WTM/KV/ISD/ISD-SEC-7/31103/2024-25

SECURITIES AND EXCHANGE BOARD OF INDIA
EX-PARTE INTERIM ORDER CUM SHOW CAUSE NOTICE

UNDER SUB-SECTION (1) OF SECTION 11, SUB-SECTION (4) OF SECTION 11, SUB-SECTION (4A) OF SECTION 11 AND SECTION 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 11 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF FRAUDULENT AND UNFAIR TRADE PRACTICES RELATING TO SECURITIES MARKET) REGULATIONS, 2003

IN THE MATTER OF EXTENDED FRONT RUNNING BY ROHIT SALGAOCAR, KETAN PAREKH AND OTHERS

In respect of:

Sr. No.	NOTICEES	PAN
	Information Carriers	
1.	Rohit Salgaocar (Singapore Citizen)	Not Available Passport No. - XXX51057B
2.	Ketan Vinaychandra Parekh	AADPP1505A
	Front Runners (FRs)	
3.	GRD Securities Limited	AABCG7534M
4.	Salasar Stock Broking Limited	AADCS8020Q
5.	Anirudh Damani	AFMPD0253P
6.	Ashok Kumar Damani	ACXPD6089R
7.	Basukinath Properties Private Limited	AABCB4123D
8.	APR Properties Private Limited	AAJCA9378H
	Facilitators	
9.	Sanjay Taparia	ABLPT6566E
10.	Ashok Kumar Poddar	AFTPP2389D
11.	Sumit Sonthalia	ALAPS2324Q
	Directors	
12.	Pramod Kumar Drolia	ADGPD7175A
13.	Bimal Kumar Drolia	ACQPD3084M
14.	Priya Saraf (also Facilitator)	AFDPD9286M
15.	Anita Drolia	BZYPD8214M
16.	Kiran Kumar Sonthalia	ALHPS3335E
17.	Shyam Saraogi (also Facilitator)	AQZPS7213E
18.	Pradeep Saraogi (also Facilitator)	AIXPS9818F
19.	Rachit Poddar (also Facilitator)	BDIPP6530J
20.	Manoj Kumar Agarwal	ACLPA9844P
21.	Mahendra Kumar Agarwal	ACMPA5091M
22.	Renu Agarwal	ADAPA2672D

(The entities mentioned above are individually known by their respective names or Noticee no. and collectively referred to as "Noticees")

TABLE OF CONTENTS

A. BACKGROUND 3

B. SUSPECTED MODUS OPERANDI 10

C. VARIOUS MOBILE NUMBERS USED BY KETAN PAREKH 11

D. CONNECTION AMONGST *NOTICEES* AND SHARING OF NPI AND NPI-BASED TRADING INSTRUCTIONS 26

D.1 CONNECTION BETWEEN ROHIT SALGAOCAR AND KETAN PAREKH AND FLOW OF NPI 26
D.2 FLOW OF NPI-BASED TRADING INSTRUCTIONS FROM KETAN PAREKH TO FRS 29
D.3 FLOW OF NPI-BASED TRADING INSTRUCTIONS FROM KETAN PAREKH TO GRD SECURITIES LIMITED AND DAMANIS 30
D.4 FLOW OF NPI-BASED TRADING INSTRUCTIONS FROM KETAN PAREKH TO SALASAR STOCK BROKING LIMITED 39
D.5 FLOW OF NPI-BASED TRADING INSTRUCTIONS FROM KETAN PAREKH TO APR PROPERTIES PRIVATE LIMITED AND BASUKINATH PROPERTIES PRIVATE LIMITED 42

E. COMPARISON OF TRADING VOLUME AND PROFITS OF FRS 44

F. ROLE OF ROHIT SALGAOCAR IN OBTAINING AND SHARING NPI 53

F.1 ARRANGEMENT BETWEEN SCPL/ROHIT SALGAOCAR AND THE BIG CLIENT 54
F.2 AGREEMENTS BETWEEN SCPL/ROHIT SALGAOCAR AND TRADING MEMBERS 59
F.3 MISLEADING AND FALSE INFORMATION PROVIDED BY ROHIT SALGAOCAR TO TRADERS OF THE BIG CLIENT 67

G. ILLUSTRATIONS OF NPI-BASED TRADING ACTIVITIES IN THE ACCOUNTS OF FRS 71

G.1 ILLUSTRATION OF NPI-BASED TRADES BY FR1 AND FR2 IN THE SCRIP OF TITAN COMPANY LIMITED (TITAN/500114) ON APRIL 05, 2023 73
G.2 ILLUSTRATION OF NPI-BASED TRADES BY FR2 IN THE SCRIP OF HDFC LIMITED (HDFC/500010) ON SEPTEMBER 19, 2022 82
G.3 ILLUSTRATION OF NPI-BASED TRADE BY FR1, FR2 AND FR3 IN THE SCRIP OF POLICY BAZAR LIMITED (PB FINTECH/ 543390) ON NOVEMBER 11, 2022 89
G.4 ILLUSTRATION OF NPI-BASED TRADES BY FR 2 AND FR5 IN THE SCRIP OF CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CHOLAFIN / 511243) ON JANUARY 09, 2023 105
G.5 ILLUSTRATION OF NPI-BASED TRADES BY FR 2 AND FR6 IN THE SCRIP OF TUBE INVESTMENTS OF INDIA LIMITED (TIINDIA/540762) ON MAY 18, 2022 114

H. CALCULATION OF TOTAL UNLAWFUL GAINS MADE BY NOTICEES FROM TRADING BASED ON NPI AND COMMISSION INCOME OF ROHIT SALGAOCAR 124

I. ILLUSTRATION OF PROFIT SHARING FROM FR TRADES 125

J. FACT FINDING TO SUPPORT ALLEGATION OF MODUS OPERANDI 140

K. EXAMINATION OF LEGAL ISSUES TO DETERMINE IF THERE IS A VIOLATION 141

L. LIABILITY OF DIRECTORS OF FR1, FR2, FR5 AND FR6 158

M. NEED FOR INTERIM EX-PARTE ORDER 174

N. BASIS OF DISGORGEMENT AND JOINT AND SEVERAL LIABILITY 177

O. INTERIM ORDER 180

LIST OF FIGURES MENTIONED IN THE ORDER 185

LIST OF TABLES MENTIONED IN THE ORDER 186

A. BACKGROUND

1. The present proceedings are emanating from an investigation conducted for the period of January 01, 2021 to June 20, 2023 (hereinafter "**Investigation Period"**) by the Securities and Exchange Board of India (hereinafter "**SEBI**") involving abovementioned *Noticees*.

2. Considering the *prima facie* pattern of trades in common scrips by some of *Noticees* with various funds of an overseas entity which are engaged in the business of Foreign Portfolio Investment (hereinafter collectively referred to as "**Big Client**")[1], further examination was conducted in order to ascertain whether acts of the above *Noticees* were in violation of provisions of the Securities and Exchange Board of India Act, 1992 (hereinafter "**SEBI Act**"), and the Rules/Regulations framed thereunder.

3. SEBI appointed Joint Investigating Authorities under section 11C of the SEBI Act to carry out investigation in the matter. Subsequently, after obtaining due permission of the Competent Court, a search and seizure operation was carried out over a period of three days starting on June 22, 2023 at the premises of 17 entities wherein various documentary and electronic evidences were gathered and statements of various *Noticees* were recorded on oath. Out of the 17 entities, no case has been made out against 4 entities and these 4 entities have not been named as *Noticees* in this order. The details of the entities whose premises were searched are as follows:

Table no. 1

Details of entities whose premises were searched by SEBI

Sr. No.	Name/Description	Address
Entities who are *Noticees* in this order pursuant to search and seizure operation		

[1] *Note*: Name of the Big Client has not been used and would be supplied to *Noticees* during inspection of documents and to Hon'ble SAT and Courts during court proceedings. It is further clarified that in the statements/chats used in this order, the term 'Big Client' is used in place of the actual name appearing in such statements/chats.

Sr. No.	Name/Description	Address
1.	Salasar Stock Broking Limited	Clive Row, Kolkata, West Bengal – 700001
2.	Kiran Kumar Sonthalia	New Alipore, Kolkata - 700053
3.	Shyam Rajkumar Saraogi	Old Chaurangi Road, Kolkata, West Bengal – 700071
4.	Pradeep Kumar Saraogi	Alipore Road, Kolkata, West Bengal - 700027
5.	Rachit Poddar	Alipore H O, Kolkata, West Bengal - 700027
6.	Manoj Kumar Agarwal	Simla Road, Kolkata, West Bengal – 700006
7.	Sanjay Taparia	Alipore H O, Kolkata, West Bengal – 700027
8.	Anirudh Damani	Bhowanipore, Kolkata, West Bengal, India – 700020
9.	Ashok Kumar Damani	Bhowanipore, Kolkata, West Bengal - 700021
10.	GRD Securities Limited	A.J.C. Bose Road, Kolkata West Bengal - 700020
11.	Bimal Kumar Drolia	Ballygunj, Kolkata West Bengal – 700019
12.	Pramod Kumar Drolia	Ballygunj, Kolkata West Bengal -700019
13.	Priya Saraf	Hazra Road, Kolkata, West Bengal - 700019
Entities who are not *Noticees* in this order pursuant to search and seizure operation		
14.	Director of an FR company	Alipore, Kolkata West Bengal - 700027
15.	Proprietary trader	Walkeshwar, Mumbai, Maharashtra - 400006
16.	Trader of Motilal	Vidyavihar West, Mumbai, Maharashtra - 400086
17.	Trader of Nuvama	Borivali East, Mumbai, Maharashtra-400066

4. Based on the evidence collected during the search and seizure operation, it was *prima facie* suspected that, in addition to traditional front-running, the Frontrunners (hereinafter '**FRs'**) used complex trading strategies to take advantage of the prior knowledge of the impending trades of the Big Client as explained in detail in paragraph 182.

