ii). Later on, we had received 2 delivery instruction slips bearing No. 15028865 & 15028866 from Pigeon Construction Pvt. Ltd, having Depository account No. 10878478, duly signed by Mr. Kolluru Surya Prakash Venkata, Authorised Signatory in the Account on 6th January 2017 for transfer as follows:

   Slips No. 15028865 and 15028866 for transfer of 5.00 Lacs shares each of Wisec Global Limited to the transferee's CDSL account No. 1201090006389123 with Motilal Oswal Depository Participant and account No. 1201060002884192 with Anand Rathi Depository Participant against Reason Code 99 which is specified for "others" (specify), the word "LOAN" was mentioned in the purpose column of the slips respectively. After receipt of slips, we had enquired over phone from Mr. Kolluru Surya Prakash Venkata, authorized signatory of Pigeon Construction Pvt. Limited about the transaction. Thereupon, the said signatory had stated that Wisec Global Limited and Mr. Jayesh Mehta who is in the business of investment of shares, stocks, etc. had entered into an MOU for unlocking the wealth in the underlying securities and shall provide the funds for this purpose.

   The Beneficiaries stated that, Mr. Mehta wanted that the underlying securities be transferred in the name of his nominees and upon receiving back the funds *financed by him, the securities would be retransferred to the beneficiaries. And, till such time the shares will remain under the custody of his nominees. He had also forwarded the Memorandum of Understanding executed between Wisec Global Limited and Mr. Jayesh Mehta of Mumbai on 6th Oct. 2016 which was duly signed by Mr. K.V. S. Prakash on behalf of Wisec Global as Director and Mr. Jayesh Mehta, the other party to the MOU and a letter dated 07.01.2017 from Pigeon Constructions Pvt Ltd. mentioning all these facts stated herein above and asked us to execute both the slips. The copy of the letter received from Pigeon Constructions Pvt Ltd is attached for your kind perusal and record.*

2. *In view of the facts mentioned above, there was no reason for the Depository Participant for not executing the slips. The Depository Participant had duly checked from the beneficiaries and obtained necessary documents also which clearly shows that the shares against the loan transactions were not to be marked under pledge; as the securities had been transferred in trust to the nominees of Mr. Jayesh Mehta, who had committed to finance the securities transferred and were to be returned to the beneficiaries, once the financed amount was returned by the transferors to the financer Mr. Jayesh Mehta.*

   Further, it is stated that as Depository Participant, we cannot check whether the securities being transferred are being pledged or not, by the transferees as they are maintaining their accounts with other depository participants, more so, as explained above, the shares had already been transferred on the basis of documents shared by the beneficiaries.

3. *We refer Para 25 of SEBI aforementioned notice alleging that the Noticee No. 18 i.e. Alankit Assignments Ltd. have violated the provisions of clauses, 1, 2(b), 3, 4 and 11 of the Code of Conduct of SEBI (Depository Participant) Regulations, 1996 prescribed for DPs read with Regulation 20AA IBID read with Regulation 98 of SEBI (Depositories and Participants) Regulations, 2018 and the provisions of the SEBI Master Circular No. CIR/MIR/DP/13/2013 dated 15/04/2013. In this connection, we state that being one of the oldest Private Depository Participant had an unblemished record for providing services to around 2.00 Lacs account holders including NRIs, Foreign Corporate Bodies, Foreign nationals and various Promoter Groups of reputed organizations. In this case also, we had tried all possible measures before executing the DIS received at our end. The beneficiaries had executed the transactions on the basis of the MOU and had also confirmed through letters issued from time to time the objectives which were to be achieved by transfer of securities to the nominees of Mr. Jayesh Mehta, the financer.*

   We therefore, state that the DP did not violate any of the conditions of the Code of Conduct prescribed for the Participant under Regulation 20A (Depository

Participant) Regulations 1996 and Regulation 20AA read with Regulation 98 of SEBI Regulation 2018 and there is no occasion to consider any penalty u/s 15HB of SEBI Act, 1992 read with Section 19G of the Depository Act, 1996 under adjudication proceedings."

Vide email dated December 10, 2021, the noticee was granted opportunity of personal hearing on December 30, 2021. The same was rescheduled to January 11, 2022. Vide email dated January 10, 2022, the noticee requested to adjourn the hearing in the matter and the same was rescheduled on January 21, 2022. Authorised Representatives of the noticee appeared during the hearing scheduled on January 25, 2022 and made submissions in line with the reply dated November 29, 2021. Noticee was provided 10 days to make further submissions. Noticee vide letter dated February 04, 2022 submitted the following:

"*This is furtherance to our earlier reply dated 29th November, 2021, contents of which are reiterated and may be read as part and parcel of this reply as the same are not being repeated for the sake of brevity.*
That pursuant thereof, your good offices accorded a personal hearing through Video Conference on 21st January, 2022 in respect of the captioned matter. We accordingly tendered our appearance and made our submissions and answered all the queries raised during the said hearing. In furtherance to the same, your good offices have also allowed us to submit any additional submissions, in respect of the captioned proceedings.
In light thereof, we would additionally like to highlight certain factual and legal aspects for your kind consideration:
That in so far, our Company is concerned, the present proceedings have been initiated to inquire into the 6796 trades carried for 58,06,619 equity shares during the investigating period of Sept. 28, 2016 to 12"' June 2017 i.e., almost 9 months period.
It may be relevant to note, that during the investigating period of Sept. 28, 2016 to 12th June 2017, the price movement of the said securities fluctuated every quarter. As is evident from Table 6 of Para 28 of the Notice, the sale and buy trades of 58,06,619 shares during the investigating period was done.
c. In light of the above, it may be pertinent to mention that our Company is only Depository Participant who was no role whatsoever in the transactions taken place between various noticees. The sale and buy trades of 58,06,619 shares during the investigating period was done amongst 14 different persons, and as such, being a Depository Participant, our role is just to execute the delivery instruction slips received from the clients after performing due diligence & following Code of Conduct prescribed by the SEBI for the Depository Participant and observing Rules and Regulations and Notifications.

d. It is submitted that before executing the Delivery instruction slips received from the clients, our Company, exercised, all the necessary due diligence on its part. There is and has never been any violations of clause 1, 2(b), 3, 4, 11 of Part A of Schedule 111 of Code of Conduct of SEBI (Depositories and Participants) Regulations, 1996 read with Regulation 20AA ibid read with Reg.98 of SEBI (Depositories and Participants) Regulations, 2018. '

Our Company even after enquiring from the Client, also asked, him to share the letter and the MoU copy, as mentioned in our letter dated 21st November, 2021, submitted to your good office.

e. It is submitted that we followed all the guidelines of the Code of Conduct of SEBI (Depository & Participants Regulations) and made all the efforts to protect the interest of investors and ensured that all professional dealings are carried out in a prompt, effective and efficient manner and to maintain the high standard of integrity in all its dealings with the clients.

f. Therefore, in the instant case, we not only approached the client telephonically but also obtained detailed letters from both the clients before executing the delivery instruction slips whereby the clients confirmed the dealing and mentioned the reason & objectives of transferring the securities to the nominees of the Financer as the said securities were to come back to their accounts after the relevant financed amount is returned back to the Financer. Therefore, at all times, our Company, duly complied third schedule Regulation 20A of Code of Conduct for participants by executing the debit instruction slips.

g. We would like to reiterate that we are one amongst the First Depository Participant since the Depository activities had started in the country and have well experienced officials & staff who is continuously working with the DP and coordinates with the Depositories since beginning.

As submitted vide our previous letter and during the hearing, the word "Loan" used in the delivery instruction slip, was not meant by the clients in the literal sense. Rather the intention of the parties was that this was a temporary accommodation against the finance to be received from the Financer Mr. Jayesh Mehta. The said aspect was initially telephonically and later vide Letter issued by transferor of the shares are clearly clarified. Thus, the due diligence as mandated under the Act and Rules was exercised by the Company without any demur or fail. That is why no consideration was mentioned in the slips and neither the shares were pledged which is the normal phenomena in case of loans. The consideration amount could not fill up in the slips as it was under negotiation at the time of transfer of shares. The Depository Participant did not find any exceptional circumstances which to decline to execute the slips and return it to transferors.

i. We reiterate that as Depository Participant we are responsible to execute the instructions of our account holders i.e. Mr. Kolluru Surya Prakash Venkata the Noticee No. 13 and M/s Pigeon Constructions Pvt. Limited, the noticee No. 16 but *we are neither directly or indirectly know or have any connection with notice No. 1 to 12, 14, 15, and 19. None of them maintains any depository accounts with us nor they have executed any transaction either during the investigation period or thereafter. Thus we are not aware of the trades executed during investigating period by these noticees. In view of the above, we once again reiterate that there arose no occasion for your good offices to impose any penalty in terms of Regulation 15 B read with section 19G of the Act or there was any violation of any of the provisions, Rules and Regulations and code of conduct prescribed by SEB1 by our Company. All the Regulations have been duly complied by us, and therefore, it is humbly submitted that no penalty being imposed upon our Company.*"

xix. Arch Finance Limited (Noticee No. 19)

The common SCN was delivered to the Noticee via SPAD. Thereafter, vide email dated November 09, 2021, the noticee submitted their reply dated November 09, 2021. Vide email dated December 10, 2021, the noticee was granted opportunity of personal hearing on December 30, 2021. The noticee vide email dated December 10, 2021 confirmed appearance for the hearing and authorized Mr. Rakesh Gupta to appear on its behalf. AR appeared on the hearing scheduled on December 30, 2021 and made submissions in line with reply dated November 09, 2021. Noticee was provided 10 days to make further submissions, if any. The noticee did not make any submissions thereafter.

i. M/s Arch Finance Limited is an entity duly registered under Companies Act 1956/2013, member of Stock Exchange since 1997 and become depository participants since CDSL, as on date having more then 1500 accounts. Noticee have not been held guilty of any violation of framework of laws governing the securities market till date.

ii. Noticee denied the alleged violations in SCN and submitted that the allegations and averments contained in the aforesaid notice are flawed, erroneous, and without any concrete evidence and are based on pre-conceived assumptions and hence, denied.

iii. Noticee further submitted the following:

1. *The investigation report and complete set of information were not provided, but only a few tables printed in the SCN along with 2-3 annexures were provided. Hence no reliance to be placed on material not provided to us.*

2. *As per SCN, we as Depository Participant (DP) had a duty to perform some kind of investigation and independently determine the purpose of off-market transactions executed in demat mode, back in the year 2016- 17, whereas nothing of this sort was required from the DPs nor any standard operating procedure was available, under the relevant provisions of law that were applicable during the year 2076-17. The role of the DP is that of a facilitator and not investigator - the role is to hold securities in accounts, to transfer securities between accounts on the instruction of the Beneficial Owner ("BO") account holder, to facilitate the transfer of ownership of securities, and also to facilitate safe-keeping of such securities etc. These functions have been designated by the Regulator itself-as long as instructions sent by BO account holders are in order, DIS slips are properly detailed and verified, and the details match the BO Master slip, DPs do not have to start with suspicion on every transaction, they facilitate.*
3. *The statutes regarding the due diligence requirements of DPs have become more stringent in the recent years, the relevant period goes about 5 years back; the laws in force at that time must be considered, not those in force now.*
4. *Once the facilitative role of the DP as an intermediary has been discharged in accordance with law, it cannot then be punished for the lack of diligence based on an assumed and not a clearly spelt statutory provision/ obligation, to start with suspicion in the transactions executed by the clients - more so, when we had capacity to defend such an allegation has degenerated due to passage of the inordinate time - with time many changes occur such as, information becomes obsolete and gets discarded, human memory fades away, staff changes, individuals die.*
5. *Off-Market Transaction s are permissible by law, and all of them cannot be designated as Exceptional Circumstances, further DP's role is not investigative. As per Para 13-20 of the SCN, one off market transaction pertaining to us, from the year 2016- 17 have been alleged to be transactions under exceptional circumstances only because of their category i.e., Loan. But, strangely in the SCN - there is no mention of any provisions of law which classify these under 'exceptional circumstances'. Indeed, no classification or definition of the term "exceptional circumstances" has even been offered by SEBI in the SCN, or in any other legislation on record. Without a specific statute/definition to rely, classifying the above-mentioned transactions as belonging to "exceptional circumstance" purely at the instance of the Regulator appears to be arbitrary, and should not be held against us-that too after 5 long years.*
6. *Further in the SCN it is alleged that since reason mentioned in the DIS is marked as "Loan", but the same was not pledged transactions, but it was an off-market transfer. In this regard it is submitted that during the year when this*

transaction took place, Beneficiary account holder used to transfer the Stock/Scrip for Margin purpose and loan purpose to Various Brokers/NBFCs. It is only in the year 2Ol9-2O all these loan transactions are done through the pledge and repledge system of the Depository. CDSL vide their circular no CDSL/OPS/DP/SYSTM/2019/352 dated July 15, 2019 had prescribed the selected reason for the Off Market transfers which are ma.de mandatory from August 03, 2019. Hence you will appreciate that only vide this circular they had removed the reason "Loan" from the off-market transfers, earlier this transaction was not supposed to be transactions under "Exceptional Circumstances.

7. *Based on the unreasonable & retrospective classification of "transactions under exceptional circumstances", it is further alleged in the SCN that the we are required to verify the above-mentioned transactions with the Beneficial Owner in accordance with the provisions of clause 1.8(vii) of Master Circular No. CIR/MRD/DPl13/2013 dated 15.04.2013 being attracted by the fact of exceptional circumstances.*
8. *In this regard it is submitted clause l.8(vii) of the aforesaid Master circular states as under: -*

   "The DPs shall cross check with the BOs under exceptional circumstances before acting upon the DIS."

   From the aforesaid it is respectfully submitted that we had duly checked the instruction with the BO and the transaction value is more than 5,00,000 and we had personally checked with beneficiary owner about the transaction details and asked us to go ahead. Hence, we had fully complied with this provision of the said Master circular and allegation regarding violation of this clause of the said circular is not at all justified.
9. *Further it may also be noted that Beneficiary owner had made no complaint against us regarding this transaction at any point of time.*
10. *The objective of a DP is to provide appropriate services to investors in order to better facilitate their trades/ transfers both on and off the market. DP do not have any investigative powers. The form which the transactions in securities take be it gift, loan/return or cash, rests on the trading parties only - It is not for a DP to dictate the commercial dealings/ understanding between such parties. Further, that as off-market transactions themselves are not inherently dubious, the impugned transfers were always executed pursuant to verification of the BO account holder - in compliance with the applicable circulars and provisions, and reasons had been provided in the DIS slips of the impugned transactions, there was no onus on the DP to investigate further.*
11. *The above-mentioned transaction was executed according to the interests of the client and in the normal course of business. We only had the responsibility to verify the details of the Beneficial Owners and the transactions, which was*

indeed carried out by its staff in line with the standing instructions and internal control systems. Upon verification, no suspicion arose regarding the legitimacy of these transactions. Moreover, as a DP, it was not for it to investigate those transactions, but only to question details such as identity, account number, client validity, and appropriate addresses, which were all duly verified by us during the relevant period.

12. *The form of the impugned transaction and reason mentioned on the respective DIS was not unusual ex-facie - as a matter of fact nowhere the law applicable during the relevant period categorized those transactions as exceptional or suspicious- in absence of any contemporaneous statutory/regulatory instruction. We cannot assume an investigative role going beyond our scope. With no substantial or statutory reason to read these transactions as exceptional circumstances, We thus reasonably complied with the due diligence requirements as were then applicable. Further it may be appreciate that beneficiary owner had mentioned the consideration amount of "Loan" in the DIS which was Rs. 7,00,000. As per the applicable laws during that period, as a depository participant we are not supposed to enquire the Movement of Consideration between the parties, as the same was not supposed to be captured into the system. It is only made mandatory by the CDSL depository from October 05, 2018 vide their circular no. CDSL/OPS/DP/SYSTM/2018/465 dated September 04, 2018.*
13. *Hence from the above it can be easily concluded that the statutes/provisions that were then applicable did not pose any specific requirement of examining and verifying the consideration exchanged between the transacting parties- admittedly, no duty or procedure/guidelines for performing such a duty were even prescribed under the law.*
14. *In light of the position explained above, it is clear that We indeed ensured due safeguards, to address the concerns of investors on transfer of securities in demat mode and there is no violation of Clause (vii) of Reg. 1.8 of the above-mentioned Master Circular dated 15.04.2013- as alleged.*
15. *Further, as depository participants, we are regularly being inspected by the CDSL, and CDSL had found no anomalies in the procedures followed by us while executing various DIS in case of off-market transactions and never asked us to do the same in any case.*
16. *It is further submitted that we had not even gained anything out of the alleged transaction. Rather, it is apt to say that we faced considerable loss and inconvenience in dealing with the present investigation, and are sought to face adverse regulatory consequences. As such, there should be no question of penalty in the present case - this being without any prejudice to the submissions of compliance as already mentioned above explaining how there is no scope for finding a violation in the first place.*

17. *It is to be further noted that we are not directly or indirectly related to the Promoters of the company, Beneficiary owner and ultimate beneficiary in whose accounts shares got transferred.*
18. *Further, there should be the basis for determination of standard of due diligence is what can be expected from a reasonable and prudent person. While conducting an exercise of due diligence, it is not reasonable to expect a prudent person, in the ordinary course of business, to inspect every piece of information with a suspicious mind; rather, an effort should be made to identify a fraud / He if circumstances arise, which should raise the suspicion in the mind of a reasonable person.*
19. *Further, vide following Judgements where Supreme Court of India discussing the meaning of the term 'due diligence' in the matter of Chander Kanta Bansal v.Rajinder Singh Anand (Civil Appeal No. 1893 of 2008). and Securities Appellate Tribunal, in the matter of Almondz Global Securities Limited v. SEBI (Appeal No. 275 of 2014).*
20. *Our Humble Denial:*
    i. *It is humbly submitted that as explained above we had taken all the precautions to protect the interest of investors and we had acted diligently as per then applicable rules and regulations.*
    ii. *That we had acted promptly, professionally in effective and efficient manner. Nothing in SCN had brought out by the board that we had acted contrary to that.*
    iii. *Further, as explained above it is clear that we had acted with highest level of integrity as we are no where related to any of the parties to the transaction and we had not gained anything out of the transaction.*
    iv. *Further, we had acted on the DIS instruction as per the beneficiary owner instruction and all the details are required to be filled, are filled and cross checked with available records and duly captured in the system as per then applicable statutes. There is no complaint against the transaction by anyone till date.*
    v. *Further, as explained above, we had required level of knowledge which is applicable at that time and deficiency that are observed and alleged in SCN are being made mandatory of made applicable after the date of the transaction.*

In view of our aforesaid submissions, it is very clear that the SCN did not corroborate with any concrete evidence that we had violated Code of conduct prescribed for the depository participants.

Further we had already in the paragraph above that we had not violated the provision of the master circular dated 15.04.2013."

44. Therefore, the Service of Show Cause Notice/ Hearing Notice was completed for all the noticees as per extant rules to the address mentioned in Show Cause Notice. In furtherance to the above, SCN/ HNs were again served vide email dated June 18, 2022 to those noticees who had not replied to the notices served by either post or affixture/paper publication and a final opportunity was also given to make any submission/ reply/ correspondence to the Noticees Namely viz., *Rahul Kumar (Noticee No. 2), Manohar Lal Sachdeva (Noticee No. 4) Vishal Mahesh Waghela (Noticee No. 6), Keren S Peters (Noticee No. 7) Wisec Global Limited (Noticee No. 14), Falcon Jersey Pvt Ltd (Noticee No. 15), Pigeon Constructions Pvt Ltd (Noticee No. 16), Ranjan Kapoor (Noticee No. 17)*.

45. Considering the fact that the noticees. *Rahul Kumar, Amit Mahesh Bhatt, Manohar Lal Sachdev, Vishal Mahesh Waghela, Keren S Peters, Kolluru Surya Prakash Venkata, Wisec Global Limited, Falcon Jersey Pvt Ltd* and *Ranjan Kapoor* have not filed any reply and noticees *Rahul Kumar, Amit Mahesh Bhatt, Manohar Lal Sachdev, Vishal Mahesh Waghela, Keren S Peters, Wisec Global Limited, Falcon Jersey Pvt Ltd* and *Ranjan Kapoor* have not availed the opportunity of personal hearing despite being granted opportunity for the same. Further, *Kolluru Surya Prakash Venkata* had appeared for hearing on February 03, 2022 and requested SCN and annexures & sought additional time to make submissions. However, no submissions were made by him even after repeated reminders. Therefore, I am of the view that the Noticees 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. In the absence of any response from the Noticees to the SCN, I conclude that the Noticees have admitted the charges levelled against it. In this regard, it is pertinent to note that the Hon'ble Securities Appellate Tribunal (SAT) in the matter of *Classic Credit Ltd.* vs. *SEBI* (Appeal No. 68 of 2003 decided on December 08, 2006) has, inter alia, held 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*".

46. Hon'ble SAT in the matter of *Sanjay Kumar Tayal & Others* vs *SEBI* (Appeal No. 68 of *2013* decided on February 11, 2014), has also, inter-alia, held 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...*"

47. The same position is reiterated by the Hon'ble SAT in the matter of *Dave Harihar Kirtibhai* Vs *SEBI* (Appeal No. 181 of 214 dated December 19, 2014), wherein the Hon'ble SAT held as under:

"*...further, it is being increasingly observed by the Tribunal that many persons/entities do not appear before SEBI (Respondent) to submit reply to SCN or, even worse, do not accept notices/letters of Respondent and when orders are passed ex-parte by Respondent, appear before Tribunal in appeal and claim non-receipt of notice and do not appear and/or submit reply to SCN but claim violation of principles of natural justice due to not being provided opportunity to reply to SCN or not provided personal hearing. This leads to unnecessary and avoidable loss of time and resources on part of all concerned and should be eschewed, to say the least. Hence, this case is being decided on basis of material before this Tribunal and on basis of submissions of Appellant and Respondent, in accordance with applicable law.*

7. In view of above, the Tribunal cannot consider the submissions of Appellant nor look at the documents produced before this Tribunal, since these were not made available or produced before Ld. A.O., despite being provided ample opportunities and since fresh submissions and documents cannot be accepted in Appeal as these were not made or produced before Ld. A.O., the Tribunal will decide this matter on basis of material and evidence before Ld. A.O. 8. Accordingly, this Tribunal accepts the conclusions drawn by Ld. A.O., since these are based on material, evidence before him which has been considered logically and conclusions drawn, in which no infirmity is evident."

48. In view of the aforesaid observations made by the Hon'ble SAT, I find no reason to take a different view and accordingly I deem it appropriate to proceed ex-parte against the Noticees mentioned at para 45 above, based on the material available on record.

CONSIDERATION OF ISSUES AND FINDINGS

49. Considering the findings of investigation report, the allegations made out in the SCN and the submissions made by the Noticees, I find that the following issues require consideration in the present case: -

Issue (A) Whether the Noticees namely: *Arun Kochar (NN. 1), Rahul Kumar (NN. 2), Amit Mahesh Bhatt (NN. 3), Vishal Mahesh Waghela (NN. 6), Kolluru (NN. 13) and Pigeon Constructions (NN. 16)* violated provisions of Section 2(i) read with Sections 13, 16 and 18 of the SCRA, 1956, read with SEBI Notification No. LAD-NRO/GN/2013-14/26/6667 dated October 03, 2013 and Noticees namely: *Arun Kochar (NN. 1), Amit Mahesh Bhatt (NN. 3) and Pigeon Constructions (NN. 16)* have violated regulation *4(1) of PFUTP Regulations*?

50. Before moving forward, I find it relevant to mention provisions of the SCRA, 1956 and relevant SEBI notification dated October 03, 2013 which are alleged to be violated by the Noticee:

SCRA, 1956

Section 2 (i) - Spot Delivery Contract

"Spot Delivery Contract" means a contract which provides for:

(a) actual delivery of securities and the payment of a price therefore either on the same day as the date of the contract or on the next day, the actual period taken for the dispatch of the securities or the remittance of money therefore through the post being excluded from the computation of the period aforesaid if the parties to the contract do not reside in the same town or locality;

(b) transfer of the securities by the depository from the account of a beneficial owner to the account of another beneficial owner when such securities are dealt with by a depository;

Section 13: Contracts in notified areas illegal in certain circumstances.

If the Central Government is satisfied, having regard to the nature or the Volume of transactions in securities in any State or States or area that it is necessary so to do, it may, by notification in the Official Gazette, declared this section to apply to such State or States or area, and thereupon every contract in such State or States or area which is entered into after the date of the notification otherwise than between members of a recognised stock exchange or recognized stock exchanges in such State or States or area or through or with such member shall be illegal:

Provided that any contract entered into between members of two or more recognised stock exchanges in such State or States or area, shall —

(i) be subject to such terms and conditions as may be stipulated by the respective stock exchanges with prior approval of Securities and Exchange Board of India;

(ii) require prior permission from the respective stock exchanges if so stipulated by the stock exchanges with prior approval of Securities and Exchange Board of India.

Section 16: Power to prohibit contracts in certain cases.

16. (1) *If the Central Government is of opinion that it is necessary to prevent undesirable speculation in specified securities in any State or area, it may, by notification in the Official Gazette, declare that no person in the State or area specified in the notification shall, save with the permission of the Central Government, enter into any contract for the sale or purchase of any security specified in the notification except to the extent and in the manner, if any, specified therein.*

(2) All contracts in contravention of the provisions of sub-section (1) entered into after the date of notification issued thereunder shall be illegal.

Section 18: Exclusion of spot delivery contracts from sections 13, 14, 15 and 17.

18. (1) *Nothing contained in sections 13, 14, 15 and 17 shall apply to spot delivery contracts.*

(2) *Notwithstanding anything contained in sub-section (1), if the Central Government is of opinion that in the interest of the trade or in the public interest it is expedient to regulate and control the business of dealing in spot delivery contracts also in any State or area (whether section 13 has been declared to apply to that State or area or not), it may, by notification in the Official Gazette, declare that the provisions of section 17 shall also apply to such State or area in respect of spot delivery contracts generally or in respect of spot delivery contracts for the sale or purchase of such securities as may be specified in the notification, and may also specify the manner in which, and the extent to which, the provisions of that section shall so apply.*

SEBI Notification No. LAD-NRO/GN/2013-14/26/6667 dated October 03, 2013

"In exercise of the powers conferred by sub- section (2) of section 28 and sub-section (1) of Section 16 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), read with Government of India notification number S.O. 573(E), dated the 30th July, 1992 issued under section 29A of the said Act, the Securities and Exchange Board of India (hereinafter referred to as 'the Board') hereby rescinds the notification number S.O.184(E), dated the 1st March, 2000, except as respects things done or omitted to be done before such rescission, and declares that no person in the territory to which the said Act extends, shall, save with the permission of the Board, enter into any contract for sale or purchase of securities other than a contract falling under any one or more of the following, namely:-

a) spot delivery contract

b) contracts for sale or purchase of securities or contracts in derivatives, as are permissible under the said Act or the Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules and regulations made under such Acts and rules, regulations and bye-laws of a recognised stock exchange;

c) contracts for pre-emption including right of first refusal, or tag-along or drag-along rights contained in shareholders agreements or articles of association of companies or other body corporate;

d) contracts in shareholders agreements or articles of association of companies or other body corporate, for purchase or sale of securities pursuant to exercise of an option contained therein to buy or sell the securities, where-

i.) the title and ownership of the underlying securities is held continuously by the selling party to such contract for a minimum period of one year from the date of entering into the contract;

ii.) the price or consideration payable for the sale or purchase of the underlying securities pursuant to exercise of any option contained therein, is in compliance with all the laws for the time being in force as applicable; and

iii.) the contract is settled by way of actual delivery of the underlying securities:

Provided that the contracts specified in clauses (a) to (d) above, shall be in accordance with the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder:

Provided further that nothing contained in this notification shall affect or validate any contract which has been entered into prior to the date of this notification.

Explanation. - It is hereby clarified that the contracts mentioned in clauses (c) and (d) above shall be valid notwithstanding anything contained in section 18 A read with clause (d) of sub-section (1) of section 23 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956):

Provided also that any contract for sale or purchase of government securities, gold related securities, money market securities, contracts in currency derivatives, interest rate derivatives and ready forward contracts in debt securities entered into on the recognised stock exchange shall be entered into in accordance with, —

a. the rules or regulations or the bye-laws made under the Securities Contracts (Regulation) Act, 1956 (42 of 1956), or the Securities and Exchange Board of India Act, 1992(15 of 1992) or the directions issued by the Securities and Exchange Board of India under the said Acts;

b. the rules made or guidelines or directions issued, under the Reserve Bank of India Act, 1934 (2 of 1934) or the Banking Regulations Act, 1949 (10 of 1949) or the Foreign Exchange Management Act, 1999 (42 of 1999), by the Reserve Bank of India;

the notifications issued by the Reserve Bank of India under the Securities Contracts (Regulation) Act, 1956 (42 of 1956).

51. It may be noted that the "Spot Delivery Contract" is defined under section 2(i) (a) of SCRA Act, 1956 as "*a contract which provides for, actual delivery of securities and the payment of a price therefor either on the same day as the date of the contract or on the next day, the actual period taken for the dispatch of the securities or the remittance of money therefore through the post being excluded from the computation of the period aforesaid if the parties to the contract do not reside in the same town or locality*."

