BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

ADJUDICATION ORDER NO. Order/PM/PA/2022-23/18737-18765

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

In respect of:

Noticee no.	Noticee	PAN
1.	Ketan Pravinbahi Panchal	CBRPP1212R
2.	Amitkumar Bhikhbhai Solanki	BMWPS6213G
3.	Nilay Jitendrakumar Mistry	CRZPM8343Q
4.	Praveen Kumar	DRRPK7321D
5.	Ravikumar Parmar	EDOPP4355L
6.	Nareshkumar Ambalal Shah	AINPS2452F
7.	Chintan Pankah Shah	BAJPS1284A
8.	Nirav Nareshkumar Shah	BGXPS1308F
9.	Malay Shaileshbhai Patel	BLOPP9579F
10.	Kajol Shailesh Patel	BLOPP9581R
11.	Piccadily Sales and Services Private Ltd.	AABCP4871C
12.	Eversafe Highrise Private Ltd.	AACCE9244M
13.	Northstar Dealcomm Private Ltd.	AACCN6228J
14.	Boser Mercantiles Pvt. Ltd.	AADCB2348C
15.	Moonclub Merchants Pvt. Ltd.	AADCM4718R
16.	Sree Ganesh Finco Credit Pvt. Ltd.	AAECS0715R
17.	Albright Agencies Pvt. Ltd.	AAGCA5464M
18.	Payal Niravbhai Shah	BGXPS1307L
19.	M/s Prithvi Traders	AFFPR6978G
20.	Oasis Syntex Pvt. Ltd.	AAAC02939B
21.	Massive Dealcomm Pvt. Ltd.	AAFCM6861R
22.	Nightangle Marcom Pvt. Ltd.	AADCN8612R
23.	Priyanka Trexim and Commerce Pvt. Ltd.	AABCP7145D
24.	Silvertoss Trexim and Commerce Pvt Ltd.	AAMCS2302J
25.	Allied Trexim Private Ltd.	AAGCA5466K
26.	Pugalia Vyapaar Pvt. Ltd.	AABCP4869N
27.	Right Commodities Pvt Ltd	AADCR7372Q
28.	Surajit Saha	ALTPS5862L
29.	Thirani Projects Ltd.	AAACT9354R

In the matter of Thirani Projects Ltd.

*(Noticee nos. 1 to 29 are individually known by their respective name or Noticee no. and collectively referred to as the “**Noticees**”)*

A. BACKGROUND

1. Thirani Projects Ltd. (hereinafter referred to as "**TPL**") is listed on BSE Limited (hereinafter referred to as "**BSE**") and Calcutta Stock Exchange India Limited (hereinafter referred to as "**CSE**"). Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") conducted an investigation in the dealings in the scrip of TPL to examine violations, if any, of provisions of Securities and Exchange Board of India, Act, 1992 (hereinafter referred to as "**SEBI Act**") and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Markets) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations**") during the period from December 27, 2017 to April 20, 2018 (hereinafter referred to as "**IP**").

2. The investigation *inter alia* observed that:

   (i) Noticee nos. 19 to 23 funded Noticee nos. 6 to 18 to raise the price of scrip of TPL in a manipulative manner during Patch 2 *(defined in paragraph 6.1.2 below)* of the IP. Noticee nos. 24 to 28 were part of price manipulation in the scrip of TPL during Patch 2 of the IP (Noticee nos. 6 to 18 and 24 to 28 are hereinafter collectively referred to as "**Group 1 Entities**").

   (ii) Along with Group 1 Entities, TPL (*i.e,* Noticee 29) took part in price manipulation of its own scrip during IP.

   (iii) Noticee nos. 1 to 4 contributed to price rise in a manipulative manner and also executed synchronized trades in the scrip of TPL during Patch 1 *(defined in paragraph 6.1.2 below)* of the IP.

   (iv) Noticee nos. 1 to 5 engaged in intraday reversal trades amongst themselves during Patch 1 of the IP (Noticee nos. 1 to 5 are hereinafter collectively referred to as "**Group 2 Entities**").

3. In light of the observations mentioned above, SEBI initiated adjudication proceedings with respect to the Noticees under section 15HA of the SEBI Act as tabulated below:

Noticee no.	Noticee	Violations observed
1.	Ketan Pravinbahi Panchal	Noticee nos. 1 to 4: Section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), 4(2)(a), (b), (e) and (g) of PFUTP Regulations.
2.	Amitkumar Bhikhbhai Solanki	
3.	Nilay Jitendrakumar Mistry	
4.	Praveen Kumar	
5.	Ravikumar Parmar	Noticee 5: Section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) and (g) of PFUTP Regulations.
6.	Nareshkumar Ambalal Shah	Noticee nos. 6 to 18: Section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), 4(2)(a), (b), (e) and (g) of PFUTP Regulations.
7.	Chintan Pankah Shah	
8.	Nirav Nareshkumar Shah	
9.	Malay Shaileshbhai Patel	
10.	Kajol Shailesh Patel	
11.	Piccadily Sales and Services Private Ltd.	
12.	Eversafe Highrise Private Ltd.	
13.	Northstar Dealcomm Private Ltd.	
14.	Boser Mercantiles Pvt. Ltd.	
15.	Moonclub Merchants Pvt. Ltd.	
16.	Sree Ganesh Finco Credit Pvt. Ltd.	
17.	Albright Agencies Pvt. Ltd.	
18.	Payal Niravbhai Shah	
19.	M/s Prithvi Traders	Noticee nos. 19 to 23: Section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), 4(2)(d) of PFUTP Regulations.
20.	Oasis Syntex Pvt. Ltd.	
21.	Massive Dealcomm Pvt. Ltd.	
22.	Nightangle Marcom Pvt. Ltd.	
23.	Priyanka Trexim and Commerce Pvt. Ltd.	
24.	Silvertoss Trexim and Commerce Pvt Ltd.	Noticee nos. 24 to 28: Section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), and 4(1) of PFUTP Regulations.
25.	Allied Trexim Private Ltd.	
26.	Pugalia Vyapaar Pvt. Ltd.	
27.	Right Commodities Pvt Ltd	
28.	Surajit Saha	
29.	Thirani Projects Ltd.	Noticee 29: Section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), and 4(1) of PFUTP Regulations.

B. APPOINTMENT OF ADJUDICATING OFFICER

4. Pursuant to the investigation, SEBI initiated adjudication proceedings against the Noticees and appointed the undersigned as the adjudicating officer *vide* order dated August 13, 2020 under section 19 of the SEBI Act read with sub-section (1) of section 15-I of the SEBI Act and rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as the "**SEBI Adjudication Rules**") to inquire into and adjudge under section 15HA of the SEBI Act for the aforesaid violations alleged against the Noticees.

C. SHOW CAUSE NOTICE, REPLY AND HEARING

5. A show cause notice (hereinafter referred to as "**SCN**") bearing reference no. SEBI/HO/EAD-8/PM/VC/18610/2020 dated November 04, 2020 (hereinafter referred to as "**SCN 2**") was issued to Group 2 Entities and SCN bearing reference no. SEBI/HO/EAD-8/PM/VC/18836/2020 dated November 06, 2020 (hereinafter referred to as "**SCN 1**") was issued to Noticee nos. 6 to 29 under rule 4 of the SEBI Adjudication Rules to show cause as to why an inquiry should not be held against them in terms of rule 4 of the SEBI Adjudication Rules and penalty should not be imposed for the violations alleged to have been committed by them. In the SCNs, the Noticees were asked to indicate whether they would prefer a personal hearing before the adjudicating officer in the matter. The status of delivery of SCNs issued to Noticees is tabulated below:

Noticee no.	Noticee	Delivery status of SCN and annexures
1.	Ketan Pravinbahi Panchal	Delivered by post on November 09, 2020.
2.	Amitkumar Bhikhbhai Solanki	Delivered by post on November 09, 2020.
3.	Nilay Jitendrakumar Mistry	Delivered by post on November 09, 2020.
4.	Praveen Kumar	Undelivered by post. Delivery effected through email sent on July 22, 2022 at the following email IDs praveenkumarbse5@gmail.com and

Noticee no.	Noticee	Delivery status of SCN and annexures
		pk6123123@gmail.com. The aforesaid email was delivered.
5.	Ravikumar Parmar	Delivered on November 11, 2020.
6.	Nareshkumar Ambalal Shah	Delivered by post on November 20, 2020.
7.	Chintan Pankah Shah	Delivered by post on November 20, 2020.
8.	Nirav Nareshkumar Shah	Delivered by post on November 20, 2020.
9.	Malay Shaileshbhai Patel	Delivered by post on November 20, 2020.
10.	Kajol Shailesh Patel	Delivered by post on November 20, 2020.
11.	Piccadily Sales and Services Private Ltd.	Undelivered by post. *Vide* letter dated December 07, 2020, Noticee 11 stated that it came to know that a SCN has been issued against it and requested for a copy of SCN and annexures. SCN and annexures were provided along with hearing notice dated June 06, 2022, which was delivered.
12.	Eversafe Highrise Private Ltd.	Delivered by post on November 23, 2020.
13.	Northstar Dealcomm Private Ltd.	Delivered by post.
14.	Boser Mercantiles Pvt. Ltd.	Delivered by post on November 23, 2020.
15.	Moonclub Merchants Pvt. Ltd.	Delivered by post.
16.	Sree Ganesh Finco Credit Pvt. Ltd.	Undelivered by post. *Vide* letter dated December 07, 2020, Noticee 16 stated that it came to know that a SCN has been issued against it and requested for a copy of SCN and annexures. SCN and annexures were provided along with hearing notice dated June 06, 2022, which was delivered.
17.	Albright Agencies Pvt. Ltd.	Delivered by post.
18.	Payal Niravbhai Shah	Delivered by post on November 20, 2020.
19.	M/s Prithvi Traders	Delivered by post.
20.	Oasis Syntex Pvt. Ltd.	Undelivered by post. *Vide* letter dated December 07, 2020, Noticee 20 stated that it came to know that a SCN has been issued against it and requested for a copy of SCN and annexures. SCN and annexures were provided along with hearing notice dated June 06, 2022, which was delivered on June 11, 2022.
21.	Massive Dealcomm Pvt. Ltd.	Delivered by post on November 23, 2020.
22.	Nightangle Marcom Pvt. Ltd.	Delivered by post on November 23, 2020.
23.	Priyanka Trexim and Commerce Pvt. Ltd.	Delivered by post on November 23, 2020.
24.	Silvertoss Trexim and Commerce Pvt Ltd.	Delivered by post on November 23, 2020.
25.	Allied Trexim Private Ltd.	Delivered by post.

Noticee no.	Noticee	Delivery status of SCN and annexures
26.	Pugalia Vyapaar Pvt. Ltd.	Undelivered by post. *Vide* letter dated December 07, 2020, Noticee 26 stated that it came to know that a SCN has been issued against it and requested for a copy of SCN and annexures. SCN and annexures were provided along with hearing notice dated June 06, 2022, which was delivered on June 11, 2022.
27.	Right Commodities Pvt. Ltd.	Delivered by post.
28.	Surajit Saha	Delivered by post.
29.	Thirani Projects Ltd.	Delivered by post on November 23, 2020.

6. The allegations levelled in SCN 2 with respect to Group 2 Entities are summarized hereunder:

6.1. Price volume details:

6.1.1. During the IP, the price of the scrip of TPL on BSE opened at Rs. 12.50, reached a high of Rs. 53 and closed at Rs. 48.65, registering an increase of Rs. 36.15 (289.20%) from the opening price. It was observed that when the scrip was trading on BSE, during the IP, there was sudden rise in the volume on February 05, 2018 and a steep rise in the price and volume was observed from April 06, 2018.

6.1.2. The entire IP was divided into 3 patches as follows:

(i) **Patch 1**: December 27, 2017 to February 02, 2018.

(ii) **Patch 2**: February 05, 2018 to April 05, 2018 (February 03, 2018 and February 04, 2018 were trading holidays being Saturday and Sunday respectively).

(iii) **Patch 3**: April 06, 2019 to April 20, 2018.

6.1.3. The price volume data of the above 3 patches is provided below:

Period	Dates		Opening Price (volume) on first day of the period (Rs)	Closing price (volume) on last day of the period (Rs.)	Low price (volume) during the period (Rs.)	High Price (volume) during the period (Rs.)	Avg. no. of (shares) traded daily during the period
Before Investigation Period	The scrip was listed on BSE since June 16, 2014, however no trades were executed in the scrip from June 16, 2014 to December 26, 2017.						
Patch 1	**December 27, 2017 to February 02, 2018**	**Price**	12.5	27.5	12.5 (December 27, 2017)	28.45 (February 02, 2018)	15,633
		Vol	20	31,205	5 (January 16, 2018)	33,436 (February 01, 2018)	
February 03, 2018 and February 04, 2018 were trading holidays - Saturday and Sunday respectively							
Patch 2	**February 05, 2018 to April 05, 2018**	**Price**	27.75	32.1	27.75 (February 05, 2018)	37 (April 02, 2018)	2,19,919
		Vol	2,58,740	310	25 (March 16, 2018)	8,21,000 (March 26, 2018)	
Patch 3	**February 06, 2018 to April 20,2018**	**Price**	33.5	48.65	33.50 (April 06, 2018)	53 (April 20, 2018)	6,42,800
		Vol	3,27,281	5,96,726	3,27,281 (April 06, 2018)	10,07,963 (April 11, 2018)	
April 21,2018 and April 22,2018 were trading holidays - Saturday and Sunday respectively							
After Investigation Period	**April 23, 2018 to July 23,2018**	**Price**	46.25	20.25	20.25 (July 23, 2018)	46.25 (April 23, 2018)	1,273
		Vol	16,223	3	1 (May 18, 2018, May 23, 2018, June 15, 2018)	16,223 (April 23, 2018)	

6.2. <u>Contribution to price rise in manipulative manner by Noticee nos. 1 to 4:</u>

6.2.1. On the basis of analysis of unique client code (hereinafter referred to as "**UCC"**) database updated by the brokers, it was alleged that Noticee nos. 1 to 5 were connected to each other on the basis of the following connections:

Noticee no.	Name	Basis of Connection
1	Ketan Pravinbhai Panchai	Noticee nos. 1 to 4 have common mobile number *viz* xxxxxx6831.
2	Praveen Kumar	
3	Amitkumar Bhikhbhai Solanki	Noticee nos. 3 and 5 have common mobile number *viz* xxxxxx8915.
4	Nilay Jitendrakumar Mistry	
5	Ravikumar Parmar	Noticee nos. 4 and 5 have common mobile number *viz* xxxxxx7089.

6.2.2. The trades of Group 2 Entities during the IP are given below. From the table below, it was observed that Noticee nos. 1 to 5 had contributed 1.57% to buy volume and 1.57% to sell volume and contributed 1.57% to market volume through trades among themselves.

Sl. No.	Client name	Gross buy qty	Gross buy % of market buy volume	Gross sell qty	Gross sell % of market sell volume
1	Ketan Pravinbhai Panchai	78019	0.49%	78082	0.49%
2	Amitkumar Bhikhbhai Solanki	63939	0.40%	63940	0.40%
3	Praveen Kumar	60443	0.38%	60443	0.38%
4	Nilay Jitendrakumar Mistry	32311	0.20%	32311	0.20%
5	Ravikumar Parmar	14232	0.09%	14232	0.09%
	Total	**248944**	**1.57%**	**249008**	**1.57%**
	Market total	**15835226**	**100.00%**	**15835226**	**100.00%**

6.2.3. During Patch 1 of the IP, the price of the scrip at BSE opened at Rs. 12.50, touched a high of Rs. 28.45 and closed at Rs. 27.5, a rise of Rs. 15 from the opening price. As this was a price rise patch, the last traded price (hereinafter referred to as "**LTP**") analysis of the top 10 entities that contributed to positive net LTP as buyers during this patch was conducted. The details of the said analysis are tabulated below. The table below shows that Noticee nos. 1 to 3 were among the top 10 LTP contributors on the buy side in the scrip of TPL during Patch 1.

Buyer Name	**Net LTP**			**LTP>0**			**LTP<0**			**LTP=0**		**% of pos. LTP to Total mkt. pos LTP**
	LTP impact all trades) in Rs.	**Qty traded all trades)**	**No. of trades (all trades)**	**LTP impact all trades) in Rs.**	**QTY traded all trades)**	**No. of trades (all trades)**	**LTP impact all trades) in Rs.**	**Qty traded all trades)**	**No. of trades (all trades)**	**QTY traded all trades)**	**No. of trades (all trades)**	
Suman Garg	6.78	87	7	6.78	64	3	0.00	0	0	23	4	28.33%
Amitkumar Bhikhbhai Solanki	2.85	48413	39	2.95	25573	17	-0.10	1421	2	21419	20	12.33%
Rajiv Maheshwari	2.50	5	1	2.50	5	1	0.00	0	0	0	0	10.45%
Meenu Gupta	2.17	35	1	2.17	35	1	0.00	0	0	0	0	9.07%
Bijan Kumar Mandal	1.25	1	1	1.25	1	1	0.00	0	0	0	0	5.22%
Nilay Jitendrakumar Mistry	0.35	19471	31	0.35	5000	6	0.00	0	0	14471	25	1.46%
Ketan Pravinbhai Panchai	0.33	65525	57	7.73	24586	20	-7.40	10390	5	30549	32	32.30%
Somnath Banerjee	0.00	20	3	0.00	0	0	0.00	0	0	10	2	0.00%
Sujan Modak	0.00	6	1	0.00	0	0	0.00	0	0	6	1	0.00%
Akhil Suryakant Parikh	0.00	2	1	0.00	0	0	0.00-	0	0	2	1	0.00%
Total: Top 10	**1623**	**133565**	**142**	**23.73**	**55264**	**49**	**-7.50**	**11811**	**7**	**66480**	**85**	**99.16%**
Total Market	**15.00**	**187598**	**187**	**23.93**	**60526**	**52**	**-8.93**	**16920**	**11**	**110142**	**123**	**100.00%**

6.2.4. On further analysis, it was observed that Noticee nos. 1 to 5 had collectively contributed Rs. 11.23 to market positive LTP (46.93% to market positive LTP) by way of their buy trades in the scrip of TPL during Patch 1 of the IP.

Buyer Name	Net LTP			LTP>0			LTP<0			LTP=0		% of Pos. LTP to Total Mkt. Pos LTP
	LTP impact all trades) in Rs.	Qty traded all trades)	No. of trades (all trades)	LTP impact all trades) in Rs.	QTY traded all trades)	No. of trades (all trades)	LTP impact all trades) in Rs.	Qty traded all trades)	No. of trades (all trades)	QTY traded all trades)	No. of trades (all trades)	
Amitkumar Bhikhbhai Solanki	2.85	48413	39	2.95	25573	17	-0.10	1421	2	21419	20	12.33 %
Nilay Jitendrakumar Mistry	0.35	19471	31	0.35	5000	6	0.00	0	0	14471	25	1.46 %
Ketan Pravinbhai Panchai	0.33	65525	57	7.73	24586	20	-7.40	10390	5	30549	32	32.30 %
Ravikumar Parmar	-0.05	8500	**5**	0.00	0	0	-0.05	1500	1	7000	4	0.00 %
Praveen Kumar	-1.18	44903	36	0.20	5262	3	-1.38	3609	3	36032	30	0.84 %
Total: Group	**2.30**	**186812**	**168**	**11.23**	**60421**	**46**	**-8.93**	**16920**	**11**	**109471**	**111**	**46.93 %**
Total Market	**15.00**	**187598**	**187**	**23.93**	**60526**	**52**	**-8.93**	**16920**	**11**	**110142**	**123**	**100.00%**

6.2.5. Thereafter, the trades of Noticee nos. 1 to 5 were analysed more and it was alleged that Noticee nos. 1 to 4 have traded amongst themselves for 45 trades at prices higher than LTP and contributed Rs. 10.05 to market positive LTP (42% of market positive LTP). The details of positive LTP contribution of trades amongst Noticee nos. 1 to 4 are given as under:

LTP contribution by Noticee nos. 1 to 4 by trading amongst themselves during Patch 1

S. No.	Entity name	Pos. LTP contribution	Traded quantity	No. of pos. LTP trades	% of pos. LTP to mkt pos. LTP
1	Ketan Pravinbhai Panchai	6.55	24499	19	27.37
2	Amitkumar Bhikhbhai Solanki	2.95	25573	17	12.33
3	Nilay Jitendrakumar Mistry	0.35	5000	6	1.46
4	Praveen Kumar	0.2	5262	3	0.84
	Total	**10.05**	**60334**	**45**	**42.00**

Counterparty analysis of LTP contribution by Noticee nos. 1 to 4 by trading amongst themselves during Patch 1

S. No	Counterparty name	Pos. LTP contribution	Traded quantity	No. of pos. LTP trades	% of pos. LTP to mkt. pos. LTP
1	Amitkumar Bhikhbhai Solanki	5.5	24562	19	22.98
2	Ketan Pravinbhai Panchai	2.8	23323	13	11.70
3	Praveen Kumar	1.4	7512	6	5.85

S. No	Counterparty name	Pos. LTP contribution	Traded quantity	No. of pos. LTP trades	% of pos. LTP to mkt. pos. LTP
4	Nilay Jitendrakumar Mistry	0.35	4937	7	1.46
	Total	**10.05**	**60334**	**45**	**42.00**

6.2.6. In view of the above, it was alleged that Noticee nos. 1 to 4 by trading amongst themselves for 45 trades at prices higher than LTP contributed Rs. 10.05 to market positive LTP (42% of market positive LTP), and created a misleading appearance of trading and contributed to price rise in the scrip of TPL in a manipulative manner during Patch 1 of the IP and thus violated the provisions of section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), 4(2)(a), (b), (e) and (g) of PFUTP Regulations.

6.3. Synchronized trades by Noticee nos. 1 to 4:

6.3.1. It was alleged that Noticee nos. 1 to 4 also entered into synchronized trades in the scrip of TPL during Patch 1 of IP. The alleged contribution into price and volume in the scrip of TPL during Patch 1 from the said alleged synchronized trades is mentioned in the below table. From the table below, it was alleged that Noticee nos. 1 to 4 through 98 synchronized trades amongst themselves, contributed 43.07% to market volume and Rs. 0.42 to net LTP.