5. A brief description of *Noticees* and their alleged role is mentioned herein below:

i **Rohit Salgaocar/*Noticee no. 1***: A person, residing in Singapore who is the director and authorized signatory of a company called Strait Crossing Pte Limited (hereinafter "**SCPL**"), who entered into a Memorandum of Understanding (MoU)/referral agreement with Motilal Oswal Financial Services Limited (hereinafter "**Motilal**") and Nuvama Wealth Management Limited (hereinafter "**Nuvama**") (erstwhile Edelweiss Securities Limited) to refer trades of the Big Client to them. The traders of the Big Client used to consult Rohit Salgaocar prior to placing orders in Indian markets and thus Rohit Salgaocar allegedly had access to the non-public information (hereinafter "**NPI**") with respect to substantial impending transaction in various scrips;

ii **Ketan Vinaychandra Parekh/ Ketan Parekh/ *Noticee no. 2***: A person who allegedly obtained NPI from Rohit Salgaocar and orchestrated the whole scheme to communicate trading instructions based on NPI to other *Noticees*. In the past, Ketan Parekh and his group entities were prohibited from dealing in the securities and debarred from associating with the securities market for a period of 14 years vide SEBI order dated December 12, 2003;

iii **GRD Securities Limited/*Noticee no. 3/FR1***: A registered stock broker who lent access to its proprietary trading account to Sanjay Taparia who used the account for executing trades allegedly based on NPI. The directors of GRD Securities Limited, who were in charge of and responsible to the company for the conduct of its business during the Investigation Period, namely, Pramod Kumar Drolia, Bimal Kumar Drolia, Priya Saraf and Anita Drolia, are also alleged to have contravened the provisions of securities laws;

iv **Salasar Stock Broking Limited/*Noticee no. 4/FR2***: A registered stock broker whose proprietary trading account was used for executing trades allegedly based on NPI. The directors of Salasar Stock Broking Limited

who were in charge of and responsible to the company for the conduct of its business during the Investigation Period, namely, Kiran Kumar Sonthalia, Shyam Saraogi and Pradeep Kumar Saraogi, are also alleged to have contravened the provisions of securities laws;

v **Anirudh Damani/*Noticee no. 5/FR3***: A person who executed trades allegedly based on NPI through his trading account. He is also a nephew of Ashok Kumar Damani;

vi **Ashok Kumar Damani/*Noticee no. 6/FR4***: A person who executed trades allegedly based on NPI through his trading account. He is the uncle of Anirudh Damani;

vii **Basukinath Properties Private Limited/*Noticee no. 7/FR5***: A company whose trading account was used by its director, Rachit Poddar, through the computer system placed at his residence for executing trades allegedly based on NPI. The directors of Basukinath Properties Private Limited who were in charge of and responsible to the company for the conduct of its business during the Investigation Period, namely, Rachit Poddar, Manoj Kumar Agarwal and Mahendra Kumar Agarwal, are also alleged to have contravened the provisions of securities laws;

viii **APR Properties Private Limited/*Noticee no. 8/FR6***: A company whose trading account was used by its director Rachit Poddar, through the computer system placed at his residence for executing trades allegedly based on NPI. The directors of Basukinath Properties Private Limited who were in charge of and responsible to the company for the conduct of its business during the Investigation Period, namely, Rachit Poddar, Manoj Kumar Agarwal, Mahendra Kumar Agarwal and Renu Agarwal, are also alleged to have contravened the provisions of securities laws;

ix **Sanjay Taparia/*Noticee no. 9***: A person who received trade related instructions allegedly based on NPI from Ketan Parekh and arranged trading accounts for executing such trades;

x **Ashok Kumar Poddar/*Noticee no. 10***: A person who allegedly received trade related instructions based on NPI from Ketan Parekh and passed such information to his son, Rachit Poddar, for executing trades through trading accounts of APR Properties Private Limited and Basukinath Properties Private Limited. Rachit Poddar is a director of both these companies;

xi **Sumit Sonthalia/*Noticee no. 11***: A person who is a trader of Salasar Stock Broking Limited and facilitated execution of trades allegedly based on NPI in the proprietary trading account of Salasar Stock Broking Limited as per the instructions of Ketan Parekh;

xii **Pramod Kumar Drolia/*Noticee no. 12*:** A person who is the managing director and promoter of GRD Securities Limited and was in such capacity in charge of, and responsible to, the company for the conduct of its business at the time the alleged contravention was committed by the company;

xiii **Bimal Kumar Drolia/*Noticee no. 13*:** A person who is the whole-time director and promoter of GRD Securities Limited and was in such capacity in charge of, and responsible to, the company for the conduct of its business at the time the alleged contravention was committed by the company;

xiv **Priya Saraf/*Noticee no. 14*:** A person who is an independent director and promoter of GRD Securities Limited and facilitated trading in the

proprietary trading account of GRD Securities Limited through her CTCL ID and was in such capacity in charge of, and responsible to, the company for the conduct of its business at the time the alleged contravention was committed by the company;

xv **Anita Drolia/*Noticee no. 15*:** A person who is the director and promoter of GRD Securities Limited and was in such capacity in charge of, and responsible to, the company for the conduct of its business at the time the alleged contravention was committed by the company;

xvi **Kiran Kumar Sonthalia/*Noticee no. 16***: A person who is director of Salasar Stock Broking Limited and was in such capacity in charge of, and responsible to, the company for the conduct of its business at the time the alleged contravention was committed by the company;

xvii **Shyam Rajkumar Saraogi/*Noticee no. 17***: A person who is director of Salasar Stock Broking Limited and who facilitated execution of trades in the proprietary trading account of Salasar Stock Broking Limited upon receipt of trade related instructions allegedly based on NPI from Ketan Parekh;

xviii **Pradeep Kumar Saraogi/*Noticee no. 18***: A person who is an independent director of Salasar Stock Broking Limited and facilitated execution of trades in the proprietary trading account of Salasar Stock Broking Limited upon receipt of trade related instructions allegedly based on NPI from Ketan Parekh;

xix **Rachit Poddar/*Noticee no. 19***: A person who is director of APR Properties Private Limited and Basukinath Properties Private Limited who allegedly executed trades in the trading accounts of APR Properties Private Limited and Basukinath Properties Private Limited upon receipt of trade related instructions allegedly based on NPI from Ketan Parekh;

xx **Manoj Kumar Agarwal/*Noticee no. 20***: A person who is director and promoter of APR Properties Private Limited and Basukinath Properties Private Limited and was in such capacity in charge of, and responsible to, the company for the conduct of its business at the time the alleged contravention was committed by the company;

xxi **Mahendra Kumar Agarwal/*Noticee no. 21***: A person who is director of APR Properties Private Limited and Basukinath Properties Private Limited and was in such capacity in charge of, and responsible to, the company for the conduct of its business at the time the alleged contravention was committed by the company;

xxii **Renu Agarwal/*Noticee no. 22*:** A person who is director of APR Properties Private Limited and was in such capacity in charge of, and responsible to, the company for the conduct of its business at the time the alleged contravention was committed by the company.

6. The aforesaid FRs, namely FR1 to FR6, have allegedly traded on the basis of instructions received, directly or indirectly, from Ketan Parekh which were allegedly based on NPI with respect to substantial impending transaction of the Big Client in various scrips. The Big Client is a US based fund house which has various funds registered as Foreign Portfolio Investors with SEBI. These FPIs invest in the Indian securities markets through various registered Trading Members (hereinafter "**TMs**").

7. It was observed that trades of the Big Client in India were spread across a large number of TMs during the Investigation Period. However, it was also observed that trades of the Big Client undertaken through Nuvama and Motilal matched with trades of FRs.

8. In the course of the investigation, following information and evidence have been gathered:
    - i Trading data;
    - ii Data/ information gathered from electronic devices;
    - iii Bank account statements;
    - iv Details of IP addresses which were used for the trades executed through the account of some *Noticees*;
    - v Statement of *Noticees* recorded on oath;
    - vi KYC, Call Data Records (hereinafter "**CDR**"), etc.

B. SUSPECTED MODUS OPERANDI

9. After analysis of statements recorded, facts unearthed during the search and seizure operations, it is seen that *Noticees* have, *prima facie*, adopted the following modus operandi. Prior to execution of suspicious trades, FRs were receiving trade instructions through WhatsApp chats or calls from a person whose contact number(s) was saved in the devices as Jack/Jack New/Jack Latest New/Boss, etc. Upon analysis of these contact numbers, it was found that these numbers belonged to Ketan Parekh who was receiving NPI from one, Rohit Salgaocar. After receiving specific and timely instructions, directly or indirectly, from Ketan Parekh, the FRs used to execute orders and made unjust profits.

10. The investigation further revealed that the Big Client used to place orders containing the scrip name, buy/sell quantity and buy/sell price through their order messaging system called FIX. For orders routed through Motilal and Nuvama, traders of Nuvama and Motilal used to execute such orders. However, the instructions regarding execution of these orders such as details of the scrip, time quantity and price of the order, were dictated by Rohit Salgaocar. It was found that SCPL, the company owned by Rohit Salgaocar, had entered into a referral agreement with Nuvama and Motilal for revenue sharing of the brokerage earned on trades of the Big Client referred by SCPL.

11. It was further found that traders of the Big Client used to discuss the amount and/or price of the scrip with Rohit Salgaocar prior to placing their orders and Rohit Salgaocar used to request these traders to place the order either through Nuvama or Motilal. Simultaneously, Rohit Salgaocar also used to interact with traders of Nuvama and Motilal through Bloomberg chat and used to provide trading instructions and seek updates on status of order execution through the same chat function.

12. A detailed analysis of orders placed by the Big Client and FRs revealed the recurrent matching of the scrip, price, quantity and timing of trades between the Big Client and FRs which would not have been possible unless FRs were in possession of NPI or NPI-based trading instructions relating to impending orders of the Big Client in various scrips. Hence, the matter was further investigated and it was observed that the NPI relating to impending orders of the Big Client was being passed from Rohit Salgaocar to Ketan Parekh who in turn used to communicate trading instructions based on such NPI, directly or indirectly, to the six FRs for execution in order to gain undue profits. The facts and evidences which *prima facie* establish the suspected modus operandi are discussed in the subsequent paragraphs.

C. VARIOUS MOBILE NUMBERS USED BY KETAN PAREKH

13. From the back-up of the mobile devices found and seized during the aforementioned search and seizure operations and the subsequent statement recordings of various entities, certain contact details of Ketan Parekh were gathered. It is noted that in none of the mobile phones, the contact numbers were saved in the name of Ketan Parekh and instead, various pseudo names such as, “Jack”, “John”, “Boss”, “Bhai”, “Wellwisher”, etc. were used to save these numbers. The details of these contact numbers along with the documentary proof are as follows:

Table no. 2

Details of contact numbers as obtained from various devices

S. No.	Mobile Numbers	Proof that the mobile number belongs to Ketan Parekh[2]	Name of Ketan Parekh saved as pseudo name in mobile devices of various entities								
			Sanjay Taparia - Android	Sanjay Taparia - iPhone	Sumit Sonthalia	Rakesh Kathotia	Rahul Saraf	Ashok Kumar Poddar IPhone12	Ashok Kumar Poddar - IPhone13	Rachit Poddar - Iphone	Rohit Salgaocar (as per statement)
1	XXX0308243	• Aadhaar Card of Ketan Parekh • Night location at Residence of Ketan Parekh • Hotel Location	-	-	-	-	-	-	Mamta Bhabhi	-	-

[2] Hotel Location means the proof of the fact that location of phone number allegedly possessed by Ketan Parekh matched with the location of Hotel where Ketan Parekh is had stayed.