52. In other words, a spot contract in securities market is said to be completed only if delivery/transfer of securities and payment thereof has been made within the time

limit prescribed under Section 2(i) (a) of SCRA, 1956. Therefore, in a 'spot delivery contract' the payment of consideration amount must be done either on the same day or the next day of the transaction as stipulated under section 2(i) (a) of SCRA, 1956.

53. In this regard, I rely on the decision of the Hon'ble Supreme Court of India, while referring to Section 16 of SCRA, made the following observations in the matter of *Bhagwati Developers Pvt. Ltd*. vs. *Peerless General Finance and Investment Company Ltd. and Ors*. [(2013)9 SCC 584]:

> "*From a plain reading of the aforesaid provision it is evident that in order to prevent undesirable stipulation in specified securities in any State or area the Central Government by notification is competent to declare that no person in any State or area specified in the notification shall, save with the permission of the Central Government, enter into any contract for the sale or purchase of any security specified in the notification. The Central Government in exercise of the aforesaid power issued notification dated 27th of June, 1969 and declared that in the whole of India "no person" shall "save with the permission of the Central Government enter into any contract for the sale or purchase of securities other than such spot delivery contract" as is permissible under the Act, the Rules, bye-laws and the Regulations of a recognized stock exchange. The Appellant, therefore, can come out of the rigors of Section 16 of the Act only when it satisfies that the transaction comes within the definition of "spot delivery contract*".

54. It is to prevent undesirable transactions in securities that such a provision has been inserted in the Act and subsequent notification was issued to prevent dealings outside the stock exchange mechanism. In order to be a legal transaction, off market transfer would have to qualify as a spot delivery contract as defined under section 2(i) of SCRA i.e., actual delivery/ transfer of shares and the payment should be on the same day as date of contract or the next day.

55. At this juncture, it is pertinent to mention Hon'ble SAT in the matter of *Mrs.* Bhanuben *Jaisukhlal Shah* v. *SEBI* (Appeal No. 271/2009) wherein it was observed: "*In the case before us, it is not in dispute that the appellant sold 4,50,000 shares in off-market transactions in December, 2004 and had not received the payment till the time she filed her reply before the adjudicating officer. ..This being so, the off-market sales effected by the appellant in December 2004 were not spot delivery contracts within the meaning of the Act and since these were not transacted through or with member(s) of a recognized stock exchange, they are illegal in view of the provision of Section 13 of the Act. In this view of the matter,*

no fault can be found with the impugned order passed by the adjudicating officer holding the said transactions to be illegal violating the provisions of Section 2(i) read with Section 13 of the Act."

56. It can be said every contract in securities must be executed through the stock exchange mechanism unless it is a spot delivery contract. As the transaction entered into by the Noticees is an off-market transaction, it is not in conformity with section 13 of SCRA.

57. Off- market transactions were observed from *Kolluru Surya Prakash Venkata* to *Arun Kochar* for a quantity of 7 lakh shares and from *Kolluru Surya Prakash* Venkata to *Vishal Mahesh Waghela* for 3 Lakh shares. Further, Off- market transactions were observed from *Pigeon Constructions* to *Arun Kochar* for 5 lakhs shares and between *Pigeon Constructions* to *Amit Bhatt* for 5 lakh shares. Further, Off- market transactions were also observed between *Arun Kochar* and *Rahul Kumar* for 1 lakh shares. I note that the Delivery Instruction Slips of the above five transactions mention the reason for transfers as "*Loan*".

58. However, *Amit Bhatt* vide emails dated Feb 09 and 10 of 2021 mentioned that the off-market transfer of shares of Wisec (notice no. 14) from *Pigeon Constructions* were done as payment against commissions due from one Kaushik Waghela. *Kolluru Surya Prakash Venkata* has also stated vide email dated February 17, 2021 that no consideration was paid for the off-market transfers. I note that NSDL and CDSL have also affirmed that none of the alleged off market transaction were in the nature of pledge related transactions.

59. *Arun Kochar (NN. 1)* in his reply dated December 30, 2021 stated that he received 7 lakh shares from *Kolluru Surya Prakash Venkata* and 5 lakh shares from *Pigeon Constructions*. The shares had been received by him on behalf of Mr. Vishal Waghela/Kaushik Waghela, subsequently sold by them in the open market & the entire funds payout had been transferred to Mr. Vishal Waghela/Kaushik Waghela and their family accounts respectively. As it may be, the abovementioned submissions of the noticee no. 1 is not tenable and cannot be accepted as the movement of consideration is not between the noticees among whom the transactions have taken place.

60. I note from the documents and material available on record that the above-mentioned off-market transactions were in the nature of sale transactions and such transactions cannot be treated as Loan Transaction. Further, I note that the off-market transfers involving the said loan transactions involve transfer of ownership on the shares and as such these transactions cannot be considered as Pledge

transactions. It is obligatory for the payment of consideration to be made in lieu of transfer of securities either on the same day as the date of sport delivery contract or on the subsequent day, as per the aforesaid provisions of the SCRA, 1956. In the instant case, the payment and transfer of shares have not taken place in order to qualify the same as per spot delivery contract as defined in SCRA.

61. In view of the above, I find that the consideration for transfer of shares has not been made within the prescribed time period, although the transaction entered into by the Noticees is an off-market transaction. Such transaction has to be in conformity with the provisions relating to spot delivery contract. No documentary proof has been filed to show that the off-market transfer of shares was based on any consideration. The conduct of the parties and nature of the transactions establish that the Noticees had entered into a transaction in off-market, without receipt/payment of consideration, which is in contravention of the provisions relating to spot delivery contract.

62. If the facts of the present case are examined in the light of observations made by the Hon'ble SAT, it is clear that the shares sold by the abovementioned noticees in off-market deal i.e., outside the stock exchange mechanism, against no consideration is not in conformity with the provisions of section 2(i) of SCRA. Therefore, I am of the view that the said transactions by noticees namely: *Arun Kochar, Rahul Kumar, Amit Bhatt, Vishal Waghela, Kolluru and Pigeon Constructions* are in contravention of section 2(i) of SCRA read with section 13, section 16 & section 18 of SCRA, 1956 read with SEBI Notification No. LAD-NRO/GN/2013-14/26/6667 dated October 03, 2013.

63. The SCN also alleged violation of Regulation 4 (1) of PFUTP Regulations, 2003 by noticees namely: *Arun Kochar*, *Pigeon Constructions* and *Kolluru Surya Prakash Venkata* due to incorrect statement by Noticees in the Delivery Instruction SLIP (DIS) those transactions were loan transactions whereas they were sale transactions.

64. I note that the Source Clients who had to issue the DIS duly filled in and signed to the Source DP are accountable and responsible for the contents filled in by them in the DIS. When the Source clients state the reasons for transfer in the DIS as Loan Transaction which is not true and when the other records exist contrary to the reasons stated in the DIS by the Source Clients, the act of the Source clients in giving false reason of loan for transfer of shares amounts to an act of deceit and undermine the ethical standards and good faith dealings while dealing in securities. It can only be construed that such an act has been resorted to by the source clients

in order to evade or avoid regulatory compliance on off market transfer of shares as stipulated in Section 2(i)(a) of SCRA, 1956.

65. Regulation 4(1) of PFUTP Regulations states that "*no person shall indulge in a* manipulative*, fraudulent or an unfair trade practice in securities markets".* "*Fraudulent*" means based of fraud; proceeding from or characterized by fraud, tainted by fraud; done, made, or effected; tainted by fraud; done, made or effected with a purpose or design to carry out a fraud. A statement, or claim, or a document, is "*fraudulent*" if it was falsely made, or cause to be made with the intent to deceive. To act with "*intent to fraud*" means to act willfully, and with the specific intent to deceive or cheat; ordinarily for the purpose of either causing some financial loss to another, or bringing about some financial gain to oneself.

66. In the instant case, *Arun Kochar, Kolluru Surya Prakash Venkata, Pigeon* Constructions *Ltd,* all the 3 Source clients by stating their off market transfer of shares as Loan transactions in the DIS when the truth is that none of such transactions were loan transactions, the said noticees who are the Source clients have committed an act of deceit by giving false reason in the DIS with respect to transfer of shares in order to evade or avoid regulatory compliance stipulated in Sec.2(i)(a) SCRA, 1956 for off market transfer of shares. Therefore, I am of the view that they have committed violation of Reg. 4(1) of SEBI PFUTP Regulations, 2003.

Issue B: Whether the Noticees namely: *Arun Kochar (NN. 1), Rahul Kumar (NN. 2)* and *Vishal Mahesh Waghela (NN. 6)* have failed to furnish the information sought through summons issued to them and the Noticee namely: *Kolluru Surya Prakash Venkata (NN. 13)* has provided incorrect information in response to the summons issued to them, thereby allegedly violating section 11C (3) of the SEBI Act?

67. I note that the summons dated March 06, 2020, March 13, 2020, and January 27, 2021 were sent to the Noticees namely: *Arun Kochar, Rahul Kumar*, *Vishal Waghela* and *Kolluru.* The above-mentioned summons got delivered to the addresses of these noticees namely *Arun Kochar, Rahul Kumar, Vishal Mahesh Waghela* and *Kolluru Surya Prakash Venkata ("Kolluru")*. However, no reply is received from Noticees namely: *Arun Kochar, Rahul Kumar* and *Vishal Waghela* with respect to the details sought vide the aforesaid summons issued under section 11C (3) of the SEBI Act, 1992. Therefore, they have failed to comply with said summons. Further, I note the following details as regards reminder letters/ emails sent to the above noticees from the record:

Name of Noticee	**Date of reminder letter/ email**
Arun Kochar *Rahul Kumar* *Vishal Mahesh Waghela*	March 06, 2020, March 13, 2020 and January 27, 2021

68. Section 11C (3) of the SEBI Act, 1992 provides as follows: -

> *The Investigating Authority may require any intermediary or <u>any person associated with securities market</u> in any manner to furnish such information to, or produce such books, or registers, or other documents, or record before him or any person authorized by it in this behalf as it may consider necessary if the furnishing of such information or the production of such books, or registers, or other documents, or record is relevant or necessary for the purposes of its investigation.*

69. Thus section 11C (3) of the SEBI Act, 1992 empowers the Investigating Authority to seek any such information which it considers necessary for the purposes of its investigation from '*any* person *associated with securities market*'. Therefore, I note that Noticees namely: *Arun Kochar*, *Rahul Kumar* and *Vishal Mahesh Waghela* were also under the obligation to furnish such information to the Investigating Authority.

70. I note from the record that the information sought by IA vide summons dated Noticees nos. 1, 2, and 6 pertained to the investigation w.r.t. transfers of securities undertaken by the Noticees, which they were duty bound to furnish. However, the Noticees namely: *Arun Kochar*, *Rahul Kumar* and *Vishal Mahesh Waghela* did not comply with the aforesaid summons. Thus, the non-compliance with the summonses appear to be deliberate and the same continues even till date.

71. It would be pertinent to quote the judgment of Hon'ble SAT in *Indivar* Traders *Pvt. Ltd* v/s *SEBI* in Appeal No. 378 of 2015 decided on September 09, 2015 where in it was held: "*Admittedly, appellant had failed to furnish all particulars sought for in the summons dated 22.2.2013 issued under Section 11C (3) of SEBI Act. Obligation to furnish documents called for by issuing summons under section 11C (3) is mandatory and failure to furnish documents called for thereunder, renders the person liable for penalty under section 15A(a) of SEBI Act.*"

72. Further, the Hon'ble SAT in the case of *M/s Asian Films Production and Distribution Ltd. (*earlier *known as K C Bokadia Films Ltd.)* Vs. *SEBI* (Appeal No. 203 of 2010, Date of decision: 19.01.2011) wherein it has been held that: "*Non-compliance with the summons is, indeed, a serious matter* and cannot *be viewed lightly. The respondent Board is the market regulator and has to regulate the securities market and the law provides that every person associated with the market in any manner should cooperate in the matter of carrying out investigations. In the year 2002, the provisions of the Act were amended and penalty for non-compliance with summons was enhanced considerably to make it more deterrent. Market players who do not cooperate with the regulator in the matter of investigations commit a serious wrong which can have serious repercussions in the market*."

73. I also place reliance on the Order dated July 14, 2016, of the Hon'ble SAT in Appeal no. 22 of 2016 (*Concord Realty Private Limited vs. SEBI*), wherein it held: "*Once it is* established *that there is failure to furnish requisite particulars called for and there is failure to appear before the concerned officer of SEBI as per the summons issued to the appellant, it obviously means that there is violation of section 11C (3) and section 11C(5) of SEBI Act...*"

74. Therefore, I note that the Noticees namely: *Arun Kochar*, *Rahul Kumar* and *Vishal* Mahesh *Waghela* did not furnish the information sought from them vide summons issued under the provisions of the SEBI Act, 1992, despite several reminders sent vide separate letters and emails as discussed above. Therefore, I hold that the aforesaid Noticees viz. *Arun Kochar*, *Rahul Kumar* and *Vishal Mahesh Waghela* violated the provisions of Section 11C (3) of the SEBI Act, 1992.

75. Further, I note that during the investigation SEBI issued summons, dated March 06, 2020, March 13, 2020, and January 27, 2021 to *Kolluru Surya Prakash Venkata* to furnish certain information relating to the off-market transactions in the matter. *Kolluru Surya Prakash Venkata* responded to the Summons dated January 27, 2021 vide email dated February 17, 2021, submitting inter alia, that no off-market transactions were made in the scrip of Wisec and that Noticee no. 1 (*Arun Kochar*), Noticee no. 3 (*Amit Bhatt*) and Noticee no. 6 (*Vishal Waghela*) were total strangers to *Kolluru Surya Prakash Venkata.* He further submitted that Wisec had entered into a Memorandum of Understanding dated 06/10/2016 with one Jayesh Mehta for the purposes of raising funds to run its operations. It was further submitted by Noticee no. 13, that pursuant to the said MOU, Wisec Global Limited had transferred 20 lakh shares of Wisec Global Limited (i.e.10 lakhs shares held by Wisec Global Limited and 10 lakhs shares of Wisec Global Limited held by Pigeon

Constructions Pvt. Ltd) through Alankit Assignments Limited (Depository Participant) on 07/10/2016 to Jayesh Mehta, as security towards the funds to be provided by Jayesh Mehta. However, on examination of the response provided by *Kolluru Surya Prakash Venkata*, it is observed that while the *Kolluru Surya Prakash Venkata* has provided scanned copies of four DIS (Serial no 15028861, 15028862, 15023601 and 15023602) as proof of transfer of the aforementioned 20 lakh shares, the DP has confirmed vide email dated February 18, 2021 that DIS Serial nos. 15028861 and 15028862 were not executed as the transferor client account number was lying suspended due to non-payment.

76. Further, I note from the reply of the DP vide email dated September 22, 2020 that the DIS Serial nos. 15023601 and 15023602 pertained to transfer of Wisec shares by *Kolluru to Vishal Mahesh Waghela* (3 lakh shares) and *Arun Kochar* (7 lakh shares), with the date of execution as October 7, 2016. Therefore, it is noted that the information submitted in respect of transfer of Wisec shares to Jayesh Mehta by Kolluru is not true.

77. Further, from the email sent by the DP on February 18, 2021 it is noted that transfer of 10 lakh shares of Wisec were carried out through DIS bearing Serial Nos. 15028865 and 15028866 for 5 Lacs shares each of Wisec Global Limited (by *Pigeon Constructions* to *Arun Kochar* and *Amit Mahesh Bhatt).* The said DIS were received by the DP on 6th January 2017 with the execution date of 7th January 2017 and the same were executed after telephonic confirmation from the transferor of securities. It was also confirmed by the DP that the 10 lakh shares were credited to the transferee account.

78. From the records, I note that *Kolluru Surya Prakash Venkata* provided false/incorrect information that there were no off-market transfers in the scrip of Wisec and with respect to 20 lakh shares transferred to Jayesh Mehta. I note from the responses of DP namely: *Alankit Assignments Limited* that the transfer of 20 lakh shares was executed by Alankit on Oct 07, 2016 and January 07, 2017 after enquiring from the transferor of the shares which pertains to *Mr. Kolluru Surya Prakash Venkata*, the director of Wisec Global Limited and authorized signatory in the account of Pigeon Constructions Limited. I note that two DIS provided by *Kolluru* to SEBI (Serial no 15023601 and 15023602), indicating transfer of 10 lakh shares of Wisec, it pertains to the transfer of 10 lakh shares by noticee no 13 to *Vishal Mahesh Waghela* and *Arun Kochar* (as confirmed by Alankit vide email dated September 22, 2020) and not by *Kolluru Surya Prakash Venkata* to Jayesh Mehta as claimed by *Kolluru Surya Prakash Venkata* in his email dated February 17, 2021.

79. It can thus be concluded that noticee no. 13, *Kolluru Surya Prakash Venkata* had knowingly provided false information under the summons issued by SEBI during investigation, which is in violation of Section 11C (3) of the SEBI Act, 1992.

80. It is not in dispute that the notice no 13 was issued with a summons under Section 11C (3) of the SEBI Act to furnish certain information/documents. The records show that the summonses were duly received by the respective noticee also. Although the Noticee had replied to the Summons, it is seen that he made false submissions.

81. It is critical to the investigation process that the information flow is unhampered as a fact-finding mission can easily be derailed by entities by not submitting the relevant information. Further it is assessed from the requisition of the information that the same was specific to *Kolluru Surya Prakash Venkata*.

82. Also, during these proceedings, the *Kolluru Surya Prakash Venkata* was granted an opportunity to provide submissions before the Adjudication Officer. However, the Noticee failed to avail the opportunity to providing submissions, despite one appearance. Therefore, *Kolluru Surya Prakash Venkata* has submitted false information for the Summons issued by IA and thus violated Section 11C (3) of SEBI Act.

Issue C: Whether noticees nos. 18 and 19 namely: *Alankit Assignments Limited* and *Arch Finance Limited*, respectively, failed to monitor the transactions of the clients and also to ascertain as to whether such transactions are genuine transactions and are not of suspicious nature and also failed to capture the consideration amount in the DIS, thereby, failed to comply with the provisions of para 1.8(vii) of SEBI Master circular CIR/MRD/DP/13/2013 dated April 15, 2013 and failed to exercise due diligence in monitoring the off market transactions and during their execution thereby violated the provisions of Clauses 1, 2(b), 3, 4, 11 of the Code of Conduct of SEBI (Depositories and Participants) Regulations, 1996 prescribed for DPs read with Regulation 20AA read with Reg. 98 of SEBI (Depositories and Participants) Regulations, 2018?

83. Before moving forward, the relevant provisions of law allegedly violated by the Noticee and as mentioned in the SCN are reproduced below:

    Regulation 20AA of the SEBI (Depositories and Participants) Regulations, 1996 states that:
    "The participant holding a certificate of registration shall, at all times, abide by the Code of Conduct as specified in Third Schedule."

The Code of Conduct for Participants as provided in the Part A of Schedule III of SEBI (Depositories and Participants) Regulations, 1996 states as under:

"1. A participant shall make all efforts to protect the interests of investors.

2. A participant shall always endeavour to—

… (b) ensure that all professional dealings are effected in a prompt, effective and efficient manner

3. A participant shall maintain high standards of integrity in all its dealings with its clients and other intermediaries, in the conduct of its business

4. A participant shall be prompt and diligent in opening of a beneficial owner account, dispatch of the dematerialisation request form, rematerialisation request form and execution of debit instruction slip and in all the other activities undertaken by him on behalf of the beneficial owners.

…

11. A participant shall maintain the required level of knowledge and competency and abide by the provisions of the Act, Rules, Regulations and circulars and directions issued by the Board. The participant shall also comply with the award of the Ombudsman passed under the Securities and Exchange Board of India (Ombudsman) Regulations, 2003."

Regulation 98 of the SEBI (Depositories and Participants) Regulations, 2018 states as under:

"*Repeal and savings*

98.(1) On and from the commencement of these regulations, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, shall stand repealed.

(2) Notwithstanding such repeal, anything done or any action taken or purported to have been taken or contemplated under the repealed regulations before the commencement of these regulations shall be deemed to have been done or taken or commenced or contemplated under the corresponding provisions of these regulations.

(3) After the repeal of the regulations referred to in sub-regulation (1), any reference thereto in any regulation, guideline, circular or direction issued by the Board shall be deemed to be a reference to the relevant provisions of these regulations."

SEBI Master Circular CIR/MRD/DP/13/2013 dated April 15, 2013*: -*

Safeguards to address the concerns of the investors on transfer of securities in dematerialized mode.

vii. The DPs shall cross check with the BOs under exceptional circumstances before acting upon the DIS.
viii. The DPs shall mandatorily verify with a BO before acting upon the DIS, in case of an account which remained inactive i.e., where no debit transaction had taken place for a continuous period of 6 months, whenever all the ISIN balances in that account (irrespective of the number of ISINs) are transferred at a time. However, in case of active accounts, such verification may be mandatory only if the BO account has 5 or more ISINs and all such ISIN balances are transferred at a time. The authorized official of the DP verifying such transactions with the BO, shall record the details of the process, date, time, etc., of the verification on the instruction slip under his signature"

84. Off- market transactions were observed from Noticee No. 13 to Noticee No. 1 (7 lakh shares) and Noticee No. 6 (3 Lakh shares. Further, Off- market transactions were observed from Noticee No. 16 to Noticee No. 1 (5 lakhs shares) and Noticee No. 3 (5 lakh shares). Further, the Off- market transactions were also observed between Noticee No. 1 and Noticee No. 2 for 1 lakh shares.

85. It is noted that the reasons for transfers stated in DIS was "Loan". As noted from the details of off market transactions, the following is the summary of total number of so-called loan transactions, number of source and target clients involved and the quantity of shares involved as noted in the SCN:

No. of Source clients (Transferors)	**No. of target clients (Transferees)**	**No. of off market transactions**	**Total Qty of shares transferred**
3	4	5	21,00,000

86. The following are the details of DPs who had executed the aforementioned off market transactions:

Sr. no.	**Name of DP**	**Loan transactions**		
		No. of source clients	**No. of transactions**	**Qty of shares**
1.	Alankit Assignments Limited	2	4	20,00,000
2.	Arch Finance Limited	1	1	1,00,000

87. The SCN has alleged that in the context of off market transactions, the following would qualify as "exceptional circumstances" in terms of Paragraph 1.8(vii) of the SEBI Master Circular CIR/MRD/DP/13/2013 dated 15.04.2013 which would

require the Depository Participant to cross check with the beneficial owners, before execution of such DIS:

i. Loan transactions which are not done in the manner prescribed in the relevant regulations pertaining to pledge transactions.

ii. Transfer of securities taking place between parties without any payment of consideration.

88. It is noted that the aforesaid transactions were not marked as pledge transactions and the Noticees namely: *Alankit* and *Arch Finance* have allegedly failed to enquire with the Depositories as to whether such pledge was marked in respect of aforesaid so-called "loan" transactions before executing the same.

89. It is further noted that in 4 out of the 5 off-market transactions, Noticee no. 18 has not mentioned the consideration in the DIS for the aforesaid so-called "loan" transactions.

90. In view of the above, it has been alleged that Noticees nos. 18 and 19 have violated the provisions of Clauses 1, 2(b), 3, 4, 11 of Code of Conduct of SEBI (Depositories and Participants) Regulations, 1996 prescribed for DPs read with Regulation 20AA ibid, read with Regulation 98 of SEBI (Depositories and Participants) Regulations, 2018 and the provisions of the SEBI Master Circular CIR/MRD/DP/13/2013 dated 15.04.2013.

91. *Alankit* contended that two DIS were received on October 07, 2016 from Mr. *Kolluru Surya Prakash Venkata* for transfer of 3.00 Lacs and 7.00 lacs shares respectively to the Target account. Since, the word loan was appearing on the slips, *Alankit* had enquired from the beneficiary holder of shares about the transaction. Thereafter, they received 2 DIS from *Pigeon Construction Pvt. Ltd*, duly signed by *Mr. Kolluru Surya Prakash Venkata*, Authorized Signatory in the Account on 6th January 2017 for transfer of 5 Lakhs. As the word 'loan' was appearing on the DIS slips, NN. 18 had enquired from the authorized signatory of Pigeon Construction Pvt. Limited about the transaction. The noticee, Alankit submitted that the said beneficiary had informed that Wisec Global Limited and Mr. Jayesh Mehta who is in the business of investment of shares, stocks, etc. had entered into an MOU for unlocking the wealth in the underlying securities and shall provide the funds for this purpose. *Alankit* further submitted that Mr. Mehta wanted that the underlying securities be transferred in the name of their nominees and upon receiving back the funds financed by him the securities would be retransferred to the beneficiary and the word "Loan" mentioned in the slips is only in this context. The beneficiaries had executed the transactions on the basis of the MOU and had also confirmed

through letters issued from time to time the objectives which were to be achieved by transfer of securities to the nominees of Mr. Jayesh Mehta, the financer.

92. *Alankit* further contended that the present proceedings have been initiated to inquire into the 6796 trades carried for 58,06,619 equity shares during the investigating period of Sept. 28, 2016 to 12"' June 2017. *Alankit* is only a Depository Participant who has no role whatsoever in the transactions taken place between various noticees. The sale and buy trades of 58,06,619 shares during the investigating period was done amongst 14 different persons, and as such, being a Depository Participant, their role is just to execute the delivery instruction slips received from the clients after performing due diligence & following Code of Conduct prescribed by the SEBI for the Depository Participant and observing Rules and Regulations and Notifications. Before executing the Delivery instruction slips received from the clients, *Alankit* exercised, all the necessary due diligence on its part and the word "Loan" used in the delivery instruction slip, was not meant by the clients in the literal sense. Rather the intention of the parties was that this was a temporary accommodation against the finance to be received from the Financer Mr. Jayesh Mehta. Thus, the due diligence as mandated under the Act and Rules was exercised by the noticee Alankit without any demur or fail. That is why no consideration was mentioned in the slips and neither the shares were pledged which is the normal phenomena in the case of loans. The consideration amount could not be filled up in the slips as it was under negotiation at the time of transfer of shares. The Depository Participant did not find any exceptional circumstances which to decline to execute the slips and return it to transferors. As a Depository Participant, *Alankit* is responsible to execute the instructions of its account holders i.e. *Mr. Kolluru Surya Prakash Venkata* and *M/s Pigeon Constructions Pvt. Limited*, but they did not have any direct/indirect knowledge or connection with noticees. No clients maintain any depository accounts with *Alankit* during the investigation period or thereafter.

93. *Arch Finance* contended that Depository Participant does not have a duty to perform some kind of investigation and independently determine the purpose of off-market transactions executed in demat mode, back in the year 2016- 17, no such requirement nor any standard operating procedure was available, under the relevant provisions of law that were applicable to DPs during the year 2016-17. The role of the DP is that of a facilitator and not investigator - the role is to hold securities in accounts, to transfer securities between accounts on the instruction of the Beneficial Owner account holder, to facilitate the transfer of ownership of securities, and also to facilitate safe-keeping of such securities etc. These functions have been designated by the Regulator itself and as long as instructions sent by BO account holders are in order, DIS slips are properly detailed and verified, and the details

match the BO Master slip, DPs need not suspect every transaction, they facilitate. Off-Market Transactions are permissible by law, and all of them cannot be designated as 'Exceptional Circumstances'. During the year when this transaction took place, Beneficiary account holder used to transfer the Stock/Scrip for Margin purpose and loan purpose to Various Brokers/NBFCs. It is only in the year 2Ol9-2O that all these loan transactions started getting executed through the pledge and repledge system of the Depository. CDSL vide their circular no CDSL/OPS/DP/SYSTM/2019/352 dated July 15, 2019 had prescribed the selected reason for the Off Market transfers which are made mandatory from August 03, 2019. Only vide this circular they had removed the reason "Loan" from the off-market transfers, earlier this transaction was not supposed to be transactions under "Exceptional Circumstances. *Arch Finance* further contended that based on the unreasonable & retrospective classification of "transactions under exceptional circumstances", it is further alleged in the SCN that the DPs are required to verify the above-mentioned transactions with the Beneficial Owner in accordance with the provisions of clause 1.8(vii) of Master Circular No. CIR/MRD/DPl13/2013 dated 15.04.2013 being attracted by the fact of exceptional circumstances. In this regard it was submitted that clause l.8(vii) of the aforesaid Master circular states "*The DPs shall cross check with the BOs under exceptional circumstances before acting upon the DIS*." *Arch Finance* contended that they had duly checked the instruction with the BO and the transaction value is more than 5,00,000 and had personally checked with beneficiary owner about the transaction details who asked the DP to go ahead. Hence, *Arch Finance* states that it had fully complied with the provision of the said Master circular and allegation regarding violation of this clause of the said circular is not at all justified. The objective of a DP is to provide appropriate services to investors in order to facilitate their trades/ transfers both on and off the market. DP does not have any investigative powers. The form which the transactions in securities take place, be it gift, loan/return or cash, rests on the trading parties only. It is not for a DP to dictate the commercial dealings/understanding between such parties. Further, as off-market transactions themselves are not inherently dubious, the impugned transfers were always executed pursuant to verification of the BO account holder - in compliance with the applicable circulars and provisions, and reasons had been provided in the DIS slips of the impugned transactions, there was no onus on the DP to investigate further. The above-mentioned transaction was executed according to the interests of the client and in the normal course of business. DP had the responsibility to verify the details of the Beneficial Owners and the transactions, which was indeed carried out by its staff in line with the standing instructions and internal control systems. Upon verification, no suspicion arose regarding the legitimacy of these transactions. The noticee DP also verifies details such as identity, account number, client validity, and appropriate addresses, which were all duly verified by it during the relevant period. The form of the impugned transaction and reason mentioned on the respective DIS was not unusual ex-facie - as a matter of fact nowhere the law applicable during the relevant period categorized those transactions as exceptional or suspicious- in the absence of any contemporaneous statutory/regulatory instruction. The DP has thus stated that it reasonably complied with the due diligence requirements as were then applicable. Further it also stated that the beneficiary owner had mentioned the consideration amount of "Loan" in the DIS which was Rs. 7,00,000. As per the applicable laws during that period, as a depository participant they were not supposed to enquire the Movement of Consideration between the parties, as the same was not supposed to be captured into the system. It is now made mandatory by the CDSL from October 05, 2018 vide their circular no. CDSL/OPS/DP/SYSTM/2018/465 dated September 04, 2018. Hence, from the above it can be easily concluded that the statutes/provisions that were then applicable did not pose any specific requirement of examining and verifying the consideration exchanged between the transacting parties- admittedly, no duty or procedure/guidelines for performing such a duty were even prescribed under the law.