Client name	Gross buy	Gross sell	Gross total	Total traded qty among Noticees	Synchronized traded qty among Noticees	Sync trades as % of total traded qty among Noticees	Sync trades as % of total market volume	Sum of LTP of Sync Trades
Ketan Pravinbhai Panchal	65525	65588	131113	65438	22639	12.16%	12.07%	-1.35
Praveen Kumar	44903	44903	89806	44903	19012	10.21%	10.13%	-1.28
Amitkumar Bhikhbhai Solanki	48413	48414	96827	47840	21939	11.79%	11.69%	2.70
Ravikumar Parmar	8500	8500	17000	8500	0	0.00%	0.00%	0.00
Nilay Jitendrakumar Mistry	19471	19471	38942	19471	17208	9.24%	9.17%	0.35
Total	**186812**	**186876**	**373688**	**186152**	**80798**	**43.40%**	**43.07%**	**0.42**

6.3.2. Details of entity wise synchronized trades are given below:

Buyer name	Seller name	Synchronized quantity	Sum of LTP contribution	Number of days	Number of trades	% of Market volume
Amitkumar Bhikhbhai Solanki	Ketan Pravinbhai Panchai	10554	2.40	5	10	5.63%
Amitkumar Bhikhbhai Solanki	Nilay Jitendrakumar Mistry	11385	0.30	3	11	6.07%
Ketan Pravinbhai Panchai	Amitkumar Bhikhbhai Solanki	10694	-1.45	4	14	5.70%
Ketan Pravinbhai Panchai	Praveen Kumar	11945	0.10	4	17	6.37%
Nilay Jitendrakumar Mistry	Amitkumar Bhikhbhai Solanki	9526	0.35	3	14	5.08%
Nilay Jitendrakumar Mistry	Praveen Kumar	7682	0.00	3	12	4.09%
Praveen Kumar	Amitkumar Bhikhbhai Solanki	2334	-1.28	1	1	1.24%
Total		**80798**	**0.42**	**5**	**98**	**43.07%**

6.3.3. In view of the analysis above, it was alleged that Noticee nos. 1 to 4, by indulging in 98 synchronized trades amongst themselves contributed 43.07% to market volume, and created a misleading appearance of trading during Patch 1 of the IP and thus have violated the provisions of section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) and (g) of PFUTP Regulations.

6.4. <u>Intra day reversal trades by Noticee nos. 1 to 5:</u>

6..4.1. The details of alleged reversal trades amongst Noticee nos. 1 to 5 is given below.

Buyer name	Seller name	Gross buy	Gross sell	Reversal qty	Number of days	% of market volume
Amitkumar Bhikhbhai Solanki	Ketan Pravinbhai Panchal	32747	32081	29163	8	15.55%
Amitkumar Bhikhbhai Solanki	Nilay Jitendrakumar Mistry	11595	9775	9775	3	5.21%
Amitkumar Bhikhbhai Solanki	Ravikumar Parmar	3498	3650	2400	3	1.28%
Ketan Pravinbhai Panchal	Amitkumar Bhikhbhai Solanki	32081	30413	29163	7	15.55%
Ketan Pravinbhai Panchal	Praveen Kumar	31857	31191	28273	8	15.07%
Ketan Pravinbhai Panchal	Ravikumar Parmar	1500	1500	1500	1	0.80%
Nilay Jitendrakumar Mistry	Amitkumar Bhikhbhai Solanki	9775	11595	9775	3	5.21%

Buyer name	Seller name	Gross buy	Gross sell	Reversal qty	Number of days	% of market volume
Nilay Jitendrakumar Mistry	Praveen Kumar	9696	7876	7876	3	4.20%
Praveen Kumar	Ketan Pravinbhai Panchal	31191	29523	28273	7	15.07%
Praveen Kumar	Nilay Jitendrakumar Mistry	7876	9696	7876	3	4.20%
Praveen Kumar	Ravikumar Parmar	3502	3350	2252	3	1.20%
Ravikumar Parmar	Amitkumar Bhikhbhai Solanki	3650	2498	2400	2	1.28%
Ravikumar Parmar	Ketan Pravinbhai Panchal	1500	1500	1500	1	0.80%
Ravikumar Parmar	Praveen Kumar	3350	2252	2252	2	1.20%
Total		**183818**	**176900**	**81239**		**43.30%**

6..4.2. It was alleged that Noticee nos. 1 to 5 engaged in intra day reversal trades amongst themselves on 7 days and contributed 43.30% to market volume, which created a misleading appearance of trading during Patch 1 of the IP and thus, violated the provisions of section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) and (g) of PFUTP Regulations.

6.5. <u>New high price analysis:</u>

6.5.1. During Patch 1 of IP, price of the scrip moved from open price of Rs.12.5 to a high price of Rs. 28.45 and new high price of Rs.15.95 (hereinafter referred to as "**NHP**") was created. Details of NHP contributed by Group 2 entities are given below. It was alleged that Group 2 Entities contributed Rs.3.25 to market NHP. This was 20.38% of market NHP.

Name	Quantity	Number of trades	Contribution to market NHP	% of market NHP	Contribution among group	Contribution to NHP in trades with non group entities
Ketan Pravinbhai Panchal	10082	10	2.55	15.99%	2.55	0
Amitkumar Bhikhbhai Solanki	7509	8	0.45	2.82%	0.45	0
Nilay Jitendrakumar Mistry	2500	3	0.15	0.94%	0.15	0
Praveen Kumar	1262	2	0.10	0.63%	0.10	0
Total	**21353**	**23**	**3.25**	**20.38%**	**3.25**	**0.00**
Market total	**21458**	**29**	**15.95**	**100.00%**	**3.25**	**0.00**

7. The allegations levelled in SCN 1 with respect to Noticee nos. 6 to 29 are summarized hereunder:

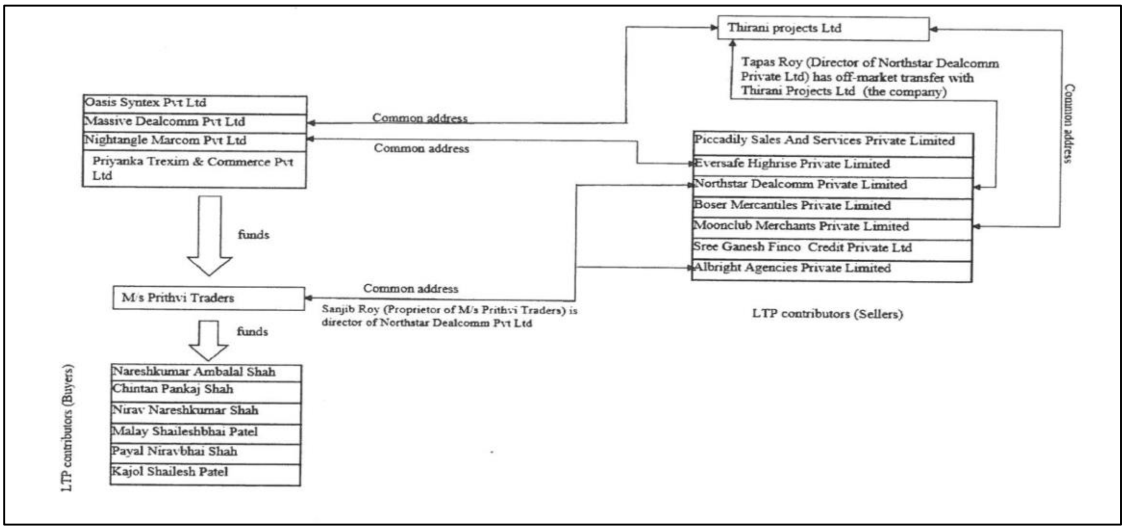
7.1 <u>Connections between Noticee nos. 6 to 18 and 24 to 28:</u>

7.1.1 On the basis of UCC database analysis updated by the brokers, the database of companies as available on the website of Ministry of Corporate Affairs (for common directors), off market transactions and analysis of bank statements, it was alleged that Noticee nos. 6 to 18 and 24 to 28 were connected to each other on the basis of the following connections:

Noticee No.	**Name**	**Basis of connection**
6.	Nareshkumar Ambalal Shah	(i) Noticee nos. 6 to 10 and 18 had fund transactions with M/s Prithvi Traders (Noticee 19). (ii) As per KYC obtained from HDFC bank, M/s Prithvi Traders (Noticee 19) is owned by Sanjib Roy. The email ID of M/s Prithvi Traders (Noticee 19) as per the bank statement is mrtapasroy@yahoo.co.in. (iii) Tapas Roy and Sanjib Roy are directors of Northstar Dealcomm Pvt Ltd (Noticee 13). (iv) Tapas Roy has off-market transfers with Surajit Saha (Noticee 28), Eversafe Highrise Pvt Ltd (Noticee 12), Albright Agencies Pvt. Ltd. (Noticee 17), Northstar Dealcomm Pvt Ltd (Noticee 13), Boser Mercantiles Pvt. Ltd. (Noticee 14), Allied Trexim Pvt Ltd (Noticee 25), Right Commodities Pvt Ltd (Noticee 27) and Sree Ganesh Finco and Credit Pvt Ltd (Noticee 16). (v) The address of M/s Prithvi Traders (Noticee 19) as per the KYC and bank statements obtained from HDFC bank is same as that of Allied Trexim Private Limited (Noticee 25), Albright Agencies Pvt. Ltd. (Noticee 17), Right Commodities Private Limited (Noticee 27) and Northstar Dealcomm Pvt Ltd (Noticee 13) *viz.* 56, Netaji Subhas Road, 5th Floor, Kolkata -700001. (vi) As per UCC details, Noticee nos. 6, 8 and 18 have common address and email ID.
7.	Chintan Pankaj Shah	
8.	Nirav Nareshkumar Shah	
9.	Malay Shaileshbhai Patel	
10.	Kajol Shailesh Patel	
18.	Payal Niravbhai Shah	
24.	Silvertoss Trexim Private Limited	• Based on MCA details, Silvertoss Trexim Private Limited (Noticee 24) and Eversafe Highrise Private Limited (Noticee 12) have common address with TPL's previous registered address *viz* 33, Braboume Road, 2nd Floor, Kolkata-700001.
12.	Eversafe Highrise Private Limited	
25.	Allied Trexim Private Limited	• Allied Trexim Pvt. Ltd. (Noticee 25) has engaged in off-market transaction with Surajit Saha (Noticee 28).
13.	Northstar Dealcomm Private Limited	• As per UCC details, Northstar Dealcomm Private Limited (Noticee 13) and Allied Trexim Private Limited (Noticee 25) have common address *viz.* 56, N. S. Road, 5th Floor, Kolkata WB 700001.
15.	Moonclub Merchants Pvt Ltd	• As per UCC details, Moonclub Merchants Pvt Ltd (Noticee 15) and Silvertoss Trexim Private Limited (Noticee 24) have common address *viz.* 33, Braboume Road, 2nd Floor, Kolkata West Bengal 700001.
16.	Sree Ganesh Finco & Credit Private Ltd	• Based on MCA details, Sree Ganesh Finco & Credit Private Ltd (Noticee 16), Pugalia Vyapaar Private Limited (Noticee 26) and Piccadily Sales and Services Private Limited (Noticee 11) share the same address *viz.* 3, Synagogue Street, 3rd Floor, Kolkata, WB-700001.
26.	Pugalia Vyapaar Private Limited	
11.	Piccadily Sales and Services Private Limited	
17.	Albright Agencies Pvt Ltd.	• Based on MCA details, Albright Agencies Private Limited (Noticee 17) and Right Commodities Private Limited (Noticee 27) share common address *viz.* 56, N. S. Road 5th Floor Kolkata WB 700001.
27.	Right Commodities Private Limited	
28.	Surajit Saha	• Surajit Saha (Noticee 28) has engaged in off-market transactions

Noticee No.	Name	Basis of connection
		with Moonclub Merchants Pvt. Ltd. (Noticee 15), Sree Ganesh Finco & Credit Private Ltd (Noticee 16), Allied Trexim Private Limited (Noticee 25), Albright Agencies Pvt Ltd. (Noticee 17) and Pugalia Vyapaar Private Limited (Noticee 26).
14.	Boser Mercantiles Private Limited	• Surajit Saha (Noticee 28) is the director of Boser Mercantiles Private Limited (Noticee 14).

7.1.2 The connections amongst Noticee nos. 6 to 29 is graphically represented below:



From the connection chart provided above, it was alleged that the buyers *i.e,* Noticee nos. 6 to 10 and 18 were funded by entities connected to sellers *i.e,* Noticee nos. 19 to 23.

7.1.3 The total trades of the entities mentioned in paragraph 7.1.1 above, and their trades as percentage of total trades in the scrip of TPL is provided below:

Noticee no.	Name	Gross buy qty	Gross buy % of market buy volume	Gross sell qty	Gross sell % of market sell volume
9	Malay Shaileshbhai Patel	800271	5.05%	30754	0.19%
8	Nirav Nareshkumar Shah	693250	4.38%	346300	2.19%
10	Kajol Shailesh Patel	594959	3.76%	109246	0.69%
6	Nareshkumar Ambalal Shah	213991	1.35%	26160	0.17%
7	Chintan Pankaj Shah	150500	0.95%	2400	0.02%
18	Payal Niravbhai Shah	113963	0.72%	72168	0.46%
28	Surajit Saha	0	0.00%	26000	0.16%
14	Boser Mercantiles Private Limited	0	0.00%	901735	5.69%
11	Piccadily Sales and Services Private Limited	0	0.00%	779567	4.92%
26	Pugalia Vyapaar Private Limited	0	0.00%	212850	1.34%
17	Albright Agencies Private Limited	0	0.00%	641280	4.05%
25	Allied Trexim Private Limited	0	0.00%	386950	2.44%

Noticee no.	Name	Gross buy qty	Gross buy % of market buy volume	Gross sell qty	Gross sell % of market sell volume
27	Right Commodities Private Limited	0	0.00%	309723	1.96%
24	Silvertoss Trexim Private Limited	0	0.00%	579980	3.66%
13	Northstar Dealcomm Private Limited	0	0.00%	779700	4.92%
12	Eversafe Highrise Private Limited	0	0.00%	927419	5.86%
16	Sree Ganesh Finco Credit Private Ltd	0	0.00%	859662	5.43%
15	Moonclub Merchants Private Limited	0	0.00%	950000	6.00%
	Total	**2566934**	**16.21%**	**7941894**	**50.15%**
	Market total	**15835226**	**100.00%**	**15835226**	**100.00%**

In view of the above table, it is observed that Noticee nos. 6 to 18 and 24 to 28 had contributed 16.21% to buy volume and 50.15% to sell volume and contributed 13.89% to the total market volume by way of trading amongst themselves.

7.1.4 From the above table, it was also observed that Noticee nos. 6 to 10 and 18 were continuously buying as well as selling shares of TPL. However, their purchases were much more than the sales. Therefore, Noticee nos. 6 to 10 and 18 are hereinafter collectively referred to as "**Buyer Entities**". Rest of the 12 entities mentioned in the table at paragraph 7.1.3 above, were only selling the shares of TPL. Therefore, the said 12 entities (*i.e,* Noticee nos. 11 to 17, and 24 to 28) are hereinafter collectively referred to as "**Seller Entities**".

7.2 <u>Contribution to price rise in scrip of TPL by Noticee nos. 6 to 18 and 24 to 28:</u>

7.2.1 During Patch 2 of the IP, price of the TPL scrip at BSE opened at Rs. 27.75, touched a high of Rs 37.0 and closed at Rs. 32.10, *i.e,* a rise of Rs. 4.35 from the opening price. Since this was a price rise patch, the LTP analysis of the top 10 entities that contributed to positive net LTP as buyers was carried out. From the table below, it was observed that Noticee nos. 6, 8 and 10, part of Group 1 Entities, were among the top 10 LTP contributors on buy side in the scrip of TPL during Patch 2.

#	Buyer Name	Net LTP			LTP>0			LTP<0			LTP=0		% of Pos. LTP to total mkt. pos LTP
		LTP impact all trades) in Rs.	Qty traded all trades)	No. of trades (all trades)	LTP impact all trades) in Rs.	Qty traded all trades)	No. of trades (all trades)	LTP impact all trades) in Rs.	Qty traded all trades)	No. of trades (all trades)	Qty traded all trades)	No. of trades (all trades)	
1	Shalini Mittal	2.55	24838	47	5.15	10769	11	-2.60	651	7	13418	29	13.29%
2	Santi Kumar Mondal	2.25	4	2	2.25	4	2	0.00	0	0	0	0	5.81%
3	Nareshkumar Ambalal Shah	2.05	213991	38	2.05	14549	4	0.00	0	0	199442	34	5.29%
4	Ketan Pravinbhai Panchal	1.50	12494	17	1.50	6371	6	0.00	0	0	6123	11	3.87%
5	Komalben Satishbhai Shah	1.40	8000	5	1.50	100	1	-0.10	2500	1	5400	3	3.87%
6	Jatin Manubhai Shah	1.35	72680	28	1.40	12065	6	-0.05	750	1	59865	21	3.61%
7	Nirav Nareshkumar Shah	1.20	642000	187	1.20	124614	10	0.00	0	0	517386	177	3.10%
8	Chetan Rasiklal Shah	1.05	180000	3	1.05	155950	2	0.00	0	0	24050	1	2.71%
9	Syamal Maitra	1.00	3	1	1.00	3	1	0.00	0	0	0	rö—	2.58%
10	Kajol Shailesh Patel	0.90	594959	374	1.80	20010	12	-0.90	10163	10	564786	352	4.65%
	Total: Top 10	**1525**	**1748969**	**702**	**18.90**	**344435**	**55**	**-3.65**	**14064**	**19**	**1390470**	**628**	**48.77%**
	Total Market	**4.60**	**8576827**	**2617**	**38.75**	**1129822**	**169**	**•34.15**	**534501**	**135**	**6912504**	**2313**	**100.00%**

7.2.2 In light of the above, further analysis of trades of Group 1 Entities and their impact on the price and volume in the scrip of TPL during Patch 2 was carried out. The following was observed in respect of the trades of the Buyer Entities:

Buyer Name	Net LTP			LTP>0			LTP<0			LTP=0		% of Pos. LTP to Total Mkt. Pos LTP
	LTP impact all trades) in Rs.	Qty traded all trades)	No. of trades (all trades)	LTP impact all trades) in Rs.	QTY traded all trades)	No. of trades (all trades)	LTP impact all trades) in Rs.	Qty traded all trades)	No. of trades (all trades)	QTY traded all trades)	No. of trades (all trades)	
Nareshkumar Ambalal Shah	2.05	213991	38	2.05	14549	4	0.00	0	0	199442	34	5.29%
Nirav Nareshkumar Shah	1.20	642000	187	1.20	124614	10	0.00	0	0	517386	177	3.10%
Kajol Shailesh Patel	0.90	594959	374	1.80	20010	12	-0 90	10163	10	564786	352	4.65%
Malay Shaileshbhai Patel	0.20	800271	566	2.25	10134	17	-2.05	4520	9	785617	540	5.81%
Chintan Pankaj Shah	0.05	150000	57	0.05	1000	1	0.00	0	0	149000	56	0.13%
Payal Niravbhai Shah	-11.60	113963	173	0.90	1156	4	-12.50	25519	44	87288	125	2.32%
Total: Grou	**-7.20**	**2515184**	**1395**	**8.25**	**171463**	**48**	**-15.45**	**40202**	**63**	**2303519**	**1284**	**21.29%**

Buyer Name	Net LTP			LTP>0			LTP<0			LTP=0		% of Pos. LTP to Total Mkt. Pos LTP
	LTP impact all trades) in Rs.	Qty traded all trades)	No. of trades (all trades)	LTP impact all trades) in Rs.	QTY traded all trades)	No. of trades (all trades)	LTP impact all trades) in Rs.	Qty traded all trades)	No. of trades (all trades)	QTY traded all trades)	No. of trades (all trades)	
p												
Total Market	4.60	8576827	2617	38.75	1129822	169	-34.15	534501	135	6912504	2313	100.00%

7.2.3 In view of the above, it was alleged that Group 1 Entities had contributed Rs. 8.25 to market positive LTP (21.29% of market positive LTP) during Patch 2 of the IP. The trades amongst the Group 1 Entities contributed Rs. 5.10 to market positive LTP (13.16% of market positive LTP).

7.2.4 Further, analysis of trades of Noticee nos. 6 to 18 and 24 to 28 amongst themselves during the Patch 2 was also done. From the said analysis, the following was observed in respect of the impact of the trades amongst themselves:

Noticee no.	Name	Positive LTP contribution	Traded quantity	No. of positive LTP trades	% of positive LTP to market positive LTP
6.	Nareshkumar Ambalal Shah	0.55	4538	1	1.42
7.	Chintan Pankaj Shah	0.05	1000	1	0.13
8.	Nirav Nareshkumar Shah	0.95	12614	6	2.45
9.	Malay Shaileshbhai Patel	1.75	9134	16	4.52
10.	Kajol Shailesh Patel	1.8	20010	12	4.65
	Total	**5.1**	**47296**	**36**	**13.16**

7.2.5 The counterparty to Noticee nos. 6 to 10 to the abovementioned positive trades were as follows:

Noticee nos.	Counterparty name	Positive LTP contribution	Traded quantity	No. of positive LTP trades	% of positive LTP to market positive LTP
11.	Piccadily Sales and Services Pvt. Ltd.	0.55	10931	7	1.42
12.	Eversafe Highrise Pvt. Ltd.	0.3	6727	5	0.77
13.	Northstar Dealcomm Pvt. Ltd.	1.45	2359	6	3.74
14.	Boser Mercantiles Private Limited	0.25	4700	4	0.65
15.	Moonclub Merchants Private Limited	0.4	4091	5	1.03
16.	Sree Ganesh Finco Credit Private Ltd	1.35	12338	6	3.48
17.	Albright Agencies Private Limited	0.15	1150	2	0.39
18.	Payal Niravbhai Shah	0.65	5000	1	1.68
	Total	**5.1**	**47296**	**36**	**13.16**

7.2.6 Therefore, it was observed from the tables above that 13 entities *i.e,* Noticee nos. 6 to 18 traded amongst themselves for 36 trades at prices higher than LTP and contributed Rs. 5.10 to market positive LTP (13.16% of market positive LTP). In view of this, it was alleged that Noticee nos. 6 to 18 had indulged in trades that created a misleading appearance of trading and contributed to price rise in the scrip of TPL in a manipulative manner during Patch 2 of the IP, and thus, violated the provisions of section 12A(a), (b) and (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), 4(2)(a), (b), (e) and (g) of PFUTP Regulations.