S. No.	Mobile Numbers	Proof that the mobile number belongs to Ketan Parekh[2]	Name of Ketan Parekh saved as pseudo name in mobile devices of various entities								
			Sanjay Taparia - Android	Sanjay Taparia - iPhone	Sumit Sonthalia	Rakesh Kathotia	Rahul Saraf	Ashok Kumar Poddar IPhone12	Ashok Kumar Poddar - IPhone13	Rachit Poddar - Iphone	Rohit Salgaocar (as per statement)
2	XXX7623119	• Night location at Residence of Ketan Parekh	-	-	Jack Old	-	-	Boss1	-	-	-
3	XXX7049917	• Same IMEI as mobile at Sr. No. 1 • Night location at Residence of Ketan Parekh	-	WhatsApp chats but number not saved in mobile	-	-	-	-	-	-	-
4	XXX6010390	• Night location at Residence of Ketan Parekh	-	WhatsApp chats but number not saved in mobile	-	-	-	Ketan Bhai 1	-	-	-

S. No.	Mobile Numbers	Proof that the mobile number belongs to Ketan Parekh[2]	Name of Ketan Parekh saved as pseudo name in mobile devices of various entities								
			Sanjay Taparia - Android	Sanjay Taparia - iPhone	Sumit Sonthalia	Rakesh Kathotia	Rahul Saraf	Ashok Kumar Poddar IPhone12	Ashok Kumar Poddar - IPhone13	Rachit Poddar - Iphone	Rohit Salgaocar (as per statement)
5	XXX7571068	• Same IMEI as mobile at Sr. No. 6 • Night location at Residence of Ketan Parekh • Hotel Location	WhatsApp chats but number not saved in mobile - (Display name[3] - Jola)	Jack. Personal	Jack New	-	WhatsApp chats but number not saved in mobile - (Display name - Jola)	900 New.Boss 5	-	-	-
6	XXX6562996	• Statement recording of Ketan Parekh & Visitor Slip at SEBI	-	-	-	-	-	-	-	-	Rohit

[3] Though the said number is not saved in the contact list of the mobile phone, the display name shown in the table is the one which is saved by the owner of the number with WhatsApp.

S. No.	Mobile Numbers	Proof that the mobile number belongs to Ketan Parekh[2]	Name of Ketan Parekh saved as pseudo name in mobile devices of various entities								
			Sanjay Taparia - Android	Sanjay Taparia - iPhone	Sumit Sonthalia	Rakesh Kathotia	Rahul Saraf	Ashok Kumar Poddar IPhone12	Ashok Kumar Poddar - IPhone13	Rachit Poddar - Iphone	Rohit Salgaocar (as per statement)
		• Night location at Residence of Ketan Parekh • Hotel Location									
7	XXX2522726	• Night location at Residence of Ketan Parekh	Jack New	Jack. New	Jack New	Ketan Parekh John Mobile	WhatsApp chats but number not saved in mobile - (Display name - Boss)	Boss 3	-	-	-
8	XXX5555484	• Night location at	955A	JACK Latest	Jack New	Jack Ketan	WhatsApp chats but number not	Boss 4	-	-	-

S. No.	Mobile Numbers	Proof that the mobile number belongs to Ketan Parekh[2]	Name of Ketan Parekh saved as pseudo name in mobile devices of various entities								
			Sanjay Taparia - Android	Sanjay Taparia - iPhone	Sumit Sonthalia	Rakesh Kathotia	Rahul Saraf	Ashok Kumar Poddar IPhone12	Ashok Kumar Poddar - IPhone13	Rachit Poddar - Iphone	Rohit Salgaocar (as per statement)
		Residence of Ketan Parekh • Hotel Location • Birthday wish on WhatsApp (explained later)				Bhai Mobile	saved in mobile - (Display name - 955A)				
9	XXX8527607	• Same IMEI as mobile at Sr. No. 5 • Night location at Residence of Ketan Parekh	WhatsApp chats but number not saved in mobile - (Display name - JACK)	Jack Latest. New	Jack New M	Jack-Mobile	WhatsApp chats but number not saved in mobile - (Display name - JACK)	Boss New	-	Wellwisher.	-

S. No.	Mobile Numbers	Proof that the mobile number belongs to Ketan Parekh[2]	Name of Ketan Parekh saved as pseudo name in mobile devices of various entities								
			Sanjay Taparia - Android	Sanjay Taparia - iPhone	Sumit Sonthalia	Rakesh Kathotia	Rahul Saraf	Ashok Kumar Poddar IPhone12	Ashok Kumar Poddar - IPhone13	Rachit Poddar - Iphone	Rohit Salgaocar (as per statement)
10	XXX2928015	• Same IMEI as mobile at Sr. No. 5 • Night location at Residence of Ketan Parekh	Jack	WhatsApp chats but number not saved in mobile	WhatsApp chats but number not saved in mobile	Jack Ketan	-	Boss 2	-	-	-

Aadhaar details of Ketan Parekh

14. Ketan Parekh had visited SEBI Office on March 15, 2023, representing another entity (NH Securities Limited) in a different matter. As proof of identity, he had submitted copy of his Aadhaar Card having number "XXXXXXX32573" which also contained the mobile number "XXX0308243". Further, in the visitor slip generated with respect to the aforesaid visit of Ketan Parekh to SEBI, the mobile number "XXX6562996" is hand-written along with the aforesaid mobile number.

15. The subscriber details of the aforesaid contact number as obtained from the Telecom Service Provider – Vodafone Idea are noted below:
    - i Name of Subscriber: Ms. Mamta Parekh
    - ii Address of Subscriber: Zaver Mahal, 19/b, Marine Drive, Marine Lines, Mumbai, Maharashtra - 400020
    - iii Number active since: May 28, 2001

16. In his statement dated December 12, 2023, Ketan Parekh, confirmed that the mobile number "XXX0308243" belongs to his wife, Ms. Mamta Parekh. Further, the address of Ms. Mamta Parekh is the same as mentioned in the Aadhaar card of Ketan Parekh. Thus, it is *prima facie* established that Ketan Parekh uses the phone number "XXX0308243" which belongs to his wife.

IMEI analysis of various phone numbers of Ketan Parekh

17. The IMEI (International Mobile Equipment Identity) number is a unique 15-digit serial number for identifying a particular mobile phone. On analysis of IMEI numbers associated with the contact numbers gathered above, it was found that various contact numbers were used in same mobile devices. The details of IMEI numbers of mobile devices and the corresponding contact number(s) which were used through such mobile devices are tabulated below:

Table no. 3

IMEI analysis of various phone numbers of Ketan Parekh

Mobile Nos/ IMEI	XXX169320198069	XXX310700440194	XXX955052100791
XXX0308243	✓		
XXX7049917	✓		
XXX7571068		✓	✓
XXX6562996		✓	
XXX8527607			✓
XXX2928015			✓

18. From the table above, it can be observed that the IMEI which was used for mobile number "XXX0308243" (number used by Ketan Parekh as explained above), was also used for mobile number "XXX7049917", confirming that this number was also used by Ketan Parekh.

19. The contact number "XXX6562996" was confirmed by Ketan Parekh as his own number in his statement dated December 12, 2023. Further, Rohit Salgaocar also confirmed that the contact number "XXX6562996" belongs to Ketan Parekh. The IMEI number for the contact numbers "XXX6562996" and "XXX7571068" is the same i.e. "XXX6310700440194" which confirms that the contact number "XXX7571068" was also used by Ketan Parekh.

20. Further, the contact number "XXX7571068", was also used through mobile device having IMEI number "XXX955052100791". The same mobile device was also found to be used for the mobile numbers "XXX8527607" and "XXX2928015" which confirms that these mobile numbers were also used by Ketan Parekh.

21. From the aforesaid analysis, it can be inferred that contact numbers "XXX0308243", "XXX7049917", "XXX6562996", "XXX7571068", "XXX8527607" and "XXX2928015" were being used by Ketan Parekh.

Location analysis of various phone numbers of Ketan Parekh

22. The CDRs of various contact numbers associated with Ketan Parekh were analysed to identify the location of the said numbers at the night time (i.e. from 9:00 pm to 6:00 am) during the investigation period. It is revealed that all the mobile numbers were located at the home address of Ketan Parekh on most occasions i.e. Zaver Mahal, 19/b, Marine Drive, Marine Lines, Mumbai, Maharashtra – 400020. The details of the same are as follows:

Table no. 4

Location analysis of various phone numbers of Ketan Parekh

S. No.	Mobile Number	Latitude	Longitude	Period in use	Registered name & address as per Customer Acquisition Form
1	XXX0308243	18.93715	72.82472	19-Jul-21 to 30-Jun-23	Mamta Parekh Zaver Mahal, 19/B, Marine Drive N. S. Marg, Marine Lines, Mumbai 400020
2	XXX7623119	18.93729	72.82475	20-Sep-21 to 16-Dec-21	CAF not shared by TSP
3	XXX7049917	18.93714	72.82475	27-Sep-21 to 09-Dec-21	Dhruv Jamnadas Shah K-1 704 Neelyog Residency Gauri Shankar Wadi N0-1, Near Kanta Apartment Ghatkopar East, Pant Nagar, Maharashtra - 400075
4	XXX6010390	18.93729	72.82475	27-Sep-21 to 07-Oct-21	CAF not shared by TSP
5	XXX7571068	18.9371	72.8249	20-Oct-21 to 30-Jun-23	Virendra Pareghi

S. No.	Mobile Number	Latitude	Longitude	Period in use	Registered name & address as per Customer Acquisition Form
					168 2015, Pratiksha Appartment, Opp Krk Varma School, Ahmedabad-380063, Gujarat
6	XXX2928015	18.93729	72.82475	20-Oct-21 to 11-May-22	Virendra Pareghi 168 2015, Pratiksha Appartment, Opp Krk Varma School, Ahmedabad-380063
7	XXX6562996	18.93729	72.82475	23-Dec-21 to 30-Jun-23	CAF not shared by TSP
8	XXX2522726	18.93715	72.82472	10-Mar-22 to 10-Oct-22	Manish Agrawal B /502, Aster Tower, Vasant Valley Complex 2,Gen. A. K. Vaidya Marg, Opposite Oberoi Mall, Malad East, Mumbai-400097
9	XXX5555484	18.92721	72.82118	20-Sep-22 to 08-Jun-23	Ronak Dinesh Bhai Solanki 6/ 372 C Colony Naroda Road, Ahmedabad - 382330
10	XXX8527607	18.9371	72.8249	23-Nov-22 to 24-Jun-23	Kadiya Chhaganbhai 11/248, Gujrat Hou Board, Meghaninagar, Ahmedabad -380016

23. It can be observed from the aforesaid table that Ketan Parekh had been using multiple contact numbers /SIM cards issued in the name of different persons in order to disguise his identity. This is also corroborated by Ketan Parekh in his statement made before SEBI wherein he admitted that he used to change his

contact number frequently and that such contact numbers were not obtained in his name.