94. In this regard, I note that clause 1.8 (vii) of SEBI Master Circular CIR/MRD/DP/13/2013 dated April 15, 2013 states that "*The DPs shall cross check with the BOs under exceptional circumstances before acting upon the DIS*" However, the term "*exceptional circumstances*" was not defined, and there is no provision in the aforesaid circular, giving any indication or direction as to which transaction is to be classified as exceptional. The differentiation of the off-market transactions into categories such as "Cash", "Gift", "Loan/ Return of Loan shares", "Bad Delivery/Delivery Return" and "Consideration not mentioned category", and treating these categories as exceptional circumstances, is not provided in this circular which was applicable during the relevant period i.e. during 2016-17. These categories were specified much later in July 2019. Further, mandatory statutory requirement of capturing of payment details in CDAS of 'Consideration Amount' as mentioned by the client in the DIS was applicable in October 2018.

95. I note that there were no specific parameters prescribed in the applicable circular which defined exceptional circumstances applicable to the impugned transactions alleged against the Noticees namely: *Alankit* and *Arch Finance*. I note that Alankit and *Arch Finance* have mentioned that they verified the details of the Beneficial Owners and executed the transactions after satisfying and enquiring the same.

96. In view of the above, I have carefully examined and analysed the submissions made by the noticee. Accordingly, action taken by the noticee DPs cannot be termed as inadequate or lacking in due diligence keeping in view the role of DP as prescribed in applicable rules and regulations during the relevant period.

97. In view of the above, I find that there is insufficient material on record to establish that Noticees namely: *Alankit* and *Arch Finance* did not exercise reasonable due diligence and violated clause 1, 2(b), 3, 4, 11 of Part A of Schedule III of Code of Conduct of SEBI (Depositories and Participants) Regulations, 1996 read with Regulation 20AA and Regulation 98 of SEBI (Depositories and Participants) Regulations, 2018.

Issue D: Whether the Noticees namely: *Arun Kochar (NN. 1), Amit Mahesh Bhatt (NN.3), Vishal Mahesh Waghela (NN. 6)* (net sellers) along with Noticees namely: *Keren S Peters (NN. 7), Gunjan Dilipbhai Shah (NN. 8), Ajmera Shares Trading Pvt Ltd (NN. 9), Mridula Vijaykumar Rathi (NN. 10), Sangeeta Kailash Purohit (NN.11)* and *NSK Stocks Commodities Private Limited (NN. 12)* (net buyers) have entered into structured trades thereby creating artificial/ fictitious volume and gave a false and misleading appearance of trading in the illiquid scrip of Wisec. Therefore, the aforesaid Noticees nos. *Arun Kochar (NN. 1), Amit Mahesh Bhatt (NN.3), Vishal Mahesh Waghela (NN. 6), Keren S Peters (NN. 7), Gunjan Dilipbhai Shah (NN. 8), Ajmera Shares Trading Pvt Ltd (NN. 9), Mridula Vijaykumar Rathi (NN. 10), Sangeeta Kailash Purohit (NN.11)* and *NSK Stocks Commodities Private Limited (NN. 12)* have allegedly violated section 12A(a), (b) and (c) of the SEBI Act and regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations?

98. The relevant provisions of law allegedly violated by the Noticee in this context and as mentioned in the SCN are reproduced below: --

Section 12A of the SEBI Act states that

"*No person shall directly or indirectly—*

(a) 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;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognized stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognized stock exchange, in contravention of the provisions of the Act or the rules and the regulations made thereunder"

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 manipulative, fraudulent or an unfair trade practice in securities markets.*
(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;

99. It is noted that Noticees namely: *Arun Kochar, Vishal Mahesh Waghela, Rahul Kumar,* Amit *Mahesh Bhatt* purchased 9,91,494 shares (17.08% of total market volume) and sold 29,74,997 shares (51.23% of total market volume) during the Investigation period i.e. 19,83,503 shares were net sold as detailed under:

Sr. No	Client Name	Gross Buy	Gross Sale	Net Trade	Gross Buy % to total Buy vol.	Gross Sell % to total Sell vol.
1.	Kolluru Surya Prakash Venkata	0	0	0	0	0
2.	Pigeon Constructions Pvt. Ltd.	0	0	0	0	0
3.	Arun Kochar	4,60,818	15,45,547	-10,84,729	7.94	26.62
4.	Vishal Mahesh Waghela	3,396	3,03,146	-2,99,750	0.06	5.22

Sr. No	Client Name	Gross Buy	Gross Sale	Net Trade	Gross Buy % to total Buy vol.	Gross Sell % to total Sell vol.
5.	Rahul	34,773	1,34,773	-1,00,000	0.60	2.32
6.	Amit Mahesh Bhatt	4,92,507	9,91,531	-4,99,024	8.48	17.08
Total		**9,91,494**	**29,74,997**	**-19,83,503**	**17.08**	**51.23**

100. Further, it is noted that from among the top 10 buy and sell concentrations on BSE during the IP *that* Noticee no. 3 (*Amit Mahesh Bhatt*) had the highest contribution of 8.48% in gross buy and Noticee no. 1 (*Arun Kochhar*) had the highest contribution of 26.62% in gross sell.

101. I note that *Arun Kochar* (Noticee no. 1), *Amit Mahesh Bhatt* (Noticee no. 3), *Vishal* Mahesh *Waghela* (Noticee no. 6), and *Rahul Kumar* (Noticee no. 2) have been major net sellers during the investigation period and certain entities who are amongst the top buyers in the scrip during IP had the aforementioned Noticees nos. 1, 2, 3 and 6 as their majority counterparty sellers.

Sl NO	Name Of The Buy Client	Total Buy Qty Of Major Counterparty Buy Client	Qty Bought From The Noticees nos. 1, 2, 3 and 6	Percentage bought from the Noticees nos. 1, 2, 3, and 6
1.	Keren S Peters (Noticee no. 7)	100000	100000	100.00
2.	Gunjan Dilipbhai Shah (Noticee no. 8)	80130	74067	92.43
3.	Ajmera Shares Trading Pvt Ltd (Noticee no. 9)	91000	75700	83.19
4.	Mridula Vijaykumar Rathi (Noticee no. 10)	148500	148381	99.92
5.	Sangeeta Kailash Purohit (Noticee no. 11)	55300	48302	87.35
6.	Nsk Stocks Commodities Private Limited (Noticee no. 12)	94498	70555	74.66

102. It was alleged that the net sellers namely *Arun Kochar, Amit Mahesh Bhatt* and *Vishal Mahesh Waghela* along with entities who had placed buy orders namely *Keren S Peters, Gunjan Dilipbhai Shah, Ajmera Shares Trading Pvt* Ltd, *Mridula Vijaykumar Rathi, Sangeeta Kailash Purohit and NSK Stocks Commodities Private Limited* created artificial/fictitious volume and gave a false and misleading

appearance of trading in the scrip of Wisec Global Ltd, thereby violating Sections 12A(a),(b),(c) of SEBI Act, 1992 and Regulations 3(a),(b),(c),(d),4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003.

103. The buy and sell orders of *Keren S Peters* (NN. 7) with his counterparties *Arun Kochar* (NN. 1) and *Amit Mahesh Bhatt* (NN. 3) are detailed as under:

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_NO	CP_ORDER_NO	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
01/03/2017	Keren Peters (Noticee no. 7)	Arun Kochar (Noticee no. 1)	1488339000002235077	1488339000002235078	12:49:47	12:49:50	12:49:50	5.55	5.55	5.55	19680	20000	20000
01/03/2017	Keren Peters (Noticee no. 7)	Arun Kochar (Noticee no. 1)	1488339000002235077	1488339000002235079	12:49:47	12:49:58	12:49:58	5.55	5.55	5.55	320	20000	320
01/03/2017	Keren Peters (Noticee no. 7)	Arun Kochar (Noticee no. 1)	1488339000002235080	1488339000002235081	12:50:00	12:50:08	12:50:08	5.55	5.55	5.55	20000	20000	20000
01/03/2017	Keren Peters (Noticee no. 7)	Amit Mahesh Bhatt (Noticee no. 3)	1488339000002235082	1488339000002235083	12:50:12	12:50:18	12:50:18	5.55	5.55	5.55	20000	20000	20000
01/03/2017	Keren Peters (Noticee no. 7)	Arun Kochar (Noticee no. 1)	1488339000002235084	1488339000002235085	12:50:30	12:50:37	12:50:37	5.55	5.55	5.55	20000	20000	20000
01/03/2017	Keren Peters (Noticee no. 7)	Arun Kochar (Noticee no. 1)	1488339000002235086	1488339000002235087	12:50:42	12:50:50	12:50:50	5.55	5.55	5.55	20000	20000	20000
Total Structured Traded quantity – 1,00,000 shares													

104. From the above table, I note that Noticee No 7 i.e., *Keren S Peters*, had placed six buy orders which were immediately followed by sell orders of NN. 1 (*Arun Kochar*) and NN. 3 (*Amit Mahesh Bhatt*) for the total shares of quantity – 1,00,000 shares i.e., 100% of shares which were bought by the NN. 7 during IP in the scrip of Wisec. The entire 1,00,000 shares i.e., 100% of shares were bought by *Keren S Peters* during the IP, for which the buy orders were placed on the same date, almost within a time gap of one minute i.e., within close proximity of *Arun Kochar* and *Amit Mahesh Bhatt* placing their sell orders and that too at the exactly at the same rate.

105. The buy and sell orders of *Gunjan Dilipbhai Shah* (NN. 8) with his counterparties *Arun Kochar* (NN. 1) and *Amit Mahesh Bhatt* (NN. 3) during the IP is detailed as under:

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_NO	CP_ORDER_NO	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
06/03/2017	Gunjan Dilipbhai Shah (Noticee no. 8)	Arun Kochar (Noticee no. 1)	1488771000001166059	1488771000001166060	14:08:32	14:08:38	14:08:38	6.00	6.00	5.90	45000	50000	45000
06/03/2017	Gunjan Dilipbhai Shah (Noticee no. 8)	Amit Mahesh Bhatt (Noticee no. 3)	1488771000001166059	1488771000001166061	14:08:32	14:08:50	14:08:50	6.00	6.00	5.90	4067	50000	6000
06/03/2017	Gunjan Dilipbhai Shah (Noticee no. 8)	Arun Kochar (Noticee no. 1)	1488771000001166063	1488771000001166065	14:10:53	14:11:36	14:11:36	5.90	5.90	5.90	15000	25000	15000
06/03/2017	Gunjan Dilipbhai Shah (Notice	Arun Kochar (Notic	1488771000001166063	1488771000001166066	14:10:53	14:12:36	14:12:36	5.90	5.90	5.90	10000	25000	10000

	e no. 8)	ee no. 1)											
Total Structured Traded quantity – 74,067 shares													

106. From the table above, I note that *Gunjan Dilipbhai Shah* had placed four buy orders which were immediately followed by sell orders of *Arun Kochar* and *Amit Mahesh Bhatt* for the total shares of quantity – 74,067 shares i.e., 100% of shares which were bought by *Gunjan Dilipbhai Shah* during IP in the scrip of Wisec. The buy orders of *noticee* namely: *Gunjan Dilipbhai Shah*, during the IP were placed on the same day and within the close proximity of within a minute in 3 cases and less than 2 minutes in 1 case from the time when *Arun* Kochar and *Amit Mahesh Bhatt* were placing their sell orders, that too at the same or almost same rate.

107. The buy and sell orders of *Ajmera Shares Trading Pvt Limited* (NN. 9) with his counterparties *Arun Kochar* and *Vishal Mahesh Waghela* during the IP is detailed as under:

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_NO	CP_ORDER_NO	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
26/10/2016	Ajmera Shares Trading (Noticee no. 9)	Vishal Mahesh Waghela (Noticee no. 6)	1477452600001390070	1477452600001390069	14:14:49	14:12:02	14:14:49	7.6	7.6	7.6	7000	10000	7000
26/10/2016	Ajmera Shares Trading (Noticee no. 9)	Vishal Mahesh Waghela (Noticee no. 6)	1477452600001390070	1477452600001390071	14:14:49	14:14:59	14:14:59	7.6	7.6	7.6	500	10000	500
26/10/20	Ajmera Shares	Vishal Mahes	1477452600	1477452600	14:14:49	14:15:14	14:15:14	7.6	7.6	7.6	200	10000	1000

16	Trading (Noticee no. 9)	h Waghela (Noticee no. 6)	001390070	001390072									
27/10/2016	Ajmera Shares Trading (Noticee no. 9)	Vishal Mahesh Waghela (Noticee no. 6)	14775390000012720 37	14775390000012720 39	12:52:25	12:53:28	12:53:28	7.6	7.6	7.6	5000	10000	5000
27/10/2016	Ajmera Shares Trading (Noticee no. 9)	Vishal Mahesh Waghela (Noticee no. 6)	147753900000127 2048	147753900000127 2049	13:56:19	13:56:31	13:56:31	7.65	7.65	7.65	500	10000	500
27/10/2016	Ajmera Shares Trading (Noticee no. 9)	Vishal Mahesh Waghela (Noticee no. 6)	147753900000127 2048	147753900000127 2051	13:56:19	13:56:45	13:56:45	7.65	7.65	7.65	400	10000	400
27/10/2016	Ajmera Shares Trading (Noticee no. 9)	Vishal Mahesh Waghela (Noticee no. 6)	147753900000127 2048	147753900000127 2057	13:56:19	13:57:18	13:57:18	7.65	7.65	7.65	500	10000	500
27/10/2016	Ajmera Shares Trading (Noticee no. 9)	Vishal Mahesh Waghela (Noticee no.	147753900000127 2048	147753900000127 2059	13:56:19	13:57:23	13:57:23	7.65	7.65	7.65	200	10000	200

		6)											
27/10/2016	Ajmera Shares Trading (Noticee no. 9)	Vishal Mahesh Waghela (Noticee no. 6)	1477539000001272048	1477539000001272061	13:56:19	13:57:28	13:57:28	7.65	7.65	7.65	800	10000	800
27/10/2016	Ajmera Shares Trading (Noticee no. 9)	Vishal Mahesh Waghela (Noticee no. 6)	1477539000001272048	1477539000001272063	13:56:19	13:57:33	13:57:33	7.65	7.65	7.65	200	10000	200
27/10/2016	Ajmera Shares Trading (Noticee no. 9)	Vishal Mahesh Waghela (Noticee no. 6)	1477539000001272048	1477539000001272065	13:56:19	13:57:42	13:57:42	7.65	7.65	7.65	200	10000	200
27/10/2016	Ajmera Shares Trading (Noticee no. 9)	Vishal Mahesh Waghela (Noticee no. 6)	1477539000001272048	1477539000001272068	13:56:19	13:58:03	13:58:03	7.65	7.65	7.65	200	10000	200
28/10/2016	Ajmera Shares Trading (Noticee no. 9)	Vishal Mahesh Waghela (Noticee no. 6)	1477625400001483065	1477625400001483063	15:24:33	15:21:04	15:24:33	7.63	7.65	7.63	20000	20000	20000
30/10/2016	Ajmera Shares Tradin	Vishal Mahesh	1477831500000120	1477831500000120	18:33:23	18:32:40	18:33:23	7.60	7.60	7.60	10000	11000	11000

	g (Noticee no. 9)	Waghela (Noticee no. 6)	8009	8007									
01/11/2016	Ajmera Shares Trading (Noticee no. 9)	Arun Kochar (Noticee no. 1)	1477971000002381048	1477971000002381049	14:19:41	14:20:23	14:20:2	7.35	7.35	7.35	5000	10000	5000
01/11/2016	Ajmera Shares Trading (Noticee no. 9)	Arun Kochar (Noticee no. 1)	1477971000002381048	1477971000002381050	14:19:41	14:20:27	14:20:27	7.35	7.35	7.35	4000	10000	4000
01/11/2016	Ajmera Shares Trading (Noticee no. 9)	Arun Kochar (Noticee no. 1)	1477971000002381048	1477971000002381051	14:19:41	14:20:31	14:20:31	7.35	7.35	7.35	1000	10000	1000
08/11/2016	Ajmera Shares Trading (Noticee no. 9)	Arun Kochar (Noticee no. 1)	1478575800001378045	1478575800001378044	14:36:55	14:35:52	14:36:55	7.65	7.70	7.65	10000	10000	20000
Total Structured Traded quantity – 65,700 shares													

108. From the table above, I note that *Ajmera* had placed 18 buy orders within close proximity of sell orders of either *Arun Kochar* or *Vishal Mahesh Waghela* for the total shares of quantity – 65, 700 shares of the total 75,700 shares i.e., 86,79% of shares which were bought by the *Ajmera* during IP in the scrip of Wisec from the suspected entities. The entire 65,700 shares bought by *Ajmera* during the IP were placed over a period of six days within close proximity from the sell orders of *Arun Kochar* and *Vishal Mahesh Waghela* that too at the same or almost same rate as detailed as under:

    i. 9 buy orders by *Ajmera* and the sell orders by the counter parties were placed within a span of one minute of each other at the same rate.

ii. 7 buy orders by *Ajmera* and the sell orders by the counter parties were placed within a span of two minutes of each other at same/almost same rate.
iii. 2 buy orders by *Ajmera* and the sell orders by the counter parties were placed within a span of three and four minutes of each other at same/almost same rate.

109. The buy and sell orders of *Mridula Vijaykumar Rathi* (NN. 10) with her counterparties *Arun Kochar*, *Amit Mahesh Bhatt* and *Vishal Mahesh Waghela* during the IP is detailed as under:

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_NO	CP_ORDER_NO	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
14/10/2016	Mridula Vijaykumar Rathi (Noticee no. 10)	Arun Kochar (Noticee no. 1)	1476415800001464014	1476415800001464013	14:29:02	14:28:17	14:29:02	7.32	7.32	7.32	24989	25000	25000
14/10/2016	Mridula Vijaykumar Rathi (Noticee no. 10)	Arun Kochar (Noticee no. 1)	1476415800001464014	1476415800001464015	14:29:02	14:29:35	14:29:35	7.32	7.32	7.32	11	25000	11
14/10/2016	Mridula Vijaykumar Rathi (Noticee no. 10)	Arun Kochar (Noticee no. 1)	1476415800001464017	1476415800001464018	14:32:48	14:34:17	14:34:17	7.4	7.4	7.4	5000	5000	5000
18/10/2016	Mridula Vijaykumar Rathi (Noticee no. 10)	Amit Mahesh Bhatt (Noticee no. 3)	1476761400001197046	1476761400001197045	14:39:23	14:38:33	14:39:23	7.80	7.80	7.80	14800	15000	14800
18/10/2016	Mridula Vijaykumar Rathi (Noticee no. 10)	Amit Mahesh Bhatt (Noticee no. 3)	1476761400001197046	1476761400001197047	14:39:23	14:39:33	14:39:33	7.80	7.80	7.80	50	15000	50
18/10/2016	Mridula Vijaykumar Rathi (Noticee no. 10)	Amit Mahesh Bhatt (Noticee no. 3)	1476761400001197046	1476761400001197048	14:39:23	14:40:15	14:40:15	7.80	7.80	7.80	31	15000	31
19/10/2016	Mridula Vijaykumar Rathi (Noticee no. 10)	Arun Kochar (Noticee no. 1)	1476847800002462049	1476847800002462047	13:20:20	13:17:41	13:20:20	7.50	7.50	7.50	25000	40000	25000
19/10/2016	Mridula Vijaykumar Rathi (Noticee no. 10)	Vishal Mahesh Waghela (Noticee no. 6)	1476847800002462049	1476847800002462048	13:20:20	13:19:11	13:20:20	7.50	7.50	7.50	15000	40000	15000
20/10/2016	Mridula Vijaykumar Rathi (Noticee no. 10)	Arun Kochar (Noticee no. 1)	1476934200001467033	1476934200001467032	15:16:49	15:16:30	15:16:49	7.75	7.75	7.75	15000	15000	15000

06/01/2017	Mridula Vijaykumar Rathi (Noticee no. 10)	Arun Kochar (Noticee no. 1)	1483673400001351018	1483673400001351017	11:37:44	11:35:31	11:37:44	9.33	9.33	9.33	18000	18000	20000
06/01/2017	Mridula Vijaykumar Rathi (Noticee no. 10)	Arun Kochar (Noticee no. 1)	1483673400001351019	1483673400001351017	11:38:09	11:35:31	11:38:09	9.33	9.33	9.33	500	500	20000
Total Structured Traded quantity – 1,18,381 shares													

110.From the above table, I note that *Mridula Vijakumar Rathi* had placed 11 buy orders within close proximity of sell orders of *Arun Kochar*, *Amit Mahesh Bhatt* and *Vishal Mahesh Waghela* for the total shares of quantity – 1,18,381 shares of the total 1,48,381 shares i.e., 79.78% of shares which were bought by the *Mridula Vijakumar Rathi* during IP in the scrip of Wisec from the suspected entities. The entire 1,18,381 shares bought by *Mridula Vijakumar Rathi* during the IP were placed over a period of five days within close proximity of *Arun Kochar*, *Amit Mahesh Bhatt* and *Vishal Mahesh Waghela* placing their sell orders at the same or almost same rate as detailed as under:

i. 6 buy orders by *Mridula Vijakumar Rathi* and the sell orders by the counter parties were placed within a span of one minute of each other at same rate.
ii. 2 buy orders by *Mridula Vijakumar Rathi* and the sell orders by the counter parties were placed within a span of two minutes of each other at same/almost same rate.
iii. 3 buy orders by *Mridula Vijakumar Rathi* and the sell orders by the counter parties were placed within a span of three minutes of each other at same/almost same rate.

111.The buy and sell orders of *Sangeeta Kailash Purohit* (NN. 11) with her counterparties *Arun Kochar* and *Vishal Mahesh Waghela* during the IP is detailed as under:

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_NO	CP_ORDER_NO	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
25/10/2016	Sangeeta Kailash Purohit	Vishal Mahesh Wghela	1477366200002170027	1477366200002170028	11:26:53	11:29:01	11:29:01	7.25	7.25	7.25	5000	10000	10000
25/10/2016	Sangeeta Kailash Purohit	Vishal Mahesh Wghela	1477366200002170027	1477366200002170029	11:26:53	11:29:13	11:29:13	7.25	7.25	7.25	1502	10000	5000

25/10/2016	Sangeeta Kailash Purohit	Vishal Mahesh Wghela	1477366200002170037	147736620000217003 8	11:58:26	11:59:11	11:59:11	7.25	7.25	7.25	4750	5000	10000
25/10/2016	Sangeeta Kailash Purohit	Vishal Mahesh Wghela	1477366200002170037	147736620000217003 9	11:58:26	11:59:25	11:59:25	7.25	7.25	7.25	50	5000	50
26/10/2016	Sangeeta Kailash Purohit	Vishal Mahesh Wghela	1477452600001390028	147745260000139002 9	11:52:40	11:52:46	11:52:46	7.50	7.50	7.50	4950	5000	5000
26/10/2016	Sangeeta Kailash Purohit	Vishal Mahesh Wghela	1477452600001390028	147745260000139003 0	11:52:40	11:52:52	11:52:52	7.50	7.50	7.50	40	5000	40
26/10/2016	Sangeeta Kailash Purohit	Vishal Mahesh Wghela	1477452600001390028	147745260000139003 1	11:52:40	11:53:08	11:53:08	7.50	7.50	7.50	10	5000	10
26/10/2016	Sangeeta Kailash Purohit	Vishal Mahesh Wghela	1477452600001390042	147745260000139004 4	13:37:59	13:38:17	13:38:17	7.55	7.55	7.55	1500	5000	3000
30/10/2016	Sangeeta Kailash Purohit	Vishal Mahesh Wghela	1477831500001208038	147783150000120803 7	19:12:02	19:10:16	19:12:02	7.65	7.70	7.65	6000	11000	6000
01/11/2016	Sangeeta Kailash Purohit	Arun Kochar	1477971000002381028	147797100000238102 9	13:43:01	13:43:19	13:43:19	7.35	7.35	7.35	500	5000	1000
01/11/2016	Sangeeta Kailash Purohit	Arun Kochar	1477971000002381028	147797100000238103 0	13:43:01	13:43:23	13:43:23	7.35	7.35	7.35	1000	5000	2000
01/11/2016	Sangeeta Kailash Purohit	Arun Kochar	1477971000002381028	147797100000238103 2	13:43:01	13:43:29	13:43:29	7.35	7.35	7.35	500	5000	500
01/11/2016	Sangeeta Kailash Purohit	Arun Kochar	1477971000002381028	147797100000238103 3	13:43:01	13:43:32	13:43:32	7.35	7.35	7.35	1000	5000	2000
01/11/2016	Sangeeta Kailash Purohit	Arun Kochar	1477971000002381028	147797100000238103 4	13:43:01	13:43:35	13:43:35	7.35	7.35	7.35	500	5000	1000
01/11/2016	Sangeeta Kailash Purohit	Arun Kochar	1477971000002381028	147797100000238103 6	13:43:01	13:43:40	13:43:40	7.35	7.35	7.35	500	5000	1000
01/11/2016	Sangeeta Kailash Purohit	Arun Kochar	1477971000002381028	147797100000238103 7	13:43:01	13:43:44	13:43:44	7.35	7.35	7.35	300	5000	500
01/11/2016	Sangeeta Kailash Purohit	Arun Kochar	1477971000002381028	147797100000238103 8	13:43:01	13:43:47	13:43:47	7.35	7.35	7.35	200	5000	200

01/11/2016	Sangeeta Kailash Purohit	Arun Kochar	1477971000002381028	1477971000002381039	13:43:01	13:43:50	13:43:50	7.35	7.35	7.35	500	5000	1000
01/11/2016	Sangeeta Kailash Purohit	Arun Kochar	1477971000002381090	1477971000002381088	15:24:45	15:21:29	15:24:45	8.03	8.03	8.03	2500	2500	5000
29/11/2016	Sangeeta Kailash Purohit	Rahul Kumar	1480390200001240028	1480390200001240029	12:30:56	12:31:06	12:31:06	9.50	9.50	9.50	100	5000	100
Total Structure Traded quantity – 31,402 shares													

112.From the above table, I note that *Sangeeta Kailash Purohit* had placed 20 buy orders within close proximity of sell orders of either *Arun Kochar* or *Vishal Mahesh Waghela* for the total shares of quantity – 31, 302 shares of the total 48,302 shares i.e., 65% of shares which were bought by the *Sangeeta Kailash Purohit* during IP in the scrip of Wisec from the suspected entities. The entire 31,302 shares bought by *Sangeeta Kailash Purohit* during the IP were placed over a period of five days within close proximity from sell orders of *Arun Kochar* and *Vishal Mahesh Waghela,* that too at the same or almost same rate as detailed below:

a. 16 buy orders by *Sangeeta Kailash Purohit* and the sell orders by the counterparties were placed within a span of one minute of each other at same rate.
b. 1 buy order by *Sangeeta Kailash Purohit* and the sell order by the counterparties were placed within a span of two minutes of each other at same/almost same rate.
c. 3 buy orders by *Sangeeta Kailash Purohit* and the sell orders by the counterparties were placed within a span of three/four minutes of each other at same rate.