7.3 <u>NHP of Group 1 Entities:</u>

7.3.1. Further, an analysis of creation of NHP was conducted for the IP. In this regard, it was observed that during Patch 2, price of the scrip moved from open price of Rs. 27.75 to a high price of Rs. 37 and Rs. 9.25 NHP was created. Details of alleged NHP contributed by Group 1 Entities are given below:

Name	**Quantity**	**Number of trades**	**Contribution to market NHP**	**% of market NHP**	**Contribution among group**	**Contribution to NHP in trades with non group entities**
Malay Shaileshbhai Patel	263	4	0.40	4.32%	0.40	0
Payal Niravbhai Shah	10	1	0.25	2.70%	0	0.25
Nareshkumar Ambalal Shah	1	1	0.15	1.62%	0	0
Nirav Nareshkumar Shah	1150	2	0.15	1.62%	0.15	0
Kajol Shailesh Patel	1200	2	0.10	1.08%	0.10	0
Total	**2624**	**10**	**1.05**	**11.35%**	**0.65**	**0.25**
Market total	**143946**	**46**	**9.25**	**100.00%**	**0.65**	**0.25**

7.3.2. In view of the above table, it was alleged that Group 1 Entities had contributed Rs. 1.05 in creation of NHP which amounted to 11.35% of total market NHP during Patch 2. It is further alleged that by trading amongst themselves, Group 1 Entities have contributed Rs. 0.65 to market NHP which amounts to 7.03% of total market NHP during Patch 2. Therefore, it was alleged that the creation of NHP further corroborates the allegations against the Group 1 Entities of creating a misleading appearance of trading and, thus, contributing to price rise in the scrip of TPL in a manipulative manner.

7.4 <u>Funding Entities and analysis of bank statements:</u>

7.4.1. An analysis of bank statements of various Noticees was done to trace any fund transactions relevant for the present investigation. From the said analysis of bank statements of the Buyer Entities, certain fund transactions were noticed which were deemed suspicious. It was observed that Buyer Entities *i.e,* Noticee nos. 6 to 10 and 18 had received funds from one M/s Prithvi Traders (Noticee 19). On further examination, it was observed that funds were received by M/s Prithvi Traders (Noticee 19) from the following 4 entities:

(i) Oasis Syntex Pvt Ltd. (Noticee 20)
(ii) Massive Dealcomm Pvt. Ltd. (Noticee 21)
(iii) Nightangle Marcom Pvt. Ltd. (Noticee 22)
(iv) Priyanka Trexim and Commerce Pvt Ltd. (Noticee 23)

(The aforesaid four entities along with M/s Prithvi Traders (Noticee 19) are collectively referred to as “**Funding Entities**”).

7.4.2. **M/s. Prithvi Traders (Bank a/c no. xxxxxxxxxx7581)**

(i) From the analysis of KYC details of Noticee 19 as obtained from HDFC Bank, it was observed that one Mr. Sanjib Roy is the proprietor of Noticee 19. The email ID of Noticee 19 as per the bank statement is mrtapasroy@yahoo.co.in. At the same time, Mr. Tapas Roy and Sanjib Roy are directors of Northstar Dealcomm Pvt Ltd *i.e.,* Noticee 13. It was further observed that Tapas Roy had off-market transfers with Surajit Saha (Noticee 28), Eversafe Highrise Pvt Ltd (Noticee 12), Albright Agencies Pvt Ltd (Noticee 17), Northstar Dealcomm Pvt Ltd (Noticee 13), Boser Mercantiles Pvt Ltd (Noticee 14), Allied Trexim Pvt Ltd (Noticee 25), Right Commodities Pvt Ltd (Noticee 27) and Sree Ganesh Finco and Credit Pvt Ltd (Noticee 16).

(ii) In view of the above alleged connections, it was alleged that Sanjib Roy and Tapas Roy were persons connected with the Seller Entities and, by an extension of the same, Noticee 19 was also connected with the Seller Entities. A table showing connection between Noticee nos. 20 to 23 with the Seller Entities (*i.e,* Noticee nos. 11 to 17 and 24 to 28) is provided below:

<table>
<tr><th>Noticee no.</th><th>Name
(Bank a/c no.)</th><th>Basis of connection</th></tr>
<tr><td>20.</td><td>Oasis Syntex Pvt. Ltd.
(HDFC Bank A/c - xxxxxxxxxx6135)</td><td>(i) Registered address of Oasis Syntex Pvt Ltd is same as that of Sree Ganesh Finco & Credit Private Ltd (Noticee 16), Pugalia Vyapaar Private Limited (Noticee 26) and Piccadily Sales and Services Private Limited (Noticee 11).

(ii) Pugalia Vyapaar Private Limited (Noticee 26), Piccadily Sales and Services Private Limited (Noticee 11) and Oasis Syntex Pvt Ltd (Noticee 20) have common director viz Ajay Anand Pugalia.</td></tr>
<tr><td>21.</td><td>Massive Dealcomm Pvt. Ltd.
(HDFC Bank A/c - xxxxxxxxxx6317)</td><td rowspan="2">(i) Registered address of Nightangle Marcom Pvt Ltd (Noticee 22) is same as that of Silvertoss Trexim Private Limited (Noticee 24), Eversafe Highrise Private Limited (Noticee 12) and Moonclub Merchants Pvt Ltd. (Noticee 15).

(ii) Silvertoss Trexim Private Limited (Noticee 24), Nightangle Marcom Pvt Ltd (Noticee 22) and Massive Dealcomm Pvt Ltd (Noticee 21) have common director viz. Tapas Mondal.</td></tr>
<tr><td>22.</td><td>Nightangle Marcom Pvt. Ltd.
(HDFC Bank A/c - xxxxxxxxxx7283)</td></tr>
<tr><td>23.</td><td>Priyanka Trexim and Commerce Pvt. Ltd.
(HDFC Bank A/c - xxxxxxxxxx6481)</td><td>Tapas Roy and director of Priyanka Trexim and Commerce Pvt. Ltd. (Noticee 23) viz Asit Mondal are joint demat a/c holders of BO ID XXXXXXXXXXXX3225</td></tr>
</table>

7.4.3. Further, some of the instances wherein the buyers were allegedly funded for their trading in the scrip of TPL are mentioned below:

(i) **Nirav Nareshkumar Shah (HDFC bank a/c-xxxxxxxxxx2974):**

(a) On March 05, 2018, Rs 14 lakhs was received by Noticee 8 from M/s Prithvi Traders (Noticee 19). On the same day, Noticee 8 transferred Rs 14 lakhs to Arham Share Consultants Pvt Ltd (stock broker) to clear his pay-in obligations.

(b) On February 22, 2018, M/s Prithvi Traders (Noticee 19) received Rs 92.50 lakhs from Massive Dealcomm Pvt. Ltd. (Noticee 21) (Rs 45 lakhs) and Nightangle Marcom Pvt. Ltd. (Noticee 22) (Rs 47.50 lakhs). Out of which, immediately on the same day, Rs 35 lakhs were received by Nirav Nareshkumar Shah (Noticee 8) from M/s Prithvi Traders (Noticee 19). On the same day, Nirav Nareshkumar Shah (Noticee 8) transferred Rs 35 lakhs to Arihant Capital Markets Ltd (stock broker) to clear his pay-in obligations.

(ii) **Malay S Patel (Indian bank a/c-xxxxxx7583)**:

(a) On February 05, 2018, Rs 30.2 lakhs was received by M/s Prithvi Traders (Noticee 19) from Oasis Syntex Pvt Ltd. (Noticee 20). On the same day, M/s Prithvi Traders (Noticee 19) transferred Rs 30 lakhs to Noticee 9. On February 07, 2018, Noticee 9 transferred Rs 24 lakhs to Arham Share Consultants Pvt Ltd (stock broker) to clear his pay-in obligations.

(b) On February 08, 2018, M/s Prithvi Traders (Noticee 19) received Rs 47.50 lakh from Massive Dealcomm Pvt Ltd. (Noticee 21). Immediately, on the same day, Rs 33 lakhs was received by Nirav Nareshkumar Shah (Noticee 8) from M/s Prithvi Traders (Noticee 19). On the next day *i.e.*, February 09, 2019, Nirav Nareshkumar Shah (Noticee 8) transferred Rs 24 lakhs to Malay S Patel (Noticee 9). Immediately, on the same day, Malay S Patel (Noticee 9) transferred Rs 24 lakhs to Arham Share Consultants Pvt Ltd (stock broker) to clear his pay-in obligations.

(c) On March 09, 2018, M/s Prithvi Traders (Noticee 19) received Rs 20 lakhs from Nightangle Marcom Pvt Ltd. (Noticee 22), out of which, immediately thereafter on March 12, 2018, M/s Prithvi Traders (Noticee 19) transferred Rs 2.07 lakhs to Malay S Patel (Noticee 9). No other transaction was observed in the bank a/c of M/s Prithvi Traders (Noticee 19) between these two transactions.

(iii) **Kajol S Patel (Indian Bank A/c - xxxxxx7345)**: On February 06, 2018, Rs 30.1 lakhs was received by M/s Prithvi Traders (Noticee 19) from Oasis Syntex Pvt Ltd. (Noticee 20). On the same day, M/s Prithvi Traders (Noticee 19) transferred Rs 30 lakhs to Noticee 10 *i.e.,* Kajol S Patel. On February 07, 2018, Noticee 10 transferred Rs 24 lakhs to Arham Share Consultants Pvt Ltd (stock broker) to clear her pay-in obligations.

(iv) **Chintan Pankaj Shah (HDFC bank a/c - xxxxxxxxx0780):**

(a) On February 07, 2018, Rs 7 lakhs was received by Noticee 7 *i.e.*, Chintan Pankaj Shah from M/s Prithvi Traders (Noticee 19). On the same day, Noticee 7 transferred Rs 5 lakhs to Jainam Share Consultants Pvt Ltd (stock broker) to clear his pay-in obligations.

(b) On February 28, 2018, M/s Prithvi Traders (Noticee 19) received Rs 53 lakhs from Priyanka Trexim and Commerce Pvt Ltd. (Noticee 23). Immediately on the same day, M/s Prithvi Traders (Noticee 19) transferred Rs 25 lakhs to Chintan Pankaj Shah (Noticee 7). On the same day, Chintan Pankaj Shah (Noticee 7) transferred Rs 24.95 lakhs to Jainam Share Consultants Pvt Ltd (stock broker) to clear his pay-in obligations.

In view of the above transactions, it was alleged that the Funding Entities *viz.* M/s Prithvi Traders (Noticee 19), Oasis Syntex Pvt. Ltd. (Noticee 20), Massive Dealcomm Pvt. Ltd. (Noticee 21), Nightangle Marcom Pvt. Ltd. (Noticee 22) and Priyanka Trexim and Commerce Pvt. Ltd. (Noticee 23) had funded the Buyer Entities to purchase shares from sellers, so as to raise the price in manipulative manner and create artificial volume during Patch 2 of the IP. Therefore, it was alleged that Noticee nos. 19 to 23 were part of price manipulation, and thus they have violated the provisions of section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1) and 4(2)(d) of PFUTP Regulations.

7.5 Connection of TPL with other entities:

7.5.1. It was alleged that, during the IP, TPL had shared same address with Moonclub Merchants Pvt. Ltd. (Noticee 15) and Massive Dealcomm Pvt. Ltd. (Noticee 21).

7.5.2. Further, it was observed that on January 01, 2018, TPL informed BSE that its registered office has been shifted from “33, Brabourne Road, 2nd Floor, Kolkata- 700001" to "Subol Dutt Building, 13, Brabourne Road, Mezzanine floor, Kolkata-700001". Additionally, it was observed from the data available on MCA website that TPL's previous registered address *viz* "33, Brabourne Road, 2nd Floor, Kolkata-700001" is same as that of registered address of Moonclub Merchants Pvt Ltd. (Noticee 15) and Massive Dealcomm Pvt Ltd. (Noticee 21). *Vide* summons dated December 03, 2019, TPL was *inter alia* asked to provide comments on whether it shared same address with Noticee nos. 15 and 21. In its reply dated December 11, 2019, TPL had submitted that it shared same address with the aforesaid entities till January 01, 2018.

7.5.3. It was further observed that TPL had transferred 37,000 shares of Shree Securities Ltd. on March 30, 2015 to Tapas Roy. At the same time, it was observed from the MCA database that Tapas Roy is shown as a director of Northstar Dealcomm Private Ltd. (Noticee 13). In light of the above, it was alleged that Tapas Roy is connected to TPL.

7.5.4. In view of the above, it was alleged that TPL, being allegedly connected with the other Noticees, was part of price manipulation during the IP and thus violated the provisions of section 12A(a), (b) and (c) of SEBI Act read with regulations 3(a), (b), (c), (d) and 4(1) of PFUTP Regulations.

7.6 Entities part of the scheme:

7.6.1. It was further alleged that the following Seller Entities, who have only sold and not bought any shares of TPL during the entire IP, were part of the manipulative scheme by which Noticee nos. 6 to 18 contributed to LTP:

S. No.	Client name	Gross sell qty	Gross sell % of market sell volume
1	Surajit Saha	26,000	0.16%
2	Boser Mercantiles Private Limited	9,01,735	5.69%
3	Piccadily Sales and Services Pvt. Ltd.	7,79,567	4.92%
4	Pugalia Vyapaar Private Limited	2,12,850	1.34%
5	Albright Agencies Private Limited	6,41,280	4.05%
6	Allied Trexim Private Limited	3,86,950	2.44%
7	Right Commodities Private Limited	3,09,723	1.96%
8	Silvertoss Trexim Private Limited	5,79,980	3.66%
9	Northstar Dealcomm Private Limited	7,79,700	4.92%
10	Eversafe Highrise Private Limited	9,27,419	5.86%
11	Sree Ganesh Finco Credit Private Ltd	8,59,662	5.43%
12	Moonclub Merchants Private Limited	9,50,000	6.00%
	Total	**73,54,866**	**46.43%**
	Market total	**1,58,35,226**	**100.00%**

From the above, it was alleged that 12 entities acted in collusion and were part of price manipulation, and thus, violated section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d) and 4(1) of PFUTP Regulations.

7.7 Modus operandi

7.7.1. It was alleged that the modus operandi of the Noticees in the present matter was that the Seller Entities have offloaded their holdings in the scrip of TPL during the IP. It was also alleged that these Seller Entities are connected to TPL and each other. In addition to this, it was also alleged that 5 other entities, also allegedly connected to the aforesaid Seller Entities have funded Buyer Entities, to buy shares from aforesaid Seller Entities in order to create misleading appearance of trading so as to attract the attention of retail investors and contribute to price rise in a manipulative manner during Patch 2 of the IP.

8. The details of replies received by Noticees and hearing provided to them is tabulated below:

Noticee	**Details of 1st hearing opportunity and status**	**Details of 2nd hearing opportunity and status**	**Reply received**
Ketan Pravinbhai Panchal Noticee 1	*Vide* hearing notice dated June 06, 2022, hearing opportunity was provided on June 27, 2022. The aforesaid hearing notice was delivered on June 11, 2022. Noticee 1 did not avail this hearing.	*Vide* email sent on July 01, 2022 to the following email IDs, hearing opportunity was provided on July 11, 2022. 1. ketanpanchal0032@gmail.com 2. ketanpanchal702@gmail.com 3. ketanpanchal7865@gmail.com 4. ketanpanchal9586355@gmail.com 5. panchalketan326@gmail.com The aforesaid email was delivered at all email IDs except at the one listed at serial no. 4 above. Noticee 1 did not avail this hearing.	No.

Noticee	Details of 1st hearing opportunity and status	Details of 2nd hearing opportunity and status	Reply received
Amitkumar Bhikhbhai Solanki Noticee 2	*Vide* hearing notice dated June 06, 2022, hearing opportunity was provided on June 27, 2022. The aforesaid hearing notice was not delivered at the physical address. *Vide* email sent on June 07, 2022, the aforesaid hearing notice was sent by email to the following email IDs. The said email was delivered at all the email IDs. 1. 1974amitkumarbhai@gmaiil.com 2. amitsolanki2244@gmail.com 3. amitsolankibse@gmail.com Noticee 2 did not avail this hearing.	*Vide* email sent on July 01, 2022 to the email IDs listed alongside, hearing opportunity was provided on July 11, 2022. The said email was delivered. Noticee 2 did not avail this hearing. Another hearing opportunity was provided to Noticee 2 on August 04, 2022, *vide* email sent on July 22, 2022 to the email IDs listed alongside. The email was delivered. Noticee 2 did not avail this hearing.	No.
Nilay Jitendrakumar Mistry Noticee 3	*Vide* hearing notice dated June 06, 2022, hearing opportunity was provided on June 27, 2022. The aforesaid hearing notice was delivered on June 15, 2022. Noticee 3 did not avail this hearing.	*Vide* email sent on July 01, 2022 to the following email IDs, hearing opportunity was provided on July 11, 2022. The said email was delivered at all email IDs except the one listed at serial no.3 below. 1. mistrynilay92@gmail.com 2. nilaybsense5@gmail.com 3. nilaybses@gmail.com 4. nilayjitender@gmail.com Noticee 3 did not avail this hearing.	No.
Praveen Kumar Noticee 4	*Vide* hearing notice dated June 06, 2022, hearing opportunity was provided on June 27, 2022. The aforesaid hearing notice was not delivered. *Vide* email sent on June 07, 2022, the aforesaid hearing notice was sent by email to the following email IDs. The said email was delivered at both the email IDs. 1. pk6123123@gmail.com 2. praveenkumarbse5@gmail.com Noticee 4 did not avail this hearing.	*Vide* email sent on July 01, 2022 to the email IDs listed alongside, hearing opportunity was provided on July 11, 2022. The said email was delivered at both the email IDs, however, Noticee 4 did not avail this hearing. Another hearing opportunity was provided to Noticee 4 on August 05, 2022, *vide* email sent on July 22, 2022 to the email IDs listed alongside. The email was delivered. Noticee 4 did not avail this hearing.	No.

Noticee	Details of 1st hearing opportunity and status	Details of 2nd hearing opportunity and status	Reply received
Ravikumar Parmar Noticee 5	*Vide* hearing notice dated June 06, 2022, hearing opportunity was provided on June 27, 2022. The aforesaid hearing notice was not delivered. *Vide* email sent on June 07, 2022, the aforesaid hearing notice was sent by email to the following email IDs. The said email was delivered at all the email IDs. 1. raviparmar274@gmail.com 2. raviparmarbse1@gmail.com 3. raviparmarbse@gmail.com Noticee 5 did not avail this hearing.	*Vide* email sent on July 01, 2022 to the email IDs listed alongside, hearing opportunity was provided on July 11, 2022. The said email was delivered at all the email IDs, however, Noticee 5 did not avail this hearing. Another hearing opportunity was provided to Noticee 5 on August 02, 2022, *vide* email sent on July 25, 2022 to the email IDs listed alongside. The email was delivered. Noticee 5 did not avail this hearing.	No.
Nareshkumar Ambalal Shah Noticee 6	*Vide* hearing notice dated June 06, 2022, hearing opportunity was provided on June 28, 2022. The aforesaid hearing notice was delivered on June 11, 2022. Noticee 6 did not avail this hearing.	*Vide* email sent on July 01, 2022 to the following email IDs, hearing opportunity was provided on July 11, 2022. The said email was delivered at all the email IDs. 1. niravnshah7@yahoo.co.in; 2. shahdipen9_1985@yahoo.co.in *Vide* email sent on July 08, 2022, authorized representative (hereinafter referred to as "**AR**") of Noticee 6 requested for copies of annexure to SCN which were provided on the same day by email. I note that the aforesaid email was delivered. On July 11, 2022, ARs of Noticee 6 (*i.e,* Robin Shah and Rushin Kapadia, robin.shah@bodhilegal.in) appeared before me and requested for time till July 18, 2022 to make detailed submissions which was acceded to.	Yes. Reply submitted *vide* email sent on July 26, 2022.
Chintan Pankaj Shah Noticee 7	*Vide* hearing notice dated June 06, 2022, hearing opportunity was provided on June 28, 2022. The aforesaid hearing notice was delivered on June 11, 2022. *Vide* email sent on June 07, 2022, the aforesaid hearing	*Vide* email sent on July 01, 2022 to the email IDs listed alongisde, hearing opportunity was provided on July 11, 2022. The said email was delivered at both the email IDs. Noticee 7 did not avail this hearing.	No.

Noticee	Details of 1st hearing opportunity and status	Details of 2nd hearing opportunity and status	Reply received
	notice was sent by email to the following email IDs. The said email was delivered at both the email IDs. 1. cps235.cs@gmail.com 2. angelchintans@yahoo.com Noticee 7 did not avail this hearing.		
Nirav Nareshkumar Shah Noticee 8	*Vide* hearing notice dated June 06, 2022, hearing opportunity was provided on June 28, 2022. The aforesaid hearing notice was delivered on June 11, 2022. Noticee 8 did not avail this hearing. *Vide* email sent on June 24, 2022, Noticee 8 requested for copies of annexures and adjournment of hearing by 2 weeks. Copies of SCN along with the annexures were provided *vide* email sent on July 08, 2022.	ARs (*i.e,* Robin Shah and Rushin Kapadia, robin.shah@bodhilegal.in) appeared before me on July 11, 2022, for Noticee 8 and requested for time till July 18, 2022 to make detailed submissions which was acceded to.	Yes. Reply submitted *vide* email sent on July 26, 2022.
Malay Shaileshbhai Patel Noticee 9	*Vide* hearing notice dated June 06, 2022, hearing opportunity was provided on June 28, 2022. The aforesaid hearing notice was delivered on June 11, 2022. Noticee 9 did not attend the said hearing. *Vide* email sent on June 28, 2022, Noticee 9 requested for another hearing opportunity.	Pursuant to request of Noticee 9, another hearing opportunity was provided to Noticee 9 on July 06, 2022 *vide* email sent on June 30, 2022. In the said hearing, Noticee 9 requested for time till July 09, 2022 to make detailed submissions which was acceded to.	Yes. Common reply received for Noticee nos. 9 and 10 *vide* email sent on July 12, 2022.
Kajol Shailesh Patel Noticee 10	*Vide* hearing notice dated June 06, 2022, hearing opportunity was provided on June 28, 2022. The aforesaid hearing notice was delivered on June 11, 2022. Noticee 10 did not attend the said hearing.	*Vide* email sent on July 01, 2022 to the following email IDs, hearing opportunity was provided on July 11, 2022. The hearing notice was delivered at all the email IDs except the one at serial no. 1 below. 1. mpatel456@rediffmail.com; 2. spatel456@rediffmail.com; 3. malay2patel@gmail.com; 4. kajol9405@gmail.com In the said hearing, Noticee 9 appeared on behalf of Noticee 10 and requested for time till July 14, 2022 to make detailed submissions which was acceded to.	