Third party confirmation from Hotels and Airline

24. The CDRs of the aforesaid mobile numbers were analysed on sample basis to identify the location of the said numbers when the same were observed to be outside Mumbai. The analysis of the mobile numbers "XXX0308243", "XXX7571068", "XXX6562996" and "XXX5555484" revealed that the said numbers were found to be located together at different hotels during different periods, which is detailed below –

Table no. 5

Details confirmed by Hotels

S. No.	Period	Location	Confirmation from Hotels
1.	March 17, 2023 to March 20, 2023	Hotel Grand Hyatt Kochi Bolgatty, Kochi, Kerala	Hotel authorities, vide email dated November 03, 2023 confirmed the stay of Mr. & Mrs. Ketan Parekh in Room No. 340, for attending a wedding. Mr. & Mrs. Parekh has also shared their Aadhaar as identity proofs to the Hotel.
2.	November 27, 2022 to November 29, 2022	Hotel Rambagh Palace, Jaipur	Hotel authorities, vide email dated October 18, 2023 confirmed the stay of Mr. & Mrs. Ketan Parekh in Room No. 340, for attending a wedding of the daughter of a family friend. Mr. & Mrs. Ketan Parekh have also shared their Aadhaar as identity proofs to the Hotel. The same was also confirmed by Ketan Parekh and his family friend in their statements given to SEBI.
3.	January 29, 2023 to February 01, 2023	Hotel ITC Sonar Bangla, Kolkata	Hotel officials, vide, email dated August 04, 2023 confirmed the stay of Mr. & Mrs. Ketan Parekh in their hotels, in Room No.3007. Further, Hotel authorities, vide email dated August 30, 2023 submitted that Mr. & Mrs. Ketan Parekh were part of a group booking

S. No.	Period	Location	Confirmation from Hotels
			made for the purpose of a wedding. Mr. & Mrs. Ketan Parekh have also shared their Aadhaar as identity proofs to the Hotel. The same was also confirmed by Ketan Parekh, his family friend (who attended the said wedding) and Sanjay Taparia (who also attended the said wedding) in their statements given to SEBI. They had also stated they attended the wedding of theirs friend's son.
4.	September 30, 2022 till October 02, 2022	Welcomhotel by ITC Hotels, Alkapuri, Vadodara	Hotel officials, vide, email dated October 20, 2023 confirmed the stay of Mr. & Mrs. Ketan Parekh in Room No.314. The address mentioned in the stay invoice, as shared by the Hotel is "Ketan Parekh, NH Securities Private Limited, 121, Radha Bhavan, N.M. Marg" which is the office address of Ketan Parekh and his cousin Kartik Parekh, the director of M/s. NH Securities Private Limited. The email address and mobile number mentioned at the time of checking in were xxx_6@yahoo.co.in and "XXX0308243" respectively. Mr. & Mrs. Ketan Parekh have also shared their Aadhaar as identity proofs to the Hotel.

25. Further, with respect to Ketan Parekh's visit to Hotel Rambagh Palace, Jaipur, it was observed that Ketan Parekh took a flight from Mumbai to Jaipur on November 27, 2022 and then moved through Jaipur, Agra, Morena and Gwalior by road. He took a flight from Gwalior to Mumbai on December 01, 2022.

26. The details obtained from the airlines in this regard is as follows –

Table no. 6

Flight Details of Ketan Parekh

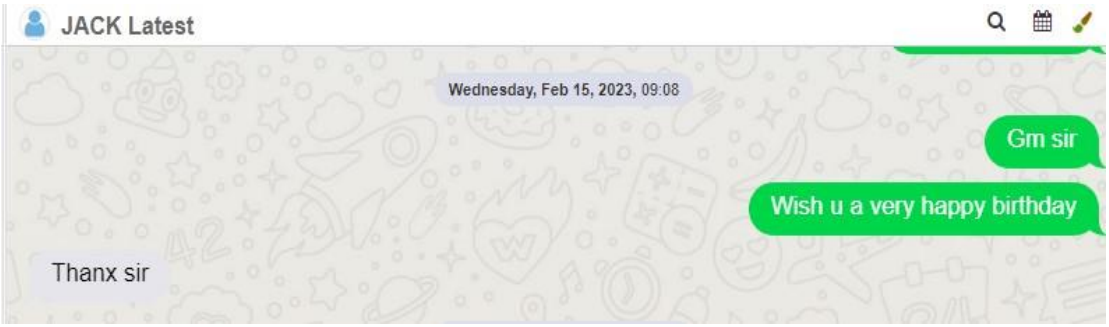
Airline	Email date	Flight No.	Travel Date	PNR	From and To	Passenger Details
Air India Limited	October 25, 2023	611	November 27, 2022	QQJWP4	Mumbai to Jaipur	Ketan Parekh and Mrs. Mamta Parekh
IndiGo	October 16, 2023	265	December 01, 2022	IJ71ML	Gwalior to Mumbai	Ketan Parekh, Mrs. Mamta Parekh, Ashita Parekh and Bhavin Parekh

<u>Whatsapp message containing birthday greeting for Ketan Parekh</u>

27. From the WhatsApp chat available in the mobile device of Sanjay Taparia, it is seen that he wished birthday to "Jack Latest" (mobile number of Jack Latest being XXX5555484) on February 15, 2023 who responded by thanking him. It is noted that the birth date of Ketan Parekh as mentioned on his PAN Card is also February 15, 1962. This further proves that "Jack Latest" is none other than Ketan Parekh and mobile number XXX5555484 is used by Ketan Parekh. The screenshot of the aforesaid chat as retrieved from the device of Sanjay Taparia is placed below:

Figure no. 1

Screenshot of WhatsApp chat between Sanjay Taparia and Ketan Parekh

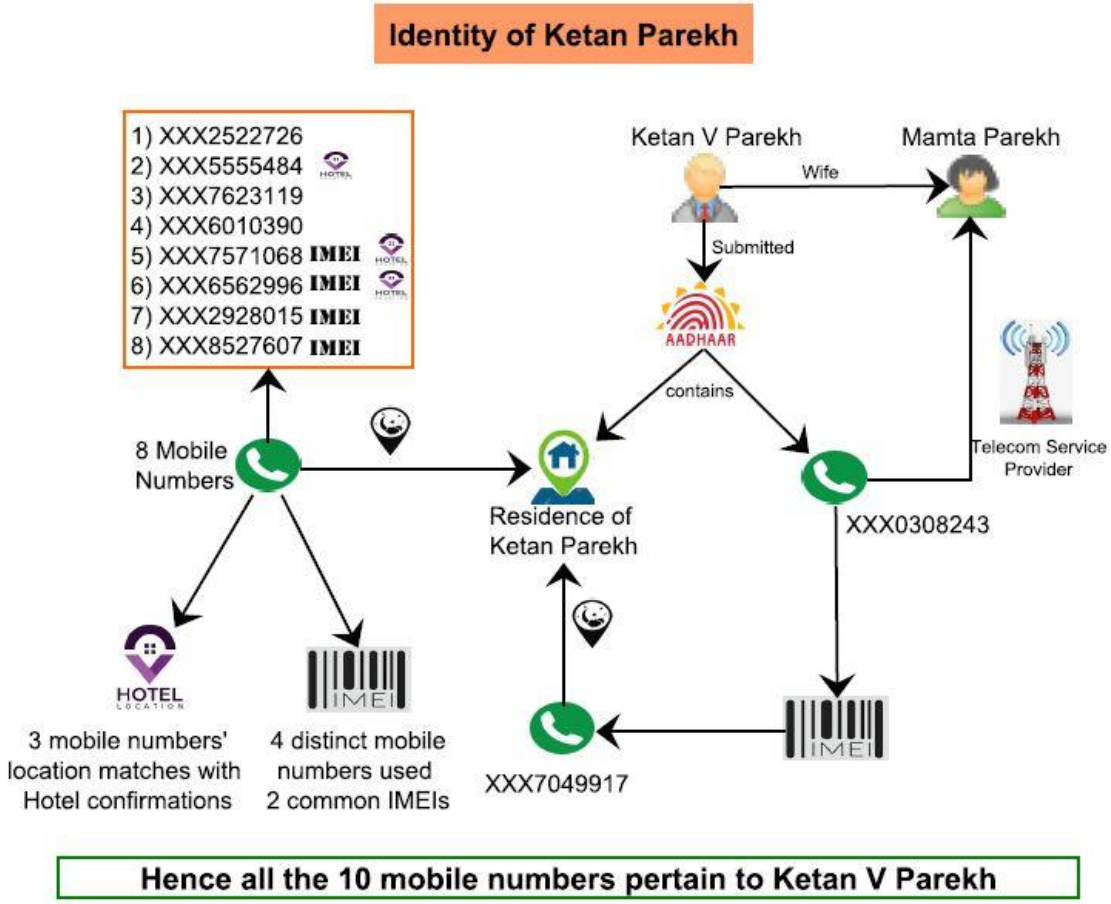


28. Considering the analysis of aforesaid evidences, it can be inferred that contact numbers mentioned in the preceding paragraphs were being used by Ketan

Parekh and he used these contact numbers to, *inter alia*, communicate his instructions for execution of NPI-based trades to FRs. A diagrammatic representation of the analysis carried out in respect of various contact numbers of Ketan Parekh is as under:

Figure no. 2

Establishing identity of Ketan Parekh



29. Having *prima facie* established that Ketan Parekh was using the contact numbers mentioned above, the trading activities in the accounts of FRs have been examined in subsequent paragraphs to ascertain how Ketan Parekh was communicating trading instructions based on NPI to various FRs for execution of NPI-based trades.

D. CONNECTION AMONGST *NOTICEES* AND SHARING OF NPI AND NPI-BASED TRADING INSTRUCTIONS

30. Any information with respect to substantial impending transaction in securities of an entity which is not generally available to public is categorised as non-public information or NPI. An entity, who is in possession of such NPI and trades based on such NPI, can use this information to build a position in the market prior to the execution of the substantial impending transaction to benefit from the price movements caused in the market by such large orders.

31. The NPI pertaining to impending orders of the Big Client in various scrips was communicated by Rohit Salgaocar to Ketan Parekh. Thereafter, Ketan Parekh used to instruct other *Noticees* to execute orders through the trading accounts of FRs so as to take positions in the market to benefit from the impending orders in various scrips. The flow of information and evidence gathered relating to the same is elucidated in the ensuing paragraphs.