113.The buy and sell orders of *NSK Stocks Commodities Private Limited* (NN. 12) with his counterparties *Arun Kochar* and *Amit Mahesh Bhatt* during the IP is detailed as under:

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_NO	CP_ORDER_NO	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
19/10/2016	NSK Stocks	Arun Kochar	1476847800	147684780000	14:29:45	14:29:53	14:29:53	8.09	8.09	8.09	100	1000	100

	Commodities Pvt. Ltd (Noticee no. 12)	(Noticee no. 1)	002462070	2462071									
19/10/2016	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	1476847800002462080	1476847800002462077	14:35:10	14:34:14	14:35:10	8.09	8.09	8.09	1000	1000	10000
28/10/2016	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	1477625400001483038	1477625400001483040	14:48:21	14:49:50	14:49:50	7.37	7.37	7.36	25	25	1000
28/10/2016	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	1477625400001483039	1477625400001483040	14:48:36	14:49:50	14:49:50	7.36	7.36	7.36	100	100	1000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	1486438200001490531	1486438200001490527	14:54:55	14:53:15	14:54:55	6.95	6.95	6.95	2000	2000	20000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	1486438200001490533	1486438200001490527	14:55:02	14:53:15	14:55:02	6.95	6.95	6.95	2000	2000	20000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	1486438200001490536	1486438200001490527	14:55:54	14:53:15	14:55:54	6.95	6.95	6.95	1610	2000	20000
07/02/2017	NSK Stocks	Amit Mahes	1486438200	148643820000	14:55:54	14:55:10	14:55:54	6.95	6.95	6.95	90	2000	900

	Commodities Pvt. Ltd (Noticee no. 12)	h Bhatt (Noticee no. 3)	001490536	1490534									
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	1486438200001490536	1486438200001490535	14:55:54	14:55:31	14:55:54	6.95	6.95	6.95	300	2000	3000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Amit Mahesh Bhatt (Noticee no. 3)	1486438200001490539	1486438200001490534	14:57:19	14:55:10	14:57:19	6.95	6.95	6.95	180	5000	900
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	1486438200001490539	1486438200001490535	14:57:19	14:55:31	14:57:19	6.95	6.95	6.95	600	5000	3000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Amit Mahesh Bhatt (Noticee no. 3)	1486438200001490539	1486438200001490538	14:57:19	14:56:34	14:57:19	6.95	6.95	6.95	1000	5000	5000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Amit Mahesh Bhatt (Noticee no. 3)	1486438200001490540	1486438200001490534	14:57:30	14:55:10	14:57:30	6.95	6.95	6.95	180	5000	900
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	1486438200001490540	1486438200001490535	14:57:30	14:55:31	14:57:30	6.95	6.95	6.95	600	5000	3000
07/02/2017	NSK Stocks	Amit Mahes	1486438200	148643820000	14:57:30	14:56:34	14:57:30	6.95	6.95	6.95	610	5000	5000

	Commodities Pvt. Ltd (Noticee no. 12)	h Bhatt (Noticee no. 3)	001490540	1490538									
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Amit Mahesh Bhatt (Noticee no. 3)	1486438200001490541	1486438200001490538	14:57:35	14:56:34	14:57:35	6.95	6.95	6.95	3050	5000	5000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Amit Mahesh Bhatt (Noticee no. 3)	1486438200001490541	1486438200001490534	14:57:35	14:55:10	14:57:35	6.95	6.95	6.95	450	5000	900
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	1486438200001490541	1486438200001490535	14:57:35	14:55:31	14:57:35	6.95	6.95	6.95	1500	5000	3000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Amit Mahesh Bhatt (Noticee no. 3)	1486438200001490542	1486438200001490538	14:57:41	14:56:34	14:57:41	6.95	6.95	6.95	340	5000	5000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	1486438200001490545	1486438200001490543	14:58:03	14:57:44	14:58:03	6.95	6.95	6.95	3000	3000	10000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	1486438200001490547	1486438200001490543	14:58:10	14:57:44	14:58:1	6.95	6.95	6.95	3000	5000	10000
07/02/2017	NSK Stocks	Amit Mahes	1486438200	148643820000	14:58:10	14:58:08	14:58:1	6.95	6.95	6.95	2000	5000	10000

	Commodities Pvt. Ltd (Noticee no. 12)	h Bhatt (Noticee no. 3)	001490547	1490546								
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Amit Mahesh Bhatt (Noticee no. 3)	14864382000014900548	1486438200001490546	14:58:16	14:58:08	14:58:16	6.95	6.95	6.95	3000	5000	10000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	14864382000014900548	1486438200001490543	14:58:16	14:57:44	14:58:16	6.95	6.95	6.95	2000	5000	10000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	14864382000014900549	1486438200001490543	14:58:28	14:57:44	14:58:28	6.95	6.95	6.95	1000	5000	10000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Amit Mahesh Bhatt (Noticee no. 3)	14864382000014900549	1486438200001490546	14:58:28	14:58:08	14:58:28	6.95	6.95	6.95	4000	5000	10000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Amit Mahesh Bhatt (Noticee no. 3)	14864382000014900550	1486438200001490546	14:58:34	14:58:08	14:58:34	6.95	6.95	6.95	1000	5000	10000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Amit Mahesh Bhatt (Noticee no. 3)	14864382000014900554	1486438200001490552	14:59:03	14:58:46	14:59:03	6.95	6.95	6.95	2000	5000	10000
07/02/2017	NSK Stocks	Arun Kochar	1486438200	148643820000	14:59:03	14:58:58	14:59:03	6.95	6.95	6.95	3000	5000	20000

	Commodities Pvt. Ltd (Noticee no. 12)	(Noticee no. 1)	001490554	1490553									
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	14864382000014900557	1486438200001490553	14:59:38	14:58:58	14:59:38	6.95	6.95	6.95	2000	5000	20000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Amit Mahesh Bhatt (Noticee no. 3)	14864382000014900557	1486438200001490552	14:59:38	14:58:46	14:59:38	6.95	6.95	6.95	1000	5000	10000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	14864382000014900557	1486438200001490555	14:59:38	14:59:16	14:59:38	6.95	6.95	6.95	2000	5000	20000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	14864382000014900558	1486438200001490553	14:59:51	14:58:58	14:59:51	6.95	6.95	6.95	2000	5000	20000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Amit Mahesh Bhatt (Noticee no. 3)	14864382000014900558	1486438200001490552	14:59:51	14:58:46	14:59:51	6.95	6.95	6.95	1000	5000	10000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	14864382000014900558	1486438200001490555	14:59:51	14:59:16	14:59:51	6.95	6.95	6.95	2000	5000	20000
07/02/2017	NSK Stocks	Arun Kochar	1486438200	148643820000	15:00:03	14:58:58	15:00:03	6.95	6.95	6.95	2000	5000	20000

	Commodities Pvt. Ltd (Noticee no. 12)	(Noticee no. 1)	001490559	1490553								
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Amit Mahesh Bhatt (Noticee no. 3)	1486438200001490559	1486438200001490552	15:00:03	14:58:46	15:00:03	6.95	6.95	6.95	1000	5000	10000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	1486438200001490559	1486438200001490555	15:00:03	14:59:16	15:00:03	6.95	6.95	6.95	2000	5000	20000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	1486438200001490560	1486438200001490553	15:00:16	14:58:58	15:00:16	6.95	6.95	6.95	1000	3000	20000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Amit Mahesh Bhatt (Noticee no. 3)	1486438200001490560	1486438200001490552	15:00:16	14:58:46	15:00:16	6.95	6.95	6.95	1000	3000	10000
07/02/2017	NSK Stocks Commodities Pvt. Ltd (Noticee no. 12)	Arun Kochar (Noticee no. 1)	1486438200001490560	1486438200001490555	15:00:16	14:59:16	15:00:16	6.95	6.95	6.95	1000	3000	20000
Total Structured Traded quantity – 57,735 shares													

114. From the above table, I note that *NSK Stocks Commodities Pvt Ltd* had placed 41 buy orders within close proximity of sell orders of *Arun Kochar* and *Amit Mahesh Bhatt* for the total shares of quantity – 57,735 shares of the total 70,555 shares i.e., 81.83% of shares which were bought by the *NSK Stocks Commodities Pvt Ltd* during IP in the scrip of Wisec from the suspected entities. The entire 31,302 shares

bought by *NSK Stocks Commodities Pvt Ltd* during the IP were placed over period of three days within close proximity of *Arun Kochar* and *Amit Mahesh Bhatt* placing their sell orders at the same or almost same rate as detailed as under:

a. 23 buy orders by *NSK Stocks Commodities Pvt Ltd* and the sell orders by the counterparties were placed within a span of one minute of each other at same rate.
b. 13 buy orders by *NSK Stocks Commodities Pvt Ltd* and the sell orders by the counterparties were placed within a span of two minutes of each other at same/almost same rate.
c. 5 buy orders by *NSK Stocks Commodities Pvt Ltd* and the sell orders by the counterparties were placed within a span of three minutes of each other at same rate.

115. I would like to deal with the submissions of respective noticees in this context. *Arun Kochar (NN. 1)* in his reply dated December 30, 2021 stated that he received 7 lakh shares from *Kolluru Surya Prakash Venkata* and 5 lakh shares from *Pigeon Constructions*. The shares had been received by him on behalf of Mr. Vishal Waghela/Kaushik Waghela, subsequently sold by them in the open market & the entire funds payout had been transferred to Mr. Vishal Waghela/Kaushik Waghela and their family accounts respectively.

116. *Gunjan Dilipbhai Shah* (*NN. 8*) in his reply dated has submitted that he has purchased the shares on March 06, 2017 and has neither sold any share since that day nor has he traded in this share after that. Further, the noticee submitted that he is not part of any of the following:

- Top 10 Buy or Sell on BSE platform during IP.
- Contributor or Part of any analysis LTP.
- Part of first trade or opening trade on any day of IP.
- The noticee don't have any direct or indirect relation with promoter or promoter group so there is no disclosure violation in any manner.
- Noticee have not sold that shares till date.

The *Gunjan Dilipbhai Shah* has further submitted that:

- Counterparty of the trade was not known.
- 92.43% of the share bought by him was sold by NN. 1, 2, 3 and 6.
- The counter party of the trade was not known.
- Share was bought as the stock had good future.
- I am not a day trader and held the share in long times.
- The company got delisted and investment wiped out.

117.*Ajmera Share Trading Pvt Ltd* (NN. 9) and *Sangeeta Kailash Purohit* (NN. 11) vide reply dated February 11, 2022, April 15, 2022, April 30, 2022 have submitted the following:

- *Noticee is not among the Top 10 buyers and sellers in the scrip – Wisec.*
- *No allegation of connection has been made against the Noticee with any of the noticee.*
- *Noticee refutes and denies each and every allegation contained in the SCN.*
- *NN. 9 purchased 91,000 shares of the Company by execution by 38 trades. However, in the SCN allegation has been made against execution of 18 trades for 65,700 shares.*
- *The NN. 9 had executed trades only on 6 days out of the 166 trading days of the scrip of Wisec.*
- *During IP, Total volume of 58,06,619 shares of the company was generated by execution of 6796 trades.*
- *NN.1(Arun Kochar) was counterparty seller in 699 trades for 15,45,547 shares (26.62% of the market volume) and was counterparty buyer in 529 trades for 4,60,819 shares.*
- *4038 trades were executed wherein buy order had been placed first*
- *2768 trades were executed wherein sell order were placed first.*
- *962 trades were executed wherein time difference between placing of buy and sell orders were either one minute or less than one minute.*
- *462 trades were executed wherein buy and sell orders quantities were same.*
- *3547 trades were executed wherein buy orders rates and sell orders rates were same.*
- *359 trades were executed wherein rates and quantities of buy and sell orders were same.*
- *With respect to the Trade Data of 38 trades executed by NN. 9, the following was submitted:*
    - *Noticee had placed total 8 buy orders for purchase of 91,000 shares of the Company.*
    - *The counterparties seller to these 38 trades had placed 38 different sell orders for sell of 1,05,300 shares*
    - *Out of total sell quantity for 1,05,300 shares placed by the counterparties seller, the Appellant bough only 91,000 shares by placing 8 buy order for 91,000 shares.*
    - *The trades of the Noticees had been matched with 7 different counterparties' seller. However, in the Para 36 of the SCN, allegation has been made for 18 trades matched with 2 Noticee only.*
    - *No allegation has been made against 20 trades for 25,300 shares volume.*

- *There were time difference of 10 seconds to 4 hour 1 minutes in between placing of buy orders by the Noticee and sell orders placed by the counterparties' seller.*
- *In 36 trades out of total 38 trades executed by the Noticee, there were huge quantity difference in between the buy orders of the Noticee and sell orders placed by the counterparties' seller.*
- *Noticee No. 1 had sold more than 15.45 Lakhs shares of the Company which comprises 26.92% of the total market volume. Thus, it was obvious that some of the trades of the Noticee matched with Noticee No. 1. In light of the aforesaid, it is clear that there is no meeting of mind for execution of these 38 trades and it was just co-incidence that few orders of the Noticee matched with certain Noticees.*

- *With respect to the Trade Data of 28 trades executed by NN. 11, the following was submitted:*
  - *Noticee had placed total 10 buy orders for purchase of 55,500 shares of the Company.*
  - *The counterparties seller to these 28 trades had placed 28 different sell orders for sell of 1,02,798 shares.*
  - *Out of total sell quantity for 1,02,798 shares placed by the counterparties seller, the Appellant bough only 55,300 shares by placing 10 buy order for 55,500 shares.*
  - *The trades of the Noticees had been matched with 6 different counterparties' seller. However, in the Para 40 of the SCN, allegation has been made for 19 trades matched with 2 Noticees only.*
  - *No allegation has been made against 9 trades for 23,998 shares volume.*
  - *There were time difference of 6 seconds to 1 hour 35 minutes in between placing of buy orders by the Noticee and sell orders placed by the counterparties' seller.*
  - *In 25 trades out of total 28 trades executed by the Noticee, there were huge quantity difference in between the buy orders of the Noticee and sell orders placed by the counterparties' seller.*
  - *Noticee No. 1 had sold more than 15.45 Lakhs shares of the Company which comprises 26.92% of the total market volume. Thus, it was obvious that some of the trades of the Noticee matched with Noticee No. 1.*
  - *In light of the aforesaid, it is clear that there is no meeting of mind for execution of these 28 trades and it was just co-incidence that few orders of the Noticee matched with certain Noticees.*
- *Several entities, whose names are mentioned (Details of Top 10 buyers and sellers) in the SCN, were not made parties to the SCN though they had executed substantial trades in the scrip of the Company. They had executed trades in similar fashion as the Noticee did. If SEBI did not find any fault in the trades of those entities than the same yardsticks should be applied in the case of the Noticee herein.*
- *All the trades of NN. 9 had been marked delivery and the ownership had been transferred to the Noticee.*

- *NN. 9 is still holding the 91, 000 shares of the Company purchased way back in the year 2016-17 and paid the consideration for the same. Further, Noticee had not received a single penny from the Noticees for purchase of the share.*
- *NN. 9 had no connection with the counterparties to the alleged Structured Trades and had not sold a single share of the Company out of its total purchases during Investigation.*
- *Noticees is not facing any allegation execution of circulated trades, reversal trades, self-trades in the scrip of the Company.*
- *Noticee is not facing allegation of manipulation of the price of the scrip of the Company.*
- *Despite the repeated requests made by the Noticee, SEBI has failed to bring on record the exact definition of the Structured Trades adopted in the present proceeding and the Prima facie reasons recorded by the Whole Time Member while ordering for the inquiry against the Noticee.*
- *Noticee is not facing allegation of manipulation of the price of the scrip of the Company.*
- *Noticee had no intention of create artificial volume in the scrip of the Company and to give exit to the other Noticees.*
- *Noticee had made reference to SEBI Orders dated* ***Radford Global Limited*** *(SEBI Order dated 29/08/2019) and SAT Order dated February 07, 2022 in* ***Raj Kumar Agarwal*** *v/s* ***SEBI****.*
- *Noticees are not part of any such fraudulent activities and unauthorized trading and no adverse finding has been recorded by any agency including SEBI against the Noticees. The Noticees had bonafidely purchased the shares of the Company and are still holding in their respective demat account.*
- *In the para 16, 17 and 18 of the IR wherein finding regarding synchronized trades, reversal of trades and self-trades have been provided respectively, the name of the Noticees have not been mentioned and no adverse finding has been recorded against the Noticees.*
- *The Noticees are not facing allegation of creation of +ve LTP, First trade and New High Price. No adverse finding has been recorded in the investigation report qua the Noticees.*
- *The allegation made in the entire SCN qua the Noticees were based on assumptions, presumptions, surmises and conjectures. SEBI has completely failed to provide any evidence to substantiate its claim that the Noticees had allegedly created artificial volume in the scrip of the Company.*
- *I further submit that if the Noticees had intention to purchase/sell share of any Company, is it a condition to keep pending the Orders for purchase / sell for hours and hours? How the Noticees could know what is the intention of counterparties? However, the Noticees intention was very clear and it reflect from the fact of the case that the Noticees are still holding their shares that they purchased in 2016.*

- *SEBI has deliberately made Noticees parties to the SCN and gave clean chit to those entities who had substantial contribution into volume in the scrip of the Company in comparison to the Noticees.*
- *The Noticees had no connections of whatsoever nature with the Promoter / Director of the Company.*
- *I further submit that the Noticees were not part of any group including suspected entities.*
- *Noticee has further placed reliance on the Order dated 26-02-2021 passed by the Ld. WTM, SEBI in the matter of **Nikki Global Finance Limited**.*

118.Noticee no:10 (*Mridula N Rathi*) vide reply dated April 1, 2022, May 05, 2022 has submitted the following:

- *There is lapse of 5 years in the matter and the SCN does not provide any explanation to justify the same. Reliance was placed on judgements in the matter of Mohamad Kavi Mohamad Amin v. Fatmabai Ibrahim (SC Judgement), HB Stockholdings Ltd v SEBI (SAT Order dated Ausgut 27, 2013), SAT Judgment in the matter namely: Sanjay Soni v SEBI (Order dated November 14, 2019), Libord Finance Ltd v Whole Time Member, SEBI (SAT order dated March 03, 2008, confirmed by Supreme Court on January 07, 2016), Rajeev Bhanot and Ors. V SEBI (Appeal No. 396 of 2018).*

- *There is no evidentiary basis for alleging 'fraud':*
    - *SCN levels a serious charge of fraud on the basis of mere suspicion, in complete ignorance of the time-tested judicial precedents including rulings of the Hon'ble SAT (Nirmal Bang Securities (P) Ltd. vs. SEBI, SAT Order dated October 31, 2003) which cautions against suspicion, conjecture and surmise being passed off as proof especially where fraud is alleged. The SCN purports to treat suspicion and evidence as one and the same, and ignores foundational principles of the law of evidence that 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.*
    - *Where fraud and collusion are alleged, it would be incumbent on the authority to set out the nature of the fraud along with full particulars. The SCN is however lacking in material particulars. Reference made to judgment of SC in **Chief Engineer, MSEB and Anr.** v. **Suresh Raghunath Bhokare.***
    - *allegations of fraud cannot be based on wild allegations without any convincing evidence. Charges of fraud are of serious in nature and should not be made casually by regulators. The judicial precedents indisputably hold that fraud is a serious offence and, therefore, the standard of proof must be of a higher degree and mere conjectures and surmises will not be sufficient to hold a person liable for fraud. Reference made to judgment of SAT in **KSL & Industries Ltd.** vs. **SEBI***

(2005 (59) SCL 1 SAT), Union of India** vs. **Chaturbhai M. Patel & Co, A.L.N, Narayanan Chettyar vs. Official Assignee, Nandakishore Prasad vs. State of Bihar.

- *For proving charges of fraud under PFUTP Regulations, the evidence adduced must be compelling which can be inferred by logical process of reasoning from the totality of facts and circumstances surrounding the allegations. In the present case, the SCN neither adduces direct evidence nor does it set out circumstantial evidence to support its theory. It is not clear what was examined by SEBI to conclude the allegations.*
- *SEBI has not adduced a single shred of evidence to show that I was 'connected' with other noticees or there was some fund movement or that I had acted in concert with other noticees.*
- *Element of Fraud is missing in present case, i.e. requirement of 'intention' is a pre-requisite to prove 'fraud' for violation of PFUTP Regulations. It should be noted that the offences alleged under the PFUTP Regulations in the present case require evidence of fraud or deceit'. It is a settled principle recognized by SEBI that "the necessity of 'intent' and the element of fraud' appears to be a pre-requisite in all parts of Regulation 3 and 4 of the PFUTP Regulations'.*
- *I have made it abundantly clear to the investigating authority that Mr. Kadam, an employee of the ABML (broker), was carrying out trades in my account on his own volition. In fact, I suffered a loss of around INR 1.92 lakh on account of the impugned Buy Trades by Mr. Kadam. I have lodged a police complaint against Mr. Kadam in relation to the Buy Trades. This goes to show that I had no intention of manipulating the market. Therefore, I cannot be charged for fraud under the PFUTP Regulations.*

- *<u>Lacunae in investigation by relevant team</u> –*
  - *my trading account was misused and I was defrauded by the dealer Mr. Kadam - who was in employment of my broker (viz, ABML). I submit that I have no idea about the impugned trades and I had not indulged in any 'modus operandi', as mentioned in the SCN. Despite this, the investigating team makes random allegations qua me. the investigation team has not conducted a detailed investigation which would have unearthed the fraud committed on me. At no point of time during the investigation, neither was I ever Summoned to record my statements, nor the investigating team questioned the broker (ABML or its team or Mr. Kadam) to check for the relevant records, which would have clarified several issues.*
  - *Instead, based on the incomplete Investigation Report (which in any event was not provided to me), the learned AO was provided incomplete facts, which forms the basis of the present SCN.*
  - *Investigation did not analyze involvement of the various other key players who are not show caused, if at all noticee benefitted from any trades, never asked me to show details re: the motive, my involvement in*

the alleged trades, or pecuniary benefit, if any, that was derived by me, no proper analysis of the Last Traded Price in the SCN or anywhere on record. The SCN fails to show how impugned Buy Trades resulted in market manipulation, no sequitur or objective shown to the alleged contribution of price rise or market manipulation. Investigation has not brought on record any call records in respect of order placement to show that the impugned trades were actually placed by the broker's team (Mr. Kadam) and neither did summon or record statement of Mr. Kadam or relevant official of ABML.

- *Noticee has further requested Adjudicating Officer in terms of Rule 4 of the Adjudication Rules r/w Section 15 I (2) of SEBI Act to* ***seek following details from the broker / dealer:***
  - *Order Placement details (in my account) in the scrip of WGL, during the investigation period.*
  - *Mode of communication for such orders / trades, during the investigation period.*
  - *Person / Dealer who was placing the impugned trades on stock exchange terminal, during the investigation period.*
  - *Documentary records for the order placement, to show whether at all I was aware of the order placement / order time / order rate in respect of the impugned trades.*
  - *I also request the learned Adjudicating Officer to grant me cross-examination of:*
  - *the alleged counterparty to the impugned trades Mr. Arun Kochar, Mr. Amit Bhat and Mr. Vishal M. Vaghela, so as to enable me to prove that I have no relationship with such entities.*
  - *the dealer Mr. Pradip Kadam who placed the orders, so as to enable me to prove that he was responsible for impugned trades and defrauding me.*
- ***Noticee submitted that inter-se connection between the parties, is missing in the*** *SCN. for establishing a charge of fraudulent structured trades, SEBI has to establish that there was some connection between the parties. In the present case, neither has SEBI alleged that I am connected with the other noticees in the SCN, nor has there been evidence to show that there was some connection.* ***there is no allegation for the connection, there is no question of 'meeting of minds. Reliance placed on*** *Hon'ble SAT's order dated September 15, 2021 in* ***Ashlesh Gunvantbhai Shah vs SEBI, Nishith M. Shah HUF vs. SEBI (Appeal No. 97 of 2019).***
- *At no place in SCN it is alleged that the said trades resulted in price manipulation or artificial increase in volume. Further, noticee provided details of other counterparty with whom the noticee traded and stated that they have not been roped into the proceedings.*
- *Several instances when the order, time, rate have been modified by either of the parties/counterparty. This shows that the trades were not synchronized. Therefore, there was no meeting of minds prior to the trades and, thus, the trades cannot be termed as structured/ synchronized.*

- *All the counterparties to impugned Buy Trades were trading through a different intermediary*
- *Noticee submitted that 6896 entities were dealing in the scrip of WGL during the investigation period and 436 entities were buyers to the sell trades of Noticee No. 1, 3 and 6. To make adverse observation only qua me is arbitrary.*
- *Noticee suffered a loss of approximately INR 1.92 lakh when he sold the WGL shares. This shows that there was no intent to manipulate the markets. As such, there have not been fund transfers between me and counterparties mentioned hereinabove. No such allegation also sits in the SCN. Thus, benefit of doubt ought to be extended in my favor.*
- ***Reference made to Hanumat v. State of Madhya Pradesh (****AIR 1952 SC 343****),*** *Maharashtra State Board of Secondary and Higher Education v. KS Gandhi ((1991) 2 SCC 716).*
- *Noticee submitted that during the relevant year, transactions were executed in almost 85 other scrips (other than WGL) in cash segment. This demonstrates that there was regular trading in my account and, the Buy Trades in WGL were not out of ordinary or in deviation from other trades.*
- *SCN is ambiguous and the allegations made are absurd and too far-fetched as it lacks material particulars such as:*
    - *No benefit attributed to me by way of increase in price or otherwise. In fact, suffered a loss due to impugned trades.*
    - *No allegation on price manipulation and/ or creation of artificial volume as a result of the alleged Buy Trades.*
    - *No connection with the counterparties to the Buy Trades or to other noticees.*
- *Noticee have not made any disproportionate gain or gained any unfair advantage, whether quantifiable or otherwise and suffered loss in respect of impugned transactions. Further, no loss has been caused to any investor or group of investors as a result of the alleged default. In fact, the present cause of action is the first time that a regulator has questioned me.*
- *Vide submissions dated May 05, 2022, the notices reiterated the abovementioned submissions dated April 01, 2022 and submitted further:*
- *the basic test of "meeting of minds" or collusion is missing in the present case. Other than the coincidence of alleged structured trades, there is nothing else which suggests any correlation between Noticee No. 10 and other noticees or with the trades in Wisec or with the promoters of Wisec. The SEBI is therefore bound by the decision of* ***Nishith M. Shah HUF v. SEBI and Gunvant bhai Shah vs SEBI.***
- *the purported reliance on the alleged structured trades in Wisec is inherently flawed while pinning a charge of fraud. This is not even a case of relying on preponderance of probability given that there is absolutely no connection whatsoever. The SCN does not allege any fund transfer, any other connection through social media or otherwise, any benefit being given to Noticee No. 10 etc.*

- *the reference placed on judgement of the Hon'ble Supreme Court in the matter of* ***Balram Garg v. SEBI and Hanumant*** *vs.* ***State of Madhya Pradesh*** *and* ***SEBI vs. Bhavesh Pabari,*** *Maharshtra State Board of Secondary Education and Higher Secondary Education v. K.S. Gandhi & Ors*
- *all the trades related to Wisec were punched from the Broker's office itself through an employee Mr. Pradip Kadam using his employee id of ABML. This can demonstrate from order / trade log provided to me by SEBI (via email dated November 12, 2020).*
- *Mr. Pradip Kadam, who executed unauthorized trades on behalf of Noticee No. 10, is not working with the Broker (ABML), presently. In the circumstance, the SEBI ought to have sought documentary proof from the Broker with respect to Noticee No. 10 having given instructions to execute the alleged trades. Without having collected any evidence, SEBI ought not conclude that Noticee No. 10's trades were not unauthorized.*
- *In fact, the SEBI has not even shared the correspondence between the Broker and SEBI, basis which conclusions as set out above were drawn. As such, Noticee No. 10 has not been given a chance of controverting the submissions of the Broker.*
- *This is in violation of principles of natural justice as Noticee No. 10 is prevented from submitting an effective reply. In the circumstance, it is humbly submitted that the statements in the correspondences of the Brokers ought not to be relied upon by the SEBI as Noticee No. 10 has not got a chance to deal with the same.*

119. Noticee no: 12 (*NSK Stocks Commodities Private Limited*) vide reply dated February 04, 2022 has submitted the following:

- *Noticee denied violating the allegation of violations of PFUTP Regulations, 2003.*
- *Trading in illiquid scrip – Wisec, is not banned, there is not bar on trading in the said scrips. BSE allowed trading in these shares renders our bonafides in trading in these shares. No warning was there/estoppel from BSE.*
- *Trades were done in normal course of business and there is no relation to NN.1,2 and 3.*
- *Many orders which noticee placed of the certain quantity only 10% of the quantity was got received (for example placed an order for 1000 shares out of which we got only 100 shares only). Hence, allegations against us are based on mere surmises and conjectures.*
- *All the trades executed by us are well recognised, legal and permitted by BSE and carried out on the floor of exchange. There were no wrongful gains made by us out of the alleged trades even for sake of assumptions. No motive is established qua noticee for the presumptions of non-genuine trades by us. On blind mechanism, it is impossible for us to verify the party & counter party of these transactions. The noticee does not know the counterparty, have made due payments.*
- *No alert from exchange.*

- *No meeting of mind with the alleged counter parties. Matching of trades is a matter of coincidence.*
- *Noticee did not have any connection with the counter parties.*
- *Even for sake of assumption, trades are very miniscule to attract any adverse inference.*

120. I note that the *Arun Kochar*, *Amit Mahesh Bhatt* and *Manohar Lal Sachdev* offloaded 19,83,503 shares during IP. The details of the shares bought by *Keren S Peters, Gunjan Dilipbhai Shah, Ajmera, Mridula Vijaykumar Rathi, NSK Stocks Commodities Pvt Ltd* are as under along with the percentage bought from *Arun Kochar, Rahul Kumar*, *Amit Mahesh Bhatt* and *Manohar Lal Sachdev*:

Sl NO	Name Of the Buy Client	Total Buy Qty of Major Counter party Buy Client	Qty Bought from The Noticees nos. 1, 2, 3 and 6	Percentage bought from the Noticees nos. 1, 2, 3, and 6	No. of trades alleged to be structured	No. of the shares alleged to structured	Percentage of shares alleged to be structured
1.	Keren S Peters (Noticee no. 7)	100000	100000	100.00	6 trades	100000	100.00
2.	Gunjan Dilipbhai Shah (Noticee no. 8)	80130	74067	92.43	5 trades	74067	100.00
3.	Ajmera Shares Trading Pvt Ltd (Noticee no. 9)	91000	75700	83.19	18 trades	65700	86.79
4.	Mridula Vijaykumar Rathi (Noticee no. 10)	148500	148381	99.92	11 trades	118381	79.78
5.	Sangeeta Kailash Purohit (Noticee no. 11)	55300	48302	87.35	20 trades	31302	65
6.	Nsk Stocks Commodities Private Limited (Noticee no. 12)	94498	70555	74.66	41 trades	57735	81.83
	Total	569428 shares	517005 shares		101 trades	447185 shares	

121. While examining the abovementioned trades of the Noticees, I note that noticee namely: *Keren S Peters, Gunjan Dilipbhai Shah, Ajmera, Mridula Vijaykumar Rathi, Sangeeta Kailash Purohit* and *NSK Stocks Commodities Pvt Ltd* have placed the sell orders, in close proximity of sell orders of entities namely, *Arun Kochar*, *Amit Bhatt* and *Vishal Mahesh Waghela*.