Noticee	Details of 1st hearing opportunity and status	Details of 2nd hearing opportunity and status	Reply received
Piccadily Sales and Services Private Ltd. Noticee 11	*Vide* hearing notice dated June 06, 2022, hearing opportunity was provided on June 28, 2022. The said hearing notice was delivered. *Vide* email sent on June 07, 2022, scanned copy of hearing notice was sent to psspl_1994@yahoo.co.in. The said email was delivered. AR of Noticee 11 (*i.e,* Ms. Kirti Sharma kirti.sharma2593@gmail.com) appeared before me for the hearing on June 28, 2022 and reiterated the submissions made *vide* email sent on June 25, 2022. AR stated that that she does not wish to make any additional submissions with respect to Noticee 11.	--	Yes. Reply submitted *vide* email sent on June 25, 2022.
Eversafe Highrise Private Ltd. Noticee 12	*Vide* letter dated December 05, 2020, Noticee 12 requested for inspection of documents. *Vide* letter dated June 06, 2022, all documents relied upon for the purpose of adjudication proceedings were provided. *Vide* hearing notice dated June 28, 2022, hearing opportunity was provided on July 07, 2022. AR of Noticee 12 (*i.e,* Mr. Dhruv Agarwal dhruv_agarwal7@yahoo.com) appeared before me on July 07, 2022 and stated that he does not wish to make any additional submissions.	--	Yes. Reply submitted *vide* email sent on July 05, 2022.
Northstar Dealcomm Private Ltd. Noticee 13	*Vide* letter dated December 07, 2020, Noticee 13 requested for inspection of documents. *Vide* letter dated June 06, 2022, all documents relied upon for the purpose of adjudication proceedings were provided. *Vide* hearing notice dated June 28, 2022, hearing opportunity was provided on July 07, 2022. AR of Noticee 13 (*i.e,* Ms. Kirti Sharma kirti.sharma2593@gmail.com) appeared before me on July 07,	--	Yes. Reply submitted *vide* email sent on July 05, 2022.

Noticee	Details of 1st hearing opportunity and status	Details of 2nd hearing opportunity and status	Reply received
	2022 and stated that she does not wish to make any additional submissions.		
Boser Mercantiles Pvt. Ltd. Noticee 14	*Vide* letter dated December 04, 2020, Noticee 14 requested for inspection of documents. *Vide* letter dated June 06, 2022, all documents relied upon for the purpose of adjudication proceedings were provided. *Vide* hearing notice dated June 28, 2022, hearing opportunity was provided on July 08, 2022. AR of Noticee 14 (*i.e,* Ms. Kirti Sharma kirti.sharma2593@gmail.com) appeared before me on July 08, 2022 and stated that she does not wish to make any additional submissions.	--	Yes. Reply submitted *vide* email sent on July 06, 2022.
Moonclub Merchants Pvt. Ltd. Noticee 15	*Vide* letter dated December 05, 2020, Noticee 15 requested for inspection of documents. *Vide* letter dated June 06, 2022, all documents relied upon for the purpose of adjudication proceedings were provided. The aforesaid letter along with the annexures was also sent by email on June 13, 2022 to mmpl_1995@yahoo.co.in. *Vide* hearing notice dated June 28, 2022, hearing opportunity was provided on July 07, 2022. AR of Noticee 15 (i.e, Ms. Kirti Sharma kirti.sharma2593@gmail.com) appeared before me on the said date and stated that she does not wish to make any additional submissions.	--	Yes. Reply submitted *vide* email sent on July 05, 2022.
Sree Ganesh Finco Credit Pvt. Ltd. Noticee 16	*Vide* hearing notice dated June 06, 2022, hearing opportunity was provided on June 28, 2022, which was delivered on June 11, 2022. A copy of the said hearing notice was also served by email on June 07, 2022 at the following email IDs 1. sreeganeshfinco@gmail.com; 2. prakashsharmaom@yahoo.co.in 3. sgfcpl_1991@yahoo.co.in.	--	Yes. Reply submitted *vide* email sent on June 25, 2022.

Noticee	Details of 1st hearing opportunity and status	Details of 2nd hearing opportunity and status	Reply received
	AR of Noticee 16 (*i.e,* Ms. Kirti Sharma kirti.sharma2593@gmail.com) appeared before me on June 28, 2022 and stated that she does not wish to make any additional submissions.		
Albright Agencies Pvt. Ltd. Noticee 17	*Vide* letter dated December 04, 2020, Noticee 17 requested for inspection of documents. *Vide* letter dated June 06, 2022, all documents relied upon for the purpose of adjudication proceedings were provided, which were delivered on June 14, 2022. *Vide* hearing notice dated June 28, 2022, hearing opportunity was provided on July 07, 2022. AR of Noticee 17 (*i.e,* Ms. Kirti Sharma kirti.sharma2593@gmail.com) appeared before me on the said date and stated that she does not wish to make any additional submissions.	--	Yes. Reply submitted *vide* email sent on July 05, 2022.
Payal Niravbhai Shah Noticee 18	*Vide* hearing notice dated June 06, 2022, hearing opportunity was provided on June 28, 2022, which was delivered on June 11, 2022. Noticee 18 did not avail this hearing.	*Vide* email sent on July 01, 2022 to the following email ID niravnshah7@yahoo.com, hearing opportunity was provided on July 11, 2022. The aforesaid email was delivered. ARs of Noticee 18 (*i.e,* Robin Shah and Rushin Kapadia, robin.shah@bodhilegal.in) appeared before me on the said date and requested time till July 18, 2022 to make detailed submissions which was acceded to.	Yes. Reply submitted *vide* email sent on July 26, 2022.
M/s Prithvi Traders Noticee 19	*Vide* letter dated December 07, 2020, Noticee 19 requested for inspection of documents. *Vide* letter dated June 06, 2022, all documents relied upon for the purpose of adjudication proceedings were provided, which was delivered on June 14, 2022. *Vide* hearing notice dated June 28, 2022, hearing opportunity was provided on July 08, 2022.	*Vide* email sent on July 12, 2022, another hearing opportunity was provided to Noticee 19 on July 22, 2022. AR of Noticee 19 (*i.e,* Ms. Nikita Chourasia nikkichourasia92@gmail.com) appeared before me on the said date and stated that she does not wish to make any additional submissions.	Yes. Reply submitted *vide* email sent on July 11, 2022.

Noticee	Details of 1st hearing opportunity and status	Details of 2nd hearing opportunity and status	Reply received
	Noticee 19 requested for one week extension to submit its reply. The aforesaid hearing opportunity was not availed.		
Oasis Syntex Pvt. Ltd. Noticee 20	*Vide* hearing notice dated June 06, 2022, hearing opportunity was provided on June 28, 2022, which was delivered on June 11, 2022. *Vide* email sent on June 07, 2022, the aforesaid hearing notice was also sent at ospl_1993@yahoo.co.in. AR of Noticee 20 (*i.e,* Mr. Ankit Singhi, ankitsinghi218@gmail.com) appeared before me on the aforesaid date and requested for time till June 30, 2022 to make additional submissions, which was acceded to.	--	Yes. Reply submitted *vide* emails sent on June 25, 2022 and June 30, 2022.
Massive Dealcomm Pvt. Ltd. Noticee 21	*Vide* letter dated December 05, 2020, Noticee 21 requested for inspection of documents. *Vide* letter dated June 06, 2022, all documents relied upon for the purpose of adjudication proceedings were provided, which was delivered on June 14, 2022. *Vide* hearing notice dated June 28, 2022, hearing opportunity was provided on July 07, 2022. AR of Noticee 21 (*i.e,* Ms. Harsha Pugalia, harsha.pugalia@gmail.com) appeared before me on the said date and requested for time till July 09, 2022 to make additional submissions, which was acceded to.	--	Yes. Reply submitted *vide* emails sent on July 05, 2022 and July 09, 2022.
Nightangle Marcom Pvt. Ltd. Noticee 22	*Vide* letter dated December 05, 2020, Noticee 22 requested for inspection of documents. *Vide* letter dated June 06, 2022, all documents relied upon for the purpose of adjudication proceedings were provided, which was delivered on June 14, 2022. *Vide* hearing notice dated June 28, 2022, hearing opportunity was provided on July 07, 2022. AR of Noticee 22 (*i.e*, Ms. Harsha Pugalia, harsha.pugalia@gmail.com)	--	Yes. Reply submitted *vide* emails sent on July 05, 2022 and July 09, 2022.

Noticee	Details of 1st hearing opportunity and status	Details of 2nd hearing opportunity and status	Reply received
	appeared before me on the said date and requested for time till July 09, 2022 to make additional submissions, which was acceded to.		
Priyanka Trexim and Commerce Pvt. Ltd. Noticee 23	*Vide* letter dated December 07, 2020, Noticee 23 requested for inspection of documents. *Vide* letter dated June 06, 2022, all documents relied upon for the purpose of adjudication proceedings were provided, which was delivered on June 14, 2022. Vide hearing notice dated June 28, 2022, hearing opportunity was provided on July 08, 2022. AR of Noticee 23 (*i.e,* Ms. Harsha Pugalia, harsha.pugalia@gmail.com) appeared before me on the said date and requested for time till July 10, 2022 to make additional submissions, which was acceded to.	--	Yes. Reply submitted *vide* emails sent on July 06, 2022 and July 11, 2022.
Silvertoss Trexim and Commerce Pvt Ltd. Noticee 24	*Vide* letter dated December 05, 2020, Noticee 24 requested for inspection of documents. *Vide* letter dated June 06, 2022, all documents relied upon for the purpose of adjudication proceedings were provided, which was delivered on June 14, 2022. *Vide* hearing notice dated June 28, 2022, hearing opportunity was provided on July 07, 2022. AR of Noticee 24 (*i.e,* Mr. Dhruv Agarwal dhruv_agarwal7@yahoo.com) appeared before me on the said date and stated that he does not wish to make any additional submissions.	--	Yes. Reply submitted *vide* email sent on July 05, 2022.
Allied Trexim Private Ltd. Noticee 25	*Vide* letter dated December 07, 2020, Noticee 25 requested for inspection of documents. *Vide* letter dated June 06, 2022, all documents relied upon for the purpose of adjudication proceedings were provided, which was delivered on June 14, 2022. *Vide* hearing notice dated June 28, 2022, hearing opportunity	*Vide* email sent on July 12, 2022, another hearing opportunity was provided to Noticee 25 on July 20, 2022. The said hearing took place on July 22, 2022 wherein AR of Noticee 25 (*i.e,* Nikita Chourasia, nikkichourasia92@gmail.com) stated that she does not	Yes. Reply submitted *vide* email sent on July 11, 2022.

Noticee	Details of 1st hearing opportunity and status	Details of 2nd hearing opportunity and status	Reply received
	was provided on July 07, 2022. *Vide* email sent on July 05, 2022, Noticee 25 requested for one week extension to submit its reply.	wish to make any additional submissions in the matter.	
Pugalia Vyapaar Pvt. Ltd. Noticee 26	*Vide* hearing notice dated June 06, 2022, hearing opportunity was provided on July 28, 2022. AR of Noticee 26 (*i.e,* Ms.Kirti Sharma, kirti.sharma2593@gmail.com) appeared before me on the said date and stated that she does not wish to make any additional submissions with respect to Noticee 26.	---	Yes. Reply submitted *vide* email sent on June 25, 2022.
Right Commodities Pvt Ltd Noticee 27	*Vide* letter dated December 04, 2020, Noticee 27 requested for inspection of documents. *Vide* letter dated June 06, 2022, all documents relied upon for the purpose of adjudication proceedings were provided, which was delivered on June 14, 2022. *Vide* hearing notice dated June 28, 2022, hearing opportunity was provided on July 07, 2022. AR of Noticee 27 (*i.e,* Ms. Kirti Sharma kirti.sharma2593@yahoo.com) appeared before me and stated that she does not wish to submit any additional submissions with respect to Noticee 27.	---	Yes. Reply submitted *vide* email sent on July 05, 2022.
Surajit Saha Noticee 28	*Vide* letter dated December 04, 2020, Noticee 28 requested for inspection of documents. *Vide* letter dated June 06, 2022, all documents relied upon for the purpose of adjudication proceedings were provided, which was delivered on two addresses of Noticee 28 on June 14, 2022 and June 15, 2022. *Vide* hearing notice dated June 28, 2022, hearing opportunity was provided on July 08, 2022. Noticee 28 requested for one week extension to submit its reply. The aforesaid hearing opportunity was not availed.	*Vide* email sent on July 12, 2022, another hearing opportunity was provided to Noticee 28 on July 20, 2022. AR of Noticee 28 (*i.e,* Ms. *i.e,* Ms.Kirti Sharma, kirti.sharma2593@gmail.com) appeared before me on July 22, 2022 and stated that she does not wish to make any additional submissions with respect to Noticee 28.	Yes. Reply submitted *vide* email sent on July 11, 2022.
Thirani Projects Ltd.	*Vide* letter dated December 07, 2020, Noticee 29 had requested for inspection of documents. *Vide*	---	Yes. Reply submitted

Noticee	Details of 1st hearing opportunity and status	Details of 2nd hearing opportunity and status	Reply received
Noticee 29	letter dated June 06, 2022, all documents relied upon for the purpose of adjudication proceedings were provided, which was delivered on June 14, 2022. *Vide* hearing notice dated June 28, 2022, hearing opportunity was provided on July 07, 2022. On the said date, AR of Noticee 28 (*i.e,* Mr. Dhruv Agarwal dhruv_agarwal7@yahoo.com) appeared before me and stated that he does not wish to make any additional submissions with respect to Noticee 29.		*vide* email sent on July 05, 2022

9. The replies received from Noticees are summarized/reproduced below:

9.1. Reply of Nareshkumar Ambalal Shah (Noticee 6) is summarized below:

(i) The allegations made with respect to Noticee 6 is not based on any *inter-se* connection between Noticee 6 and rest of the Noticees. In absence of any connection, the charge of creation of misleading appearance of trades in the scrip of TPL does not arise.

(ii) The trades of Noticee 6 are not indicative of any fraudulent activity. The trades were entered into at the price available and therefore Noticee 6 was the price taker. The quantum of trades also could not result in creation of any misleading appearance of trades.

(iii) Noticee 6 is a regular trader in the market and was buying and selling shares of TPL during Patch 2 of the IP. SEBI is basing its charge that Noticee 6 had participated in an alleged *'scheme'* with other Noticees to create misleading appearance of trading, based on the premise that Noticee 6 has same address with his son - Nirav Shah (Noticee 8).

(iv) While the SCN mentions that Noticee 6 has fund transactions with M/s. Prithvi Traders (reference, table 3 of SCN), not a single iota of evidence is provided to Noticee 6 in this regard. Neither annexure 8 (containing bank statement) nor any other annexure provides any such detail. Hence, no adverse inference can be drawn against Noticee 6.

(v) Except TPL, Noticee 6 had traded in other securities as well at the relevant point in time. To single out trading in one scrip and make adverse allegation is unfair and arbitrary.

(vi) The allegations framed in the SCN relate to trades of Noticee 6 in TPL, which were more than 3-4 years ago. The SCN does not provide any explanation to justify the inordinate delay in initiation of proceedings against Noticee 6. Initiation of proceedings by SEBI after such a long delay, severely prejudices the ability of Noticee 6 to put up an adequate response to the allegations made by the SEBI.

(vii) It is not clear as to how Noticee 6 acted in cohorts with other Noticees. However, there is nothing to show that Noticee 6 had participated in some scheme to defraud the market. SEBI has merely made blanket statements without providing any reasons or factual data for coming to the conclusion as set out in paragraph 10 of the SCN. The irregularities alleged in the SCN do not point to the facts or evidence on the basis of which such conclusions were drawn by SEBI. In absence of any specific wrongdoing by Noticee 6 being pointed by the SEBI, the SCN stands vitiated and is liable to be set aside. It is an established principle that a vague allegation which does not specifically set out the reason for such allegation cannot be sustained as the same does not provide an opportunity to a noticee to counter the charges and the same is contrary to the rules of natural justice. This principle has been confirmed by Hon’ble Securities Appellate Tribunal (hereinafter referred to as “**SAT**”) in the matter of Vikas Ganeshmal Bengani vs. SEBI, (Appeal no. 283 of 2009), order dated March 08, 2010. Noticee 6 has also relied on the case of Hon’ble SC in Commissioner of Central Excise, Bangalore vs. Brindavan Beverages Pvt. Ltd. and Ors. (Civil Appeal Nos. 3417-3425 and 4398 of 2003) dated June 15, 2007. In absence of any solid reasoning being carved out, Noticee 6 is constrained from addressing SEBI's grievance accurately. In this regard, Noticee 6 has relied on the decision of Hon'ble SAT in The Dhanalakshmi Bank Ltd. vs. SEBI (Appeal No 3 of 1998), decision dated April 20, 1999.

(viii) The allegation of *inter-se* connection is merely based on the fact that Noticee 6 has common address and email ID with Noticee 8 (Mr. Nirav Shah). Noticee 8 is son of Noticee 6 and hence they reside in same house and use same email ID. This circumstance is the only basis for SEBI to conclude that buy trades of Noticee 6 resulted in creation of misleading appearance of trades. SCN has completely ignored several other key factors to conclude that the trades actually resulted in creation of misleading appearance of trades. One such key factor is *inter-se* connection between the parties. As is the settled law, for establishing a charge of fraudulent trade, SEBI has to establish that there was some connection between the parties. In the present case, SEBI has not shown any connection with any of the other noticees (other than with his family members). If the parties are not connected with each other and there is no allegation for the same, there is no question of meeting of minds. In this regard, Noticee 6 has relied on the decision of Hon'ble SAT in Ashlesh Gunvantbhai Shah vs. SEBI (Appeal No. 375 of 2019) dated September 15, 2021.

(ix) The SCN does not establish meeting of minds or premeditated motive. The counterparties to the buy trade of Noticee 6 are also not connected with Noticee 6. As such, nothing has been brought on record to demonstrate that Noticee 6 was aware of the identity of any of the counterparties to the trade. In this regard, reliance has been placed on order of Hon'ble SAT in HB Stockholdings Limited vs. SEBI (Appeal No. 114 of 2012), decision dated August 27, 2013 and Nishith M. Shah HUF vs. SEBI (Appeal No. 97 of 2019), decision dated January 16, 2020.

(x) Hon'ble SAT has consistently held that mere trades are not enough to hold two parties connected, especially in a case where there are multiple parties. In the present proceedings, other than Noticee 8 (who is son of Noticee 6), there is no other connection with remaining Noticees. In this regard, reliance has been placed on the decision of Hon'ble SAT in Baldevsinh Zala vs. SEBI (Appeal No. 150 of 2019), decision dated August 12, 2021.

(xi) In addition to the above, on screen based trading platform, it is impossible for a party to know the counterparty while punching in trades on the floor of the exchange. In the circumstance, before sticking a charge of creation of artificial volume, there has to be a modicum of evidence to suggest that there was some connection/ meeting of minds between the parties. In absence thereof, the trades of Noticee 6 in the present case cannot be called into question. The trading system does not make available the particulars – such as quantity of shares, prices and time – of counter party's keyed-in orders against which orders of Noticee 6 got matched. In the absence of these particulars, Noticee 6 could not know or ascertain any pattern at the relevant time.

(xii) The allegation in SCN only states that Noticee 6 engaged in buy trades, which resulted in creation of misleading appearance of trades in the scrip of TPL. However, there is nothing on record which shows that as to how the alleged trades resulted in creation of such misleading appearance of trades.

(xiii) In any event, the trades of Noticee 6 as per the trade logs shared by the SEBI does not suggest any wrongdoing. Some of the key takeaway from these trades are as under:

(a) Noticee 6 executed both buy and sale trades during the IP. The volume of the trades was also insignificant.

(b) Noticee 6 was the price taker and not the price maker. It is clearly visible from the trade logs, orders of Noticee 6 were punched in much after the counterparty orders were in the system. The said sale orders were also for large quantity. In the circumstance, how can LTP/NHP be attributed to Noticee 6.

(c) As such, Noticee 6 had placed his orders based on 5 best quotes available on the trading screen/system. As market conditions are dynamic, prices fluctuate during live market conditions, investors place orders based on their strategy, conviction, view on the scrip/ market. Thus, every trade results either into positive LTP, negative LTP or zero LTP. In the present case, the order time and trade time is same in all of the trades of Noticee 6. This, in addition to the fact that there were already counterparty sell orders in the system, shows that Noticee 6 took the price available in the market. Hence, there is no question of Noticee 6 being responsible for creation of any positive LTP or NHP.

(d) As such, even if there was LTP/NHP, it was certainly not fraudulent. There is no requirement /role or statutory norm than an order has to be placed at LTP, hence order can be placed at positive LTP. Positive LTP may or may not result into NHP. Hence, the view that LTP contributes to the price rise defies logic. Manipulation in price cannot be related solely to positive LTP.

(e) The trades were entered into at the sellers' price. This, in fact, resulted in positive LTP. Noticee 6 had placed his orders much after the sale orders were put in the system. This further shows that there was no meeting of mind. If there was any nexus between Noticee 6 and counterparties, the orders would have been placed very close to each other and the trades would have matched immediately.

(f) Even assuming LTP trades of Noticee 6 resulted in positive LTP of Rs 0.15, *viz.* minuscule. In fact, his trades in zero LTP trades were in much larger number. This shows that Noticee 6 was not trying to manipulate the market. Accordingly, even the allegation of Noticee 6 being responsible for creation of NHP is absurd.

(xiv) Evidence adduced must be compelling which can be inferred by logical process of reasoning from the totality of facts and circumstances surrounding the allegations as held by the Hon'ble Supreme Court in the case of Hanumat vs. State of Madhya Pradesh, (Criminal Appeal No. 56 of 1951), decision dated September 23, 1952. The judgment of Balram Garg vs. SEBI, (Appeal no. 7054 and 7590 of 2021), dated April 19, 2022 further makes it clear as to how circumstantial evidence ought to be taken on record while appreciating evidence in a matter. There is no clear case of no positive proved facts or circumstantial evidence which infers that the trades are objectionable. In this regard, reference has been drawn to decision of Hon'ble SC in Maharashtra State Board of Secondary Education and Higher Secondary Education vs. K.S. Gandhi & Ors. (Civil Appeal Nos. 491 to 544 of 1991), decided on March 12, 1991.