D.1 <u>Connection between Rohit Salgaocar and Ketan Parekh and flow of NPI</u>

32. In his statement dated March 7, 2024 and July 22, 2024, Rohit Salgaocar stated that for executing trades of the Big Client, he used to find counterparties through different market participants including foreign funds, Indian funds, other holders of the shares and Ketan Parekh. However, as per the statement of Rohit Salgaocar, around 90% of the Big Client trades were being fulfilled by Ketan Parekh alone. Rohit Salgaocar has also stated that his extent of due diligence, before engaging with Ketan Parekh for Big Client trades, was just to check that Ketan Parekh was not banned from dealing in Indian Securities Market. The relevant extracts from the statement of Rohit Salgaocar dated March 7, 2024 and July 22, 2024 is reproduced below:

"Q 23. Explain how the trades for Big Client were executed by you?

Reply-Dealer of the Big Client provides me with the name of the stock they are interested in. I will check the availability with different market participants including foreign funds, Indian funds, other holders of the shares etc. and lastly with Ketan Parekh. After confirming the availability from the counterparty, I get back to the dealer of the Big Client with the quantity and price on offer. Upon confirmation from the dealer of the Big Client, the deal goes through. The Big Client dealer sends the deal ticket to the broker in India. After execution of the trades, Indian broker used to confirm me on Bloomberg chat. Sometimes, I used to get confirmation from Big Client dealers as well.

Q 27. In the reply to Q. No. 23, you have mentioned that you used to source counterparties through Mr. Ketan Parekh. What percentage of Big Client trades were being fulfilled by Ketan Parekh?

Reply- Around 90%

Q 28. How do you know Ketan Parekh and for how long?

Reply- My ex-father-in-law Mr Dev Ahuja introduced me to Mr. Ketan Parekh sometime in the late 1990s. I re-contacted Ketan around 2 1/2 -3 years ago for trade in some illiquid stock of Big Client. That's how I started contacting him for blocks.

Q 29. Is the Ketan Parekh, as you mentioned in your replies, the same Ketan Parekh whom SEBI had banned in 2001 and is infamously known as KP or K10?

Reply- Yes

Q 30. What kind of due diligence did you undertake before engaging with Ketan Parekh for Big Client Trades?

Reply-My extent of due-diligence was to check whether he was banned from dealing in Indian Securities Market.

Q 31. How did you interact with Ketan Parekh?

Reply-Phone call over WhatsApp.

Q 32. Whether Ketan Parekh had only one mobile number or did he keep on changing numbers?

Reply-He kept on changing his mobile numbers but his WhatsApp's display picture remained the same. To my knowledge, he changed his mobile numbers half a dozen times.

Q 33. When Ketan Parekh used to change his numbers, how did you get to know about that?

Reply- Most of the times, he would simply text me telling his new number. I used to save the new numbers and delete the old ones.

Q 34. Do you have any numbers of Ketan Parekh saved in your phone?

Reply-I only have one number of Ketan Parekh i.e. +91 XXX65 62996.

Q 35. Do you have any idea how Ketan Parekh brings counterparties?

Reply- We only talk about size and price. No other conversations.

Q 36. Was Ketan Parekh aware that you were bringing trades of Big Client?

Reply- It was known in the market that I used to deal predominantly for Big Client. I have never explicitly revealed name of any of my clients. However, I believe that Ketan Parekh would have assumed that the trades were of Big Client."

33. Further, the Internet Protocol Detail Records (hereinafter "**IPDRs**") of the various mobile numbers of Ketan Parekh were also analysed and it was observed that two IP addresses based in Singapore were appearing consistently in these IPDRs which meant that Ketan Parekh was connecting with these IP addresses on a regular basis.

34. In order to ascertain the details of the aforementioned Singapore based IP address, a request was made to Monetary Authority of Singapore (hereinafter "**MAS**"). MAS, vide its letter dated January 09, 2024 informed that the IP address 218.212.174.201 is provided by Starhub Limited and the same was allocated to Rohit Salgaocar and the billing address of this IP is "*57, Cairnhill Road #04-08 Elizabeth Height Singapore 229668*", which matches with the residential address of Rohit Salgaocar, as provided by him in his email dated August 21, 2024.

35. Further, the IPDR of two mobile numbers of Ketan Parekh (XXX6562996 and XXX8527607), during the period between February 2023 and May 2023 shows 151 instances of interaction with the IP address 218.212.174.201, which belonged to Rohit Salgaocar. This *prima facie* establishes that Ketan Parekh and Rohit Salgaocar used to interact with each other through internet/whatsapp frequently. Further, both Ketan Parekh and Rohit Salgaocar, in their statements have also admitted that they used to interact with each other over WhatsApp.

36. Thus, there are clear evidences of connection between Rohit Salgaocar and Ketan Parekh through matching of IPDR as well as their independent deposition. In view of the same, considering that Ketan Parekh was able to pre-empt the trade orders of the Big Client and take timely position in market through the trading accounts of FRs, there is a *prima facie* conclusion that the NPI pertaining to impending orders of the Big Client in various scrips were being communicated by Rohit Salgaocar to Ketan Parekh who was communicating trading instructions based on such NPI to other *Noticees* for execution of trades from the trading accounts of FRs.

D.2 Flow of NPI-based trading instructions from Ketan Parekh to FRs

37. From the backup of the mobile devices obtained during search and seizure operation from various *Noticees*, it was observed that the contact details of an individual, (which was saved under various names such as Jack/Jack New/955A/Boss, etc.) was providing the trade related instructions including scrip name, buy/sell, quantity, price, etc. to various *Noticees*. The aforesaid information was being provided over various WhatsApp groups viz. Jack-ST, Jack-Saro or through individual chat, in these mobile phones. From the analysis of aforesaid mobile devices, it was found that the individual who was providing these contact details was Ketan Parekh, as *prima facie* established in paragraph 28. Further, the manner in which different entities were receiving the

trade related instructions from Ketan Parekh is explained in the ensuing paragraphs.

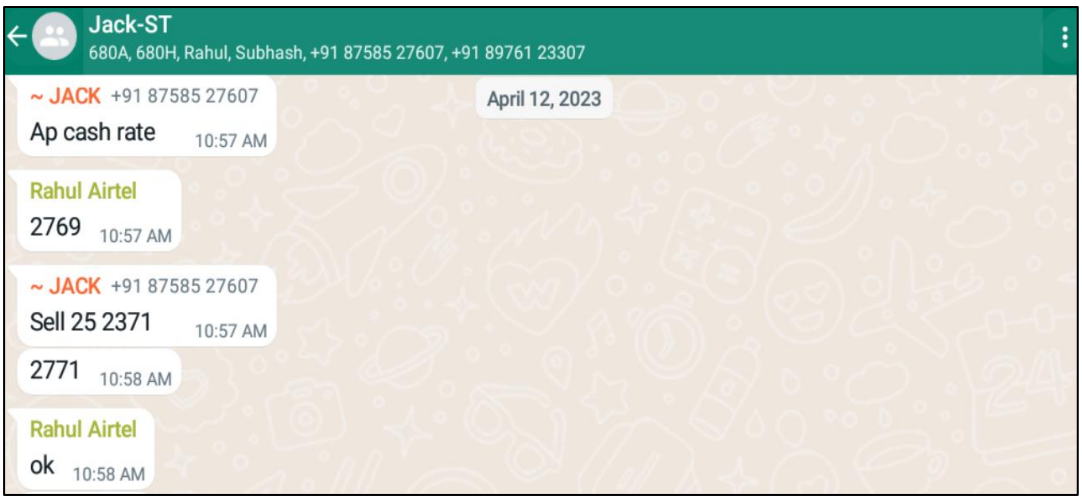
D.3 Flow of NPI-based trading instructions from Ketan Parekh to GRD Securities Limited and Damanis

38. From the analysis of the computer systems found during the search and seizure operations at premises of Sanjay Taparia as provided in **Table no. 9**, it was seen that Sanjay Taparia and his employee Rahul Saraf had login access to the proprietary trading account of GRD Securities Limited and had arrangements for placing orders with Ashok Kumar Damani and Anirudh Damani (hereinafter collectively referred to as "**Damanis**") in their trading accounts.

39. Sanjay Taparia and his employee Rahul Saraf, were part of a WhatsApp group called "Jack-ST" where they used to receive trade related instructions from Ketan Parekh (WhatsApp name - Jack/ Jack Latest New). A sample snapshot of the WhatsApp chat showing the instructions given by Ketan Parekh in the group Jack-ST is placed below:

Figure no. 3

WhatsApp chat showing instructions given by Ketan Parekh in the group Jack-ST



40. The details of the WhatsApp group "Jack-ST", as found from the backup of the mobile device of Rahul Saraf as obtained by SEBI during search and seizure operation, is given in the table below:

Table no. 7

Details of the WhatsApp group "Jack-ST"

S. No.	Mobile No.	Names found from devices backed up during Search and Seizure	Names as provided by Sanjay Taparia during search and seizure	Details as per the Customer Acquisition Form (CAF) of Telecom Service Providers (TSPs)
1.	XXX0657217	Maverick/680K	Kartik Parekh, brother of Ketan Parekh	Surendra Subhashchandra Pandey
2.	XXX9978591	Maverick/Kartik ji	Kartik Parekh, brother of Ketan Parekh	Surendra Subhashchandra Pandey
3.	XXX1040895	Subhash Latest/Subhashji	-	Subhas Joshi
4.	XXX6308049	680A/ Akash. New	Staff of Ketan Parekh	Surendra Subhashchandra Pandey
5.	XXX6123307	Sagar/ 680Ko/ Kau.New	Relative of Ketan Parekh	Surendra Subhashchandra Pandey
6.	XXX8527607	Ketan Parekh/Jack/ Jack Latest New	Ketan Parekh	Kadiya Chhaganbhai
7.	XXX1040894	Airtel Rahul/ Rahul/Rahul Latest	Rahul Saraf, employee of Sanjay Taparia	Rahul Saraf
8.	XXX6436048	680H/ Harit	Harit Parekh, Son of Kartik Parekh	Surendra Subhashchandra Pandey

S. No.	Mobile No.	Names found from devices backed up during Search and Seizure	Names as provided by Sanjay Taparia during search and seizure	Details as per the Customer Acquisition Form (CAF) of Telecom Service Providers (TSPs)
9.	XXX3006262	Sanjay Taparia/719/ ST Bhaiya/ ST Latest	Sanjay Taparia	Sanjay Taparia

41. Further, the analysis of CDR of Sanjay Taparia and Damanis indicates that Damanis had frequent interactions with Sanjay Taparia. During the Investigation Period, Sanjay Taparia had 21 calls with Anirudh Damani and 1363 calls with Ashok Kumar Damani from two of his mobile numbers. The table below shows the details:

Table no. 8

Details from CDR of Sanjay Taparia and Damanis

Calls Between		No of Calls
Sanjay Taparia (XXX0013991, XXX8175000)	**Anirudh Damani (XXX0291884)**	21
	Ashok Kumar Damani (XXX9793390)	1363
Total No of Calls		**1384**

42. It is observed that Sanjay Taparia, either himself or through his employee Rahul Saraf, was executing the NPI-based trades, on the instructions of Ketan Parekh, in the trading accounts of GRD Securities Limited and Damanis as explained below.