122. I also note from the Trade Integrated Order Log on record (Provided as Annexure 9 to the SCN) and separate observations made out in Paragraph 103 to 114 above w.r.t. different noticees, that the buy and sell orders were placed within a short time interval, varying from 1 minute (63 trades), 2 minutes (24 trades), 3/4 minute (14 trades) of each other at same/almost same rate.

123. Also, the trades carried out by Noticees generated substantial volume in the said scrip, though the scrip was relatively illiquid.

124. Before considering the submissions of the noticees, I would look at the meaning of 'structure trades'. The term 'structure' as per Black's Law Dictionary, means *piece of work artificially built up or composed of parts joined together in some definite manner.* Structured trades are those trades where buyer and seller enter the quantity and price of the shares, they wish to transact at substantially the same time, even if, the price and quantity are different.

125. The response given by the noticee no. 1, *Arun Kochar* as discussed at para 115 above is only in the context of off-market transactions. It has been dealt with under relevant issue at 'Issue A'. However, he has not replied specifically on the allegation of structured trades/LTP/NHP.

126. The Noticees have contended that there is delay in the proceedings and SCN does not provide any explanation/justification of the delay in the matter. Noticee relied upon the judgements in the matter of *HB Stockholdings Ltd* v. *SEBI (SAT Order dated August 27, 2013), Mohamad Kavi Mohamad Amin* v. *Fatmabai Ibrahim (SC Judgement), Adjudicating Officer, SEBI vs. Bhavesh Pabari (2019) SCC Online SC 294 (SC Judgement)* and *Sanjay Soni* v. *SEBI* (SAT Order dated November 14, 2019) *Libord Finance Ltd* v. *Whole Time Member, SEBI (SAT Order dated March 03, 2008 confimed by SC on Jan 07, 2016)* and *Rajeev Bhanot and Ors* v. *SEBI (Appeal No. 396 of 2016)*.

127. The alleged violations pertain to transactions during the period September 2016 and June 2017. Investigation was carried out in the instant case wherein correspondences were exchanged in the year 2017-18 and summons were issued in the year 2020-2021 to various entities. Thereafter, upon conclusion of investigation, SEBI recommended adjudication proceedings in the matter. The AO was appointed in the case on August 23, 2021 and SCN was issued on October 14, 2021. In view of the above, I find that there is no unreasonable delay in the present adjudication proceedings.

128. In this regard, it is pertinent to refer to observations of the Hon'ble SAT in the matter of *Bipin R Vora* vs *SEBI* dated March 22, 2006, "*As regards the plea of delay and latches and submission that the show cause notice is barred by limitation, I do not find any merit in these contentions as the time and efforts involved in an investigation though may vary from case to case, generally investigations per-se is a time consuming process which invariably involve collection, scrutiny and careful examination of voluminous records/ order-trade details of all the concerned including the exchanges/recording of statements etc. and therefore no time limit can be fixed in this regard to enable a regulator to take appropriate disciplinary action for the safeguard and improvement of the system/market*".

129. In this context, I find it relevant to refer to the order passed by Hon'ble SAT in the case of *Metex Marketing Pvt. Ltd. vs. SEBI* (order dated June 4, 2019) wherein Hon'ble SAT held that: "*This Tribunal has consistently held that in the absence of any specific provision in the SEBI Act or in the Takeover Regulations, the fact that there was a delay on the part of SEBI in initiating proceedings for violation of any provision of the Act cannot be a ground to quash the penalty imposed for such violation*."

130. Further, I would like to rely upon the judgement of Hon'ble SAT in the case of *Ravi Mohan & Ors. vs. SEBI (SAT Appeal No. 97 of 2014, DoD 16/12/2015) wherein it was held that: -*

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

In this context I find it relevant to refer to the order passed by Hon'ble SAT in the case of Metex Marketing Pvt. Ltd. vs. SEBI (order dated June 4, 2019) wherein Hon'ble SAT held that: "This Tribunal has consistently held that in the absence of any specific provision in the SEBI Act or in the Takeover

Regulations, the fact that there was a delay on the part of SEBI in initiating proceedings for violation of any provision of the Act cannot be a ground to quash the penalty imposed for such violation.".

131. In this context, I would also like to refer the observations of Hon'ble Supreme Court of India in the matter of ***State vs. R. Vasanthi Stanley*** reported in AIR 2015 SC 3691 wherein the Apex Court has held that "*…serious economic offence or for that matter the offence that has the potentiality to create a dent in the financial health of the institutions, is not to be quashed on the ground that there is delay in trial…*".

132. Considering the facts and circumstances of the matter, *in toto,* as aforesaid, I find it difficult to accept the arguments of the Noticees that there was delay on the part of SEBI, and I find no merit in the arguments of the Noticees in this regard.

133. Further, in the instant case Noticee No. 10 (*Mridula Vijaykumar Rathi*) had requested the following documents/information:

Sr. No	**Documents/Details requested**
1.	Complete Trade and Order Log in the scrip of WGL for the investigation period
2.	Investigation Report of SEBI along-with all Annexure appended thereto.
3.	Basis of Connection between me and the suspected entities and the promoters/directors/KMPs of WGL
4.	Correspondence exchanged and documents/information received from alleged Suspected Entities in respect of captioned SCN.
5.	Statement recorded by SEBI of any person in connection with the subject matter
6.	Correspondence exchanged, and documents/information received by SEBI from third parties such as stock exchanges, depositories, bankers etc., and any other law enforcement agency, such as Income Tax Department, with respect to subject matter of the present proceedings.
7.	All other information, details, documents, material in relation to the subject matter which may not be to my knowledge but is relevant for determination of the issues at hand.
8.	Request made vide letters dated February 03, 2022 & April 01, 2022, for Exercise of Power under Rule 4(6) of SEBI Adjudication Rules r/w Section 15-I (2) of SEBI Act, 1992 for the following: i. Order Placement details in the scrip of WGL during, IP. ii. Mode of communication for such orders/trades, during IP. iii. Person/Dealer who was placing the impugned trades on stock exchange terminal during IP. iv. Telephone records for the order placement, to show whether at all I was aware of the placement/time/rate in respect of the impugned

	trades. v. Cross-examination of counterparty (Arun Kochar, Amit Bhat and Vishal Vaghela) and dealer (Pradip Kadam)

134. Vide email dated April 19, 2022, copy of *Investigation Report* and *Trade Log & Order Log* were provided to the noticee namely: *Mridula Vijaykumar Rathi (NN. 10)*. I note that the SCN contains detailed enumeration of the allegations, the basis of each of those allegations, the documents relied upon for making such allegations as well as the relevant provisions of the Securities Laws supporting those allegations. I reiterate that in the instant case the SCN contain detailed charges made against the Noticee and the basis of each allegation duly supported by the documentary evidence. I note that no statement of the aforesaid entities was recorded or relied upon in the present matter and the details of the trades is borne out of the trade log and order log which were duly supplied to the Noticee; thus, I find that no cross examination of the counterparty is warranted in the present matter. Based on the facts and circumstances, I note that there is no sufficient reason in the instant case for exercise of Rule 4(6) of SEBI Adjudication Rules r/w Section 15-I (2) of SEBI Act, 1992.

135. In this regard, a reference to the observations made by the Hon'ble Securities Appellate Tribunal (SAT) in the matter of *Shruti Vora* vs. *SEBI* (Date of decision: February 12, 2020) have, inter alia, held that only the documents which have been relied upon need to be provided to noticee. It has also been held that in the absence of any law specifically imposing or casting duty to provide all the documents which are in the possession though have not been relied upon, it would not be justified on the part of the noticees to ask for those documents which are not having a role in attributing the allegation made on the noticees and therefore, denial of all such documents would not *ipso facto* result in breach of Principle of Nature Justice.

136. Noticee namely: *Mridula Vijaykumar Rathi (NN. 10)* has contended that she had no idea about trades and her trading account was misused by dealer Mr. Kadam who was in employment of her broker (ABML). Noticee contended that trades were carried out through the broker namely: Mr. Kadam to whom they had issued POA and have also filed FIR dated March 26, 2022.

137. In this regard, I note that the contention of the noticee that she had no knowledge of the activities or trades being carried out through her accounts cannot be accepted as a valid defense in her favour. The noticee cannot claim ignorance about her trading accounts being utilized by someone else. Further, the noticee has contended that she has filed FIR, which seems to be an afterthought, at this stage of the proceedings and is inconclusive. In this regard, I refer to the observations made by

Hon'ble SAT in the matter of *Mahavirsingh N. Chauhan* v. *SEBI* (date of decision: 18.10.2019):

"*Having heard the learned counsel for the parties at some length, we find that the contention of some of the appellants that they were only employees in the company and had no knowledge of the fraudulent activities is patently baseless and cannot be accepted. Each of the appellants were aware of the activities being done through their accounts and, therefore, it is inconceivable to believe that they were not aware of their bank accounts, trading accounts or the demat accounts being utilized by Shri Rajesh Ranka. The contention that they were not signatories to these accounts is a mere afterthought as, except one, others have not filed an FIR to this effect. However, there is nothing to show that this appellant (in Appeal No. 71 of 2019) pursued the matter in any manner. Further, we find that the appellants were beneficiaries to the profits which came into these accounts*".

138.Noticees have contended that there is no evidentiary basis for alleging fraud and reliance has been placed on rulings of the Hon'ble SAT (*Nirmal Bang Securities (P) Ltd*. *vs.* SEBI, SAT Order dated October 31, 2003), *KSL & Industries Ltd.* **vs.** *SEBI (2005 (59) SCL 1 SAT), Union of India* ***vs.*** *Chaturbhai M. Patel & Co, A.L.N, Narayanan Chettyar vs. Official Assignee, Nandakishore Prasad vs. State of Bihar* and SC judgement in *Chief Engineer, MSEB and Anr.* **v.** *Suresh Raghunath Bhokare.*

139.In this regard, reference is drawn to Hon'ble Supreme Court judgement in the matter of *SEBI* v. *Rakhi Trading Private Ltd*. decided on February 8, 2018, wherein, the Apex court held that: "

Pronounced by His Lordship Justice Kurian Joseph

35. Having regard to the fact that the dealings in the stock exchange are governed by the principles of fair play and transparency, one does not have to labour much on the meaning of unfair trade practices in securities. Contextually and in simple words, it means a practice which does not conform to the fair and transparent principles of trades in the stock market. In the instant case, one party booked gains and the other party booked a loss. Nobody intentionally trades for loss. An intentional trading for loss per se, is not a genuine dealing in securities. The platform of the stock exchange has been used for a non-genuine trade. Trading is always with the aim to make profits. But if one party consistently makes loss and that too in preplanned and rapid reverse trades, it is not genuine; it is an unfair trade practice. Securities market, as the 1956 Act provides in the preamble, does not permit "undesirable transactions in securities". The Act intends to prevent undesirable transactions in securities by regulating the business of dealing therein. Undesirable transactions would certainly include unfair practices in trade. The SEBI Act, 1992 was enacted to protect the interest of the investors in securities. Protection of interest of investors should necessarily include

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

Pronounced by Her Ladyship Justice R. Banumathi

26. There was no possibility of such perfect matching of quantity, timing, prices etc. between the same parties unless there was prior meeting of minds or a specific understanding/arrangement between the parties....
35. Regulation 3 deals with "Prohibition of certain dealings insecurities". Regulation 4 deals with "Prohibition of manipulative, fraudulent and unfair trade practices". Regulation 4 starts as "Without prejudice to the provisions of Regulation 3....". Regulation 4(2) is an inclusive provision. Regulation 4(2) stipulates that "Dealing insecurities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the...." instances pointed out thereon. Regulation 4(2)(a) deals with "....an act which creates false or misleading appearance of trading in the securities market"., ...An act to fall within Regulation 4(2)(a), it is not necessary that the transactions entered into by the party was with intention to manipulate the market and that the market was in fact manipulated. Market manipulation is a deliberate attempt to interfere with the free and fair operation of the market and create artificial, false or misleading appearances with respect to the price, market, product, security and currency.
36. If the factum of manipulation is established, it will necessarily follow that the investors in the market have been induced to buy or sell and that no further proof in this regard is required. The market, as already observed, is so widespread 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 the Board cannot be imposed with a burden which is impossible to be discharged.
38. The smooth operation of the securities market and its healthy growth and development depends upon large extent on the quality and integrity of the market. Unfair trade practices affect the integrity and efficiency of the securities market and the confidence of the investors. Prevention of market abuse and preservation of market integrity are the hallmark of securities law."

140.The views expressed by the Hon'ble SAT in its order dated 14.7.2006 in *Ketan Parekh* v. *SEBI,* are of relevance here*,* wherein it had observed that

> "*A synchronised transaction will, however, be illegal or violative of the Regulations if it is executed with a view to manipulate the market or if it results in circular trading or is dubious in nature and is executed with a view to avoid regulatory detection or does not involve change of beneficial ownership or is executed to create false volumes resulting in upsetting the market equilibrium. Any transaction executed with the intention to defeat the market mechanism whether negotiated or not would be illegal. Whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism will depend upon the intention of the parties which could be inferred from the attending circumstances because direct evidence in such cases may not be available. The nature of the transaction executed, the frequency with which such transactions are undertaken, the value of the transactions, whether they involve circular trading and whether there is real change of beneficial ownership, 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*."

141.With respect to the contention of the noticee that there is no element of fraud and intention is not there for the same, I note that the manipulative intent can only be derived from the circumstance/modus operandi used by the person and it would generally be case specific.

142.In this regard SAT Observations made in *Shivam Investments (Prop. Mrs. Sushma Kapur*) v. *SEBI* (Appeal No. 23 of 2012 dated April 12, 2012)

> *We do not find any merit in the arguments of the appellants' learned representative that creation of artificial volume through manipulative trades cannot stand by itself without price manipulation.*
>
> *It is necessary to refer to the definition of fraud as appearing in Regulation 2(1)(c) of SEBI (PFUTP) Regulations, 2003. It reads as under:*
>
> *"fraud includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another*

person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include:………"

The scope of the term 'fraud' as defined above is wide enough to take in its sweep any act which disturbs the equilibrium of the market. It is not necessary that the fraudulent act should result in price manipulation. There are other several wrong doings envisaged in the definition of fraud as mentioned above. So the contention of the appellant's learned representative that creation of artificial volumes in the market cannot be regarded as a wrong doing is devoid of any substance."

143. I note that the noticees namely: *Keren S Peters (NN. 7), Gunjan Dilipbhai Shah (NN. 8), Ajmera* Shares *Trading Pvt Ltd (NN. 9), Mridula Vijaykumar Rathi (NN. 10), Sangeeta Kailash Purohit (NN.11)* and *NSK Stocks Commodities Private Limited (NN. 12)* have traded in the close proximity of time with the noticees namely: *Arun Kochar (NN. 1), Amit Mahesh Bhatt (NN.3), Vishal Mahesh Waghela (NN. 6)* w.r.t. order placements and exact/almost same order rate clearly indicates that these trades were structured. The buy and sell orders were placed within a short time interval, varying from 1 minute (63 trades), 2 minutes (24 trades), 3/4 minute (14 trades) of each other at same/almost same rate.

144. In this regard, I note that the trading pattern as found in this case cannot occur just by accident or coincidence. The aforesaid trading pattern by the Noticees does imply collusion, meeting of minds with a predetermined plan to match their trades which were not genuine and were done with fraudulent intent to create artificial volume in the scrip.

145. The noticees namely: *Gunjan Dilipbhai Shah (NN. 8), Ajmera Shares Trading Pvt Ltd (NN. 9), Mridula Vijaykumar Rathi (NN. 10), Sangeeta Kailash Purohit (NN.11)* and *NSK Stocks Commodities Private Limited (NN. 12)* have contended that there is no relation between the noticees. Further, the noticee namely: Mridula Vijaykumar Rathi relied upon *Ashlesh Gunvantbhai Shah vs SEBI, Nishith M. Shah HUF vs. SEBI* and *HB Stockholdings***,** *Jagruti Securities Limtied* v. *SEBI* (decided on October 27, 2008), *Vikas Ganeshmal Bengani* vs *Whole Time Member, SEBI* and SC Judgement in *Balram Garg* v *SEBI*, *Hanumant* v *State of Madhya Pradesh*.

146. In this regard, I would like to highlight the observations of the Hon'ble Supreme Court in the case of *SEBI* Vs. *Kishore Ajmera* with respect to market manipulations, wherein following was held by Hon'ble Supreme Court: -

"*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... In these cases, the volume of trading in the illiquid scrips in question was huge, the extent being set out hereinabove. Coupled with the aforesaid fact, what has been alleged and reasonably established, is that buy and sell orders in respect of the transactions were made within a span of 0 to 60 seconds. While the said fact by itself i.e. proximity of time between the buy and sell orders may not be conclusive in an isolated case such an event in a situation where there is a huge volume of trading can reasonably point to some kind of a fraudulent/manipulative exercise with prior meeting of minds...The conclusion has to be gathered from various circumstances like that volume of the trade effected; the period of persistence in trading in the particular scrip; the particulars of the buy and sell orders, namely, the volume thereof; the proximity of time between the two and such other relevant factors*."

147. In this regard the observation of Hon'ble SAT made in *Ketan Parekh* Vs. *Securities & Exchange Board of India* (Order dated July 14, 2006, Appeal No. 2 of 2004), are relevant wherein, it was held that *in order to find out whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism will depend upon the intention of the parties which could be inferred from the attending circumstances because direct evidence in such cases may not be available*.

148. Further, Hon'ble SAT in the matter of *V.G. Capital Market Pvt. Ltd. vs. Securities and Exchange Board of India (Appeal No. 135 of 2009 decided on 01.12.2009)*. also noted the following: "*The trading system on the exchanges is based on the principle of anonymity. The buyer does not know who the seller is and seller cannot know who the buyer is. In other words, the buyer should buy the shares without being concerned as to who the seller is and similarly the seller should sell the shares in the market without being concerned about the buyer and it is the system which determines the buyer and the seller by matching the buy and sell orders. On a screen based trading, the best buy order will match the best sell order subject to*

price time priority. The buyer and seller cannot keep matching their trades and if they do, they are obviously manipulating the system which is the case before us."

149. I note that though direct evidence of connection between entities who had placed the buy orders and the net sellers could not be established, however, the trading pattern which has been analyzed in detail above reveals the meeting of minds between the aforementioned buyers and sellers, whereby they created artificial/fictitious volume and gave a false and misleading appearance of trading in the illiquid scrip of Wisec Global Ltd.

150. The aforesaid trading pattern of entering into structure trades by the Noticees does imply collusion, meeting of minds with a predetermined plan to match their trades which were not genuine and were with fraudulent intent to create artificial volume in the scrip. Trades executed by the Noticees among the other set of Noticees, was the whole device of manipulating the volume in the scrip. Further, I note that persistent trading in the aforesaid manner clearly indicates an intention to create artificial volume in the scrip of Wisec. Such trades do indicate that the same were not genuine trades.

151. It can be explained that given the illiquid nature of scrip, and the proximity in time of placement of orders, rate, it is apparent that the trades were not genuine. The trades were concentrated over few days, allowing the sellers to transfer their shares, in coordination with the buyers. Even though no direct connection is available, the trading pattern when analysed upon along with attending circumstances of proximity in time, volume, repetition of trades, indicates prior meeting of minds between the counterparties.

152. It is the contention of *noticees namely: Gunjan Dilipbhai Shah (NN. 8), Ajmera Shares Trading Pvt* Ltd *(NN. 9), Mridula Vijaykumar Rathi (NN. 10), Sangeeta Kailash Purohit (NN.11)* and *NSK Stocks Commodities Private Limited (NN. 12)* the trading was done on blind mechanism of stock exchange. In this regard, it is noted from the foregoing findings that the trading pattern of the Noticees in terms of volume of trades, proximity of buy/sell and subsequent evidences the indulgence, clearly demonstrates the manipulative practice by the Noticees by using the stock exchange platform to carry out non-genuine trades with the aim to execute such trades for various manipulative purposes. Further, considering the matching of quantity, rate, proximity of execution of trade in the said transactions, it would be naïve to hold that such transactions were by mere coincidence, as also held by the

Hon'ble Supreme Court in its judgment in *SEBI* v. *Kishore Ajmera* (*Supra*). The Noticee by participating in trading in the manner detailed above created artificial/fictitious volume and gave a false and misleading appearance of trading in the scrip of Wisec. The same resulted in the manipulation of the trading.

153. I note that the scrip of Wisec Global is not a liquid scrip and the continuous trades placed between the above-mentioned entities even, within a few minutes of each other at same/almost same rate can be considered as structured.

154. Further, the matching of the orders could not be coincidental, therefore, it is necessary to analyse the trading pattern of the Noticees. Now, with regard to the facts and circumstances attending the case, the trading pattern adopted by both the set of entities indicates the meeting of minds between the buyer and the seller and their intention to trade exclusively between themselves. I note that the Noticee through the said trades interfered with the market equilibrium and thereby affected the manipulation of the said scrip.

155. The trading pattern as found in this case cannot occur just by accident or coincidence.

Sl NO	Name Of the Buy Client	Total Buy Qty of Major Counter party Buy Client	Qty Bought from The Noticees nos. 1, 2, 3 and 6	Percentage bought from the Noticees nos. 1, 2, 3, and 6	No. of trades alleged to be structured	No. of the shares alleged to structured	Percentage of shares
1.	Keren S Peters (Noticee no. 7)	100000	100000	100.00	6 trades	1000000	100.00
2.	Gunjan Dilipbhai Shah (Noticee no. 8)	80130	74067	92.43	5 trades	74067	100.00
3.	Ajmera Shares Trading Pvt Ltd (Noticee no. 9)	91000	75700	83.19	18 trades	65700	86.79
4.	Mridula Vijaykumar Rathi (Noticee no. 10)	148500	148381	99.92	11 trades	118381	79.78
5.	Sangeeta Kailash Purohit (Noticee no. 11)	55300	48302	87.35	20 trades	31302	65
6.	Nsk Stocks Commodities Private Limited (Noticee no. 12)	94498	70555	74.66	41 trades	57735	81.83
Total		569428 shares	517005 shares		101 trades	447185 shares	

156. The aforesaid trading pattern by the Noticees does imply collusion, meeting of minds with a predetermined plan to match their trades which were not genuine and were with fraudulent intent to create artificial volume in the scrip.

157. I note that the noticees viz. *Keren S Peters (NN. 7), Gunjan Dilipbhai Shah (NN. 8), Ajmera* Shares *Trading Pvt Ltd (NN. 9), Mridula Vijaykumar Rathi (NN. 10), Sangeeta Kailash Purohit (NN.11)* and *NSK Stocks Commodities Private Limited (NN. 12)* have traded in close proximity with Noticees viz. *Arun Kochar (NN.1), Amit Bhatt (NN. 3) and Vishal Mahesh Waghela (NN. 6)* in terms of order placements and exact/almost same order rate, which clearly indicates that these trades were structured.

158. The contention of the noticees about miniscule number of trades of individual Noticee is immaterial, as impact in this case is to be viewed against the background of both the set of Noticees the Buyers and Sellers i.e. collective manipulation and fraudulent effort to create artificial volume in the scrip of the Company during the investigation period. Therefore, manipulative trading cannot be viewed independently and the overall impact of the misleading appearance carried out by the group of entities on the market has to be considered. Any transaction executed with the purpose to defeat the market mechanism would be considered illegal.

159. The pattern of order placement indicate that the transactions were carried-out with an intention to match the various orders of the first set of Entities and there was a prior arrangement with respect to these transactions. The time difference between buy and sell order was less than a minute in most of the trades. It is further noted that the trades executed by the Noticees were repetitive in nature and significant in volume.

160. In the case of *Ashok K Chaudhary* v SEBI, Appeal No 69 of 2008, dated November 5, 2008, the Hon'ble SAT observed that large number of reverse trades raises a presumption of manipulative transactions. In *Nirmal Bang Securities Pvt. Ltd* Vs *Chairman, SEBI*, Appeal No. 54-57/2002, dated October 31, 2003, the Hon'ble SAT observed that where there are too many transactions over a period of time giving an impression that these were all synchronized, the argument that the parties had no means of knowing whether any entity controlled by the client is simultaneously entering any contra order elsewhere for the reason that in the online trading system, confidentiality of counter parties is ensured, is untenable. Further, I note observations made by the Hon'ble SAT in aforesaid judgement, "*I find the scrip, quantity and price for these orders had been synchronized by the counter party brokers. Such transactions undoubtedly create an artificial market to mislead the genuine investors. Synchronized trading is violative of all prudential and*

transparent norms of trading in securities. Synchronized trading on a large scale, can create false volumes. The argument that the parties had no means of knowing whether any entity controlled by the client is simultaneously entering any contra order elsewhere for the reason that in the online trading system, confidentiality of counter parties is ensured, is untenable. It was submitted by the Appellants that it was not possible for the broker to know who the counter party broker is and that trades were not synchronized but it was only a coincidence in some cases. Theoretically this is OK. But when parties decide to synchronize the transaction, the story is different. There are many transactions giving an impression that these were all synchronized, otherwise there was no possibility of such perfect matching of quantity price etc............In a synchronized trading intention is implicit."

161. Therefore, all the trades which matched with similar set of entities and the trades executed by the Noticees were repetitive in nature, contributing significantly to the volume. Looking at the trading pattern of the Noticees, I am convinced that the Noticees had traded in manner with prior arrangement resulting in creation of artificial volume and thereby distorting the market equilibrium. The pattern of order placement indicate that the transactions were carried-out with an intention to match the various orders of the aforesaid entities and there was a prior arrangement with respect to these transactions.

162. Noticees have further contended that they maintained their shareholding in Wisec, during and post IP, which implies that they did not transact for short term gain or manipulation and have also incurred losses in the same. I note in this regard that these factors does not mitigate the violation established against the Noticees w.r.t. artificial volume through structured trades during the IP.

163. The Authorized Representative of noticee no. 9 and 11 have made a reference to SEBI orders in the matters of ***Radford Global Limited*** *(SEBI Order dated 29/08/2019* ***Nikki Global Finance Limited and SAT*** order ***dated February 07, 2022 in Raj Kumar Agarwal v. SEBI.*** In this regard, I note that facts can be differentiated. In the matters mentioned above, the allegations pertain to price manipulation and LTP, without any findings of structured trades. In the case of Wisec, the allegations instead, pertain to creation of misleading appearance of trading through structured trades.

164. Noticees have contended that the other entities who have traded in the scrip in a similar manner have not been made noticees in the SCN. In this regard, I note that the instant charges are confined to the trades of the Noticees on the basis of trading

pattern exhibited by them, and the resultant impact on the trading in the scrip of Wisec. The trades executed by other entities are not relied upon while making charges in the SCN. I note that the Hon'ble SAT in the matter of *Systematix Shares & Stocks India Limited* vs. *SEBI* (DoD: 23/04/2012, Appeal no. 21 of 2012) dealt with a similar contention raised by appellant that SEBI had discriminated against it by not initiating adjudication proceedings against all the entities and held that *"We cannot subscribe to this view since the Board has set its own benchmark in selecting case for action and, in any case, the appellant cannot plead himself innocent or his trades as lawful."*

165. Further, noticees have inter-alia submitted that the trades among the group of entities did not have an impact on price of underlying scrip and that no loss has been caused to the investors at large. I note that only the charges of misleading/false appearance of trading and creating artificial volume are under consideration and there is no allegation of price manipulation in the scrip of Wisec in the instant matter, and hence the contention of noticees regarding price in this regard is not acceptable.