(xv) The trades resulted in change in beneficial ownership and the percentage of trade to the market volume is insignificant. Reliance has been placed on order passed by SEBI in the matter of Cupid Trades and Finance Ltd dated May 31, 2022.

(xvi) Since the SCN does not establish connection of Noticee 6 with any of the other noticees (other than family members), thus, the volume contributed by the other noticees cannot be clubbed with the trades of Noticee 6 and trades in the scrip of TPL of Noticee 6 have to be viewed independently.

(xvii) It is well settled that 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. The Hon'ble Supreme Court in Chief Engineer, M.S.E.B and Anr. vs. Suresh Raghunath Bhokare (Civil Appeal No. 5358 of 2002) decided on December 17, 2004, has gone into this aspect. Further, reliance has also been placed on the decision of Hon'ble SAT dated September 30, 2003 in the matter of KSL & Industries Ltd. vs. The Chairman, SEBI (Appeal No. 9 of 2003), decision of Hon'ble SC in SEBI and Ors. vs. Kanaiyalal Baldevbhai Patel and Ors. (Civil Appeal No. 2595 of 2014), decision dated September 20, 2017, Union of India vs. Chaturbhai M. Patel & Co. (Civil Appeal No. 972-973) decision dated December 09, 1975, Nand Kishore Prasad vs. State of Bihar and Ors. (Civil Appeal No. 2313 (N) of 1968), decision dated April 19, 1978.

(xviii) Requirement of *'intention'* is a pre-requisite to prove 'fraud' for violation of PFUTP Regulations. In the present case, Noticee 6 merely traded in TPL to earn some profits. This goes to show that Noticee 6 had no intention of manipulating the market. Therefore, Noticee 6 cannot be charged for fraud under the PFUTP Regulations.

(xix) Noticee 6 has not acted in defiance of law. The actions of Noticee 6 are not in any manner detrimental to the securities market.

(xx) Noticee 6 has not made any disproportionate gain or gained any unfair advantage, whether quantifiable or otherwise. 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 issued a show cause notice against Noticee 6. In M/s Hindustan Steel Ltd. vs. State of Orissa (Civil Appeal Nos. 883- 892 of 1966) decision dated August 04, 1969, Hon'ble SC has held that a penalty should not be imposed for the sake of it and should be utilized to achieve a specific purpose, rather than as an end in itself. In this regard, reliance has also been placed on ruling of Hon'ble SC in Adjudicating Officer, SEBI vs. Bhavesh Pabari (Civil Appeal Nos. 11311 of 2013), decision dated February 28, 2019 and *K.S. Gandhi & Ors. (supra)*.

9.2. Reply of Noticee 8 (Nirav Nareshkumar Shah), contains same contentions raised in reply of Noticee 6 (Nareshkumar Ambalal Shah), except the ones set out below, therefore, for the sake of brevity, the same contentions as provided in paragraph 9.1 above are not reproduced herein.

(i) SEBI has alleged that Noticee 8 was connected to 18 entities as a result of receiving funds from M/s. Prithvi Traders (Noticee 19). The charge of being funded by one of the connected entities of TPL is baseless as the funding received and trades undertaken has no correlation whatsoever. These are two independent transactions.

(ii) SEBI is basing its charge that Noticee 8 had participated in an alleged 'scheme' with other Noticees to create misleading appearance of trading, based on the premise that Noticee 6 had received funds from M/s. Prithvi Traders, who in turn had received funds from other Noticees. Merely stating that there were two fund transfers between Noticee 8 and M/s. Prithvi Traders is not enough to conclude violation of PFUTP Regulations. The only basis for SEBI to conclude that buy trades of Noticee 8 resulted in creation of misleading appearance of trades is that Noticee 8 received funds from M/s Prithvi Traders on February 22, 2018 and March 09, 2018. In the present proceedings, other than two times that Noticee 8 received funds from M/s Prithvi Traders, there is no other connection with remaining Noticees

(iii) Even assuming Noticee 8 received funds from M/s. Prithvi Traders, there is nothing to suggest that Noticee 8 was aware of some larger conspiracy. The funds received by Noticee 8 had nothing to do with trades in TPL. In fact, Noticee 8 was extensively trading in the scrip *i.e.,* buying and selling share and, not only buying as is purported in the SCN. In any event, the funds received from M/s. Prithvi Traders could not cover the pay-in and pay-out obligations of Noticee 8 at the relevant time. Also, trades of Noticee 8 continued till April 2018.

(iv) Other than some funds received from M/s. Prithvi Traders (which was allegedly part of some larger group), there is nothing record to show involvement of Noticee 8 in alleged fraud, if any. In fact, SEBI has even erred in drawing the connection based on some fund movement as SEBI has alleged that Noticee 8 received a total of Rs 49 lakhs (Rs 35 lakhs on February 22, 2018 and Rs 14 lakhs on March 09, 2018), however, the said funds were not commensurate with the value of trades that Noticee 8 had engaged in. This further dilutes SEBI's circumstantial evidence.

(v) In the present scenario, there is nothing on record which shows that Noticee 8 had participated in alleged fraud. In fact, SEBI has not adduced a single shred of evidence to show that Noticee 8 was connected with other Noticees or that Noticee 8 had acted in concert with other Noticees. Merely on Noticee 8 receiving some funds from M/s. Prithvi Traders, SEBI has issued the SCN against Noticee 8. Thus, Noticee 8 has in fact been a victim here. His innocent trades got mixed up with trades of other Noticees. Thus, the SEBI should take that into account as well in the present proceedings.

9.3. Reply of Noticee 18 (Payal Nirav Shah), contains same contentions raised in reply of Noticee 6 (Nareshkumar Ambalal Shah), except the ones set out below, therefore, for the sake of brevity, the same contentions as provided in paragraph 9.1 above are not reproduced herein.

(i) SEBI is basing its charge that Noticee 18 had participated in an alleged 'scheme' with other Noticees to create misleading appearance of trading, based on the premise that Noticee 18 has same address as her husband Nirav Shah (Noticee 8).

(ii) Noticee 18 denies the allegation that her trades resulted in creation of misleading appearance of trades which resulted in violation of the PFUTP Regulations. The above allegation is merely based on the fact that Noticee 18 has common address and email ID with Noticee 8. Mr. Nirav Shah is husband of Noticee 18 and hence they reside in same house and use same email ID. This circumstance is the only basis for the SEBI to conclude that Noticee 18's buy trades resulted in creation of misleading appearance of trades. In the present proceedings, other than with Noticee 8 (who is her husband), there is no other connection with remaining Noticees.

(iii) Even assuming Noticee 18's LTP trades resulted in positive LTP of Rs 0.25, it is minuscule. In fact, her trades in zero LTP trades were in much larger number. This shows that Noticee 18 was not trying to manipulate the market.

9.4. Noticee 9 (Malay Shaileshbhai Patel) and Noticee 10 (Kajol Shailesh Patel) submitted common reply *vide* email sent on July 12, 2022, relevant extract of which is provided below:

"As, I Malay shailesh Patel attended the hearing on behalf of my sister kajol shaileshbhai patel.My sister kajol patel is currently living in USA and as I Said in the hearing that I am only the Investor and had invested in thirani project in my account as well as in my sister's account.At the time when I invested,I was not in India and was in the USA and right now I do live in Canada.I did not sell the shares of thirani project as it was in loss and it is still in my account in Arham stock brokers.I dont have any knowledge regarding what happened at that time.If there was any problem occurred by my side,Please consider as a mistake and lack of knowledge by me."

9.5. Replies of Noticee 11 (Piccadily Sales and Services Private Ltd.), Noticee 12 (Eversafe Highrise Private Ltd.), Noticee 13 (Northstar Dealcomm Private Ltd.), Noticee 14 (Boser Mercantiles Private Limited), Noticee 15 (Moonclub Merchants Pvt. Ltd.), Noticee 16 (Sree Ganesh Finco Credit Pvt. Ltd.), Noticee 17 (Albright Agencies Private Limited), Noticee 24 (Silvertoss Trexim Pvt. Ltd.), Noticee 25 (Allied Trexim Private Ltd.), Noticee 26 (Pugalia Vyapaar Pvt. Ltd.), Noticee 27 (Right Commodities Pvt. Ltd.), Noticee 28 (Surajit Saha) are identical. The same are summarized below:

(i) Noticee nos. 11 to 17, 24 to 28 have no connections with the alleged buyer or seller entities as mentioned in SCN. Also, the SCN has failed to establish any connections between the alleged parties apart from the presumption that the trades between them are matching trades. Trades executed on the floor of the exchange is a blind mechanism wherein the trading system prevents a member who places any orders from identifying the counterparty member or client and thus ensures anonymity of trades. Hence, it is highly unlikely that Noticee nos. 11 to 17, 24 to 28 were aware about the counter party and matching of two or more trades on a given day is coincidental and by no stretch of imagination can the trades be termed as non-genuine or for creating artificial volume as alleged in the SCN. Therefore, any price variation in the meantime, is a market phenomenon on which Noticee nos. 11 to 17, 24 to 28 did not have any control. The allegation in the SCN trades being non-genuine has been interpreted in an erroneous manner.

(ii) Noticee nos. 11 to 17, 24 to 28 deny having executed any non-genuine trades. The mode and mechanism of stock market is such that loss and profit cannot be definitely determined. The prices of any shares/stocks vary due to various components including sentiments, market conditions, economic and political development *etc.* Therefore, only for reasons of huge price variations, the trades by Noticee nos. 11 to 17, 24 to 28 cannot be classified as non-genuine. Hence, any matching of trades by a particular counter party could be a matter of chance and not a pre-determined activity for any purpose.

(iii) Noticee nos. 11 to 17, 24 to 28 found the opportunity to sell out the shares hence it sold such shares on BSE trading platform. Further, Noticee nos. 11 to 17, 24 to 28 never indulged in the execution of any non-genuine trades as alleged in the said SCN. Noticee nos. 11 to 17, 24 to 28 have traded on BSE in normal course of business. The tables and annexure attached in the SCN do not reflect the correct interpretation of the trades carried out by them. For each of such trades, there are contract notes generated by the broker for the company. The SCN has taken each contract note as if the total volume of trades in that instance and have indicated percentages of non-genuine trades in comparison to each contract note of the company. The fact remains that there have been huge volumes in the same stocks at the same instances through voluminous trades by other entities/persons and when their contract note is assumed against the total volume then, it turns out to be minimal which at best could be a matter of chance. They had given instructions to the share broker to carry out buy or sell transactions. They are not aware who would be the counter party in the blind mechanism. Under the given conditions, it was not possible for them to even assume that the trades entered by them were non-genuine or done with the intention to create artificial volume.

(iv) The trading system prevents a member who places any orders from identifying the counterparty member or client, and thus, ensures anonymity of trades. The system does not display details of all the pending orders, rather it only displays the 5 best pending orders. Therefore, at any given point of time, it is impossible to verify the party and counterparty of these transactions. There was no alert from the broker or the exchange which would prompt Noticee nos. 11 to 17, 24 to 28 to take any caution or create an alarm to stop trading. Under these circumstances, it is erroneous to come to a conclusion that they had executed non-genuine trades which resulted in artificial volume.

(v) The scrips in which Noticee nos. 11 to 17, 24 to 28 traded, were at no time banned, and hence, there was no bar on trading in the said scrips.

(vi) There was no alert from exchange. BSE allowed trading in these shares which renders *bonafides* Noticee nos. 11 to 17, 24 to 28 trading in these shares

(vii) There was no meeting of mind with the alleged counter parties. Matching of trades is a matter of coincidence.

(viii) Noticee nos. 11 to 17, 24 to 28 did not have any connection with the counter parties. They are merely traders/consumers and they have been made a victim of the trading mechanism.

9.6. In addition to the contentions provided in paragraph 9.5 above, Noticee 11 (Piccadily Sales and Services Private Ltd.), Noticee 12 (Eversafe Highrise Private Ltd.), Noticee 13 (Northstar Dealcomm Private Ltd.), Noticee 15 (Moonclub Merchants Pvt. Ltd.), Noticee 16 (Sree Ganesh Finco Credit Pvt. Ltd.), Noticee 24 (Silvertoss Trexim Pvt. Ltd.), Noticee 25 (Allied Trexim Private Ltd.), Noticee 26 (Pugalia Vyapaar Pvt. Ltd.), and Noticee 27 (Right Commodities Pvt. Ltd.) have submitted that merely having common address between some entities does not define the basis of connection.

9.7. In addition to contentions stated in paragraph 9.5 above, Noticee 14 (Boser Mercantiles Private Limited) has stated that it could be coincidence that Surajit Saha (Noticee 28) who is alleged in the SCN in an individual capacity is a director in Noticee 14.

9.8. Reply of Noticee 19 (M/s Prithvi Traders) is summarized hereunder:

(i) There was transaction of shares in ordinary course of business between Noticee 20 (Oasis Syntex Pvt. Ltd.), Noticee 21 (Massive Dealcomm Pvt. Ltd.), Noticee 22 (Nightangle Marcom Pvt. Ltd.), Noticee 23 (Priyanka Trexim and Commerce Pvt. Ltd.) and Noticee 19. In support of the above, statement of accounts has been provided. Further, Noticee 19 has given loan and advances to buyer entities (Noticees 6 to 10 and Noticee 18) as alleged in the SCN.

(ii) Noticee 19 has never indulged in the execution of any non-genuine trades as alleged in the said SCN. Further, it has no connections with the alleged buyer entities to purchase shares from sellers. Hence, the trades cannot be termed as manipulative or for creating artificial volume as alleged in the SCN. Therefore, any price variation in the meantime, is a market phenomenon on which Noticee 19 does not have any control.

(iii) The SCN has failed to establish any connections between alleged parties apart from the presumption that the trades between the parties are matching trades, common address and directors in some entity. Hence, any matching of trades could be a matter of chance and not a pre-determined activity for any purpose. Presumptions of connection do not establish any relation between the alleged parties. Further, the prices of any shares/stocks vary due to various components including sentiments, market conditions, economic and political development *etc.*

9.9. Replies of Noticee 20 (Oasis Syntex Pvt. Ltd.), Noticee 21 (Massive Dealcomm Pvt. Ltd.), Noticee 22 (Nightangle Marcom Pvt. Ltd.) and Noticee 23 (Priyanka Trexim and Commerce Pvt. Ltd.) are similar, therefore, they are summarized hereunder:

(i) Noticee 20 has submitted confirmation of account received from Noticee 19 (M/s. Prithvi Traders) to Noticee 20 in lieu of funds given for trading in shares. Further, trading was not executed hence fund was refunded to Noticee 20.

(ii) Noticee 21 has submitted confirmation of account received from Noticee 19 (M/s. Prithvi Traders) in lieu of funds given by Noticee 21 for purchase of 1,30,110 equity shares of M/s. Shree Securities Limited. Further, rest of the fund was refunded by Noticee 19 (M/s. Prithvi Traders) in lieu of which trading was not executed.

(iii) Noticee 22 has submitted confirmation of account received from Noticee 19 (M/s. Prithvi Traders) to Noticee 22 in lieu of funds given for trading in shares. Further, trading was not executed, hence fund was refunded to Noticee 22.

(iv) Noticee 23 has submitted confirmation of account received from Noticee 19 (M/s. Prithvi Traders) in lieu of fund given by Noticee 23 for purchase of 58200 equity shares of M/s. Shree Securities Limited.

(v) Merely common address or common director between some entities does not define the basis of connection. As regards the observation in the SCN that Tapas Roy and director of Noticee 23 *viz* Asit Mondal are joint demat a/c holders of BO ID XXXXXXXXXXXX3225, it could be a matter of chance and co-incidence.

(vi) The transaction held with Noticee 19 (M/s. Prithvi Traders) was in ordinary course of business and further Noticee nos. 20 to 23 are unaware of further transactions as mentioned in SCN with such amount.

(vii) Noticee nos. 20 to 23 never indulged in the execution of any non-genuine trades as alleged in the said SCN. Further, they have no connections with the alleged buyer entities to purchase shares from sellers. Hence, the trades cannot be termed as manipulative or for creating artificial volume as alleged in the SCN. Therefore, any price variation in the meantime, is a market phenomenon on which Noticee nos. 20 to 23 did not have any control.

(viii) The SCN has failed to establish any connections between alleged parties apart from the presumption that the trades between the parties are matching trades, common address and directors in some entity. Hence, any matching of trades could be a matter of chance and not a pre-determined activity for any purpose. Under the given conditions, it was not possible for Noticee nos. 21 to 23 to do the same with the intention to create artificial volume. The presumptions of connection do not establish any relation between the alleged parties. Further, the prices of any shares/stocks vary due to various components including sentiments, market conditions, economic and political development *etc.*

(ix) Noticee nos. 20 to 23 deny that they have violated the provisions of regulation 12A of SEBI Act, regulation 3(a), (b), (c), (d), and 4(1), 4(2) (a) to (g) of PFUTP Regulations.

9.10. In addition to contentions stated in paragraph 9.5 above, Noticee 25 (Allied Trexim Private Ltd.) has stated that off market transaction with Surajit Saha (Noticee 28) was executed for other company and not for TPL, so it is unfair to link any other transaction with the investigation of TPL. Further, it has stated that merely having common address with Northstar Dealcomm Pvt. Ltd. (Noticee 13) does not define the basis of connection.

9.11. In addition to contentions stated in paragraph 9.5 above, Noticee 28 (Surajit Saha) has stated that off market transaction with Noticee 25 (Allied Trexim Private Limited), Noticee 15 (Moonclub Merchants Pvt. Ltd.), Noticee 16 (Sree Ganesh Finco & Credit Pvt. Ltd.), Noticee 17 (Albright Agencies Pvt. Ltd.) and Noticee 26 (Pugalia Vyapaar Private Limited) were without any *malafide* intention and were executed in good faith with the counter party. Further, there was no off market transaction with the alleged parties related to TPL which proves that Noticee 28 did not have any intention to do trade in a fraudulent or erroneous manner. Further, it could be a matter of chance or coincidence that Noticee 28 is the director of Noticee 14 (Boser Mercantiles Private Limited) who is also alleged in the SCN of doing trades in fraudulent manner. He has no knowledge of other alleged entities with whom he has executed off market transaction apart from trading.

9.12. Reply of Noticee 29 (Thirani Projects Ltd.) is summarized hereunder:

(i) The increase or decrease in the price of the shares is not in the hand of TPL, it is purely driven by market condition hence sudden rise in the price and volume of shares as alleged in the SCN is not in knowledge of TPL. Further, any price variation or volume is a market phenomenon on which TPL does not have any control.

(ii) Merely common address between Noticee 15 (Moonclub Merchants Pvt. Ltd.), Noticee 21 (Massive Dealcomm Pvt. Ltd.), Noticee 24 (Silvertoss Trexim and Commerce Pvt. Ltd.), Noticee 12 (Eversafe Highrise Private Ltd.) and TPL does not define the basis of connection due to which price manipulation and dealing in fraudulent manner has been alleged.

(iii) The mentioned transaction in the SCN is of 37,000 equity shares of Shree Securities Limited executed between TPL and Mr. Tapas Roy on March 30, 2015 and the IP has started from year December 2017, hence it is not justified to relate any transaction irrespective of any year. TPL has executed the transaction with Mr. Tapas Roy with genuine intention without having any knowledge of future event.

(iv) TPL denies that it has violated the provisions of regulation 3(a), (b), (c), (d) and 4(1), 4(2) (a) of PFUTP Regulations.

D. CONSIDERATION OF ISSUES AND FINDINGS

10. I have taken into consideration the material available on record. The issues that arise for consideration in the present case are as follows:

I. Whether Noticee nos. 1 to 4 have violated section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), (2)(a), (b), (e) and (g) of PFUTP Regulations?

II. Whether Noticee nos. 1 to 5 have violated section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), (2)(a) and (g) of PFUTP Regulations?

III. Whether Noticee nos. 6 to 18 have violated section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), (2)(a), (b), (e) and (g) of PFUTP Regulations?

IV. Whether Noticee nos. 19 to 23 have violated section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), (2)(d) of PFUTP Regulations?

V. Whether Noticee nos. 24 to 28 have violated section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), and 4(1) of PFUTP Regulations?

VI. Whether Noticee 29 has violated section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d) and 4(1) of PFUTP Regulations?

VII. Does the violation, if any, attract monetary penalty under section 15HA of the SEBI Act?

VIII. If the answer to Issue No. VII is in affirmative, then what should be the quantum of monetary penalty?

I. Whether Noticee nos. 1 to 4 have violated section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), (2)(a), (b), (e) and (g) of PFUTP Regulations?

11. Before moving forward, it is pertinent to refer to section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), (2)(a), (b), (e) and (g) of PFUTP Regulations, which have been provided below for facility:

11.1. SEBI Act

CHAPTER VA PROHIBITION OF MANIPULATIVE AND DECEPTIVE DEVICES, INSIDER TRADING AND SUBSTANTIAL ACQUISITION OF SECURITIES OR CONTROL

Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control

12A. No person shall directly or indirectly—

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any

manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(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 recognised 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 recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;

11.2. PFUTP Regulations

CHAPTER II PROHIBITION OF FRAUDULENT AND UNFAIR TRADE PRACTICES RELATING TO THE SECURITIES MARKET

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 [1][manipulative], fraudulent or an unfair trade practice in [2][markets]

[3][Explanation–For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market]

(2) Dealing in securities shall be deemed to be a [4][manipulative] fraudulent or an unfair trade practice if it involves [5][any of the following]:—

(a) [6][knowingly] indulging in an act which creates false or misleading appearance of trading in the securities market;

(b) dealing in a security not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of such security for wrongful gain or avoidance of loss;

(e) any act or omission amounting to manipulation of the price of a security [7][including, influencing or manipulating the reference price or bench mark price of any securities];

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

*[1] Inserted vide the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) (Amendment) Regulations, 2018 w.e.f. February 01, 2019 (hereinafter referred to as "**PFUTP 2018 Amendment Regulations**").*

[2] Ibid.

*[3] Inserted vide Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) (Second Amendment) Regulations, 2020 w.e.f. October 19, 2020 (hereinafter referred to as "**PFUTP 2020 Amendment Regulations**").*

[4] Ibid.