43. **Trading in the proprietary trading account of GRD Securities Limited** - GRD Securities Limited had installed its trading terminal on the computer system of Sanjay Taparia at his office premises. The login credentials of the

proprietary trading account of GRD Securities Limited was available with Sanjay Taparia and Rahul Saraf (his employee) and they used to place various trades through this account, as per the instructions received from Ketan Parekh on the WhatsApp group "Jack-ST".

44. The aforesaid details have been confirmed with the help of the IP address and Machine IDs gathered from connection logs of the trades and from the systems of Sanjay Taparia. An analysis with respect to the mode of placement of the NPI-based trades in trading accounts of GRD Securities Limited revealed the following:

    i Some of the NPI-based trades were executed in the proprietary trading account of the GRD Securities. To identify the locations/people who were executing these trades, connection logs[4] from the GRD Securities Limited were sought and analysed.

    ii The aforesaid data was examined against the data so obtained from the analysis of computer systems found during the search and seizure operations at premises of Sanjay Taparia. Upon analysis following is observed:

Table no. 9

Placement of orders in the trading account of GRD Securities Limited

CTCL Id	Trader Name (of GRD Securities)	Period	MAC Id	Details matched with physical inspection at the time of search and seizure
700020002078	Shreya Mehrotra	June 16, 2021 - June 21, 2023	30-9C-23-0E-5A-57	Physical computer system found in the office of Sanjay Taparia

[4] *Connection logs contains data pertaining to Terminal Id, MAC Ids and IP Addresses. A Media Access Control Id (MAC Id) is a hardware identifier that uniquely identifies each device on a network.*

CTCL Id	Trader Name (of GRD Securities)	Period	MAC Id	Details matched with physical inspection at the time of search and seizure
		January 6-7, 2022	A4-AE-12-7B-77-EF	
700020002063	Priya Saraf	June 1, 2021 - June 16, 2021	02-55-00-30-31-39	Physical computer system not found in the offices of GRD Securities Limited or Sanjay Taparia
		June 17, 2021 - July 27, 2022	A4-AE-12-7B-77-EF	Physical computer system found in the office of Sanjay Taparia
		August 30, 2022 - November 30, 2022	30-9C-23-82-F7-AD	Physical computer system not found in the offices of GRD Securities Limited or Sanjay Taparia
		December 06, 2022 - June 21, 2023	00-0C-29-3F-7D-B1	Virtual Machine[5] (VM) installed in the server of GRD Securities Limited and access found in the computer system placed in the office of Sanjay Taparia

[5] *Virtual Machine (VM) is a software computer which like a physical computer runs an operating system and applications. However, unlike a physical system, a VM is created within a software environment called a hypervisor. The hypervisor manages the physical resources of the host computer and allocates them to the VMs. This allows multiple VMs to run on a single physical computer and each VM can run a different operating system.*

A Virtual Machine can be used to run a Virtual Private Server (VPS). A VPS is a remote server which is dedicated to a particular use, which in the current case can be for trading. This can be useful if there is a need to have a reliable and high performance trading platform or if there is a requirement to be able to trade from anywhere in the world.

Some of the benefits of using VMs for trading are:

- *Reduced latency: VMs can be located close to the exchanges, which can reduce the latency of order execution.*
- *Increased reliability: VMs are less likely to experience downtime than physical servers.*
- *Scalability: VMs can be easily scaled up or down to meet the needs of trading operation.*
- *Security: VMs can be isolated from each other and from the host computer, which can improve security.*

CTCL Id	Trader Name (of GRD Securities)	Period	MAC Id	Details matched with physical inspection at the time of search and seizure
700020002752	Ram Kumar Dargar	November 11, 2022-December 08, 2022	30-9C-23-9B-89-52	Physical computer system found in the office of Sanjay Taparia

iii In addition to the above, in his statement dated June 23, 2023, Sanjay Taparia has accepted the fact that GRD Securities Limited had lent him three CTCL IDs through which he used to execute trades for Ketan Parekh in the proprietary trading account of GRD Securities Limited.

iv Hence, from above, it can be inferred that Sanjay Taparia used 3 CTCL Ids viz. '700020002078', '700020002752' and '700020002063' of GRD Securities, registered in the names of Shreya Mehrotra, Ram Kumar Dargar and Priya Saraf, respectively.

v It is important to note that GRD Securities had lent its CTCL IDs to Sanjay Taparia, however, he is not an Authorised Person of GRD Securities. Further, these trading terminals were used from the office premises of Sanjay Taparia i.e. outside of the office premises of GRD Securities.

45. **Trading in the personal accounts of the Damanis** – Anirudh Damani and Ashok Kumar Damani used to receive trade related instructions from Sanjay Taparia or from Rahul Saraf (under instructions from Sanjay Taparia), over calls and these NPI-based trades were executed by Damanis themselves through internet based trading from their residential premises. This has been confirmed by both Sanjay Taparia and the Damanis in the statements made by them to SEBI under oath as reproduced below:

Excerpts from statement of Sanjay Taparia recorded on June 22 and June 23, 2023

"Q19 Whether you have passed on the information received by you from Ketan Parekh to anyone else?

A19 Yes, when instructions were given to me by Ketan Parekh to execute trades and if I was not able to trade the same in account of GRD because of shortage of margin/ money, I used to tell Anirudh Damani or Ashok Damani to execute the said trades.

Q20 Whether Anirudh Damani or Ashok Damani were aware that the trades were placed on the instructions of Ketan Parekh?

A20 No, they didn't know that the trades I told them to execute were on behalf of Ketan Parekh. I did not tell them and nor they asked for the same.

Q22 What is the arrangement with Ashok and Anirudh Damani, with respect to the trades executed by them in their accounts on your instructions?

A22 My arrangement with Ashok and Anirudh Damani is for placing intra-day and delivery-based trades, on my behalf or on behalf of my friends/clients, in their individual accounts. Damanis charge me brokerage of around 0.03% for intra-day trades and 0.3% for delivery-based trades."

Excerpts from statement of Anirudh Damani recorded on June 22, 2023

"Q1. We have observed some very specifically timed suspicious intra-day trades in your account which generated significant profits. Do you get specific information/instruction from someone for executing such trades? E.g. 27-0ct-2022 trades in scrip of VBL, 22-Jan-2022 in Jamna Auto etc. Even recently, such suspicious trades in scrip of Deepak Fertilizers Ltd were executed by you on June 07, 2023.

I get instructions from Sanjay Taparia to execute such suspicious trades and above mentioned trades were also based upon the instructions from him.

Q2. Were you regularly executing such suspicious trades on instruction of Sanjay Taparia?

I was getting instructions to execute similar suspicious trades on regular basis from Sanjay Taparia. I used to sometimes execute less / more / equal quantity of shares as instructed by Sanjay Taparia.

Q3. How were the profits earned in such trades shared with Sanjay Taparia?
The profits earned were shared from time to time with Sanjay Taparia in cash as per his instructions. But pursuant to today's interaction, I shall not be sharing any profits with Sanjay Taparia in future and the entire profits from the aforementioned trade and similar such suspicious trades where profits haven't yet been shared by me, shall be retained by me. Also, I shall not follow any such instructions to execute suspicious trades in future.

Q4. Do you know from where Sanjay Taparia gets such prior information for executing suspicious trades which he passes on to you?
No, I don't know.

Q5. Do you happen to know Ketan Parekh? (whom SEBI has debarred from the Stock Markets in regards to various violations related to Securities Markets. Photo of the Ketan Parekh, as available on Internet is placed below, confirm).
I have heard about him in the news but I do not personally know Ketan Parekh."

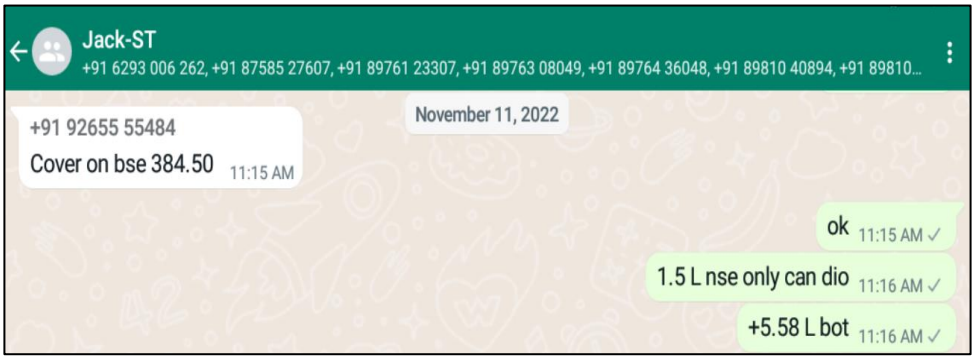
46. Further, the NPI-based trading can also be established with the help of following illustration:

    i On November 11, 2022, 2 funds of the Big Client sold 52.5 lakh shares in the scrip PB Fintech (Policy Bazaar). It was seen that GRD Securities Limited (FR1), Salasar Stock Broking Limited (FR2) and Anirudh Damani (FR3) have matched their trades with the Big Client for 20.61 lakh shares.

    ii The screenshot of a message in the WhatsApp group Jack-ST, where Ketan Parekh, at around 11:15 am, is seen to be giving instructions about covering the short quantity on BSE at INR 384.50. At 11:16 am, Sanjay Taparia confirms that 5.58 lakh shares have been bought. The said screenshot is reproduced below:

Figure no. 4

Screenshot of a message in the WhatsApp group "Jack-ST"



iii From analysis of trade log (illustrated below) following pattern of buying by FR1 and 3 is observed:

Table no. 10

Pattern of buying by FR1 and FR3 on November 11, 2022

Particulars	Buy/ Sell	Count of Orders	Trade Start Time	Trade End Time	Sum of Trade Qty	Average Trade Price Range (in INR)	Match Vol.
FR3	Buy	7	09:20:50	10:01:53	20,000	380.76	-
FR1	Buy	5	11:15:54	11:16:20	4,08,531	384.50	4,08,529
FR3	Buy	2	11:15:51	11:16:42	1,30,000	384.50	1,29,998
BC	Sell	11	11:14:32	11:16:27	25,00,000	384.50	5,38,527

iv From the table, it can be seen that between 11:15-11:16 am, FR1 bought 4.08 lakhs shares and FR3 bought 1.3 lakh shares, and around 100% of their buy order matched with the sell order of the Big Client. Further, FR3 had already bought a quantity of 20,000 shares in the morning. Thus, the total buy by FR1 and FR3, as confirmed by Sanjay Taparia, in the group Jack- ST, was of around 5.58 lakhs.

v This illustrates that the trading instructions were passed on by Sanjay Taparia to Damanis and the same has also been confessed by both of them in their

statements. Further, based on these instructions, trades were carried out by Damanis.