166. In the light of the above, I note that the net sellers namely *Arun Kochar, Amit Mahesh Bhatt and Vishal Mahesh Waghela* along with entities who had placed buy orders namely *Keren S Peters, Gunjan Dilipbhai Shah, Ajmera Shares Trading Pvt Ltd, Mridula Vijaykumar Rathi, Sangeeta Kailash Purohit* and *NSK Stocks Commodities Private Limited* executed 101 structured trades for 447185 shares, such that buy and sell orders pertaining to said trades were placed within proximate time and same/almost same rates. Such a trading pattern, executed in the scrip which was not being actively traded, amounts to execution of trades to create artificial/fictitious volume. The noticees were part of a scheme, device and artifice to give a false and misleading appearance of trading in the scrip of Wisec Global Ltd, violating the section 12A(a), 12A(b), 12A(c) of SEBI Act read with Regulations 3(a),(b),(c),(d),4(1) and 4(2)(a) of SEBI (PFUTP) Regulation, 2003.

Issue (E): Whether Noticees namely: *Arun Kochar (NN.1), Rahul Kumar (NN. 2), Amit Mahesh Bhatt (NN. 3), Manohar Lal Sachdev (NN. 4)*, *Ajay Gupta (NN. 5) and Vishal Mahesh Waghela (NN. 6)* have manipulated the price of the scrip through small trades in Patch 1 and Patch 3, thereby allegedly violating section 12A(a), 12A(b), 12A(c) of SEBI Act, read with regulation 3(a), 3(b), 3(c) and 3(d) and 4(1), 4(2)(a), 4(2)(e) of PFUTP Regulations?

167. It has been noted from the SCN that during Patch-1 (September 28, 2016 to December 27, 2016), *Arun Kochar (NN.1), Rahul Kumar (NN. 2), Amit Mahesh*

Bhatt (NN. 3) and *Vishal Mahesh Waghela (NN. 6)* traded in the scrip of Wisec. Details of LTP contribution by the Noticees (as buyers) during Patch-1 is given below:

Client Name	***All trades***			***LTP Diff. >0***			***LTP Diff. < 0***			***LTP Diff. =0***		***% of positive LTP to Total Market positive LTP***
	LTP Rate	***Traded Qty***	***No. Of Trades***	***LTP Rate***	***Traded Qty***	***No. Of Trades***	***LTP Rate***	***Traded Qty***	***No. Of Trades***	***Traded Qty***	***No. Of Trades***	
Arun Kochar (Noticee no. 1)	*6.50*	*194784*	*156*	*11.46*	*69195*	*46*	*-4.96*	*64376*	*50*	*61213*	*60*	*19.71%*
Rahul Kumar (Noticee no. 2)	*5.72*	*34673*	*43*	*6.94*	*3304*	*17*	*-1.22*	*21225*	*10*	*10144*	*16*	*11.94%*
Amit Mahesh Bhatt (Noticee no. 3)	*2.65*	*14881*	*191*	*3.11*	*466*	*17*	*-0.46*	*1209*	*16*	*13206*	*158*	*5.35%*
Vishal Mahesh Waghela (Noticee no. 6)	*-0.32*	*3395*	*23*	*0.15*	*50*	*1*	*-0.47*	*1747*	*17*	*1598*	*5*	*0.26%*
Total	***14.55***	***247733***	***413***	***21.66***	***73015***	***81***	***-7.11***	***88557***	***93***	***86161***	***239***	***37.26%***
Market total	***3.91***	***988149***	***1030***	***58.13***	***240626***	***213***	***-54.22***	***294195***	***245***	***453328***	***572***	***100.00%***

168.It has been noted from the above table that the *Arun Kochar (NN.1), Rahul Kumar (NN. 2), Amit Mahesh Bhatt (NN. 3) and Vishal Mahesh Waghela (NN. 6)* contributed Rs. 14.55 to net LTP and Rs. 21.66 to positive LTP in 81 positive LTP trades (37.26% of total market positive LTP) from the buy side. It is also noted that *Arun Kochar (NN.1), Rahul Kumar (NN. 2)* and *Amit Mahesh Bhatt (NN. 3)* have contributed to positive LTP above 5% of the total market positive LTP.

169.From the trading pattern of *Arun Kochar (NN.1)*, it was seen that through 46 positive LTP trades, noticee no. 1 has contributed Rs 11.46 to positive LTP i.e. 19.71% of the market positive LTP. I further note that:

i. In 5 instances, *Arun Kochar* has repeatedly placed buy orders at a price higher than LTP, before sellers placed the sell order, and thereby contributed positive LTP of Rs. 1.57 (i.e., 2.70% of the market positive LTP).

ii. In 41 instances, *Arun Kochar* has repeatedly placed buy orders to match the already existing sell orders (with order rate higher than LTP) and contributed positive LTP of Rs. 9.89 (i.e., 17.01% of the market positive LTP).

170. From the trading pattern of *Rahul Kumar (NN. 2)*, I note that through 17 positive LTP trades, where the Noticee no. 2 placed buy orders to match the existing sell orders, the Noticee contributed Rs. 6.94 to positive LTP i.e., 11.94% of the market positive LTP.

171. From the trading pattern of *Amit Mahesh Bhatt (NN. 3)*, I note that through 17 positive LTP trades, the Noticee contributed Rs 3.11 to positive LTP (i.e., 5.35% of the market positive LTP). I further note that:

i. In 2 instances, the *Amit Mahesh Bhatt (NN. 3)*placed buy orders at a price higher than LTP, before sellers placed the sell order and thereby contributed positive LTP of Rs. 0.35 (i.e., 0.60% of the market positive LTP).

ii. In 15 instances, the *Amit Mahesh Bhatt (NN. 3)* repeatedly placed buy orders to match the existing sell orders (with order rate higher than LTP) and thereby contributed positive LTP of Rs. 2.76 (i.e., 4.75% of the market positive LTP).

172. The details of buy order quantity (wherever less than 10 shares) for the positive LTP trades by the aforesaid noticees namely: *Arun Kochar (NN.1), Rahul Kumar (NN. 2) and Amit Mahesh Bhatt (NN. 3)* are tabulated below:

Buyer Name	**No. of trades (LTP >0)**	**Positive LTP Contribution when buy order qty was of 1 share only**		**Positive LTP Contribution when buy order qty was between 2-10 shares**		**Positive LTP Contribution when buy order qty were more than 10 shares**		**Total Positive LTP contribution (Rs.)**	**% of positive LTP to Total Market positive LTP**	**% contribution to Total market positive LTP through small orders (1-10 shares)**
		Positive LTP contribution	**No. of trades**	**Positive LTP contribution**	**No. of trades**	**Positive LTP contribution**	**No. of trades**			

Arun Kochar (Noticee no. 1)	46	-	0	3.49	7	7.97	39	11.46	19.71%	6.00%
Rahul Kumar (Noticee no. 2)	17	2.30	4	0.06	1	4.58	12	6.94	11.94%	4.06%
Amit Mahesh Bhatt (Noticee no. 3)	17	0.38	4	1.41	3	1.32	10	3.11	5.35%	3.08%

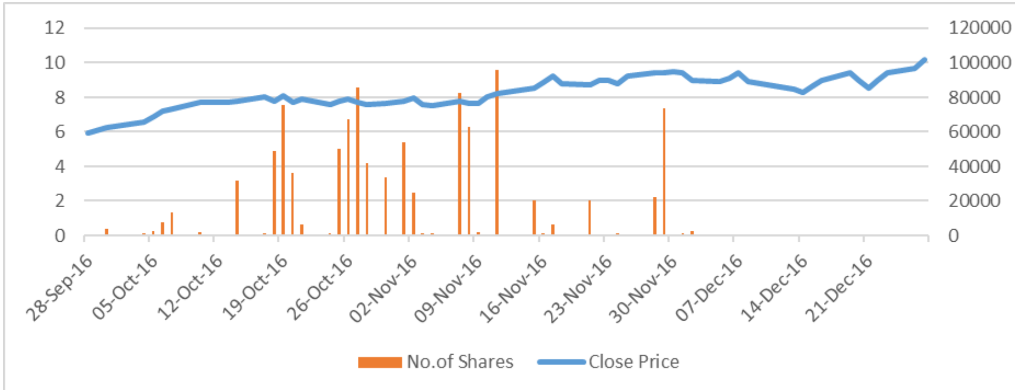
173. From the above table, I note that noticees namely: *Arun Kochar (NN.1), Rahul Kumar (NN. 2) and Amit* Mahesh *Bhatt (NN. 3)* through 19 small orders varying between 1 share and 10 shares, contributed positive LTP of Rs. 7.64 (i.e. 13.14% towards market positive LTP). From the integrated trade log, it is noted that they were repeatedly placing buy orders for small quantity of 1 to 10 shares at successively higher price. The instances of their order log details (provided as Annexure 9 of SCN) are as under:

TRADE_DATE	CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	LTP_PERCENT	ORDER_RATE	TRADED_QTY	ORDER_AVLQTY	CP_ORDER_AVLQTY	ORDER_LMQTY	CP_ORDER_LMQTY
04/10/2016	AMIT MAHESH BHATT	14:58:11.155124	09:37:57.560851	14:58:11.155124	6.54	0.62	10.47	6.54	4	4	25	4	25
05/10/2016	AMIT MAHESH BHATT	15:16:56.177833	15:15:42.766421	15:16:56.177833	6.86	0.04	0.59	6.86	1	1	200	1	200
07/10/2016	AMIT MAHESH BHATT	11:05:01.902683	10:56:24.570752	11:05:01.902683	7	0.17	2.49	7	6	10	100	10	100
07/10/2016	AMIT MAHESH BHATT	11:36:22.081633	10:17:49.013116	11:36:22.081633	7.05	0.22	3.22	7.05	1	1	491	1	500
07/10/2016	AMIT MAHESH BHATT	12:27:43.387835	12:11:36.186771	12:27:43.387835	7.01	0.11	1.59	7.01	1	1	100	1	100
07/10/2016	AMIT MAHESH BHATT	12:28:30.151168	12:27:29.318874	12:28:30.151168	7.1	0.01	0.14	7.1	1	1	49	1	49
07/10/2016	AMIT MAHESH BHATT	15:21:54.932055	15:10:41.243578	15:21:54.932055	7.45	0.62	9.08	7.45	10	10	1000	10	1000
17/10/2016	ARUN KOCHAR	14:48:30.808487	09:54:53.481165	14:48:30.808487	8.03	0.04	0.5	8.03	10	10	1000	10	1000
20/10/2016	ARUN KOCHAR	13:04:38.598592	11:33:01.785113	13:04:38.598592	8.09	0.37	4.79	8.09	10	10	300	10	300
20/10/2016	ARUN KOCHAR	15:27:31.477581	13:28:03.496827	15:27:31.477581	8.08	0.34	4.39	8.08	10	10	500	10	500
01/11/2016	ARUN KOCHAR	11:52:30.691720	09:29:12.343563	11:52:30.69172	8.03	0.75	10.3	8.03	10	10	1000	10	1000
15/11/2016	RAHUL RAHUL	09:35:50.005665	09:15:00.153364	09:35:50.005665	8.5	0.5	6.25	8.5	1	1	900	1	900
15/11/2016	RAHUL RAHUL	15:09:41.110122	09:48:37.715778	15:09:41.110122	8.45	0.06	0.72	8.45	10	10	200	10	200
16/11/2016	RAHUL RAHUL	10:29:44.586213	10:15:52.348253	10:29:44.586213	8.9	0.81	10.01	8.9	1	1	799	1	799
16/11/2016	RAHUL RAHUL	11:40:14.141390	09:32:47.757286	11:40:14.14139	8.88	0.79	9.77	8.88	1	1	1000	1	1000
28/11/2016	RAHUL RAHUL	14:57:46.111061	09:01:39.140121	14:57:46.111061	9.4	0.2	2.17	9.4	1	1	1000	1	1000
05/12/2016	ARUN KOCHAR	09:58:13.803112	09:44:08.788429	09:58:13.803112	9.39	0.85	9.95	9.39	10	10	1500	10	2000
05/12/2016	ARUN KOCHAR	15:03:21.164143	14:12:20.203068	15:03:21.164143	8.94	0.4	4.68	8.94	10	10	300	10	300
16/12/2016	ARUN KOCHAR	10:37:38.460035	09:27:24.340762	10:37:38.460035	9	0.74	8.96	9	10	10	10000	10	10000

174. As noted above, the trade carried out by the 3 buyer Noticees (during the patch -1) were in the range of 1 to 10 shares per trade. It is also important to highlight that all the trades of the Noticees contributed to positive LTP on the days when they bought the shares. Further, as can be seen from the table mentioned at paragraph above, all the trades of the noticees *viz. Arun Kochar (NN.1), Rahul Kumar (NN. 2) and Amit Mahesh Bhatt (NN. 3)*were for smaller quantities (in the range of 1 to 10), on all the instances noted above.

175. I note that the price of the scrip was observed to have risen during Patch-1 of IP wherein price moved from Rs 5.96 on 28/09/2016 (closing price on previous trading day viz. 27/09/2016 was Rs 6.27) to Rs 10.18 (closing price on 27/12/2016)

(increase by Rs 3.91/62.36%). The Price Volume movement in the scrip during Patch-1 was as follows:



176.On an analysis of the trading pattern of the noticees, i.e., placing buy orders for small quantities, it is evident that the price of scrip has been manipulated by the noticees. Therefore, I hold that Noticees executed the impugned trades with an intent to manipulate the scrip price, which is evident from the trading pattern, primarily in the form of small buy orders and the same manipulated the scrip upwards.

177. Further, it is noted that the following were the top 10 LTP contributors on the buy side during Patch 1(September 28, 2016 to December 27, 2016):

PAN	Buyer Name	All Trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of Positive LTP to Total Market Positive LTP
		Sum of LTP diff	Sum of QTY	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
AJHPS2051D	Manohar Lal Sachdeva (Noticee no. 4)	12.01	31	31	12.01	30	30	0.00	0	0	1	1	20.66%
ARFPK1390P	Arun Kochar (NN. 1)	6.50	194784	156	11.46	69195	46	-4.96	64376	50	61213	60	19.71%

AULPR4789A	Rahul Kumar (NN. 2)	5.72	34673	43	6.94	3304	17	-1.22	21225	10	10144	16	11.94%
AIIPG0355J	Ajay Gupta (Noticee no. 5)	5.39	1544	26	6.34	877	16	-0.95	237	3	430	7	10.91%
BFLPS8205L	Satish Chandrakant Shinde	4.50	26342	73	5.28	8953	18	-0.78	894	12	16495	43	9.08%
AJTPB7179F	Amit Mahesh Bhatt (NN. 3)	2.65	14881	191	3.11	466	17	-0.46	1209	16	13206	158	5.35%
ACCPJ8057G	Pawan Kumar Jain	2.65	589	19	2.69	101	6	-0.04	100	4	388	9	4.63%
ADRPM6472E	Rajpal Singh Malik	2.03	32	4	2.03	31	3	0.00	0	0	1	1	3.49%
ABPPC1517L	Ramnaval Chaudhary	0.87	10	2	0.87	10	2	0.00	0	0	0	0	1.50%
AGDPP7076L	Dipti Kamlesh Parekh	0.58	67100	23	0.66	9383	6	-0.08	10000	2	47717	15	1.14%
Total		**42.90**	**339986**	**568**	**51.39**	**92350**	**161**	**-8.49**	**98041**	**97**	**149595**	**310**	**88.41%**
Market Total		**3.91**	**988149**	**1030**	**58.13**	**240626**	**213**	**-54.22**	**294195**	**245**	**453328**	**572**	**100.00%**

178. It is noted from the above table that the Noticees namely: *Manohar Lal Sachdev (NN. 4)* and *Ajay Gupta (NN. 5)* have contributed to more than 5% of positive LTP.

179. From the trading pattern of *Manohar Lal Sachdev (NN. 4)*, it is noted that through 30 positive LTP trades, the Noticee has contributed Rs 12.01 to positive LTP (i.e., 20.66% of the market positive LTP). It was also noted that in all the 30 instances, the Noticee has repeatedly placed buy orders to match the already existing sell orders (with order rate higher than LTP and negligible quantity in all instances).

180. From the trading pattern of *Ajay Gupta (NN. 5)*, it is noted that through 16 positive LTP trades, the Noticee has contributed Rs. 6.34 to positive LTP (i.e., 10.91% of the market positive LTP). It has been further noted that:

i. In 3 instances, the *Ajay Gupta (NN. 5)* placed buy orders at a price higher than LTP, before sellers placed the sell order. The LTP contributed through such trades was Rs. 0.83 (i.e., 1.43% of the market positive LTP).

ii. In 13 instances, the *Ajay Gupta (NN. 5)* repeatedly placed buy orders to match the already existing sell orders (with order rate higher than LTP and negligible quantity in many instances). The LTP contributed through such trades was Rs. 5.51 (i.e., 9.48% of the market positive LTP).

181. The details of buy order quantity (wherever less than 10 shares) for the positive LTP trades by the aforesaid noticees viz. *Manohar Lal Sachdev (NN. 4)*and *Ajay Gupta (NN. 5)* are tabulated below:

Buyer Name	**No. of trades (LTP >0)**	**Positive LTP Contribution when buy order qty was of 1 share only**		**Positive LTP Contribution when buy order qty was between 2-10 shares**		**Positive LTP Contribution when buy order qty were more than 10 shares**		**Total Positive LTP contribution (Rs.)**	**% of positive LTP to Total Market positive LTP**	**% contribution to total market positive LTP through small orders (1-10 shares)**
		Positive LTP contribution	**No. of trades**	**Positive LTP contribution**	**No. of trades**	**Positive LTP contribution**	**No. of trades**			
Manohar Lal Sachdeva (Noticee no. 4)	30	12.01	30	-	-	-	-	12.01	20.66%	20.66%
Ajay Gupta (Noticee no. 5)	16	0.75	2	2.82	7	2.77	7	6.34	10.91%	6.14%

182. It is noted from the above table that *Manohar Lal Sachdev (NN. 4)*, through 30 small orders varying between 1 share and 10 shares, contributed positive LTP of Rs. 12.01 i.e., 20.66% towards market positive LTP. Further, it has been noted that Noticee no. 5, through 9 small orders contributed Rs 3.57 i.e., 6.14% towards market positive LTP.

183. Therefore, it was alleged that *Manohar Lal Sachdev (NN. 4)* and *Ajay Gupta (NN. 5)* have created a misleading appearance of trading through small trades and manipulated the price of the scrip upwards. From the integrated trade log, it is noted that they were repeatedly placing buy orders for small quantity of 1 to 10 shares at successively higher price. The instances of their order log details (provided as Annexure 9 of SCN) are as under:

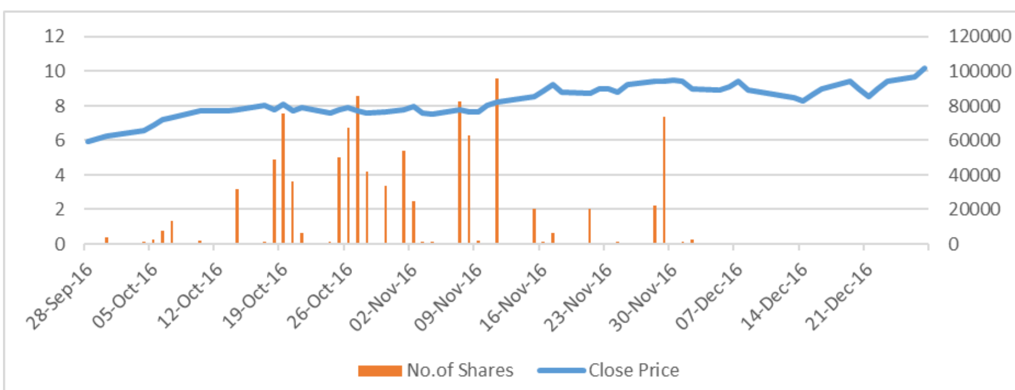
TRADE_DATE	CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	LTP_PERCENT	ORDER_RATE	TRADED_QTY	ORDER_AVLQTY	CP_ORDER_AVLQTY	ORDER_LMQTY	CP_ORDER_LMQTY
07-10-2016	MANOHAR LAL SACHDEVA	09:04:54.320514	09:03:41.434006	09:07:15.000073	7.47	0.27	3.75	7.47	1	1	1000	1	1000
10-10-2016	MANOHAR LAL SACHDEVA	10:38:46.766557	09:57:57.770030	10:38:46.766557	7.7	0.25	3.36	7.7	1	1	1000	1	1000
10-10-2016	MANOHAR LAL SACHDEVA	13:04:13.295379	09:57:57.770030	13:04:13.295379	7.68	0.67	9.56	7.68	1	1	1000	1	1000
13-10-2016	AJAY GUPTA	09:23:19.627148	09:30:21.057253	09:30:21.057253	8.06	0.38	4.95	8.06	5	5	91	5	91
14-10-2016	AJAY GUPTA	14:29:46.383631	12:48:25.017296	14:29:46.383631	7.75	0.43	5.87	7.75	5	5	386	5	386
17-10-2016	AJAY GUPTA	09:30:11.707616	09:21:32.306047	09:30:11.707616	8.05	0.11	1.39	8.05	5	5	500	5	500
17-10-2016	AJAY GUPTA	10:43:13.474869	10:00:43.027779	10:43:13.474869	8	0.59	7.96	8	1	1	842	1	842
19-10-2016	MANOHAR LAL SACHDEVA	09:29:17.678461	09:28:17.759638	09:29:17.678461	8.09	0.29	3.72	8.09	1	1	2000	1	2000
24-10-2016	MANOHAR LAL SACHDEVA	09:18:18.190367	09:17:57.764558	09:18:18.190367	8.04	0.15	1.9	8.04	1	1	2500	1	3000
25-10-2016	MANOHAR LAL SACHDEVA	09:19:55.319692	09:18:28.147224	09:19:55.319692	7.98	0.38	5	7.98	1	1	2500	1	2500
25-10-2016	AJAY GUPTA	15:26:19.518581	09:18:28.147224	15:26:19.518581	7.79	0.52	7.15	7.79	10	10	2500	10	3311
26-10-2016	MANOHAR LAL SACHDEVA	09:21:01.114034	09:16:22.535807	09:21:01.114034	8.09	0.3	3.85	8.09	1	1	2000	1	2000
27-10-2016	AJAY GUPTA	12:21:04.103954	11:49:24.133256	12:21:04.103954	7.74	0.16	2.11	7.74	1	1	300	1	300
27-10-2016	AJAY GUPTA	12:23:08.931406	11:49:24.133256	12:23:08.931406	7.74	0.16	2.11	7.74	4	4	300	4	300
30-10-2016	MANOHAR LAL SACHDEVA	18:30:11.791088	18:15:10.689354	18:30:11.791088	7.99	0.67	9.15	7.99	1	1	1000	1	1000
02-11-2016	MANOHAR LAL SACHDEVA	09:03:32.244773	09:01:36.779741	09:07:08.001602	8.17	0.89	12.23	8.17	1	1	223	1	223
04-11-2016	MANOHAR LAL SACHDEVA	09:17:43.420328	09:16:52.561848	09:17:43.420328	7.99	0.38	4.99	7.99	1	1	1000	1	1000
10-11-2016	MANOHAR LAL SACHDEVA	09:50:46.152295	09:35:56.198739	09:50:46.152295	8.03	0.38	4.97	8.03	1	1	1000	1	1000
15-11-2016	MANOHAR LAL SACHDEVA	09:15:03.522786	09:15:00.153364	09:15:03.522786	8.5	0.11	1.31	8.55	1	1	900	1	900
16-11-2016	MANOHAR LAL SACHDEVA	09:22:19.763542	09:21:05.424023	09:22:19.763542	8.93	0.29	3.36	8.93	1	1	1000	1	1000
16-11-2016	MANOHAR LAL SACHDEVA	10:11:52.947666	09:32:47.757286	10:11:52.947666	8.91	0.82	10.14	8.91	1	1	1000	1	1000
17-11-2016	MANOHAR LAL SACHDEVA	09:02:57.155751	09:00:41.690655	09:07:15.001551	9.32	0.44	4.95	9.32	1	1	1100	1	1100
17-11-2016	MANOHAR LAL SACHDEVA	09:27:19.411728	09:00:41.690655	09:27:19.411728	9.32	0.88	10.43	9.32	1	1	1100	1	1100
17-11-2016	AJAY GUPTA	14:57:53.380672	09:44:32.364104	14:57:53.380672	9.24	0.8	9.48	9.24	10	10	1000	10	1000
18-11-2016	MANOHAR LAL SACHDEVA	09:51:38.374887	09:50:14.596144	09:51:38.374887	9	0.22	2.51	9	1	1	900	1	900
22-11-2016	MANOHAR LAL SACHDEVA	09:03:25.416701	09:00:58.855234	09:07:11.000086	9.17	0.43	4.92	9.17	1	1	1000	1	1000
28-11-2016	MANOHAR LAL SACHDEVA	09:04:52.767010	09:01:39.140121	09:07:10.000097	9.4	0.16	1.73	9.4	1	1	1000	1	1000
29-11-2016	MANOHAR LAL SACHDEVA	09:03:37.804085	09:01:09.309675	09:07:11.00009	9.92	0.5	5.31	9.92	1	1	100	1	100
01-12-2016	AJAY GUPTA	11:32:51.033320	11:17:16.767386	11:32:51.03332	9.45	0.42	4.65	9.45	2	2	1500	2	1500
05-12-2016	MANOHAR LAL SACHDEVA	09:34:54.737662	09:15:00.026927	09:34:54.737662	9.4	0.42	4.68	9.4	1	1	1000	1	1000
06-12-2016	MANOHAR LAL SACHDEVA	09:20:12.328490	09:18:45.726052	09:20:12.32849	9.1	0.16	1.79	9.1	1	1	500	1	500
07-12-2016	MANOHAR LAL SACHDEVA	09:33:52.618743	09:23:44.054922	09:33:52.618743	9.4	0.3	3.3	9.4	1	1	2000	1	2000
19-12-2016	MANOHAR LAL SACHDEVA	09:23:43.514591	09:23:10.431551	09:23:43.514591	9.45	0.45	5	9.45	1	1	507	1	507
20-12-2016	MANOHAR LAL SACHDEVA	09:20:08.320256	09:19:05.526174	09:20:08.320256	9.92	0.47	4.97	9.92	1	1	2500	1	2500
22-12-2016	MANOHAR LAL SACHDEVA	09:26:58.409177	09:26:15.554316	09:26:58.409177	8.96	0.42	4.92	8.96	1	1	2000	1	2000
23-12-2016	MANOHAR LAL SACHDEVA	09:36:38.195099	09:33:21.361978	09:36:38.195099	9.4	0.44	4.91	9.4	1	1	2500	1	2500
26-12-2016	MANOHAR LAL SACHDEVA	09:20:25.159720	09:19:21.033257	09:20:25.15972	9.7	0.3	3.19	9.7	1	1	2	1	2
27-12-2016	MANOHAR LAL SACHDEVA	09:03:48.974163	09:03:09.750655	09:07:07.001542	10.18	0.48	4.95	10.18	1	1	1	1	1
28-12-2016	MANOHAR LAL SACHDEVA	09:01:05.735309	09:06:07.298844	09:07:08.000641	10.67	0.49	4.81	10.68	1	1	5000	1	5000

184.From the above table, I note that *Manohar Lal Sachdeva (NN. 4)* through 30 small orders (1-10 shares) i.e. all his orders contributed Rs 12.01 i.e. 20.66% towards market positive LTP, which is significant. Also, Ajay Gupta through 9 small orders contributed Rs 3.57 i.e. 6.14% towards market positive LTP, which is also significant.

185.*Ajay Gupta* (NN. 5) in his reply dated December 09, 2021, stated that he used to place order with broker through telephone in small quantities. The noticee further stated that he used to mention profit-loss in its income tax details, and also stopped trading when the company got closed. Further, noticee stated that he used to short the shares and had to bear lot of losses.

186.*Ajay Gupta (*Noticee No. 5*)* has submitted that he was not involved in increasing/decreasing any shares and only used to trade after observing the system. I note that the noticee has made an umbrella statement without substantiating the same with any evidentiary proof or details. He has not made any submission w.r.t other allegations made against him.

187.I note that the Price of the scrip was observed to have risen during Patch-1 of IP wherein price moved from Rs 5.96 on 28/09/2016 (closing price on previous trading day viz. 27/09/2016 was Rs 6.27) to Rs 10.18 (closing price on 27/12/2016) (increase by Rs 3.91/62.36%). The Price Volume movement in the scrip during Patch-1 was as follows:



188.Therefore, I hold that *Manohar Lal Sachdev (NN. 4)* and *Ajay Gupta (NN. 5)* executed the impugned trades detailed above with an intent to manipulate the scrip price, which is evident from the trading pattern i.e., placing buy orders of small quantities, which has manipulated the price of the scrip upwards.