[5] Substituted vide the PFUTP 2018 Amendment Regulations. Before the substitution the words read as: "fraud and may include all or any of the following, namely".

[6] Inserted vide the PFUTP 2018 Amendment Regulations.

[7] Ibid.

12. As noted above, neither Noticee nos. 1 to 4 have submitted a response to the charges levelled against them in the SCN nor did they appear for the hearing opportunities granted to them. Hon'ble SAT in the matter of Classic Credit Ltd. vs. SEBI, (Appeal No.68/2003), dated January 08, 2007, 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….".* Similarly, Hon'ble SAT in Sanjay Kumar Tayal & Ors. vs. SEBI, (Appeal No. 68 of 2013), decided on February 11, 2014, 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…..".* In Dave Harihar Kirtibhai vs. SEBI, (Appeal No. 181 of 2014), dated December 19, 2014, Hon'ble SAT held that *"...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...". Notwithstanding the orders cited above, while deciding the case, I also cannot lose sight of settled position of law that the charges in the SCN should be established with valid reasons and in accordance with law. Therefore, I deem it necessary to examine the charges based on the supporting material provided in the SCN.

13. I note that the connection between Noticee nos. 1 to 4 has been established on the basis of common mobile number. viz. xxxxxx6831. I note that during Patch 1 of the IP, the price of TPL scrip shot up from Rs. 12.50 to Rs. 28.45, and closed at Rs. 27.5. It was found that during Patch 1, Noticee nos. 1 to 3 were among the top LTP contributors on the buy side in scrip of TPL. Further, it was alleged that Noticee nos. 1 to 4 traded amongst themselves for 45 trades at prices higher than LTP and contributed Rs. 10.05 to market positive LTP (42% of market positive LTP). The extract of the aforesaid trades was provided to Noticee nos. 1 to 4 as annexure 5 to SCN 2. At the outset, I find it pertinent to refer to the decision of Hon'ble SAT in Saumil Bhavnagari vs. SEBI, (Appeal No. 28 of 2014), decision dated March 21, 2014, wherein it held that:

"It is an accepted state of affairs that in cases of manipulation of the volume and / or price of a particular scrip, it is usually an arduous task to obtain direct evidence. However, the analysis of the trade and order logs as undertaken hereinabove, establishes the malafide intention of the appellant."

14. Thus, it becomes essential to examine the trading pattern of Noticee nos. 1 to 4. For example, annexure 5 of SCN 2 shows that on January 29, 2018, Noticee 1 placed a buy order at 12:03:06, which was matched with sell order of Noticee 2 placed at 12:03:08. As evident from the timing provided above, the buy order was placed by Noticee 1 before sell order was placed by Noticee 2. The buy

order rate was placed at a rate of Rs 24.75 when the order LTP rate was Rs. 22.7, which led to creation of LTP of Rs 2.05. I find that it does not make commercial sense to place a buy order for a higher price than the LTP other than to manipulate a particular scrip. The timing of placing of orders and the price at which it was placed coupled with the connection between Noticee nos. 1 and 2 cannot be considered as a mere co-incidence accidently leading to positive LTP contribution. On the same day, Noticee 2 placed a buy order at 12:06:31.963, and Noticee 1 placed a sell order at 12:06:31.989, the said orders got matched and resulted into a trade. Thus, again the buy order was placed before the sell order. The order LTP at the time of the aforesaid trade was Rs 22.65, and the order was placed at the rate of Rs. 24.70, leading to a LTP rate of Rs. 2.05. Similar to the reasoning provided above, it is incomprehensible as to why anyone would place a buy order at a higher price than last LTP. In this regard, in *Saumil Bhavnagari (supra),* Hon'ble SAT held that:

"This lends support to the finding of the adjudicating officer in paragraph 20 of the impugned order. "… 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 <u>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</u>." (emphasis supplied)

15. On the next day, *i.e,* January 30, 2018, Noticee 1's sell order placed at 11:23:36 was matched with buy order of Noticee 2 placed at 11:23:37. Thereafter, on the same day, Noticee 1 placed a buy order at 14:50:53, and Noticee 2 placed a sell order at 14:50:53, which again got matched. The aforesaid two trades were placed within a second and nanoseconds of each other and contributed Rs 0.05 and Rs 1.7 respectively to LTP. I find that the matching trades can only be attributed to *malafide* intent on behalf of Noticee

nos. 1 and 2. By trading amongst themselves, I find that Noticee nos. 1 to 4 did not have the motive to transfer the beneficial ownership of the concerned shares.

16. Similar pattern is also observed in the other trades which are alleged to have contributed significant amount of LTP in the price of the scrip and these unusual trades have been executed between Noticee nos. 1 to 4. Thus, I have no doubt to hold that Noticee nos. 1 to 4 through 45 trades contributed Rs. 10.05 to market positive LTP which amounted to 42% of market positive LTP, in violation of section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), 4(2)(a), (b), (e) and (g) of PFUTP Regulations.

17. It has also been alleged in SCN 2 that Noticee nos. 1 to 4 through 98 synchronized trades amongst themselves contributed 43.07% to market volume and Rs 0.42 to net LTP. The extract of the allegedly synchronized trades was provided as annexure 6 to SCN 2.

18. At this juncture, it is relevant to refer to decision of Hon'ble SAT in Ketan Parekh vs. SEBI, (Appeal No. 2 of 2004), dated July 14, 2006, wherein it *inter alia* held the following:

"…..The word 'synchronise' according to the Oxford dictionary means "cause to occur at the same time; be simultaneous". A synchronised trade is one where the buyer and seller enter the quantity and price of the shares they wish to transact at substantially the same time….."

"….As already observed 'synchronisation' or a negotiated deal ipso facto is not illegal. <u>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</u>…." (emphasis supplied)

"….. 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…"

19. Further, in SEBI vs. Rakhi Trading Private Ltd. (Civil Appeal No. 1969 of 2011), decision dated February 08, 2018, Hon'ble SC *inter alia* held the following:

"'By manipulation and synchronization', it is meant that two parties have pre-meditated; as such a drastic movement in price within few seconds could have been only through prior understanding between the parties concerned only to fulfill an unlawful objective through misuse of the stock exchange…"

20. Thus, as held above, synchronized trades done with the intention to manipulate the price of the shares are illegal. From analysis of the alleged synchronized trades, the details of which have been reproduced at paragraph 6.3 above, I find that Noticee nos. 1 to 4 have executed 98 trades totalling to synchronized traded quantity of 80,798 shares. Further, such synchronized trades amounted to 43.40% of total traded quantity amongst Noticee nos. 1 to 4, which means that substantial part of their trading was in the form of synchronized trading. Details of few synchronized trades of Noticee nos. 1 to 4 in the scrip of TPL as provided in annexure 6 of SCN 2 are tabulated below:

Trade date	Buyer name	Seller name	Buy order time	Sell order time	Difference in buy and sell order time	Whether buy and sell order quantity were same	Whether buy and sell order price were same
01/02/2018	Nilay Jitendrakumar Mistry (Noticee 3)	Amitkumar Bhikhbhai Solanki (Noticee 2)	13:02:54	13:02:53	00:00:01	Yes	Yes

Trade date	Buyer name	Seller name	Buy order time	Sell order time	Difference in buy and sell order time	Whether buy and sell order quantity were same	Whether buy and sell order price were same
01/02/2018	Praveen Kumar (Noticee 4)	Ketan Pravinbhai Panchal (Noticee 1)	13:03:08	13:03:07	00:00:01	Yes	Yes
02/02/2018	Ketan Pravinbhai Panchal (Noticee 1)	Praveen Kumar (Noticee 4)	14:45:57	14:45:57	Less than seconds	Yes	Yes

21. I observe from the said annexure that the price and quantity of shares placed by Noticee nos. 1 to 4 were matching and the time difference was in the range of nanoseconds to 7 seconds. I find the aforesaid 98 trades were spread over 5 days in January (37 trades) and February (61 trades) of 2018. Such matching of orders placed by connected entities having identical quantity and price within a few seconds demonstrates prior meeting of minds to manipulate shares of TPL. In *Rakhi Trading (supra),* Hon'ble SC also held that:

"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. "

22. SCN 2 has alleged that during Patch 1 of IP, NHP of Rs 15.95 was created, out of which Group 2 Entities contributed Rs.3.25 to market NHP which was 20.38% of market NHP. Details of NHP creation has been provided in paragraph 6.5 above. I am of the view that such substantial creation of NHP further corroborates the finding that Group 2 Entities indulged in trades which created a misleading appearance of trading and contributed to price rise in the scrip of TPL in a manipulative manner.

In view of the paragraphs above, I find that it has been sufficiently established that Noticee nos. 1 to 4 carried out synchronized trades on multiple days which created a misleading appearance of trading in scrip, and therefore, they have violated section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), (2)(a), (b), (e) and (g) of PFUTP Regulations.

II. Whether Noticee nos. 1 to 5 have violated section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), (2)(a) and (g) of PFUTP Regulations?

23. SCN 2 has alleged that Noticee nos. 1 to 5 entered into reversal trades on 7 days amongst themselves which contributed 43.30% to market volume. The details of the alleged reversal trades have been set out in paragraph 6.4 above.

24. In Mr. Narendra Vallabhji Bahuva vs. SEBI, (Appeal No. 516 of 2019), decision dated July 14, 2021, Hon'ble SAT *inter alia* held the following:

"The reversed trades are considered those trades in which an entity reverse its buy or sell positions in a contract with the subsequent sell or buy position with the same counter party during the same day. We are, however, of the opinion that if the trades match even on the second day it will still be called a reversal trade."

25. I note that connection between Noticee nos. 1 to 5 has been established due to (i) Noticee nos. 3 and 5 sharing a common mobile number *i.e,* xxxxxx8915; (ii) Noticee nos. 4 and 5 sharing a common mobile number *i.e,* xxxxxx7089; and (iii) Noticee nos. 1 to 4 sharing a common number as stated in paragraph 13 above.

26. The trade log in the scrip of TPL for the IP was given as annexure 7 of SCN 2 to Noticee nos. 1 to 5. For instance, annexure 7 of SCN shows that on January 24, 2018, Noticee 4 placed a sell order at 11:40:22 for 3750 shares at a rate of Rs 22 which got matched with buy order for 5000 shares placed by Noticee 1 at 11:40:23 at a rate of Rs 22. Subsequently, on the same day, Noticee 1 placed sell order at 11:40:35 for 5000 shares at a rate of Rs 22.05 which got

matched with buy order of Noticee 4 placed at 11:40:36 for 3750 shares at a rate of Rs 22.05.

27. Similarly, on January 30, 2018, Noticee 5 placed a sell order at 14:50:53 for 1500 shares at the rate of Rs 24.5 which was matched with buy order of Noticee 1 placed at 14:50:53 for 7560 shares at a rate of Rs 24.5. Thereafter, on the same day, sell order of Noticee 1 placed at 14:51:15 for 7560 shares at a rate of Rs 24.45, was matched with buy order of Noticee 5 for 1500 shares placed at 14:51:15 at a rate of Rs 24.45. From the pattern of trades provided above, I note that Noticee nos. 1, 4 and 5 bought and sold shares of TPL and reversed the trade with the same counterparty within a few seconds/minutes from their earlier trade, which suggests that Noticee nos. 1, 4 and 5 were not guided by market factors as otherwise why would an entity reverse its trade within seconds/minutes of executing a particular trade. Similar pattern can also be observed for reversal trades executed by Noticee nos. 2 and 3. Thus, I am inclined to observe that trades of Noticee nos. 1 to 5 were non genuine and created a false appearance of trading, which violated section 12A(a), (b), (c) read with regulation 3(a), (b), (c), (d) and 4(1), (2)(a) and (g) of PFUTP Regulations.

III. Whether Noticee nos. 6 to 18 have violated section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), (2)(a), (b), (e) and (g) of PFUTP Regulations?

28. Provisions relevant to this issue have already been reproduced in paragraph 11 above, the same are not repeated herein for brevity. It is alleged in SCN 1 that Noticee nos. 6 to 18 by trading amongst themselves for 36 trades at prices higher than LTP contributed Rs. 5.10 to market positive LTP (13.16% of market positive LTP) in a manipulative manner during Patch 2 of the IP.

29. I find it apposite to firstly deal with preliminary contention of Noticee nos. 6, 8 and 18. Noticee nos. 6, 8 and 18 have argued that the trades in the present matter were executed 3-4 years ago and SCN 1 does not justify the delay in initiation of proceedings which has severely prejudiced the ability of Noticee

nos. 6, 8 and 18 to respond to allegations made by SEBI. I find that although the time taken and efforts involved in an investigation may vary from case to case, generally investigation per-se is a time consuming process that involves collection, scrutiny and careful examination of UCC details, KYC details, trade logs, transaction statements and off-market transfers obtained from various entities including but not limited to the company, the stock exchanges, the depositories, the brokers, banks, 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. I note that in the present case the sequence of events that has led to the passing of the current adjudication order is as follows:

(i) SEBI started examining the present matter on July 23, 2018.

(ii) The task of detailed investigation in the matter was approved on February 08, 2019 and was concluded on January 30, 2020.

(iii) The undersigned was appointed as the adjudicating officer *vide* order dated August 13, 2020 which was conveyed through communication dated September 03, 2020.

(iv) The undersigned issued SCN 1 to Noticee nos. 6 to 29 on November 06, 2020.

30. In relation to delay, I find it relevant to refer to the following orders of Hon’ble SAT:

(i) In Hemant Sheth and Ors. vs. SEBI, (Appeal No. 521 of 2021), decided on January 07, 2022, it was argued by the appellants that the adjudicating officer was appointed on July 04, 2013 but the show cause notice was issued in 2016 and therefore there was an inordinate delay of 30 months for which no plausible explanation was given. The Hon’ble SAT while dismissing the aforesaid contention of the appellants held that:

"9. Insofar as the delay is concerned we find that after the observation made by the WTM in its order of May 10, 2013 SEBI took action and appointed the AO dated July 4, 2013. No doubt the show cause notice was issued in January 2016 but the delay in the issuance of the show cause notice in the instant case will not vitiate the proceedings initiated against the appellants in the peculiar facts and circumstances of the case. Consequently, we are not inclined to quash the proceedings only on the ground of inordinate delay as asserted by the learned counsel for the appellant."

(ii) In M/s. Adamina Traders Private Limited vs. SEBI *(*Appeal No. 331 and 366 of 2020) dated December 15, 2021, the trades concerned in the appeal took place in 2013, and the show cause notice was issued by the adjudicating officer in 2018. The appellants raised an argument of inordinate delay in issuance of the show cause notice. Dismissing the aforesaid contention, the Hon'ble SAT held the following:

'We do not find any evidence to hold that there was an inordinate delay in the issuance of the show cause notice. This contention is accordingly rejected. <u>Further, nothing has been shown as to how this delay has prejudiced the appellant. In the absence of any prejudice the delay, if any, cannot be set aside</u>." (emphasis supplied)

(iii) In Pooja Vinay Jain vs. SEBI (Appeal No. 152 of 2019) decided on March 17, 2020, the Hon'ble SAT held the following:

"On the issue of delay, in the case of Ashok Rupani (supra), this Tribunal, inter-alia, noted the ratio in the case of Mr. Rakesh Kathotia and Ors. vs. SEBI [Appeal No 7 of 2016 decided on May 27, 2019]. Paragraph No. 7 of the case of Ashok Rupani Judgment is as under….
<u>The decision would show that the power to initiate the proceedings must be exercised by the authorities within a reasonable time.</u> This would

depend upon the facts and circumstances of the case, nature of the default / statute and prejudice caused to the noticee.

In the present case, the appellant neither put a plea of prejudice before the AO nor before us. It was simply stated that since the proceedings were launched by respondent SEBI after a period seven years, the same should be quashed on the ground of delay. <u>The record would show that all the documents concerning the defense of the appellant were filed by her before the AO. Therefore, for want of any prejudice the proceedings cannot be quashed simply on the ground of delay in launching the same.</u>" (emphasis supplied).

To summarize, in the decision referred in (i) above, Hon'ble SAT dismissed the contention of delay owing to the peculiar circumstances of the case. Further, in the decisions referred in (ii) and (iii) above, the Hon'ble SAT has placed reliance on the fact that the appellant had failed to demonstrate how the delay has caused prejudice to them. I find that the argument of delay raised by Noticee nos. 6, 8 and 18 in the current matter is weak as they have not been able to show how they was impaired in defending themselves due to the alleged delay, which is essential in view of the orders referred above. I find that the paragraphs above clearly establish that there was no inordinate delay in issuing the SCN in the present matter, and therefore, this contention is liable to be dismissed.

31. Noticee nos. 6, 8 and 18 have argued that the connection with other Noticees is not clearly spelt out in the SCN and that due to absence of specific wrongdoing attributed to them, the SCN ought to be set aside. I have also perused the judgments/orders cited in support of above, namely, *Suresh Raghunath Bhokare (supra), KSL & Industries Ltd. (supra), Kanaiyalal Baldevbhai Patel and Ors. (supra), Chautbhai M.Patel and Co. (supra)* and *Nand Kishore Prasad (supra).* In this regard, I find it appropriate to refer to the judgment of Hon'ble SC in SEBI vs. Kishore R. Ajmera (Civil Appeal No. 2818 of 2008), decision dated February 23, 2016, wherein it *inter alia* held that:

"22. 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."

32. Coming to the SCN, I note that in SCN 1, the following details are *inter alia* provided:

(i) paragraph 3 provides the price volume data of the 3 patches of investigation;

(ii) paragraph 4 sets out the details of connections of Noticee nos. 6, 8 and 18 with other Noticees along with stating that UCC database is attached as annexure 3, data obtained from website of Ministry of Corporate Affairs (MCA) is attached as annexure 4 and details of off-market transactions among certain Noticees is attached at annexure 5;

(iii) paragraph 6 states the total trades of Noticees including of Noticee nos. 6, 8 and 18, and categorises them under the umbrella of Buyer Entities;

(iv) paragraph 8 states that 13 entities including Noticee nos. 6, 8 and 18 traded amongst themselves for 36 trades at prices higher than LTP and contributed Rs. 5.10 to market positive LTP (13.16% of market positive LTP), and therefore created misleading appearance of trading and price rise in manipulative manner during Patch 2 of the IP along with stating that extract of trades of such entities is placed at annexure 6 of SCN;

(v) paragraph 9 discusses the analysis of NHP done which includes contribution of Noticee nos. 6, 8 and 18;

(vi) paragraph 10 states the connection between Buyer Entities and Noticee 19 (*i.e,* M/s. Prithvi Traders);

(vii) paragraph 11 discusses the connection between Noticee 19 and other Noticees (*i.e,* Noticee nos. 8-10, 12, 13, 15, 17, 18);

(viii) paragraph 12 discusses connection of Noticee nos. 20 to 23 with Seller Entities;

(ix) paragraph 13 cites few instances where Buyer Entities were funded by Funding Entities.

Thus, on perusal of SCN 1, I find that connections and manipulation alleged against Noticee nos. 6, 8 and 18 has been duly brought out in the SCN. I find that Noticee nos. 6, 8 and 18 have been provided with sufficient material to defend themselves through the SCN and the annexures, therefore, I do not agree with their contention that the SCN does not disclose evidence basis which the charge against Noticee nos. 6, 8 and 18 has been alleged.

33. I have perused the orders and judgments cited by Noticee nos. 6, 8 and 18 in relation to the aforesaid contention. In *Vikas Ganeshmal Bengani (supra),* Hon'ble SAT has *inter alia* held that SEBI is required to set out the particulars of the manner in which a fraud or unfair trade practice has been committed by an entity. In *The Dhanalakshmi Bank Ltd. (supra),* Hon'ble SAT *inter alia* held that stating violation of provisions without mentioning particulars on which charge was based is insufficient, and such SCN also falls short of demands of principles of natural justice. In *Brindavan Beverages (P) Ltd. and Ors. (supra),* it was *inter alia* held by the Hon'ble SC that if the SCN is vague then it would mean that the noticee was not given proper opportunity to meet the allegations

levelled in the SCN. As discussed in the paragraph above, I am of the view that SCN clearly lays out the roles played by Noticee nos. 6, 8 and 18 in contributing to positive LTP in the scrip of TPL. SCN 1 states the connection of Noticee nos. 6, 8 and 18 with other Noticees, the position adopted by them in manipulation (*i.e,* being part of Buyer Entities), how Noticee nos. 6, 8 and 18 as part of Buyer Entities were funded by Noticee 19 (M/s. Prithvi Traders), which was inturn had received funds from Funding Entities. Thus, I find that contention of Noticee nos. 6, 8 and 18 that SEBI has not provided reasons in SCN for its conclusion lacks merit.

34. Noticee nos. 6, 8 and 18 have argued that the allegation against them is not based on any inter-se connection with the rest of Noticees. Noticee nos. 6 and 18 have further argued that no evidence has been provided to them regarding their fund transactions with Noticee 19 (M/s. Prithvi Traders). To begin with, it is important to highlight that Noticee nos. 6 and 8 share a blood relationship, Noticee 6 is the father of Noticee 8. Further, Noticee 8 and 18 are spouses. Thus, Noticee 6 is father-in-law of Noticee 18. Noticee nos. 6, 8 and 18 share common address and email ID. Further, I find that annexure 8 of the SCN contains bank statement of Noticee 8 (Nirav Nareshkumar Shah). The bank statement of Noticee 8 shows that he had received funds from Noticee 19 (M/s. Prithvi Traders) on multiple dates. SCN 1 shows and as reproduced in paragraph 7.4.3 above, Noticee 8 had received funds from Noticee 19 and thereafter sent funds to his stock broker to clear his pay-in obligations. Bank statements of Noticee 8 show that he had transferred funds to Noticee 6 (for example, on March 14, 2018, Noticee 8 transferred Rs.45 lakhs to Noticee 6) and Noticee 18 (for example, on February 26, 2018, Noticee 8 transferred Rs 10 lakhs to Noticee 18). Thus, connecting the dots, I find that Noticee nos. 6 and 18 had indirectly received funds from Noticee 19 *via* Noticee 8 which shows their connection to Noticee 19 and through Noticee 19 to other Noticees.