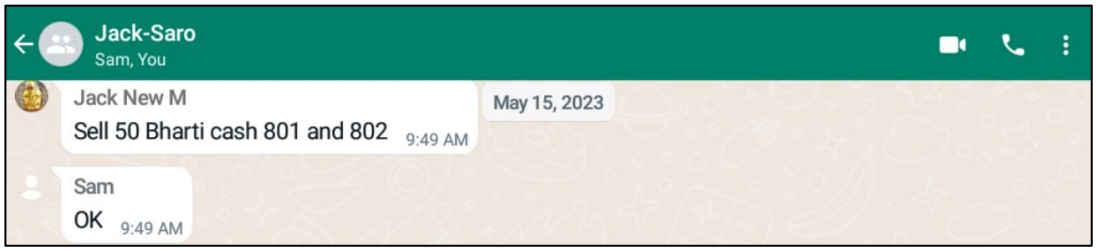
D.4 Flow of NPI-based trading instructions from Ketan Parekh to Salasar Stock Broking Limited

47. The NPI-based trades, which were executed in the proprietary trading account of Salasar Stock Broking Limited were undertaken on the instructions of Ketan Parekh. These instructions were given on the WhatsApp group named "Jack-Saro", in which Shyam Rajkumar Saraogi, Director of Salasar Stock Broking Limited and Sumit Sonthalia, son of Kiran Sonthalia the Director of Salasar Stock Broking Limited, were members.

48. Sumit Sonthalia was also working for Salasar Stock Broking Limited as a trader. Further, an office phone named "Sam", phone number "XXX7733697" was also part of the aforesaid WhatsApp group. A sample snapshot of the WhatsApp chat showing the instructions given by Ketan Parekh in the group "Jack-Saro" is placed below:

Figure no. 5

Screenshot of a message in the WhatsApp group "Jack-Saro"



49. The details of the members of the WhatsApp group "Jack-Saro", as found from the WhatsApp back-up of Sumit Sonthalia, retrieved from his Google drive, is given in the table below:

Table no. 11

Details of the members of the WhatsApp group "Jack-Saro"

Sr. No.	Mobile No.	Names from devices found during Search and Seizure	Names as provided by Sumit Sonthalia during search and seizure	Details as per the Customer Acquisition Form (CAF) of Telecom Service Providers (TSPs)
1.	XXX8527607	Jack New M/JACK/Jack Latest. New/K	Ketan Parekh	Kadiya Chhaganbhai
2.	XXX6308049	680A/Akash New	Doesn't know	Surendra Subhashchandra Pandey
3.	XXX6436048	680H/ Harit	Doesn't know	Surendra Subhashchandra Pandey
4.	XXX9978591	Maverick/Kartik Ji/Kar	Doesn't know	Surendra Subhashchandra Pandey
5.	XXX7733697	Sam	Mobile kept in office for trading purpose	Sekh Sukuir
6.	XXX6123307	Sagar/680Ko/Kau.New/Sahil	Sagar	Surendra Subhashchandra Pandey
7.	XXX0266666	Sumit Sonthalia/Sumeet Sonthalia/Sumit	Sumit Sonthalia	Sumit Sonthalia
8.	XXX0460230	Shyam/Shyam Saraogi	Shyam Saraogi	Priya Saraogi

50. The instructions with respect to the NPI-based trades were received from Ketan Parekh (Jack) in the aforesaid WhatsApp group and thereafter a trader of Salasar Stock Broking Limited, including Sumit Sonthalia (one of the traders) and Shyam Rajkumar Saraogi (Director of Salasar Stock Broking Limited and one of its trader), who had access to the office phone named "Sam", used to execute the NPI-based trades in the proprietary trading account of Salasar Stock Broking Limited.

51. The details of the CTCL Id and MAC Id, through which the NPI-based trades were executed in the proprietary trading account of Salasar Stock Broking Limited, are provided in the table below:

Table no. 12

Placement of orders in the prop account of Salasar Stock Broking Limited

CTCL Id	Trader Name (of Salasar Stock Broking Limited)	Period	MAC Id	Details Matched with
700001002002	Pradeep Kumar Saraogi	Jan 01, 2021 - June 21, 2023	18-C0-4D-B0-E9-78	Physical computer system found in the office of Salasar Stock Broking Limited

52. The aforesaid evidence *prima facie* establishes that the NPI-based trades were placed from the trading terminals present in the office of Salasar Stock Broking Limited.

D.5 Flow of NPI-based trading instructions from Ketan Parekh to APR Properties Private Limited and Basukinath Properties Private Limited

53. Ashok Kumar Poddar was a close associate of Ketan Parekh and has known him since 1990s. He was a Kolkata based broker and used to provide broking services to Ketan Parekh for which he was also debarred from the securities market along with Ketan Parekh in the infamous stock market scam of 2001.

54. In the statement made by Ashok Kumar Poddar, it is stated that Ketan Parekh used to provide trade related instructions to Ashok Kumar Poddar over WhatsApp call and messages. Thereafter, Ashok Kumar Poddar used to communicate the same to his son, Rachit Poddar. As per the instructions received, Rachit Poddar used to execute the trades in the trading accounts of APR Properties Private Limited and Basukinath Properties Private Limited respectively, through the systems placed at their residence.

55. The analysis of CDR indicates that Ashok Kumar Poddar had frequent interactions with Ketan Parekh and his brother Kartik Parekh. During the period between November 2021 – June 2023, Ashok Kumar Poddar had 48 calls with Ketan Parekh on 6 of his numbers and 14 calls with Kartik Parekh (brother of Ketan Parekh). The table below shows the details:

Table no. 13

Details from CDR of Ashok Kumar Poddar

Calls of Ashok Kumar Poddar with	Mobile number	No. of calls
Ketan Parekh	XXX2522726	10
	XXX2928015	15
	XXX5555484	12
	XXX8527607	4
	XXX0308243	6
	XXX7623119	1
Kartik Parekh	XXX0657217	14

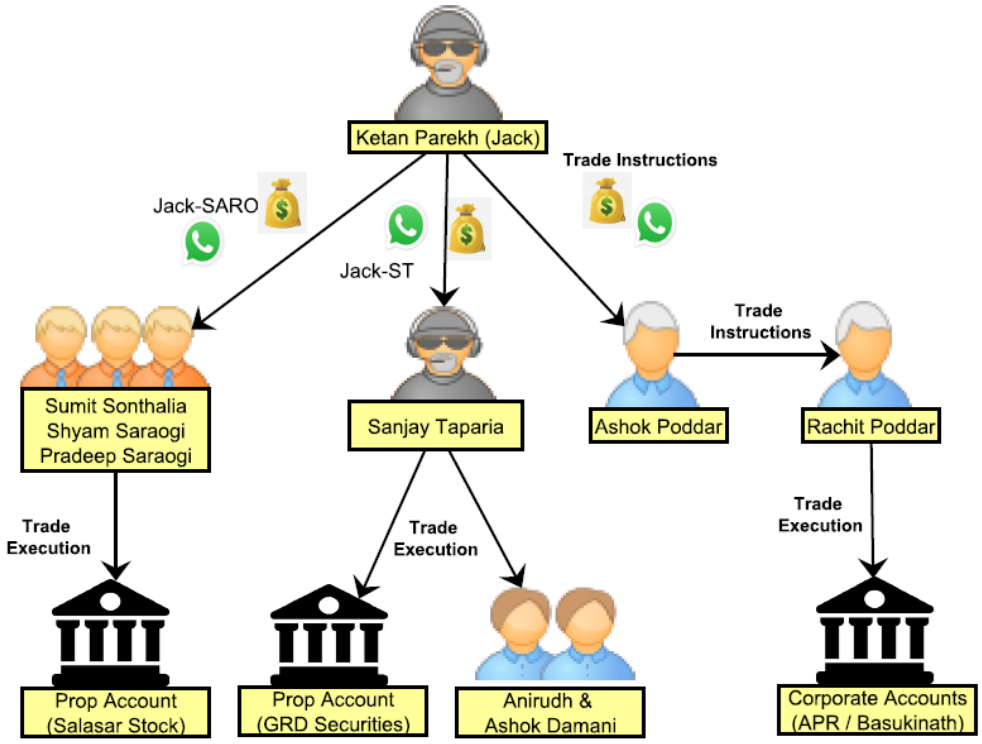
Calls of Ashok Kumar Poddar with	Mobile number	No. of calls
Total No. of calls		62

56. Thus, NPI-based trades were executed in the trading accounts of APR Properties Private Limited and Basukinath Properties Private Limited from the computer devices found at the residential premises of Ashok Kumar Poddar and Rachit Poddar.

57. Based on the aforesaid facts, it is found that Ketan Parekh was executing NPI-based trades through accounts of the six FRs and a diagrammatic representation showing the flow of communication from Ketan Parekh to FRs for execution through their trading accounts is depicted below:

Figure no. 6

Flow of NPI-based trading instructions from Ketan Parekh to FRs



E. COMPARISON OF TRADING VOLUME AND PROFITS OF FRS

58. The outcome of the investigation in the present matter indicates that the trading volumes and profits made in the accounts of the FRs, namely, Salasar Stock Broking Limited, GRD Securities Limited, APR Properties Private Limited, Basukinath Properties Private Limited, Anirudh Damani and Ashok Kumar Damani rose significantly during the Investigation Period as compared to the pre-investigation period, except in the case of GRD Securities Limited due to the fact that GRD Securities Limited had lent only three out of its two hundred twenty-six proprietary trading terminals to Sanjay Taparia who was executing trades through the said terminals.