189. It has been noted in the SCN that the following entities were the top 10 Net positive LTP contributors (as buyers) during Patch 3 (April 29, 2017 to June 12, 2017):

PAN	Buyer Name	All Trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of positive LTP to Total Market positive LTP
		All Ltp Rate	All Traded Qty	All No Trades	Pos Ltp Rate	Pos Traded Qty	Pos No Trades	Neg Ltp Rate	Neg Traded Qty	Neg No Trades	Zero Traded Qty	Zero No Trades	
AJHPS2051D	Manohar Lal Sachdeva (Noticee no. 4)	6.15	26	26	6.61	24	24	-0.46	2	2	0	0	31.43%
BEGPP6108H	Pakshal Kirtikumar Parikh	0.99	26615	30	1.37	4907	7	-0.38	5010	2	16698	21	6.51%
AGZPG4203G	Naveen Gupta	1.26	20899	9	1.28	200	2	-0.02	8120	2	12579	5	6.09%
CKGPS5097F	Arun Saini	1.04	1301	6	1.04	1201	5	0.00	0	0	100	1	4.95%
AAOPG9123G	Sonal Narain	0.88	939	6	0.88	200	2	0.00	0	0	739	4	4.18%
BDVPB3622C	Nielesh Bandwal	0.80	42669	9	0.80	36799	2	0.00	0	0	5870	7	3.80%
ALQPB4163L	Tarun Bajaj	0.62	7000	12	0.62	2980	6	0.00	0	0	4020	6	2.95%
BXOPM9758F	Nikhil Gautam Mate	0.59	1	1	0.59	1	1	0.00	0	0	0	0	2.81%
BEKPS3996G	M.Sridhar	0.58	6000	12	0.59	1880	3	-0.01	1000	1	3120	8	2.81%
AFRPD6466R	Malcolm Ignatius Dsouza	0.53	1000	2	0.53	995	1	0.00	0	0	5	1	2.52%
Total		**13.44**	**106450**	**113**	**14.31**	**49187**	**53**	**-0.87**	**14132**	**7**	**43131**	**53**	**68.05%**
Market Total		**2.91**	**1131414**	**598**	**21.03**	**280822**	**143**	**-18.12**	**169371**	**82**	**681221**	**373**	**100.00%**

190. From the trading pattern of *Manohar Lal Sachdev (NN. 4)*, it has been noted that through 24 positive LTP trades, the Noticee has contributed Rs. 6.61 to the positive LTP (i.e. 31.43% of the market positive LTP).

191. In all the 24 instances, the Noticee is found repeatedly placing buy orders to match the already existing sell orders (with order rate higher than LTP and negligible quantity in all instances).

192. The details of buy order quantity (wherever less than 10 shares) for the positive LTP trades by the aforesaid Noticee no. 4 are tabulated below:

Buyer Name	No.	Positive LTP	Positive LTP	Positive LTP	Total	% of	%

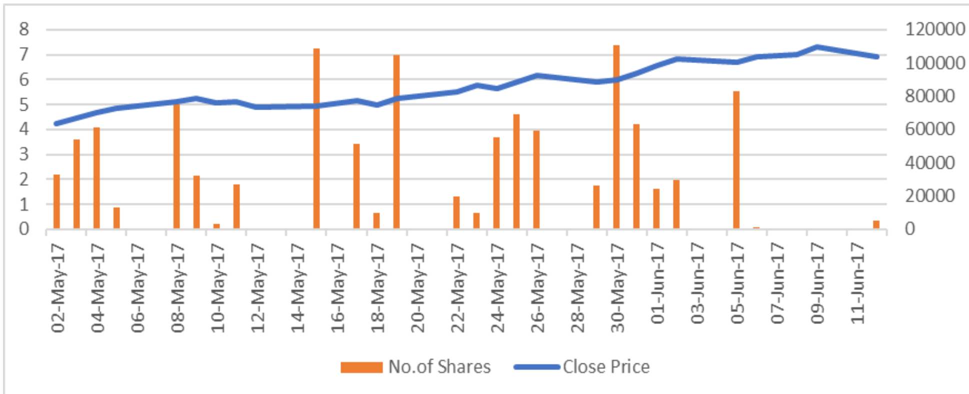
	of trades (LTP >0)	Contribution when buy order qty was of 1 share only		Contribution when buy order qty was between 2-10 shares		Contribution when buy order qty were more than 10 shares		Positive LTP contribution (Rs.)	positive LTP to Total Market positive LTP	contribution to Total Market positive LTP through small orders (1-10 shares)
		Positive LTP contribution	No. of trades	Positive LTP contribution	No. of trades	Positive LTP contribution	No. of trades			
Manohar Lal Sachdeva (Noticee no. 4)	24	5.83	21	0.78	3	-	-	6.61	31.43%	31.43%

193. As seen from the above table, *Manohar Lal Sachdev (NN. 4),* through 24 small orders varying from 1 to 10 shares, contributed Rs. 6.61 i.e., 31.43% towards market positive LTP, which is significant. Thus, *Manohar Lal Sachdev (NN. 4)* have created a misleading appearance of trading through small trades and manipulated the price of the scrip upwards. From the integrated trade log, it is noted that the noticee was repeatedly placing buy orders for small quantity of 1 to 10 shares at successively higher price. The instances of their order log details (provided as Annexure 9 of SCN) are as under:

TRADE_DATE	CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	LTP_PERCENT	ORDER_RATE	TRADED_QTY	ORDER_AVLQTY	CP_ORDER_AVLQTY	ORDER_LMQTY	CP_ORDER_LMQTY
03-05-2017	MANOHAR LAL SACHDEVA	09:22:57.436052	09:19:44.176268	09:22:57.436052	4.43	0.2	4.73	4.43	1	1	1000	1	1000
03-05-2017	MANOHAR LAL SACHDEVA	11:30:06.834702	10:38:05.483437	11:30:06.834702	4.42	0.4	9.95	4.42	1	1	1754	1	1754
04-05-2017	MANOHAR LAL SACHDEVA	09:22:20.285746	09:15:06.244704	09:22:20.285746	4.66	0.22	4.95	4.66	1	1	20000	1	20000
05-05-2017	MANOHAR LAL SACHDEVA	09:15:50.607993	09:15:26.055454	09:15:50.607993	4.89	0.23	4.94	4.89	1	1	5000	1	5000
08-05-2017	MANOHAR LAL SACHDEVA	09:02:50.345250	09:00:46.191749	09:07:15.002482	5.11	0.6	13.3	5.11	1	1	739	1	739
08-05-2017	MANOHAR LAL SACHDEVA	09:34:09.226486	09:27:43.681385	09:34:09.226486	5	0.37	7.99	5	1	1	200	1	200
09-05-2017	MANOHAR LAL SACHDEVA	09:16:28.901021	09:15:03.769405	09:16:28.901021	5.36	0.25	4.89	5.36	1	1	6200	1	6200
11-05-2017	MANOHAR LAL SACHDEVA	09:19:38.633429	09:15:13.356958	09:19:38.633429	5.33	0.23	4.51	5.33	1	1	1100	1	1100
12-05-2017	MANOHAR LAL SACHDEVA	09:56:15.425435	09:37:56.088213	09:56:15.425435	5.38	0.06	1.13	5.38	1	1	100	1	100
15-05-2017	MANOHAR LAL SACHDEVA	09:15:06.838637	09:06:39.002870	09:15:06.838637	5.12	0.24	4.92	5.12	1	1	49	1	49
18-05-2017	MANOHAR LAL SACHDEVA	09:05:55.808838	09:05:31.464368	09:07:12.004152	5.42	0.25	4.84	5.42	1	1	100	1	100
22-05-2017	MANOHAR LAL SACHDEVA	09:15:04.480152	09:06:21.752080	09:15:04.480152	5.51	0.26	4.95	5.51	1	1	99	1	99
23-05-2017	MANOHAR LAL SACHDEVA	10:11:52.422166	09:50:08.598500	10:11:52.422166	5.77	0.27	4.91	5.77	1	1	10000	1	10000
25-05-2017	MANOHAR LAL SACHDEVA	09:04:20.719009	09:03:03.339556	09:07:06.000088	5.9	0.25	4.42	5.9	1	1	55000	1	55000
26-05-2017	MANOHAR LAL SACHDEVA	10:54:42.491370	09:47:38.900245	10:54:42.49137	6.19	0.58	10.34	6.19	1	2	1	2	1
29-05-2017	MANOHAR LAL SACHDEVA	10:13:10.289783	09:58:08.663088	10:13:10.289783	6.45	0.26	4.2	6.45	1	1	10000	1	10000
31-05-2017	MANOHAR LAL SACHDEVA	09:22:07.996574	09:18:03.605261	09:22:07.996574	6.28	0.28	4.67	6.28	1	1	1000	1	1000
01-06-2017	MANOHAR LAL SACHDEVA	09:20:56.973961	09:01:29.501465	09:20:56.973961	6.59	0.31	4.94	6.59	1	1	1000	1	1000
01-06-2017	MANOHAR LAL SACHDEVA	09:36:54.996259	09:01:29.501465	09:36:54.996259	6.57	0.57	9.5	6.57	1	1	1000	1	1000
02-06-2017	MANOHAR LAL SACHDEVA	09:15:05.366776	09:01:00.635557	09:15:05.366776	6.8	0.22	3.34	6.8	1	1	1000	1	1000
05-06-2017	MANOHAR LAL SACHDEVA	09:27:56.390376	09:22:30.770189	09:27:56.390376	7	0.1	1.45	7.1	1	2	1	2	1
05-06-2017	MANOHAR LAL SACHDEVA	09:27:56.390376	09:22:23.015835	09:27:56.390376	7.1	0.1	1.43	7.1	1	2	2500	2	2500
08-06-2017	MANOHAR LAL SACHDEVA	09:04:04.741791	09:00:10.576445	09:07:10.000079	7	0.06	0.86	7	1	1	596	1	596
09-06-2017	MANOHAR LAL SACHDEVA	09:07:00.558740	09:00:04.015681	09:07:14.00008	7.3	0.3	4.29	7.3	1	1	595	1	595

194. I note that the price of the scrip was observed to have risen during Patch-3 of IP wherein price moved from Rs 3.85 on 02/05/2017 (closing price on previous

trading day viz. 28/04/2017 was Rs 4.03) to Rs 6.94 (closing price on 12/06/2017) (increase by Rs 2.91/72.21%). The Price Volume movement in the scrip during Patch-3 was as follows:



195.From the above, it can be concluded that *Manohar Lal Sachdeva (NN. 4)* created a misleading appearance of trading through small trades and manipulated the price of the scrip upwards.

196.I note that the thumb rule of trading in stock market is to buy shares at lesser rate and sell shares at higher rate. The trading pattern of the Noticees in entering buy orders at prices much higher than the market price in minimal quantities that too repeatedly, indicates their manipulative intent to artificially increase the price of the scrip. I note that the rationale for such transactions entered by the Noticees defies the logic and basic economic sense.

197.In this connection, I would like to refer to the observations made by the Hon'ble SAT in its order dated March 21, 2014 in *Saumil Bhavnagari* Vs. *SEBI* which are as under: "*… but by purchasing shares at the higher price in LTP in most of the trades, the Noticee had given a wrong impression about the liquidity of the scrip in the market. It must not be forgotten that every trade establishes the price of the scrip and the Noticee's trading at higher than LTP resulted in the price of the scrip going up and were done with a view to set the price at a desired level and thereby influencing the innocent/gullible investors. By purchasing at a higher price in most of his trades, the Noticee had given the wrong impression about the price of the scrip in the market. It is an accepted state of affairs that in cases of manipulation of the volume and / or price of a particular scrip, it is usually an arduous task to obtain direct evidence. However, the analysis of the trade and order logs as undertaken hereinabove, establishes the malafied intention of the appellant.*

198. I would like to also rely on the judgement of the Hon'ble SAT dated January 04, 2021 in the matter of Tanuj *Khandelwal* vs *SEBI* (Appeal No. 357 of 2020) wherein it was held as follows: "*7. Having heard the learned counsel for the appellant and upon perusal of the impugned order we are of the opinion that the case of the appellant is distinguishable and consequently the decision in M/s. Nishith M. Shah HUF (supra), Rajesh Marchya (supra) and Mr. Jayant Indulal Sethna (supra) cases are not applicable and are distinguishable on facts. We find that except on three occasions the appellant only sold one share at a time on a daily basis. This trading pattern created misleading appearance with intention to manipulate the market if not the price. Thus, even if there is no connection with the buyer the trading pattern shows a concerted effort to manipulate the market and therefore we are of the opinion that the appellant was not acting as a genuine seller. We also find that the appellant had no bonafide intention to sell because inspite of sufficient buy orders being placed with abundant quantity being available in the market the appellant was only placing sell orders of one share at a time. This clearly shows his intention of manipulating the market for vested reasons*"

199. In view of the above, I conclude that Noticees nos. 1, 2, 3, 4 and 5 have manipulated the price of the scrip through small trades in Patch 1 and noticee no. 5 has manipulated the price of the scrip through small trades in Patch 3, thereby have violated section 12A(a), 12A(b), 12A(c) of SEBI Act, read with regulation 3(a), 3(b), 3(c) and 3(d) and 4(1), 4(2)(a), 4(2)(e) of PFUTP Regulations.

200. I note from the SCN that the following entity have contributed towards positive LTP through first trades in Patch 1:

PAN	Entity Name	LTP via first trades (in Rs.)	Traded Qty	No. of first trades	Pos LTP via First trades (in Rs.)	Pos LTP via First trades as % of Mkt Pos LTP
AJHPS2051D	Manohar Lal Sachdeva (Noticee no. 4)	9.42	26	26	9.42	16.21

201. From the above, it is noted that *Manohar Lal Sachdev (NN. 4)* through 26 first trades, has contributed Rs. 9.42 to positive LTP (i.e. 16.21% to market positive LTP). Therefore, I note that the Manohar *Lal Sachdev (NN. 4)* has manipulated the price of the scrip of Wisec. Therefore, I conclude that *Manohar Lal Sachdev (NN. 4)* has violated section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2)(a) and 4(2)(e) of the PFUTP Regulations.

202. I note from the SCN that the following entity have contributed towards positive LTP through first trades in Patch 3:

PAN	Entity Name	LTP via first trades (in Rs.)	Traded Qty	No. of first trades	Pos LTP via First trades (in Rs.)	Pos LTP via First trades as % of Mkt Pos LTP
AJHPS2051D	Manohar Lal Sachdeva (Noticee no. 4)	4.13	21	21	4.59	21.83
Total		**4.13**	**21**	**21**	**4.59**	**21.83**

203.From the above table, it is noted that *Manohar Lal Sachdev (NN. 4)*, through 21 first trades, has contributed Rs. 4.59 to positive LTP (i.e., 21.83% to market positive LTP). I note that the Noticee no. 4 has manipulated the price of the scrip of Wisec thereby violating section 12A(a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2)(a) and 4(2)(e) of the PFUTP Regulations.

204.It is noted in the SCN that during Patch 1, the price of the scrip moved from opening price of Rs. 5.96 to a high price of Rs. 10.18 and New High Price (NHP) of Rs. 4.22 was created. The details of NHP contributed by *Arun Kochar (NN. 1)* and *Amit Mahesh Bhatt (NN. 3)* are given below:

Buyer Name	NHP contribution (in Rs.)	% of NHP Diff to total Mkt NHP Diff	No. of Trades	Sum of NHP Qty.	Entities Net LTP Contribution	Entities Pos LTP Contribution	% of Positive LTP to Total Market Positive LTP
Amit Mahesh Bhatt (Noticee no. 3)	0.29	6.87	2	16	0.00	3.11	5.35
Arun Kochar (Noticee no. 1)	0.02	0.47	1	177	0.02	11.46	19.71
Total	**0.31**	**7.34**	**3**	**193**	**0.02**	**14.57**	**25.06**

205.From the above, it is noted that *Arun Kochar (NN. 1)* and *Amit Mahesh Bhatt (NN. 3)* as a group have contributed Rs. 0.31 i.e 7.34% to market NHP.

206.Further, the details of NHP contributed by entities who have contributed significantly towards positive LTP are given below:

Buyer Name	NHP contribution (in Rs.)	% of NHP Diff to total Mkt NHP Diff	No. of Trades	Sum of NHP Qty.	Entities Net LTP Contribution	Entities Pos LTP Contribution	% of Positive LTP to Total Market Positive LTP
Manohar Lal Sachdeva (Noticee no. 4)	2.08	49.3	10	10	3.68	3.68	6.33
Ajay Gupta (Noticee no. 5)	0.36	8.53	1	5	0.38	0.38	0.65

207.From the above, it is noted that *Manohar Lal Sachdeva (NN. 4)* and *Ajay Gupta (NN. 5)* have contributed Rs 2.08 and Rs 0.36 to market NHP which is 49.3% and 8.53% to market NHP, respectively.

208.In Patch 3 of the Investigation Period, the price of the scrip moved from opening price of Rs. 3.85 to a high price of Rs. 7.30 and Rs. 3.45 NHP was created. The details of NHP contributed by entities who have contributed significantly towards positive LTP are given below:

Buyer Name	**NHP contribution (in Rs.)**	**% of NHP Diff to total Mkt NHP Diff**	**No. of Trades**	**Sum of NHP Qty.**	**Entities Net LTP Contribution**	**Entities Pos LTP Contribution**	**% of Positive LTP to Total Market Positive LTP**
Manohar Lal Sachdeva (Noticee no. 4)	2.65	76.85	16	16	4.21	4.21	20.02
Total	2.65	76.85	16	16	4.21	4.21	20.02

209.It is noted from the above table, that *Manohar Lal Sachdeva (NN. 4)* has contributed Rs 2.65 to market NHP which is 76.85% to market NHP.

210.From the above, it is seen that Noticees *Arun Kochar (NN. 1), Amit Mahesh Bhatt (NN. 3),* Manohar *Lal Sachdev (NN. 4)* and *Ajay Gupta (NN. 5)* have manipulated the price of the scrip in Patch 1 and Patch 3 through NHP contribution, thereby violating section 12A(a), 12A(b), 12A(c) of SEBI Act, read with regulation 3(a), 3(b), 3(c) and 3(d) and 4(1), 4(2)(a), 4(2)(e) of PFUTP Regulations.

Issue (F). Whether the Noticees nos. 1, 13, 14, 15, 16, 17 and 16 violated provisions of under SAST Regulations, 1997 and 2011 and PIT Regulations, 1992 and 2015?

211.I now proceed to consider the aforesaid issue, and visit the provisions of SAST Regulations, 1997 and 2011 and PIT Regulations, 1992 and 2015 which are alleged to have been violated.

Regulation 7(1) of the SAST Regulations, 1997 states that:
"*Any acquirer, who acquires shares or voting rights which (taken together with shares or voting rights, if any, held by him) would entitle him to more than five per cent or ten per cent or fourteen per cent or fifty four per cent or seventy four per cent shares or voting rights in a company, in any manner whatsoever, shall disclose at every stage the aggregate of his shareholding or voting rights in that*

company to the company and to the stock exchanges where shares of the target company are listed."

Regulation 7(2) of the SAST Regulations, 1997 states that:
"*The disclosures mentioned in sub-regulations (1) … shall be made within two days of, —*
(a) the receipt of intimation of allotment of shares; or
(b) the acquisition of shares or voting rights, as the case may be"

Regulation 29(1) of the SAST Regulations, 2011 states that
"*Any acquirer who acquires shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, aggregating to five per cent or more of the shares of such target company, shall disclose their aggregate shareholding and voting rights in such target company in such form as may be specified*."

Regulation 29(2) of the SAST Regulations, 2011 states that
"*Any person, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, shall disclose the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below five per cent, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds two per cent of total shareholding or voting rights in the target company, in such form as may be specified*."

Regulation 29(3) of the SAST Regulations, 2011 states that
"*The disclosures required under sub-regulation (1) … shall be made within two working days of the receipt of intimation of allotment of shares, or the acquisition or the disposal of shares or voting rights in the target company to,—*
(a)every stock exchange where the shares of the target company are listed; and
(b)the target company at its registered office."

Regulation 13(1) of the PIT Regulations, 1992 states that:
"*Any person who holds more than 5% shares or voting rights in any listed company shall disclose to the company in Form A, the number of shares or voting rights held by such person, on becoming such holder, within 2 working days of :—*
(a) the receipt of intimation of allotment of shares; or
(b) the acquisition of shares or voting rights, as the case may be."

Regulation 13(4) of the PIT Regulations, 1992 states that:
"*Any person who is a director or officer of a listed company, shall disclose to the company and the stock exchange where the securities are listed in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependents (as defined by the company) from the last disclosure made under sub-regulation (2) or under this subregulation, and the change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower*."

Regulation 13(5) of the PIT Regulations, 1992 states that:
"*The disclosure mentioned in sub-regulations (3), (4) … shall be made within two working days of:*
(a) the receipts of intimation of allotment of shares, or
(b) the acquisition or sale of shares or voting rights, as the case may be."

Regulation 7(2) of PIT Regulations, 2015 states that:
"*(a) Every promoter, member of the promoter group], designated person and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified*.
(b) Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.
Explanation. —It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub-regulation, shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause (a) of sub-regulation (2)."

212. It has been alleged that Noticees nos. 1, 13, 14, 15, 16 and 17 have failed to make disclosure as required under the various provisions as detailed under:

Sl No	**Name of entity**	**Transaction Date and details**	**Actual Date of Disclosure**		**No of days delay**		**Alleged Violation of Regulations**
			Company	**Exchange**	**Company**	**Exchange**	

1.	Kolluru Surya Prakash Venkata (Noticee no. 13)	Acquired 10,00,000 shares of Wisec Global on March 30, 2009 aggregating to 9.26% of the total shares of the company	Not disclosed	Not disclosed	Regulation 7(1) read with 7(2)(a) of SEBI (SAST) Regulations,1997 Regulation 13(4) read with 13(5) of SEBI (PIT) Regulations,1992
2.	Kolluru Surya Prakash Venkata (Noticee no. 13)	Off loaded 10,00,000 shares (9.27%) on October 7, 2016 through Off market	Not disclosed	Not disclosed	Regulation 29(2) read with 29 (3) of SEBI (SAST) Regulations, 2011 Regulation 7(2)(a) of SEBI (PIT) Regulations,2015 *
3.	Wisec Global Ltd (Noticee no. 14)	Kolluru Surya Prakash Venkata Off loaded 10,00,000 (9.27%) on October 7, 2016 through Off market	Not disclosed	Not disclosed	Regulation 7(2)(b) of SEBI (PIT) Regulations,2015
4.	Falcon Jersey Pvt. Ltd (Noticee no. 15)	As per shareholding pattern, the entity held 746261 (6.92%) shares as on June 30, 2009 and 481211 (4.46%) shares as on March 31, 2009	Not disclosed	Not disclosed	Regulation 7(1) read with 7(2)(a) of SEBI (SAST) Regulations,1997 Regulation 13(1) of SEBI (PIT) Regulations, 1992
5.	Falcon Jersey Pvt. Ltd (Noticee	Off loaded 7,46,261 shares (6.92%) on February 8,	Not disclosed	Not disclosed	Regulation 29(2) read with 29 (3) of SEBI (SAST) Regulations, 2011

	no. 15)	2017 through Off market			
6.	Pigeon Constructions Pvt. Ltd (Noticee no. 16)	As per shareholding pattern, the entity held 1000000 (9.27%) shares as on December 31, 2006 and Nil shares as on September 30, 2006	Not disclosed	Not disclosed	Regulation 7(1) read with 7(2)(a) of SEBI (SAST) Regulations,1997 Regulation 13(1) of SEBI (PIT) Regulations,1992
7.	Pigeon Constructions Pvt. Ltd (Noticee no. 16)	Off loaded 10,00,000 shares (9.27%) on January 7, 2017 through Off market	Not disclosed	Not disclosed	Regulation 29(2) read with 29 (3) of SEBI (SAST) Regulations, 2011
8.	Arun Kochar (Noticee no. 1)	Acquired 7,00,000 shares (6.49%) shares through off market on October 7, 2016	Not disclosed	Not disclosed	Regulation 29(1) read with 29 (3) of SEBI (SAST) Regulations, 2011
9.	Ranjan Kapoor (Noticee no. 17)	Acquired 7,46,261 shares (6.92%) shares through off market on February 8, 2017	Not disclosed	Not disclosed	Regulation 29(1) read with 29 (3) of SEBI (SAST) Regulations, 2011

213. Kolluru Surya Prakash Venkata (Noticee no. 13) and Wisec Global Limited (NN. 14)

I observe from the SCN that noticee no. 13 acquired 10,00,000 shares of Wisec Global on March 30, 2009 aggregating to 9.26% of the total shares of the company.

In terms of Regulation 7 (1) read with 7(2) of SAST Regulations, 1997, any acquirer, who acquires shares or voting rights which (taken together with shares or voting rights, if any, held by him) would entitle him to more than five per cent or ten per cent or fourteen per cent or fifty four per cent or seventy four per cent shares or voting rights in a company, in any manner whatsoever, shall disclose at every stage the aggregate of his shareholding or voting rights in that company to the company and to the stock exchanges where shares of the target company are listed.

I observe that noticee no. 13 had failed to make these disclosures in terms of the aforementioned Regulations.

Further, it is noted that the disclosure requirements under Regulation 13(4) of the SEBI (PIT) Regulations, 1992 are triggered when there is a change in the shareholding of an entity/person, who is a director or officer of a listed company, and the change exceeds Rs. 5 lakhs in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower. In case the change in shareholding crosses the threshold limit, as mentioned above, the entity is under an obligation to make the necessary disclosures in the prescribed reporting format to the Company and to the Stock Exchange within two working days of such change in shareholding as per Regulation 13 (5) of the SEBI (PIT) Regulations, 1992.

I observe from the SCN as well as from the information available on the BSE website that Noticee 13 is the Director of the Company namely: Wisec Global Limited. Therefore, he was obligated to make the necessary disclosures u/r 13(4) of the PIT Regulations w.r.t change in his shareholding, which had exceeded Rs. 5 lakhs in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower, to both the Company and Stock Exchange. I note that the shareholding of Noticee 13 had crossed the threshold limit of 25,000 shares and 5% of shareholding on March 30, 2009, by virtue of his off-market transactions in the scrip.

By not making the disclosures on time, the noticee failed to comply with their statutory obligations. Timely disclosure is mandated for the benefit of the investors at large. The time limit of 2 days for disclosure prescribed under Regulation 7(2) of SAST Regulations, 1997 and Regulation 13(5) of SEBI (PIT) Regulations, 1992 is sacrosanct. The disclosure of acquisition sends out signals to the public at large as to the collective holding of the acquirer and enables the shareholders to take an informed decision as to whether to stay invested or exit from the scrip of the company.

Further, it has been observed from the SCN is that noticee no. 13 has off-loaded 10,00,000 shares (9.27% of shares of Wisec) on October 07, 2016 through off-market.

In terms of the disclosure requirements specified under Regulation 29(2) r/w Regulation 29 (3) of SAST Regulations, 2011, any acquirer, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, shall disclose every acquisition or disposal of shares of such target company representing two per cent or more of the shares or voting rights in such target company within two working days of the acquisition of shares or disposal to the stock exchanges and to the target company.

Noticee no. 13 was holding more than 5% shares of the company and was obligated to disclose the same to exchange and target company within two working days i.e. two days from October 07, 2016 pursuant to off-loading of 10,00,000 shares (9.27%) i.e. more than 5% as required in the abovementioned regulation.

Regulation 7(2) (a) of the SEBI (PIT) Regulations, 2015, mandates every promoter, employee or director of every company is required to disclose to the company, the number of securities acquired or disposed of within two working day of such transaction if the value of securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakhs rupees or such other value as may be specified.

Noticee 13 is the Director of the Company Wisec Global Limited. Therefore, he was obligated to make the necessary disclosures u/r 7(2)(a) of the SEBI (PIT) Regulations, 2015 w.r.t change in his shareholding, which had exceeded Rs. 5 lakhs in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower, to both the Company and Stock Exchange.

Further, it is noted that Regulation 7(2)(b) of SEBI (PIT) Regulation, 2015 casts an obligation on every listed company for the disclosure/notification of securities traded by any promoter, director or employee of the company, if the value of the securities traded whether in one transaction or a series of transaction exceeds Rs. 10 lakhs over any calendar quarter to the exchange.

It is noted that Wisec Global Limited was under the obligation to disclose the off-loading of 10,00,000 shares (9.27%) by NN. 13 on October 07, 2017 through off-market to Exchange as required under abovementioned regulation. Therefore, I note that the Company failed to do the same and is in violation of Regulation 7(2)(b) of SEBI (PIT) Regulation, 2015.

214.Arun Kochar (Noticee No. 1), Ranjan Kapoor (Noticee No. 17)

It has been noted from the SCN that noticee no.1 acquired 7,00,000 shares (6.49%) shares through off market on October 7, 2016 and noticee no. 17 Acquired 7,46,261 shares (6.92%) shares through off market on February 8, 2017.

Regulation 29(1) read with 29(3) of the SEBI (SAST) Regulations, 2011 requires an acquirer, who acquires shares or voting rights in a target company aggregating to five per cent or more of shares of such target company to disclose their aggregate shareholding and voting rights in such target company to every stock exchange where the shares of the target company are listed and to the target company within 2 days of such acquisition.