35. Noticee 8 has argued that apart from receiving funds twice from Noticee 19 (M/s. Prithvi Traders), SEBI has not shown any connection with other Noticees. I have already explained in the previous paragraphs the connection

between Noticee 19 and other Noticees. As per annexure 8 provided along with SCN 1, Noticee 8 had received funds 9 times between the period of October 01, 2017 to July 31, 2018 as tabulated below:

Sl No.	**Date**	**Amount (in Rs)**
1.	08/02/18	33,00,000
2.	22/02/18	35,00,000
3.	26/02/18	17,00,000
4.	27/02/18	5,00,000
5.	27/02/18	2,00,000
6.	28/02/18	28,00,000
7.	28/02/18	10,00,000
8.	05/03/18	14,00,000
9.	09/03/18	25,00,000
Total		**1,69,00,000**

It is important to highlight here the findings of Hon'ble SC in *Kishore R. Ajmera (supra)* wherein it held that direct evidence may not always be available in many cases, hence, conclusions would have to be drawn from totality of circumstances. Noticee 8 has claimed that the fund transfers from Noticee 19 and the trades in the scrip of TPL were independent, however, he has not provided any evidence to support his claim. He has also not provided any explanation as to why he had received Rs 1,69,00,000 from Noticee 19. Noticee 8 has contended that even if it is assumed that he had received funds from Noticee 19, it does not suggest that Noticee 8 was part of a scheme. In this regard, I find that fund transfers of such a substantial amount can only happen between known parties. Receiving funds from Noticee 19 and subsequently transferring funds to his stock-broker strongly suggests that funds received by Noticee 8 were for the purpose of trading in TPL. I find it difficult to accept the ignorance pleaded by Noticee 8.

36. In support of the contention of Noticee nos. 6, 8 and 18 provided above, they have relied on *Ashlesh Gunvantbhai Shah (supra).* I find that the facts of the instant case are distinguishable from the aforesaid case. In the aforesaid case, Hon'ble SAT had held that the connections of the appellants were not brought out in any documentary evidence. As opposed to the aforesaid case, in the present case, as explained in the paragraph above, Noticee nos. 6 and 18

have indirectly received funds from Noticee 19 and Noticee 8 has directly received funds from Noticee 19, who had received funds from Noticee nos. 20 to 23 who were connected with TPL and Seller Entities by way of common address, common director, off-market transfers *etc.* Thus, I find that this contention of Noticee nos.6, 8 and 18 is bereft of merit.

37. At this stage. I find it necessary to examine the trades of Noticee nos. 6,8 and 18, which was provided as annexure 6 with SCN 1. As per annexure 6, on February 27, 2018, Noticee 16 (Sree Ganesh Finco Credit Private Ltd.) placed a sell order at 12:26:57 at the rate of Rs 32.05, which was matched with buy order of Noticee 6 placed at 15:19:42, at the rate of Rs 32.1. It is not clear commercially as to why Noticee 6 would place for a buy order at the rate of Rs 32.1, when already a sell order at the rate of Rs 32.05 exists in the system and contribute Rs. 0.55 to the LTP rate. I find that the indirect receipt of funds coupled with his trading pattern point towards manipulation. It is important to reiterate that before the IP, on analysing orders from June 16, 2014 to April 18, 2018, it was observed that there were no sell orders with respect to the scrip of TPL in the system till December 26, 2017 and therefore, no trade was executed until the aforesaid date. Similarly, on February 27, 2018, Noticee 8 by placing a buy order at 12:14:39 at the rate of Rs 32, when Noticee 18 (Payal Niravbhai Shah) had already placed a sell order at 10:25:40 at the rate of Rs 31.95, contributed Rs. 0.65 to LTP. As regards Noticee 18, annexure 7 contains details of creation of NHP by Noticee nos. 6 to 18 which shows that on March 16, 2018, Noticee 18 placed an order for Rs 34.7 when the LTP of the said order was Rs. 34.45 thereby contributing Rs. 0.25 to market NHP which amounted to 2.70% of market NHP. Thus, the aforesaid observations further strengthen my finding that trades of Noticee 6, 8 and 18 were not motivated by commercial reasons.

38. I note that Noticee nos. 6, 8 and 18 have relied on the order of Hon'ble SAT in *HB Stockholdings Limited (supra)* to contend that nothing has been bought on record to show that they were aware of the identity of any of the counterparties to trade. In the aforesaid case, Hon'ble SAT took note of the following: (i) counterparty to the trade of the appellant *i.e,* Gloria Investment

Limited had already been exonerated by SEBI; (ii) no convincing reasons have been brought forward by SEBI to sustain the charge of synchronization of trades; (iii) merely 1 or 2 entities sharing common address or one entity being promoter of other group are not sufficient themselves to bring home the residual charge against the appellants. I find that the present case is distinguishable from the aforesaid case. In the present case, apart from Noticee nos. 6, 8 and 18 having common address and email ID, it has been explained in the paragraphs above how Noticee nos. 6 and 18 indirectly received funds through Noticee 8, who inturn received funds from Noticee 19 and Noticee 19 through Noticee nos. 20 to 23. Noticee nos. 19 to 23 are connected with TPL and Seller Entities through common address, common director and off-market transfers. For example, the counterparty to one of the trades of Noticee 6 was Noticee 16, which has off-market transfers with Surajit Saha, who is the proprietor of Noticee 19. It has already been established in paragraphs above that Noticee 19 had transferred funds to Noticee nos. 6 and 18 through Noticee 8. Thus, it cannot be said that Noticee 6 is not connected with Noticee 16 (*i.e.,* its counterparty). Therefore, the contention of having no prior meeting of minds with Noticee 16 deserves to be dismissed.

39. Noticee nos. 6, 8 and 18 have also placed reliance on the order of Hon'ble SAT in *M/s Nishith M. Shah HUF (supra)*. In the aforesaid order, it was held that connection between buyer and seller needs to be established to infer manipulation in a scrip. I have already explained in paragraph above how Noticee 6 was connected with Noticee 16 (*i.e.,* its counterparty). Further, the aforesaid case related to selling miniscule quantity of shares by the seller at a price higher than LTP, whereas in the present case Noticee 6 is a buyer who has sold above LTP. A seller placing orders above LTP, ordinarily appears to be commercially sound as it may want to sell its shares at the highest price available, however, for a buyer to place an order for shares above LTP is unusual unless motivated by ulterior interests. Therefore, I find that the present case is distinguishable from *M/s Nishith M. Shah HUF (supra)*.

40. As regards to reliance placed by Noticee nos. 6, 8 and 18 on the order of Hon'ble SAT in *Baldevsinh Vijaysinh Zala (supra),* I note that Hon'ble SAT in the said order had *inter alia* held that:

"We find that there is no evidence in the impugned order to show that noticee nos.1 to 13 traded amongst themselves which resulted in the creation of artificial volume and misleading appearance in the scrip….

….One instance of such trade cannot prove the charge of the 13 entities trading amongst themselves…..

Therefore, in order to prove the charge against the appellants/noticees there must be sufficient material to show that these entities were trading amongst themselves. <u>Except for the aforesaid instance of one trade, we do not find any evidence to show that the 13 noticees/appellants were trading amongst themselves on a continuous basis during the investigation period</u>. In the absence of any evidence we are of the opinion that the charge of the 13 noticees/appellants trading amongst themselves cannot be proved…" (emphasis supplied)

The manipulative trades of Noticee nos. 6, 8 and 18 are more than 1 as provided in annexure 6 to SCN 1 and as discussed in the previous paragraphs, thus, I find that the facts of the aforesaid case are distinguishable.

41. Noticee nos. 6, 8 and 18 have contended that on a screen based platform, it is impossible for a party while placing trades to know the counterparty or the particulars of trades placed by them and therefore, such trades cannot be questioned. In this regard, I find it appropriate to rely on the judgment of Hon'ble SC in the case of *Kishore R. Ajmera (supra),* wherein it held that:

"26. It has been vehemently argued before us that on a screen based trading the identity of the 2nd party be it the client or the broker is not known to the first party/client or broker. According to us, knowledge of who the 2nd party/ client or the broker is, is not relevant at all. <u>While the screen based trading</u>

system keeps the identity of the parties anonymous it will be too naive to rest the final conclusions on said basis which overlooks a meeting of minds elsewhere. Direct proof of such meeting of minds elsewhere would rarely be forthcoming. The test, in our considered view, is one of preponderance of probabilities so far as adjudication of civil liability arising out of violation of the Act or the provisions of the Regulations framed thereunder is concerned. (emphasis supplied).

Thus, I find that above defence of Noticee nos. 6, 8 and 18, lacks merit.

42. It has also been argued by Noticee nos. 6, 8 and 18 that the SCN does not show how the alleged trades created misleading appearance of trades. As stated in paragraph 32 above, SCN 1 explicitly states that by trading amongst themselves at prices higher than LTP, Noticee nos. 6 to 18 contributed to price rise in scrip of TPL. To support the above, annexure 6 shows the extracts of the trades of Noticee nos. 6 to 18 and annexure 7 shows trades of Noticee nos. 6 to 18 which resulted in creation of NHP. It is obvious that rise in price of any scrip may influence gullible investors to invest in a scrip thinking that the demand in the scrip is genuine, which may not always be the case.

43. Noticee nos. 6, 8 and 18 have submitted that the LTP contribution and volume of their trades should be viewed independently, and when viewed independently, they were insignificant/minuscule. They have also argued that they had traded in other scrips apart from that of TPL. In this regard, I find it relevant to refer to decision of Hon'ble SAT in Hemant Sheth and Ors. vs. SEBI, (Appeal No. 205 of 2019), decision dated March 04, 2020, wherein it held that:

"In a scheme of manipulative and unfair trading it is not necessary that every participant should be indulging in every type of trading violation or even in the same / similar magnitude. Once they are found to be part of a group trying to manipulate the volume or price of the scrip they became party to the violation. Hair splitting arguments that some traded more than others or on more days

or some indulged in synchronized reversal and self trade while others did only one of those types do not cast away their violations." (emphasis supplied)

Since Noticee nos. 6, 8 and 18, acted in a group, it is necessary to see the contribution of the group as a whole. As a whole, Noticee nos. 6 to 18 contributed 13.16% to market positive LTP, which cannot be considered as insignificant. It is pertinent to note that every share executed at a price which is at variance to the LTP, becomes the LTP in the particular scrip. The pattern of increase or decrease of LTP acts as a crucial indicator of the price movement of the scrip to investors which inturn influences volume.

44. As regards their contention that if there was increase in LTP/NHP, it does not necessarily mean trades were fraudulent and that there was change in beneficial ownership, I find it appropriate to place reliance on the findings of Hon'ble Supreme Court in the matter of SEBI vs. Rakhi Trading (Civil Appeal no. 1969 of 2011), decision dated February 08, 2018, wherein it relied upon the following extract from the decision of Hon'ble SAT in *Ketan Parekh (supra):*

"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." (emphasis supplied)

Keeping in mind the aforestated findings of the Hon'ble Supreme Court, I find that for determining manipulative intent, change in beneficial ownership is one of many factors from which an inference can be drawn and it is not the only factor. Notwithstanding the change in beneficial ownership, taking into account the findings recorded by me above, I find that basis the connection observed between Noticee nos. 6 to 18 and the trading pattern, it can be reasonably concluded that Noticee nos. 6, 8 and 18 have acted with vested interest to increase LTP of the TPL scrip.

45. Noticee nos. 6, 8 and 18 have also contended that they were price takers and not price makers, thus, they have not contributed to LTP/NHP. I have already demonstrated in paragraph 32 above, how Noticee nos. 6 and 8 contributed to LTP and Noticee 18 contributed to NHP, thus, I do not find it necessary to again indulge in this issue. As to their argument that if there was nexus between them and counterparties then their orders would have been placed very close to each other and would have matched immediately, I find that there is no strict timeframe for charge of manipulation of scrip to sustain. It may not always be the case that manipulators may punch orders at the same time. Manipulation has been found to be operating in many different ways. Hence, time gap of order punching between buy side and sell side may not always be the deciding factor. Further, it may be noted that in liquid scrips, due to large investor base, trades may take place frequently, therefore, for matching, manipulators may prefer placing their orders within short gaps, whereas in cases of scrip such as TPL which despite being listed on BSE for more than 3 years was not being traded, manipulators may place their order with longer time gaps as there are less chances of their orders matching with other entities other than with whom they have devised a scheme and to avoid scrutiny.

46. Noticee nos.6, 8 and 18 have relied on the decision of Hon'ble SC in *Hindustan Steel Ltd. (supra).* At the outset, manipulating price of a scrip and inturn inducing innocent investors by no stretch of imagination, can be considered as a technical breach. As regards to imposition of penalty and quantum thereof, the same shall be dealt in Issue no.VI and VIII as well as part E of the order. I have also taken note of the judgement of Hon'ble SC in Bhavesh Pabari *(supra)*. I have perused the contents of *K.S Gandhi and Ors. (supra)*, and I find the facts of the present case are totally distinguishable.

47. Noticee nos. 6, 8 and 18 have argued that their actions have not been detrimental to securities market and that they have not made any

disproportionate gain or caused loss to investors. I disagree that their acts have not been detrimental to securities market, as any act of inducing innocent investors is detrimental to the integrity of the securities market. The factors of disproportionate gain or loss caused to investors shall be duly considered in Issue no. VIII of the order, though, it is pertinent to note that the aforesaid factors do not take anything away from the violation committed by Noticee nos. 6 to 18. Lastly, Noticee nos. 6, 8 and 18 have relied on the decision of Hon'ble SC in *Hanumant and Ors (supra),* the said case discusses circumstantial evidence in context of a criminal trial, thus, without going into the merits of the case, I find that it is not applicable to the instant case due to the nature of the proceedings. Further, they have relied upon judgment of Hon'ble SC in *Balram Garg (supra)*, wherein the violations alleged were in relation to insider trading and mainly involved SEBI (Prohibition of Insider Trading) Regulations, 2015, therefore again, I find that the aforesaid case is not applicable to the current proceedings.

48. Noticee nos. 9 and 10 have submitted that they did not sell the shares of TPL as it was in loss during the IP. They have also stated that they still hold the shares of TPL. I find that annexure 6 of SCN 1 shows that Noticee no. 9 and 10 executed total 28 trades. As noted above, Patch 2 was a price rise patch, wherein price of scrip of TPL reached a high of Rs 37 and closed at Rs. 32.10 *i.e,* rise of Rs 4.35 from opening price. Thus, it is hard to believe that Noticee nos. 9 and 10 did not sell their shares as according to them scrip of TPL was in loss. Not selling their shares also does not explain why they had placed buy orders above LTP. For instance, as per annexure 6 of SCN 1, on February 05, 2018, Noticee 10 placed a buy order at the rate of Rs 28.85 when the order LTP was Rs 28.2. Thus, Noticee 10 contributed Rs 0.65 to LTP.

49. Noticee nos. 11 to 17 have argued that they do not have any connections with buyer or seller entities. In this regard, between Noticee nos. 11 to 17, I find that it has been clearly laid down in SCN 1 that:

(i) Noticee 19 which has transferred funds to the Buyer Entities is owned by Sanjib Roy, who is the director of Noticee 13, as per KYC obtained from HDFC bank.

(ii) Another director of Noticee 19 is Tapas Roy. Tapas Roy has off-market transfers with Noticee nos. 12, 13, 14, 16 and 17. List of off-market transfers with Tapas Roy was provided as annexure 5B of SCN. For example, annexure 5B shows that on May 20, 2014, Tapas Roy transferred 5,60,000 shares to Noticee 12. On September 03, 2014, Tapas Roy transferred 4,00,000 shares of TPL to Noticee 13. On April 25, 2014, Tapas Roy transferred 45,800 shares to Noticee 17.

(iii) Address of Noticee 19 is same as address of Noticee nos.13 and 17 as per KYC and bank statements obtained from HDFC bank.

(iv) Address of Noticee nos. 11 and 16 is same as per MCA details.

50. Further, SCN 1 also alleges the connection between Noticee nos. 11 to 17 and Noticee nos. 24 to 29 as follows:

(i) Noticee nos. 12, 15 and 24 share common address as per MCA details, which was also previously the registered address of Noticee 29.

(ii) Noticee nos. 13 and 25 share common address as per UCC details.

(iii) Noticee nos. 13, 17, 19 have common address as Noticee nos. 25 and 27 as per KYC and bank statements obtained from HDFC bank. Address of Noticee nos. 17 and 27 is also shown as common as per MCA details.

(iv) Noticee nos. 11 and 16 share common address with Noticee 26.

(v) Noticee 28 is the director of Noticee 14.

(vi) Noticee 28 had off-market transactions with Noticee nos. 15, 16, 17, 25 and 26. List of off-market transactions with Noticee 28 was provided as annexure 5A of SCN. For example, annexure 5A of SCN shows that on March 22, 2018, Noticee 28 transferred 75,000 shares to Noticee 15. On the next day, Noticee 17 transferred 75,000 shares to Noticee 28. On March 28, 2018, Noticee 25 transferred 24,160 shares to Noticee 28. On May 05, 2016, Tapas Roy transferred 15,660 shares to Noticee 25.

(vii) Tapas Roy had off-market transfers with Noticee nos. 25, 27 and 28. For example, annexure 5B shows that on June 19, 2014, Tapas Roy transferred 10,000 shares to Noticee 28. On May 02, 2014, Tapas Roy transferred 7,650 shares to Noticee 27. On May 05, 2016, Tapas Roy transferred 15,660 shares to Noticee 25.

51. As opposed to contention of Noticee nos. 11, 12, 13, 15 and 16 that only common address has been used to define connection, I find that apart from common address, common director and off-market transactions have been taken into consideration to allege connection. Noticee nos. 11 to 17 have not produced me before any evidence which would negate the inferences of connection drawn. Thus, the connection has been alleged on basis of multiple factors. Noticee nos. 11 to 17 have further contended that trades executed on the stock exchange happens through a blind mechanism which ensures anonymity, therefore, matching of trades is incidental. I find that though the purpose of the screen based trading system is to ensure transparency and offer best price to the parties involves, it is possible that trades are placed on the screen of the exchange with a prior understanding. Herein, as reproduced in paragraph 41, I would again like to rely on the ruling of Hon’ble SC in *Kishore R. Ajmera (supra),* wherein it held that to believe in the aforesaid contention ignoring the meeting of minds taking place elsewhere would be acting naïve. It is suspicious that in all 36 trades, sell orders have been placed before buy orders and with price and quantity particulars to match the buy orders. I find that matching of trades amongst Noticee nos. 6 to 18 did not happen as mere coincidences but was possible due to the commonality of

intent that existed while dealing in the scrip of TPL. Thus, I cannot accept this contention.

52. Noticee nos. 11 to 17 have contended that there was no bar in trading in shares of TPL and that BSE did not raise any alerts pursuant to trades executed by them. I note that stock exchange merely acts as a platform for carrying out the trades, the obligation to ensure genuineness of trades lies on the Noticees. Thus, the aforesaid contention is without any merits.

53. Noticee nos. 11 to 16 have also contended that there was huge volume in the share of TPL through voluminous trades by other entities/persons and when contract note of Noticee nos. 11 to 16 is compared with the total volume then, it turns out to be minimal which could be a matter of chance. I have already dealt with the contention how LTP contribution by Noticee nos. 6 to 18 is pre-meditated. As regards assessment of contract notes *vis-à-vis* total volume, Noticee nos. 11 to 16 have not furnished any contract note or calculation basis which contribution of 13.16% to total market positive LTP by Noticee nos. 6 to 18 can be refuted. Thus, this contention deserves dismissal.

54. Noticee nos. 14 and 28 have argued that it could be a co-incidence that Noticee 28 on whom charges have been levelled in the SCN in an individual capacity is also a director of Noticee 14. I find that Noticee 28 being director of Noticee 14 coupled with off-market transactions of Noticee 14 with Tapas Roy (director of Noticee 19) is reliable evidence that Noticee 14 was also part of the scheme. For instance, Tapas Roy who is the other director of Noticee 19, had off-market transactions with Noticee 14, which cannot be a mere co-incidence as off-market transactions require familiarity with the counterparty. Thus, this contention lacks merit.

55. The SCN also alleges during Patch 2 of the IP, price of the scrip moved from open price of Rs. 27.75 to high of Rs 37, and NHP of Rs 9.25 was created. It further alleges that Group 1 Entities contributed Rs. 1.05 in creation of NHP which amounts to 11.35% of total market NHP and by trading amongst themselves Group 1 Entities have contributed Rs. 0.65 to market NHP which

amounts to 7.03% of total market NHP during Patch 2. After perusing the trades that have allegedly resulted into NHP, I note that through 10 trades, Group 1 Entities have created NHP. I note that the aforesaid contributions to NHP in the scrip of TPL appears less, however, when contribution of Group 1 Entities to NHP is looked alongside contribution of Group 1 Entities to market positive LTP, the creation of NHP assumes more gravity. In light of the paragraphs above, I find that Noticee nos. 6 to 18 have violated section 12A(a), (b), (c) of SEBI Act read with regulations 3(a),(b), (c), (d), 4(1), 2(a), (b), (e) and (g) of PFUTP Regulations.

IV. Whether Noticee nos. 19 to 23 have violated section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), (2)(d) of PFUTP Regulations?

56. Section 12A(a), (b), (c) of SEBI Act and regulations 3(a), (b), (c), (d),4(1) of PFUTP Regulations have been reproduced in paragraph 11 above. Regulation 4(2)(d) of PFUTP Regulations is provided below for facility:

*(2) Dealing in securities shall be deemed to be a *[manipulative] fraudulent or an unfair trade practice if it involves **[any of the following]:—*

****[(d) inducing any person for dealing in any securities for artificially inflating, depressing, maintaining or causing fluctuation in the price of securities through any means including by paying, offering or agreeing to pay or offer any money or money's worth, directly or indirectly, to any person;]*

**Inserted vide PFUTP 2020 Amendment Regulations.*

***Substituted vide the PFUTP 2018 Amendment Regulations. Before the substitution the words read as: "fraud and may include all or any of the following, namely".*

****Substituted vide PFUTP 2018 Amendment Regulations. Before the substitution the provision read as follows: "(d) paying, offering or agreeing to pay or offer, directly or indirectly, to any person any money or money's worth* *for inducing such person for dealing in any security with the object of inflating, depressing, maintaining or causing fluctuation in the price of such security;"*

57. It has been alleged in SCN 1 that Noticee nos. 19 to 23 funded the buyers of Group 1 Entities to enable them to buy shares from sellers of Group 1 to raise the price of TPL scrip in manipulative manner and create artificial volume during Patch 2 of the IP. It was alleged that Noticee 19 had received funds from Noticee nos. 20 to 23 and thereafter transmitted to Buyer Entities.