I noted that in the instant case, noticee no. 1 and 17 acquired shares aggregating to 6.49% and 6.92%, respectively, which is more than 5% and was under obligation for disclosure as required under the abovementioned regulations. The aggregate shareholding of the Noticee reached more than 5% of the total share capital of the Company. On the aforesaid increase, the Noticee ought to have disclosed such acquisition in terms of Regulation 29(1) read with 29(3) of the SEBI (SAST) Regulations, 2011. As per the records available, the noticee no 1 and 17 failed to make the requisite disclosures and in this regard, I conclude that they are in violation of Regulation 29 (1) read with 29 (3) of SEBI (SAST) Regulations, 2011.

215. Pigeon Constructions Pvt Limited (NN. 16)

In terms of Regulation 13(1) of SEBI (PIT) Regulations, 1992 a disclosure has to be made to the company and to the Stock Exchange by any person who is holding more than 5% shares for any transaction which leads to a change in excess of 2% shareholding; and such disclosure has to be made within two working days of such change. Similarly, under Reg. 7(1) read with 7(2) of the SEBI (SAST) Regulations, 1997 a disclosure is required to be made to the company and exchange within 2 days of any transaction which leads to change in excess 2%

shareholding by any person who is holding shares in excess of 5% of the company.

I note that the noticee no. 16 held 9.27% of the shares of the company as on December 31, 2006 and thereafter, held nil shares on September 30, 2006. Consequently, the Noticee was required to make the disclosures to the Company and to BSE in the prescribed format within two working days of the allotment in terms of Regulation 7(1) read with Regulation 7(3) of the SAST Regulations and 13(1) of the PIT Regulations. I note that no such disclosures were made by the Noticee in the stipulated time frame.

Further, it has been noted that Pigeon Constructions Off loaded 10,00,000 shares (9.27% shares of Wisec) on January 07, 2017 through Off-market.

In this regard it is noted that Regulation 29(2) reads as "*Any acquirer, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, shall disclose every acquisition or disposal of shares of such target company representing two per cent or more of the shares or voting rights in such target company in such form as may be specified*". The purport and scope of the provisions of Regulation 29(2) of SAST Regulations, 2011 make it clear that if the acquirer along with persons acting in concert are holding 5% or more, the acquirer is required to make disclosures for every acquisition of 2% or more of the shares or voting rights in the target company.

As per the records available, noticee no. 16 failed to make the requisite disclosures and in this regard, I conclude that they are in violation of Regulation 29 (2) read with 29 (3) of SEBI (SAST) Regulations, 2011.

216.In furtherance of the above observations, in the context of non-disclosures as required under statutory obligations, I observe that Hon'ble Securities Appellate Tribunal (SAT) has consistently held that the obligation to make disclosures within the stipulated time frame is mandatory and penalty is attracted for non-compliance with the mandatory obligation.

217.The Hon'ble SAT in its Order dated September 30, 2014, in the matter of *Akriti Global Traders* Ltd. Vs *SEBI* observed that- "*Obligation to make disclosures under the provisions contained in SAST Regulations, 1997 as also under PIT Regulations, 1992 would arise as soon as there is acquisition of shares by a person in excess of the limits prescribed under the respective regulations and it is immaterial as to how the shares are acquired. Therefore, irrespective of the fact as to whether the shares* *were purchased from open market or shares were received on account of amalgamation or by way of bonus shares, if, as a result of such acquisition/ receipt, percentage of shares held by that person exceeds the limits prescribed under the respective regulations, then, it is mandatory to make disclosures under those regulations*."

218.Further, Hon'ble SAT in the matter of *Coimbatore Flavors & Fragrances Ltd*. v. *SEBI* (Appeal No. 209 of 2014 order dated August 11, 2014), observed that "*Undoubtedly, the purpose of these disclosures is to bring about more transparency in the affairs of the companies. True and timely disclosures by a company or its promoters are very essential from two angles. Firstly; investors can take a more informed decision to invest or not to invest in a particular scrip secondly; the Regulator can properly monitor the transactions in the capital market to effectively regulate the same*."

219.Further, Hon'ble Securities Appellate Tribunal (SAT) in *Premchand Shah and Others* v. *SEBI* (Appeal no. 108 of 2010 decided on February 21, 2011), wherein it was observed that ".......*When a law prescribes a manner in which a thing is to be done, it must be done only in that manner.......Non-disclosure of information in the prescribed manner deprived the investing public of the information which is required to be available with them when they take informed decision while making investments*.................... "

220.I would also like to rely on Hon'ble SAT ruling in Appeal No. 66 of 2003 -*Milan Mahendra Securities Pvt. Ltd*. Vs *SEBI*, wherein the Hon'ble SAT has observed that, "*the purpose of these disclosures is to bring about transparency in the transactions and assist the Regulator to effectively monitor the transactions in the market*."

221.I also note that the transaction pertaining Serial No. 1 and Serial No. 6 of table at para 212 above, pertains to the period of 2009 and 2006, respectively and rest of the transactions, wherein, the above-mentioned noticees have failed to disclose pertains to the period 2016-17. The same has been considered while deciding the penalty for such non-compliance of relevant provisions.

222.Therefore, I conclude that Kolluru Surya Prakash Venkata (Noticee no. 13), Wisec Global Limited (NN. 14), Arun Kochar (Noticee No. 1), Ranjan Kapoor (Noticee No. 17) and Pigeon Constructions Pvt. Ltd (NN. 16) have violated respective regulations as detailed above.

223.Falcon Jersey Pvt. Limited (Noticee No. 15)

Falcon Jersey Pvt. Limited (NN. 15) has failed to make disclosure u/r Regulation 7(1) read with 7(2)(a) of SEBI (SAST) Regulations,1997, Regulation 13(1) of SEBI (PIT) Regulations, 1992, Regulation 29(2) read with 29 (3) of SEBI (SAST) Regulations, 2011 for transactions carried out in the scrip of Wisec Global Limited.

During the course of proceedings, it was found that the (Falcon Jersey Pvt. Limited) Noticees No. 15 whose status was mentioned as "strike-off" on the website of the Ministry of Corporate Affairs. Further, I note that noticee no. 15 was were struck-off from the Register of Companies and dissolved with effect from June 07, 2017, pursuant to Section 248 (5) of the Companies Act, 2013, prior to issuance of SCN against noticee no. 15. Hence, I note that the Noticee was struck-off from the register of companies before initiation of the present adjudication proceedings.

In view of the fact that the noticee no. 15 which is struck-off from the register of companies in the current matter, and which consequently no longer existed at the time, it would not be appropriate to determine liability against such companies.

In this regard, I place reliance on the following judgments:

a. Judgment of the Hon'ble Delhi High Court in the case of Commissioner *of Income Tax (CIT)* vs *Vived Marketing Services (P) Ltd*., ITA NO. 273/2009 dated September 17, 2009 in which it was held that - "*When the Assessing Officer passed the order of assessment against the respondent company, it had already been dissolved and struck off the register of the Registrar of companies under Section 560 of the Companies Act. In these circumstances, the Tribunal rightly held that there could not have been any assessment order passed against the company which was not in existence as on that date in the eyes of law it had already been dissolved. We are of the opinion that the view taken by the Tribunal is perfectly valid and in accordance with law."*
b. Decision of the ITAT in the matter of M/s. Anujay Hycare Products (P) Ltd. Vs The Income Tax Officer (ITAT Delhi) Date of Judgement/Order -06/04/2018, Income Tax Appellate Tribunal, observed that "..........there could not have been any valid assessment order passed against the assessee-company which was not in existence as on the day of passing of the assessment order because it had already been dissolved. The assessment in the case of non-existing entity is thus nullity. Therefore, A.O. had no jurisdiction to pass the order against the non-existing company.......However, as on today, it is an established fact that assessee-

company has already been dissolved and its name is struck-off from the Registrar of Companies. Therefore, it is a non-existing Company and as such, A.O. cannot pass the assessment order under section 143(3) of the I.T. Act, 1961 against the assessee-company. The issue is, therefore, covered in favour of the assessee-company by the above judgments of Hon'ble Delhi High Court, relied upon by the Learned Counsel for the Assessee."

In view of the foregoing, the proceedings against the noticee no.15 are abated without going into the merits of the case. Should the company stand revived or restored at any stage in future, a decision to initiate proceedings may be taken afresh at that stage.

Issue (G) Does the violation, if any, attract penalty under Section 15A(a), Section 15A(b), Section 15HA and Section 15HB of the SEBI Act, 1992 and Section 23H of the SC(R)A, 1956?

224. I note that the Hon'ble Supreme Court of India in the matter of *SEBI* v/s *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…."*

225. Therefore, I am of the view that monetary penalty needs to be imposed upon the noticees except Alankit Assignments Limited (NN. 18) and Arch Finance Limited (NN. 19) under Section 15A(a), Section 15A(b), Section 15HA of the SEBI Act, 1992 and Section 23H of the SC(R)A, 1956. The text of provisions are reproduced hereunder:

SEBI Act

"Penalty for failure to furnish information, return, etc.

15A. If any person, who is required under this Act or any rules or regulations made thereunder, —

(a) to furnish any document, return or report to the Board, fails to furnish the same or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees;

(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations or who

furnishes or files false, incorrect or incomplete information, return, report, books or other documents, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees.”

“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 which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.”

SCRA
“Penalty for contravention where no separate penalty has been provided.
23H. *Whoever fails to comply with any provision of this Act, the rules or articles or bye- laws or the regulations of the recognised stock exchange or directions issued by the Securities and Exchange Board of India for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.”*

Issue (H) If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act, 1992 and 23J of SCRA, 1956?

226. While determining the quantum of penalty under SEBI Act, 1992 and SCRA, 1956, it is important to consider the factors stipulated in Section 15J of the SEBI Act, 1992 read with Rule 5(2) of the SEBI Adjudication Rules and Section 23 J of SCRAct, 1956 read with SCRA Adjudication Rules reads as under:

SEBI Act, 1992
15J While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely
(a)the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;
(b) the amount of loss caused to an investor or group of investors as a result of the default;
(c) the repetitive nature of the default.

23J. Factors to be taken into account while adjudging quantum of penalty.
While adjudging the quantum of penalty under section 12A or section 23-I, the Securities and Exchange Board of India 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.

227. The observations made by Hon'ble SAT have also been considered while deciding penalty in the case of *Vitro Commodities Private Limited* v *SEBI* (decided on September 04, 2012, Appeal No. 118 of 2013)

"It may be noticed that provisions of Regulations 7(1) of Takeover Regulations, 1997 and Regulation 13(1) of PIT Regulations, 1992 are not substantially different, since violation of first automatically triggers violation of second and hence there is no justification for imposition of penalty for second violation when penalty for first violation has been imposed. It may be seen that Regulation 7(1) of Takeover Regulations, 1997 and Regulation 13(1) of PIT Regulations, 1992 are not stand alone Regulations and one is corollary of other."

228. I observe, that the material available on record does not quantify any disproportionate gain or unfair advantage, if any, made by the Noticees and the losses, if any, suffered by the investors due to such violations on the part of the said Noticee. Further, material available on record does not show that the said failure is repetitive. However, in the present matter I note that in the scrip of WGL, except Alankit Assignments Limited (NN. 18) and Arch Finance Limited (NN. 19) under Section 15A(a), Section 15A(b) and Section 15HA of the SEBI Act, 1992 and Section 23H of the SC(R)A, 1956 have violated the provisions as detailed as under:

Name of the Noticee and No.	**Alleged Violations**	**Alleged Penalty Provisions**
Arun Kochar Noticee no. 1	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d) and 4(1), 4(2) (a) and 4(2)(e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) ("PFUTP") Regulations, 2003 • Regulation 29(1) read with 29(3) of SEBI (Substantial Acquisition of Shares and Takeovers) ("SAST") Regulations, 2011	• Adjudication Proceedings u/s 15 HA of SEBI Act 1992 • Adjudication Proceedings u/s 15 A(b) of SEBI Act 1992

	• Section 2(i) of Securities Contracts (Regulation) Act ("SC(R)A"), 1956 read with Section 13, Section 16, Section 18 of SC(R)A, 1956 and read with SEBI Notification No.LAD-NRO/GN/2013-14/26/6667 dated October 03, 2013 • Section 11C (3) of SEBI Act, 1992	• Adjudication Proceedings u/s 23H of the SC(R)A, 1956 • Adjudication Proceedings under Section 15 A(a) of SEBI Act 1992
Rahul Kumar Noticee no. 2	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d) and 4(1), 4(2) (a) and 4(2)(e) of SEBI (PFUTP) Regulations, 2003 • Section 2(i) of SC(R)A, 1956 read with Section 13, Section 16, Section 18 of SC(R)A, 1956 and read with SEBI Notification No.LAD-NRO/GN/2013-14/26/6667 dated October 03, 2013 • Section 11C (3) of SEBI Act, 1992	• Adjudication proceedings u/s 15 HA of SEBI Act, 1992 • Adjudication proceedings u/s 23H of the SC(R)A, 1956. • Adjudication proceedings u/s 15A(a) of SEBI Act, 1992
Amit Mahesh Bhatt Noticee no. 3	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d) and 4(1), 4(2) (a) and 4(2)(e) of SEBI (PFUTP) Regulations, 2003 • Section 2(i) of SC(R)A, 1956 read with Section 13, Section 16, Section 18 of SC(R)A, 1956 and read with SEBI Notification No.LAD-NRO/GN/2013-14/26/6667 dated October 03, 2013	• Adjudication proceedings u/s 15 HA of SEBI Act 1992. • Adjudication proceedings u/s 23H of the SC(R)A, 1956.
Manohar lal Sachdeva Noticee no. 4	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d) and 4(1), 4(2) (a) and 4(2)(e) of SEBI (PFUTP) Regulations, 2003	• Adjudication proceedings u/s 15HA of SEBI Act 1992
Ajay Gupta Noticee no. 5	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d) and 4(1), 4(2) (a) and 4(2)(e) of SEBI (PFUTP) Regulations, 2003	• Adjudication proceedings u/s 15HA of SEBI Act 1992
Vishal Mahesh	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg.	• Adjudication

Waghela Noticee no. 6	3 (a), (b), (c) and (d), 4(1) and 4(2) (a) of SEBI (PFUTP) Regulations, 2003 • Section 2(i) of SC(R)A, 1956 read with Section 13, Section 16, Section 18 of SC(R)A, 1956 and read with SEBI Notification No.LAD-NRO/GN/2013-14/26/6667 dated October 03, 2013 • Section 11C (3) of SEBI Act, 1992	proceedings u/s 15HA of SEBI Act, 1992. • Adjudication proceedings u/s. 23H of the SC(R)A, 1956. • Adjudication proceedings u/s15A(a) of SEBI Act, 1992
Keren S Peters Noticee no. 7	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d), 4(1) and 4(2) (a) of SEBI (PFUTP) Regulations, 2003	• Adjudication proceedings u/s 15HA of SEBI Act, 1992
Gunjan Dilipbhai Shah Noticee no. 8	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d), 4(1) and 4(2) (a) of SEBI (PFUTP) Regulations, 2003	• Adjudication proceedings u/s 15HA of SEBI Act, 1992
Ajmera Shares Trading Private Limited Noticee no. 9	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d), 4(1) and 4(2) (a) of SEBI (PFUTP) Regulations, 2003	• Adjudication proceedings u/s 15HA of SEBI Act, 1992
Mridula Vijaykumar Rathi Noticee no. 10	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d), 4(1) and 4(2) (a) of SEBI (PFUTP) Regulations, 2003	• Adjudication proceedings u/s 15HA of SEBI Act, 1992
Sangeeta Kailash Purohit Noticee no. 11	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d), 4(1) and 4(2) (a) of SEBI (PFUTP) Regulations, 2003	• Adjudication proceedings u/s 15HA of SEBI Act, 1992
NSK Stocks Commodities Private Limited Noticee no. 12	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d), 4(1) and 4(2) (a) of SEBI (PFUTP) Regulations, 2003	• Adjudication proceedings u/s 15HA of SEBI Act, 1992
Kolluru Surya Prakash Venkata	• Reg. 4(1) of SEBI (PFUTP) Regulations, 2003	• Adjudication proceedings u/s 15HA of SEBI Act 1992,

Noticee no. 13	• Reg. 7(1) read with 7(2)(a) of SEBI (SAST) Regulations,1997 and Reg. 13(4) r/w 13(5) of SEBI (PIT) Regulations, 1992 • Reg. 29(2) read with 29 (3) of SEBI (SAST) Regulations, 2011 and Reg. 7(2)(a) of SEBI (Prohibition of Insider Trading) ("PIT") Regulations, 2015 • Section 2(i) of SC(R)A, 1956 read with Section 13, Section 16, Section 18 of SC(R)A, 1956 and read with SEBI Notification No.LAD-NRO/GN/2013-14/26/6667 dated October 03, 2013 • Section 11C (3) of SEBI Act, 1992	• Adjudication proceedings u/s 15A(b) of SEBI Act 1992, • Adjudication proceedings u/s 15A(b) of SEBI Act 1992, • Adjudication proceedings u/s 23H of the SC(R)A, 1956 • Adjudication proceedings u/s 15A(a) of SEBI Act, 1992
Wisec Global Ltd Noticee no. 14	• Reg. 7(2)(b) of SEBI (PIT) Regulations, 2015	• Adjudication Proceedings u/s 15A(b) of SEBI Act, 1992.
Pigeon Constructions Pvt. Ltd Noticee no. 16	• Reg. 4(1) of SEBI (PFUTP) Regulations, 2003 • Reg. 7(1) read with 7(2)(a) of SEBI (SAST) Regulations,1997 and Reg.13(1) of SEBI (PIT) Regulations,1992 • Reg.29(2) read with 29(3) of SEBI (SAST) Regulations, 2011 and Reg.13(1) of SEBI (PIT) Regulations,1992 • Section 2(i) of SC(R)A, 1956 read with Section 13,	• Adjudication proceedings u/s 15 HA of SEBI Act, 1992 • Adjudication proceedings u/s 15 A(b) of SEBI Act, 1992 • Adjudication proceedings u/s 15 A(b) of SEBI Act, 1992 • Adjudication proceedings u/s 23H of

	Section 16, Section 18 of SC(R)A, 1956 and read with SEBI Notification No.LAD-NRO/GN/2013-14/26/6667 dated October 03, 2013	the SC(R)A, 1956
Ranjan Kapoor Noticee no. 17	• Reg. 29(1) read with 29(3) of SEBI (SAST) Regulations, 2011	• Adjudication Proceedings u/s 15 A(b) of SEBI Act, 1992.

ORDER

229. Accordingly, taking into account the aforesaid observations and in exercise of power conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the SEBI Adjudication Rules, 1995 and 23-I of SCRA, 1956 read with Rule 5 of SCRA Adjudication Rules, I hereby impose following penalties under the following provisions on Noticees:

Name of the Noticee and No.	**Violations**	**Penalty Provisions**	**Penalty Amount**
Arun Kochar Noticee no. 1	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d) and 4(1), 4(2) (a) and 4(2)(e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) ("PFUTP") Regulations, 2003 • Regulation 29(1) read with 29(3) of SEBI (Substantial Acquisition of Shares and Takeovers) ("SAST") Regulations, 2011 • Section 2(i) of Securities Contracts (Regulation) Act ("SC(R)A"), 1956 read with Section 13, Section 16, Section 18 of SC(R)A,	• Adjudication Proceedings u/s 15 HA of SEBI Act 1992 • Adjudication Proceedings u/s 15 A(b) of SEBI Act 1992 • Adjudication Proceedings u/s 23H of the SC(R)A, 1956	Rs. 10,00,000/- (Rs. Ten Lakhs Only) Rs. 1,00,000/- (Rs. One Lakhs Only) Rs. 1,00,000/- (Rs. One Lakhs Only)

	1956 and read with SEBI Notification No.LAD-NRO/GN/2013-14/26/6667 dated October 03, 2013 • Section 11C (3) of SEBI Act, 1992	• Adjudication Proceedings under Section 15 A(a) of SEBI Act 1992	Rs. 1,00,000/- (Rs. One Lakhs Only) **Total**: 13,00,000/- (Rs. Thirteen Lakhs only)
Rahul Kumar Noticee no. 2	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d) and 4(1), 4(2) (a) and 4(2)(e) of SEBI (PFUTP) Regulations, 2003 • Section 2(i) of SC(R)A, 1956 read with Section 13, Section 16, Section 18 of SC(R)A, 1956 and read with SEBI Notification No.LAD-NRO/GN/2013-14/26/6667 dated October 03, 2013 • Section 11C (3) of SEBI Act, 1992	• Adjudication proceedings u/s 15 HA of SEBI Act, 1992 • Adjudication proceedings u/s 23H of the SC(R)A, 1956. • Adjudication proceedings u/s 15A(a) of SEBI Act, 1992	Rs. 10,00,000/- (Rs. Ten Lakhs Only) Rs. 1,00,000/- (Rs. One Lakhs Only) Rs. 1,00,000/- (Rs. One Lakhs Only) **Total**: 12,00,000/- (Rs. Twelve Lakhs only)
Amit Mahesh Bhatt Noticee no. 3	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d) and 4(1), 4(2) (a) and 4(2)(e) of SEBI (PFUTP) Regulations, 2003	• Adjudication proceedings u/s 15 HA of SEBI Act 1992.	Rs. 10,00,000/- (Rs. Ten Lakhs Only)

	• Section 2(i) of SC(R)A, 1956 read with Section 13, Section 16, Section 18 of SC(R)A, 1956 and read with SEBI Notification No.LAD-NRO/GN/2013-14/26/6667 dated October 03, 2013	• Adjudication proceedings u/s 23H of the SC(R)A, 1956.	Rs. 1,00,000/- (Rs. One Lakhs Only) **<u>Total</u>**: 11,00,000/- (Rs. Twelve Lakhs only)
Manohar lal Sachdeva Noticee no. 4	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d) and 4(1), 4(2) (a) and 4(2)(e) of SEBI (PFUTP) Regulations, 2003	• Adjudication proceedings u/s 15HA of SEBI Act 1992	Rs. 5,00,000/- (Rs. Five Lakhs Only)
Ajay Gupta Noticee no. 5	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d) and 4(1), 4(2) (a) and 4(2)(e) of SEBI (PFUTP) Regulations, 2003	• Adjudication proceedings u/s 15HA of SEBI Act 1992	Rs. 5,00,000/- (Rs. Five Lakhs Only)
Vishal Mahesh Waghela Noticee no. 6	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d), 4(1) and 4(2) (a) of SEBI (PFUTP) Regulations, 2003 • Section 2(i) of SC(R)A, 1956 read with Section 13, Section 16, Section 18 of SC(R)A, 1956 and read with SEBI Notification No.LAD-NRO/GN/2013-14/26/6667 dated October 03, 2013	• Adjudication proceedings u/s 15HA of SEBI Act, 1992. • Adjudication proceedings u/s. 23H of the SC(R)A, 1956. • Adjudication	Rs. 5,00,000/- (Rs. Five Lakhs Only) Rs. 1,00,000/- (Rs. One Lakh Only) Rs. 1,00,000/- (Rs.

	• Section 11C (3) of SEBI Act, 1992	proceedings u/s15A(a) of SEBI Act, 1992	One Lakh Only) **Total**: 7,00,000/- (Rs. Seven Lakhs only)
Keren S Peters Noticee no. 7	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d), 4(1) and 4(2) (a) of SEBI (PFUTP) Regulations, 2003	• Adjudication proceedings u/s 15HA of SEBI Act, 1992	Rs. 5,00,000/- (Rs. Five Lakhs Only)
Gunjan Dilipbhai Shah Noticee no. 8	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d), 4(1) and 4(2) (a) of SEBI (PFUTP) Regulations, 2003	• Adjudication proceedings u/s 15HA of SEBI Act, 1992	Rs. 5,00,000/- (Rs. Five Lakhs Only)
Ajmera Shares Trading Private Limited Noticee no. 9	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d), 4(1) and 4(2) (a) of SEBI (PFUTP) Regulations, 2003	• Adjudication proceedings u/s 15HA of SEBI Act, 1992	Rs. 5,00,000/- (Rs. Five Lakhs Only)
Mridula Vijaykumar Rathi Noticee no. 10	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d), 4(1) and 4(2) (a) of SEBI (PFUTP) Regulations, 2003	• Adjudication proceedings u/s 15HA of SEBI Act, 1992	Rs. 5,00,000/- (Rs. Five Lakhs Only)
Sangeeta Kailash Purohit Noticee no. 11	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d), 4(1) and 4(2) (a) of SEBI (PFUTP) Regulations, 2003	• Adjudication proceedings u/s 15HA of SEBI Act, 1992	Rs. 5,00,000/- (Rs. Five Lakhs Only)
NSK Stocks Commodities Private Limited Noticee no. 12	• Sec. 12 A (a), (b), (c) of SEBI Act, 1992 r/w Reg. 3 (a), (b), (c) and (d), 4(1) and 4(2) (a) of SEBI (PFUTP) Regulations, 2003	• Adjudication proceedings u/s 15HA of SEBI Act, 1992	Rs. 5,00,000/- (Rs. Five Lakhs Only)

Kolluru Surya Prakash Venkata Noticee no. 13	• Reg. 4(1) of SEBI (PFUTP) Regulations, 2003 • Reg. 7(1) read with 7(2)(a) of SEBI (SAST) Regulations,1997 and Reg. 13(4) r/w 13(5) of SEBI (PIT) Regulations, 1992 • Reg. 29(2) read with 29 (3) of SEBI (SAST) Regulations, 2011 and Reg. 7(2)(a) of SEBI (Prohibition of Insider Trading) ("PIT") Regulations, 2015 • Section 2(i) of SC(R)A, 1956 read with Section 13, Section 16, Section 18 of SC(R)A, 1956 and read with SEBI Notification No.LAD-NRO/GN/2013-14/26/6667 dated October 03, 2013 • Section 11C (3) of SEBI Act, 1992	• Adjudication proceedings u/s 15HA of SEBI Act 1992, • Adjudication proceedings u/s 15A(b) of SEBI Act 1992, • Adjudication proceedings u/s 15A(b) of SEBI Act 1992, • Adjudication proceedings u/s 23H of the SC(R)A, 1956 • Adjudication proceedings u/s 15A(a) of SEBI Act, 1992	Rs. 5,00,000/- (Rs. Five Lakhs Only) Rs. 1,00,000/- (Rs. One Lakh only) Rs. 1,00,000/- (Rs. One Lakh only) Rs. 1,00,000/- (Rs. One Lakh only) Rs. 1,00,000/- (Rs. One Lakh only) **<u>Total</u>**: 9,00,000/- (Rs. Nine Lakhs only)
Wisec Global	• Reg. 7(2)(b) of SEBI (PIT)	• Adjudication	• Rs. 1,00,000/-

Ltd Noticee no. 14	Regulations, 2015	Proceedings u/s 15A(b) of SEBI Act, 1992.	(Rs. One Lakhs only)
Pigeon Constructions Pvt. Ltd Noticee no. 16	• Reg. 4(1) of SEBI (PFUTP) Regulations, 2003 • Reg. 7(1) read with 7(2)(a) of SEBI (SAST) Regulations,1997 and Reg.13(1) of SEBI (PIT) Regulations,1992 • Reg.29(2) read with 29(3) of SEBI (SAST) Regulations, 2011. • Section 2(i) of SC(R)A, 1956 read with Section 13, Section 16, Section 18 of SC(R)A, 1956 and read with SEBI Notification No.LAD-NRO/GN/2013-14/26/6667 dated October 03, 2013	• Adjudication proceedings u/s 15 HA of SEBI Act, 1992 • Adjudication proceedings u/s 15 A(b) of SEBI Act, 1992 • Adjudication proceedings u/s 15 A(b) of SEBI Act, 1992 • Adjudication proceedings u/s 23H of the SC(R)A, 1956	Rs. 5,00,000/- (Rs. Five Lakhs only) Rs. 1,00,000/- (Rs. One Lakh only) Rs. 1,00,000/- (Rs. One Lakh only) Rs. 1,00,000/- (Rs. One Lakh only) **Total**: 8,00,000/- (Rs. Eight Lakhs only)
Ranjan Kapoor Noticee no. 17	• Reg. 29(1) read with 29(3) of SEBI (SAST) Regulations, 2011	• Adjudication Proceedings u/s 15 A(b) of SEBI Act, 1992.	Rs. 1,00,000/- (Rs. One Lakh only)

230. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, OR through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link:

ENFORCEMENT Orders Orders of AO PAY NOW.

231. The aforesaid Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid to "The Division Chief (Enforcement Department - DRA-1),

Securities and Exchange Board of India, SEBI Bhavan, Plot No. C – 4 A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.". The Noticee shall also provide the following details while forwarding DD / payment information:

a) Name and PAN of the Noticee
b) Name of the case / matter
c) Purpose of Payment – Payment of penalty under AO proceedings
d) Bank Name and Account Number
e) Transaction Number

232. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings 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.

233. In terms of Rule 7 of the SEBI Adjudication Rules and Rule 7 of SCRA Adjudication Rules, copy of this order is sent to the Noticees and also to the Securities and Exchange Board of India.

Date: June 30, 2022 **Dr. ANITHA ANOOP**
Place: Mumbai **ADJUDICATING OFFICER**