58. Noticee nos. 19 to 23 have contended that transactions executed between them were in ordinary course. To support the above, Noticee nos. 19 to 23 have furnished statement of accounts which shows fund transfers between them. On perusal of the said statement of accounts, the total funds exchanged between Noticee 19 and Noticee nos. 20 to 23 has been tabulated below:

Noticee	**Amount (in Rs)**	**Remarks**
Noticee 20 (Oasis Syntex Pvt. Ltd.)	1,17,90,000	In its reply sent on June 30, 2022, Noticee 20 has submitted that it had given funds to Noticee 19 for trading in shares and on non-execution of the same, the said funds were returned by Noticee 19.
Noticee 21 (Massive Dealcomm Pvt. Ltd.)	3,90,50,000	The statement of account in the debit column contains an entry for March 28, 2018, which states "Being 130110 Eq. Share @Rs 275.00/- Each of Shree Securities Limited Sold to Massive Dealcomm Pvt. Ltd.". Further, in its reply sent on July 09, 2022, Noticee 21 has submitted that it had given funds to Noticee 19 for purchase of 130110 equity shares of M/s. Shree Securities Ltd. and the balance funds for which trading was not executed was returned by Noticee 19.
Noticee 22 (Nightangle Marcom Pvt. Ltd.)	3,03,50,000	In its reply sent on July 09, 2022, Noticee 22 has submitted that it had given funds to Noticee 19 for trading in shares and on non-execution of the same, the said funds were returned by Noticee 19.
Noticee 23 (Priyanka Trexim and Commerce Pvt. Ltd.)	1,60,05,000	The statement of account in the debit column contains an entry for March 15, 2018, which states "Being 58200 Eq. Share @Rs 275.00/- Each of Shree Securities Limited Sold to Priyanka Trexim Commerce Pvt. Ltd.". Further, in its reply sent on July 11, 2022, Noticee 23 has submitted that it had given funds to Noticee 19 for purchase of 58,200 equity shares of M/s. Shree Securities Ltd.

59. I note that Noticee nos. 19 to 23 have stated that funds were transferred between them for the purpose of either purchase or trading in shares. However, no demat statement or other document evidencing transfer of title in shares has been produced before me to substantiate the said claim. For instance, Noticee nos. 19 and 23 have claimed that amount of Rs 1,60,00,000 was transferred as consideration by Noticee 23 for purchasing 58,200 shares of Shree Securities Limited from Noticee 19, however, neither Noticee 19 nor Noticee 23 have adduced in evidence their demat statement which shows that title of shares has been transferred with respect to shares of Shree Securities Limited. Similarly, with respect to claim made by Noticee nos. 19 and 21 that Noticee 21 transferred Rs 3,57,80,250 as consideration for purchasing 1,30,110 equity shares of Shree Securities Limited from Noticee 19, it is worth noting that such a substantial amount was received by Noticee 19 by way of separate 13 transactions between the period from February 08, 2018 and March 13, 2018, however, no evidence has been provided which shows the understanding between the parties regarding the amounts received by Noticee 19. It is shocking to me that for shares to be transferred after nearly 2 months, amounts are being transferred in advance in tranches without any underlying document. I find that any prudent person executing genuine off-market transaction involving exchange of securities worth crores of rupees would ensure that such transaction is legally documented. In this regard, Hon'ble SAT in Sanjay Kumar Poddar HUF vs. SEBI, (Appeal No. 326 of 2020), dated August 24, 2021 has held that:

"It is an admitted fact that the company was not stranger to them, but there were fund transfers from the company to the various entities of the present group. The issue is not whether those transfers were made either prior to or subsequent to the alleged patches. It undoubtedly shows that there was financial link between the company and this group evidenced by two fund transfers. <u>Though the group has submitted that the fund transfer was in regular course of business, they did not place on record any documentary evidence in this regard. This fact makes the connection more stronger</u>." (emphasis supplied)

Further, I find that the statement of accounts provided show that shares of Shree Securities Ltd. have been transferred at the rate of Rs 275 per share. I note from the BSE website that Shree Securities Ltd. was listed on BSE in 2015 and between the years 2015 to 2022, shares of Shree Securities Ltd. have been traded only in 2021 wherein it opened at Rs 12.50, touched Rs 20.50 and closed at Rs 14.85. I note that currently trading in the aforesaid company has been restricted due to graded surveillance measure and that it has been placed in surveillance since 2017. I note that the fundamentals of the said company also appear to be weak at the time Noticee nos. 19 to 23 were transferring its shares, it registered a loss of Rs 0.54 million in FY 2017-2018 as compared to net profit of Rs 0.63 in FY 2016-2017. Thus, I find it suspicious that Noticee nos. 19 to 23 were transferring its shares given the bleak financial health of the company and poor trading history.

60. Additionally, Noticee nos. 19 to 23 have not made any submission regarding specific instances cited in SCN 1 which alleges funds transferred from Noticee nos. 20 to 23 to Noticee 19 and thereafter to Noticee nos. 6 to 10 and 18 for manipulating scrip of TPL. For instance, it has been alleged in SCN 1 that on February 22, 2018, M/s Prithvi Traders (Noticee 19) received Rs 92.50 lakhs from Massive Dealcomm Pvt. Ltd. (Noticee 21) (Rs 45 lakhs) and Nightangle Marcom Pvt. Ltd. (Noticee 22) (Rs 47.50 lakhs). Out of which, immediately on the same day, Rs 35 lakhs was received by Nirav Nareshkumar Shah (Noticee 8) from M/s Prithvi Traders (Noticee 19). On the same day, Nirav Nareshkumar Shah (Noticee 8) transferred Rs 35 lakhs to Arihant Capital Markets Ltd (stock broker) to clear his pay-in obligations.

Due to the reasons explained above, I am unable to accept the contention of Noticee nos. 19 to 23 that transactions executed between them were in ordinary course.

61. Noticee 19 has further stated that it has given loan and advances to Buyer Entities (Noticee nos. 6 to 10 and 18). I find that again neither Noticee 19 nor Noticee nos. 6 to 10 and 18 have furnished any documentary evidence to

support its submission such as loan agreement, particulars of borrower, details of interest, tenure of loans, security rendered for loan *etc*. Thus, simply by stating that Noticee 19 had advanced funds to Buyer Entities as loan does not help its case.

62. Noticee nos. 19 to 23 have argued that it did not have any connection with Buyer Entities or Seller Entities, and that SCN has failed to establish connections between alleged parties apart from the presumption that they had matching trades, common address and common directors which could be a co-incidence. Regarding "connection", Hon'ble SAT in *Sanjay Kumar Poddar HUF (supra)* has held that:

"In order to appreciate the arguments of the group, it would be necessary to find out what is meant by the term 'connection'. This term is not a term of art. Respondent SEBI often use this term in order to explain a link between entities. <u>The link can be anything like personal relationship, off-market transaction, financial relationship or even a location proximity</u> etc. In view of the fact that on the stock exchanges platform numerous faceless transactions in large numbers within a fraction of a second take place between the parties across the globe unknown to each others, <u>any link between a set of entities trading in similar manner or with each other or the company etc. if found, cannot be easily brushed aside as a mere coincidence</u>. The issue therefore will be whether the link would be a factor indicating that there is a high probability of the alleged group working in tandem to achieve a certain goal i.e. to increase the price of the shares in the present appeals." (emphasis supplied)

Regarding common directors, it has held that:

"Further admittedly approximately during the very period when these group members traded in the shares of the company, one of the director of the company was a common director in the companies of these entities, as well one Mr. Manoj More was a common director. Common directorship is not a

fleeting relationship like a co-passenger sharing a common seat in a passenger bus but one of the long time trust between the directors."

Taking the aforesaid into account, I find that having common directors, common address, fund transfers and off-market transactions are important connections which cannot be considered as "presumptions". It has already been noted before that Sanjib Roy and Tapas Roy are directors of Noticee 19. I find that both of the aforesaid persons are directors of Noticee 13. Further, Tapas Roy had off-market transfers with Noticee nos. 12, 13, 14, 16, 17, 25, 27 and 28. Other connections of Noticee nos. 20 to 23 with Seller Entities as alleged in SCN 1 and as provided in paragraph 7.4.2 (ii) above have not been contested by Noticee nos. 19 to 23. Thus, I find that connections have been sufficiently established between Noticee nos. 19 to 23, Buyer Entities and Seller Entities. It has also been established above how Noticee nos. 6 to 18 by trading in manipulative manner contributed to LTP of TPL, and how the Buyer Entities were funded by Noticee nos. 19 to 23, therefore, I find that Noticee nos. 19 to 23 cannot take the defence that it did not indulge in execuion of non-geuine trades, as through their fund transfers they have played a role in execution of such trades.

Thus, I find that Noticee nos. 19 to 23 have violated section 12A(a), (b), (d) of SEBI Act read with regulations 3(a), (b), (c), (d), and 4(1), (2)(d) of PFUTP Regulations.

V. Whether Noticee nos. 24 to 28 have violated section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), and 4(1) of PFUTP Regulations?

63. Section 12A(a), (b), (c) of SEBI Act and regulations 3(a), (b), (c), (d),4(1) of PFUTP Regulations have been reproduced in paragraph 11 above. SCN 1 has alleged that Noticee nos. 24 to 28 sold shares during the IP and were part of the scheme explained in the previous paragraphs. The shares sold by Noticee nos. 24 to 28 is tabulated below:

S. No.	Client name	Gross sell qty	Gross sell % of market sell volume
1	Surajit Saha (Noticee 28)	26,000	0.16%
2.	Pugalia Vyapaar Private Limited (Noticee 26)	2,12,850	1.34%
3.	Allied Trexim Private Limited (Noticee 25)	3,86,950	2.44%
4.	Right Commodities Private Limited (Noticee 27)	3,09,723	1.96%
5.	Silvertoss Trexim Private Limited (Noticee 24)	5,79,980	3.66%

64. In the previous paragraphs, it has been established how Noticee nos. 6 to 18 acted in cohorts and contributed Rs. 5.10 to market positive LTP (13.16% of market positive LTP) in a manipulative manner during Patch 2 of the IP. SCN 1 alleges that Noticee nos. 24 to 28 are connected with Noticee nos. 6 to 23 and 29. Noticee nos. 24 to 28 have argued that it has no connection with Buyer or Seller Entities. However, it has not provided any evidence to refute the basis of connections drawn such as having common director, common address, off-market transactions *etc.* I have already dealt with the contention of connection in Issue No. III above. I will only reiterate the intricate relationship shared by Noticee nos. 24 to 28 with other Noticees. For example, Noticee 28 is the director of Noticee 19. It cannot be a co-incidence that Noticee 19 is involved in a manipulative scheme to increase LTP of a scrip, and its director in his individual capacity has sold shares during IP without the same motive. It is very likely that Seller Entities (*i.e*, Noticee nos. 11 to 17 and 24 to 28) placed their sell orders with the intention of matching it with buy orders of Buyer Entities, however, sell orders of only Noticee nos.11 to 17 got matched.

65. Noticee 25 has contended that off-market transaction with Noticee 28 was executed for other company and not for TPL, therefore, link with the manipulation alleged in the instant order cannot be drawn and that merely having common address with Noticee 13 does not mean that they are connected. Similar argument has been made by Noticee 28 with respect to his transactions with Noticee nos. 15, 16, 17, 25 and 26. I find that off-market transfers can only be executed with parties who trust each other as there exists a counter party risk in absence of stock exchange giving settlement guarantee and thus it strongly suggests connection. In Kaushik Rajnikant Mehta vs. SEBI (Appeal No. 378 of 2020), decision dated January 07, 2021, even though the violation concerned in the said case was synchronized

trades, the dictum of Hon'ble SAT regarding off-market transfers showing connection holds relevance, it held that:

"11. Insofar as the allegation of connection with the Walmiki Shah group is concerned we are satisfied that the appellant was connected with this Walmiki Shah group. We find that the appellant made an off market transaction with Vipul Hiralal Shah who is one of the entities of the Walmiki Shah group and therefore the finding that the appellant is connected with the Walmiki Shah group does not suffer from any error."

I find it important to reiterate here that apart from off-market transfers, other factors such as having common director, common address *etc,* when seen together as a whole suggests that Noticee nos. 6 to 28 were connected. Noticee 28 has also submitted that it did not have any off-market transaction with parties related to TPL which shows he did not have intention to trade in fraudulent manner. This contention is factually wrong as Noticee 28 had off-market transfer with parties related to TPL, for example, the previous registered address of TPL was same as the address of Noticee 15, with which, Noticee 28 had off-market transfer.

66. Moving ahead, Noticee nos. 24 to 28 have raised similar contentions as Noticee nos. 11 to 17 such as screen based trading prevents manipulation, trades executed by them were genuine, trading in scrip of TPL is not banned, there was no alert generated by BSE *etc.* All these contentions have been duly discussed in Issue No. III above, thus, for sake of brevity, I do not find it suitable to repeat the same herein. Considering the relationship shared by the parties, I am of the view that in the larger scheme of fraud, Noticee nos. 24 to 28 have played a role perpetuate the fraud, thus, I find that they have violated section 12A(a), (b), (c) of SEBI Act and regulations 3(a), (b), (c), (d),4(1) of PFUTP Regulations.

VI. Whether Noticee 29 has violated section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d) and 4(1) of PFUTP Regulations?

67. It has been alleged in SCN 1 that Noticee 29 shared same address with Noticee nos.15 and 21 until January 01, 2018 *i.e,* at 22, Brabourne Road, 2nd Floor, Kolkata- 700001 as per information available from MCA website, intimation received by BSE from Noticee 29 and response by Noticee 29 to summons issued to it dated December 03, 2019. It further alleges that Noticee 29 had transferred 37,000 shares of Shree Securities Limited on March 30, 2015 to Tapas Roy. It has been established in the previous paragraphs how Tapas Roy is connected to other Noticees. Thus, on the basis of the aforesaid connections, it has been alleged in the SCN that Noticee 29 was part of price manipulation during the IP.

68. It is important to reiterate that the IP is from December 27, 2017 to April 20, 2018. The quarterly financial results of Noticee 29 taken from BSE website is tabulated below. During the IP, the price of the scrip opened at 12.50, reached a high of Rs 53, and closed at Rs 48.65, which means there was an increase of 289.20% from the opening price. As tabulated in paragraph 6.1.3 above, no shares of TPL were traded between June 16, 2014 to December 26, 2017. During Patch 1 of the IP, average number of shares traded daily during the period was 15,633 which drastically increased to 2,19,919 shares and it fell down to 1,273 shares after the IP (*i.e,* period from April 23, 2018 to July 23, 2018). I note that no major impact on price/volume movement was observed on the basis of any corporate announcement made by Noticee 29 during the IP.

Description	**Quarter Ended (in Rs. and millions)**				
Particulars	**Sep. 2017**	**Dec. 2017**	**Mar. 2018**	**Jun.2018**	**Sep. 2018**
Net Sales	12.12	3.55	3.51	6.15	3.68
Other Income	0.00	0.01	0.00	0.00	0.06
Total Income	12.12	3.56	3.51	6.15	3.74
Net Profit	**-0.85**	**3.35**	**2.17**	**-2.60**	**3.45**

The aforesaid reveals that during Patch 2 (*i.e,* period from February 05, 2018 to April 05, 2018) there was no perceptible change in the fundamentals of Noticee 29, however, there was a massive increase in the shares traded of

Noticee 29. This further strengthens the violation established against Noticee nos. 6 to 28 in the previous paragraphs.

69. Noticee 29 has argued that sudden rise in the price and volume in its shares was driven by market and it did not have any control. It has further argued that merely having common address with Noticee nos. 12, 15, 21, 24 does not show connection. Lastly, it has contended that off-market transfer with Tapas Roy in shares of Shree Securities Limited took place on March 30, 2015, and IP concerns the year 2017, therefore, it is not fair to link the two transactions.

70. I find that no trading in the scrip of Noticee 29 followed by minimal trading to substantial amount of trading cannot be considered as normal market trend especially when Noticee nos. 6 to 28 as well as Noticee 29 are connected. I find that merely because the off-market transfer between Noticee 29 and Tapas Roy took place nearly two years prior to the IP, it cannot be discarded as once parties are known to each other, it cannot be that the connection ceases to exist unless certain evidence has been put forth which has not occurred in the present case. I find that sharing common address coupled with off-market transfer with Tapas Roy shows connection between Noticee 29 and other Noticees. I note that Noticee 29 is unable to demonstrate as to why any rational investor would invest in a company which does not have strong trading history or fundamentals in the market. I find that except denying its role, Noticee 29 has not provided any evidence which along with the pre-meditated scheme discussed in the previous paragraphs points towards nexus between Noticee nos. 6 to 28 with Noticee 29. Thus, I do not find any merit in the arguments advanced by Noticee 29 and find that it has violated section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d) and 4(1) of PFUTP Regulations.

VII. Does the violation, if any, attract monetary penalty under section 15HA of the SEBI Act?

VIII. If the answer to Issue No. VII is in affirmative, then what should be the quantum of monetary penalty?

71. Since violation of SEBI Act and PFUTP Regulations by the Noticees is established, I am of the view that the same warrants imposition of monetary penalty upon the Noticees under section 15HA of the SEBI Act, text of which is provided below:

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].*

**Substituted for the words "twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher" by the Securities Laws (Amendment) Act, 2014, w.e.f. 08-09-2014.*

72. While determining the quantum of penalty under section 15HA of the SEBI Act, the following factors stipulated in section 15J of the SEBI Act, have to be given due regard:

(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; and

(c) the repetitive nature of the default.

73. The material made available on record has not quantified the amount of disproportionate gain or unfair advantage made by the Noticees and the loss suffered by the investors as a result of the Noticees default. With respect to

the repetitive nature of the default, it is noted that an adjudication order bearing reference no. ORDER/VV/AS/2021-22/15475-15500 has been passed against Noticee nos. 1 to 5 dated March 22, 2022 wherein they have been found guilty of violating regulations 3(a), (b), (c), (d), 4(1), 4(2)(a), (e) and (g) of PFUTP Regulations. Thus, I find that violation committed by Noticee nos. 1 to 5 is repetitive in nature.

E. ORDER

74. After taking into consideration the previous paragraphs, in exercise of powers conferred upon me under section 15I (2) of the SEBI Act read with rule 5 of the SEBI Adjudication Rules, I hereby impose following monetary penalty on Noticees under section 15HA of the SEBI Act.

Noticee no.	Noticee	PAN	Violations established	Penalty (in Rs.)
1.	Ketan Pravinbahi Panchal	CBRPP1212R	Noticee nos. 1 to 4: Section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), 4(2)(a), (b), (e) and (g) of PFUTP Regulations.	8,00,000
2.	Amitkumar Bhikhbhai Solanki	BMWPS6213G		8,00,000
3.	Nilay Jitendrakumar Mistry	CRZPM8343Q		8,00,000
4.	Praveen Kumar	DRRPK7321D		8,00,000
5.	Ravikumar Parmar	EDOPP4355L	Section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) and (g) of PFUTP Regulations.	6,00,000
6.	Nareshkumar Ambalal Shah	AINPS2452F	Noticee nos. 6 to 18: Section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), 4(2)(a), (b), (e) and (g) of PFUTP Regulations	5,00,000
7.	Chintan Pankah Shah	BAJPS1284A		5,00,000
8.	Nirav Nareshkumar Shah	BGXPS1308F		5,00,000
9.	Malay Shaileshbhai Patel	BLOPP9579F		5,00,000
10.	Kajol Shailesh Patel	BLOPP9581R		5,00,000
11.	Piccadily Sales and Services Private Ltd.	AABCP4871C		5,00,000

Noticee no.	Noticee	PAN	Violations established	Penalty (in Rs.)
12.	Eversafe Highrise Private Ltd.	AACCE9244M		5,00,000
13.	Northstar Dealcomm Private Ltd.	AACCN6228J		5,00,000
14.	Boser Mercantiles Pvt. Ltd.	AADCB2348C		5,00,000
15.	Moonclub Merchants Pvt. Ltd.	AADCM4718R		5,00,000
16.	Sree Ganesh Finco Credit Pvt. Ltd.	AAECS0715R		5,00,000
17.	Albright Agencies Pvt. Ltd.	AAGCA5464M		5,00,000
18.	Payal Niravbhai Shah	BGXPS1307L		5,00,000
19.	M/s Prithvi Traders	AFFPR6978G	<u>Noticee nos. 19 to 23:</u> Section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), 4(1), 4(2)(d) of PFUTP Regulations.	5,00,000
20.	Oasis Syntex Pvt. Ltd.	AAAC02939B		5,00,000
21.	Massive Dealcomm Pvt. Ltd.	AAFCM6861R		5,00,000
22.	Nightangle Marcom Pvt. Ltd.	AADCN8612R		5,00,000
23.	Priyanka Trexim and Commerce Pvt. Ltd.	AABCP7145D		5,00,000
24.	Silvertoss Trexim and Commerce Pvt Ltd.	AAMCS2302J	<u>Noticee nos. 24 to 28:</u> Section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), and 4(1) of PFUTP Regulations.	5,00,000
25.	Allied Trexim Private Ltd.	AAGCA5466K		5,00,000
26.	Pugalia Vyapaar Pvt. Ltd.	AABCP4869N		5,00,000
27.	Right Commodities Pvt Ltd	AADCR7372Q		5,00,000
28.	Surajit Saha	ALTPS5862L		5,00,000
29.	Thirani Projects Ltd.	AAACT9354R	Section 12A(a), (b), (c) of SEBI Act read with regulations 3(a), (b), (c), (d), and 4(1) of PFUTP Regulations.	5,00,000

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

76. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of demand draft in favor of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, or through online payment facility available on the SEBI website **www.sebi.gov.in** on the following path by clicking on the payment link.

ENFORCEMENT → ORDERS → ORDERS OF AO → PAY NOW

In case of any difficulties in payment of penalties, the Noticees may contact the support at portalhelp@sebi.gov.in.

77. The Noticees shall forward the said demand draft or the details / confirmation of penalty so paid through e-payment to the Division Chief, Enforcement Department-I, DRA-III, SEBI, in the format given in table below:

1.	Case name	
2.	Name of payee	
3.	Date of payment	
4.	Amount paid	
5.	Transaction no	
6.	Bank details in which payment is made	
7.	Payment is made for	Penalty

78. In terms of rule 6 of the SEBI Adjudication Rules, copies of this order are sent to the Noticees and SEBI.

Date: August 30, 2022
Place: Mumbai

PRASANTA MAHAPATRA
ADJUDICATING OFFICER