59. The details of trades executed by FRs, demonstrating substantial increase in the trading volumes and profits during the Investigation Period (30 months) as compared to the pre-investigation period (30 months), are provided in the following table:

Table no. 14

Details of trades executed by FRs before and during the Investigation Period

Noticee	**Pre - Investigation Period (from 01-Jul-18 to 31-Dec-20)**						**Investigation Period (from 01-Jan-21 to 20-Jun-23)**					
	Equity	**Derivatives**	**Equity**		**Derivatives**		**Equity**	**Derivatives**	**Equity**		**Derivatives**	
	Gross Trade Value (in lakh)	**Gross Trade Value (in lakh)**	**Intra Day scrip days**	**Intra day profit (in lakh)**	**Intra Day contract days**	**Intraday profit (in lakh)**	**Gross Trade Value (in lakh)**	**Gross Trade Value (in lakh)**	**Intra Day scrip days**	**Intraday profit (in lakh)**	**Intra Day contract days**	**Intraday profit (in lakh)**
GRD Securities Ltd	25,58,270	1,23,69,000	1,82,394	802	91,839	3,287	32,56,882	1,95,25,940	82,334	730	1,10,684	3,254
Salasar Stock Broking Limited	2,26,890	25,44,920	702	208	5,333	342	15,18,987	25,072	2,736	1,353	5,948	-188

Noticee	Pre - Investigation Period (from 01-Jul-18 to 31-Dec-20)						Investigation Period (from 01-Jan-21 to 20-Jun-23)					
	Equity	Derivatives	Equity		Derivatives		Equity	Derivatives	Equity		Derivatives	
	Gross Trade Value (in lakh)	Gross Trade Value (in lakh)	Intra Day scrip days	Intra day profit (in lakh)	Intra Day contract days	Intraday profit (in lakh)	Gross Trade Value (in lakh)	Gross Trade Value (in lakh)	Intra Day scrip days	Intraday profit (in lakh)	Intra Day contract days	Intraday profit (in lakh)
Ashok Kumar Damani	3,679	3,584	13	0	2	0	1,33,829	1,12,948	130	57	106	169
Anirudh Damani	2,88,151	3,07,763	587	90	721	-183	9,75,738	1,61,344	502	598	306	69
APR Properties Private Limited	6	103	1	0	1	-1	5,17,273	10,04,759	97	233	158	1,383
Basukinath Properties Private Ltd	932	22,774	11	-1	137	3	11,74,759	9,67,642	214	544	544	-216

60. From the aforesaid table, it is noted that more than 98% of the trades undertaken by FRs, in terms of trade value, were done in cash markets. Further, around 97% of the total profit earned through FR trades was made through cash market trades alone.

61. Further, the trading profiles of each FR has been juxtaposed with the trading profile of the Big Client during the Investigation Period to understand the correlation between their trades. The trading profile of each FR has been provided in the tabular format below:

i Trading profile of Salasar Stock Broking Limited (FR2)

Table no. 15

Trading profile of Salasar Stock Broking Limited (FR 2)

	Equity Segment					Equity Derivative Segment				
	Calendar days	No of instances	Gross Traded Value (INR In lakhs)	Average Gross Traded Value (INR In lakhs)	Square off earned (INR In lakhs)	Calendar days	No of instances	Gross Traded Value (INR In lakhs)	Average Gross Traded Value (INR In lakhs)	Square off earned (INR In lakhs)
No of Scrip days/Contract days traded	616	12,219	15,18,987	124	1,400	616	19,508	22,04,394	113	-3,385
Common Scrip days/Contract days with the Big Clients	259	364	11,94,196	3,281	1,048	264	443	1,17,511	265	105
No of Other Non-Common Scrip days/Contract days with the Big Clients	616	11,855	3,24,792	27	352	616	19,065	20,86,883	109	-3,490
No of Scrip days/Contract days wherein day trading (80% squared off) has been carried out	586	2,735	13,36,507	489	1,350	609	5,948	8,78,755	148	-188
No of Scrip days/Contract days wherein day traded (80% squared off) and commonly traded with the Big Clients	245	340	11,92,684	3,508	1,047	115	138	51,371	372	63
Instances where client earned a positive square off difference of INR 1 or more when day traded (80% squared off) and commonly traded with the Big Clients and there is matched quantity between big client and any of the FRs	175	218	9,65,520	4,429	1,241	4	4	5,265	1,316	4

62. From the table above, it is seen that:

i in the cash market, Salasar Stock Broking Limited earned a square off profit of INR 13.50 crores from the trades wherein day trading (80% squared off) was carried out. Among such trades, Salasar Stock Broking Limited earned a square off profit of INR 12.41 crores from such trades where Salasar Stock Broking Limited earned a square off difference of INR 1 or more and where matching in that scrip, on that day, was seen between the Big Client and any of the FRs. This shows that significant profits of Salasar Stock Broking Limited have come from trades based on NPI.

ii Further, the number of instances of trades based on NPI is around 8% i.e. 218 instances out of 2,735 instances of day trading instances. However, the Gross traded value (GTV) of such instances of NPI based trades (INR 9,655 crores) is around 72% of the GTV of day trading instances (INR 13,365 crores).

iii Additionally, the average GTV of the instances of NPI based trades was observed to be around INR 44 crores, which is almost 9 times of the average GTV of day trading instances (INR 4.9 crores).

63. The aforesaid trading profile illustrates that the NPI based trades had substantially high trading size/concentration and have yielded substantial unlawful profits for the Salasar Stock Broking Limited. Similarly, the tabular representation of trading profile for other FRs is provided below:

ii Trading profile of GRD Securities Limited (FR1)

Table no. 16

Trading profile of GRD Securities Limited (FR1)

	Equity Segment					Equity Derivative Segment				
	Calendar days	No of instances	Gross Traded Value (INR In lakhs)	Average Gross Traded Value (INR In lakhs)	Square off earned (INR In lakhs)	Calendar days	No of instances	Gross Traded Value (INR In lakhs)	Average Gross Traded Value (INR In lakhs)	Square off earned (INR In lakhs)
No of Scrip days/Contract days traded	618	1,16,602	32,56,882	28	930	618	3,43,816	1,91,07,410	56	8,279
Common Scrip days/Contract days with the Big Clients	440	950	9,23,692	972	142	498	5,980	6,26,045	105	133
No of Other Non-Common Scrip days/Contract days with the Big Clients	618	1,15,652	23,33,189	20	788	618	3,37,836	1,84,81,364	55	8,146
No of Scrip days/Contract days wherein day trading (80% squared off) has been carried out	618	82,482	27,24,178	33	711	618	1,09,028	76,44,501	70	2,368
No of Scrip days/Contract days wherein day traded (80% squared off) and commonly traded with the Big Clients	388	714	9,03,555	1,265	149	358	1,318	2,33,103	177	169
Instances where client earned a positive square off difference of INR 1 or more when day traded (80% squared off) and commonly traded with the Big Clients and there is matched quantity between big client and any of the FRs	85	97	4,79,944	4,948	560	26	26	16,955	652	41

iii Trading profile of Anirudh Damani (FR 3)

Table no. 17

Trading profile of Anirudh Damani (FR 3)

	Equity Segment					Equity Derivative Segment				
	Calendar days	No of instances	Gross Traded Value (INR In lakhs)	Average Gross Traded Value (INR In lakhs)	Square off earned (INR In lakhs)	Calendar days	No of instances	Gross Traded Value (INR In lakhs)	Average Gross Traded Value (INR In lakhs)	Square off earned (INR In lakhs)
No of Scrip days/Contract days traded	616	5,974	9,75,738	163	668	561	3,894	1,61,344	41	-33
Common Scrip days/Contract days with the Big Clients	85	103	4,94,154	4,798	382	37	44	10,191	232	0
No of Other Non-Common Scrip days/Contract days with the Big Clients	616	5,871	4,81,584	82	286	561	3,850	1,51,153	39	-33
No of Scrip days/Contract days wherein day trading (80% squared off) has been carried out	317	492	5,49,185	1,116	598	196	306	15,135	49	69
No of Scrip days/Contract days wherein day traded (80% squared off) and commonly traded with the Big Clients	58	68	4,64,735	6,834	400	3	3	56	19	0
Instances where client earned a positive square off difference of INR 1 or more when day traded (80% squared off) and commonly traded with the Big Clients and there is matched quantity between big client and any of the FRs	43	46	3,73,960	8,130	486	-	-	-	-	-

iv Trading profile of Ashok Kumar Damani (FR4)

Table no. 18

Trading profile of Ashok Kumar Damani (FR4)

	Equity Segment					Equity Derivative Segment				
	Calendar days	No of instances	Gross Traded Value (INR In lakhs)	Average Gross Traded Value (INR In lakhs)	Square off earned (INR In lakhs)	Calendar days	No of instances	Gross Traded Value (INR In lakhs)	Average Gross Traded Value (INR In lakhs)	Square off earned (INR In lakhs)
No of Scrip days/Contract days traded	565	2,566	1,33,829	52	112	378	1,308	1,12,948	86	174
Common Scrip days/Contract days with the Big Clients	13	13	32,689	2,515	0	14	17	10,498	618	4
No of Other Non-Common Scrip days/Contract days with the Big Clients	565	2,553	1,01,140	40	112	378	1,291	1,02,450	79	171
No of Scrip days/Contract days wherein day trading (80% squared off) has been carried out	109	126	37,333	296	57	79	106	31,960	302	169
No of Scrip days/Contract days wherein day traded (80% squared off) and commonly traded with the Big Clients	5	5	23,630	4,726	5	1	1	4,675	4,675	4
Instances where client earned a positive square off difference of INR 1 or more when day traded (80% squared off) and commonly traded with the Big Clients and there is matched quantity between big client and any of the FRs	3	3	20,332	6,777	17	-	-	-	-	-

v Trading profile of Basukinath Properties Pvt Limited (FR5)

Table no. 19

Trading profile of Basukinath Properties Private Limited (FR5)

	Equity Segment					Equity Derivative Segment				
	Calendar days	No of instances	Gross Traded Value (INR In lakhs)	Average Gross Traded Value (INR In lakhs)	Square off earned (INR In lakhs)	Calendar days	No of instances	Gross Traded Value (INR In lakhs)	Average Gross Traded Value (INR In lakhs)	Square off earned (INR In lakhs)
No of Scrip days/Contract days traded	433	865	11,74,759	1,358	551	461	1,915	9,67,642	505	16
Common Scrip days/Contract days with the Big Clients	86	121	11,02,310	9,110	508	74	90	62,048	689	34
No of Other Non-Common Scrip days/Contract days with the Big Clients	404	744	72,449	97	44	453	1,825	9,05,595	496	-18
No of Scrip days/Contract days wherein day trading (80% squared off) has been carried out	146	214	11,39,006	5,322	544	176	260	2,34,748	903	-216
No of Scrip days/Contract days wherein day traded (80% squared off) and commonly traded with the Big Clients	85	120	11,02,310	9,186	508	21	23	26,694	1,161	-9
Instances where client earned a positive square off difference of INR 1 or more when day traded (80% squared off) and commonly traded with the Big Clients and there is matched quantity between big client and any of the FRs	64	81	9,21,049	11,371	1,030	9	10	10,384	1,038	38

vi Trading profile of APR Properties Pvt Limited (FR6)

Table no. 20

Trading profile of APR Properties Private Limited (FR6)

	Equity Segment					Equity Derivative Segment				
	Calendar days	No of instances	Gross Traded Value (INR In lakhs)	Average Gross Traded Value (INR In lakhs)	Square off earned (INR In lakhs)	Calendar days	No of instances	Gross Traded Value (INR In lakhs)	Average Gross Traded Value (INR In lakhs)	Square off earned (INR In lakhs)
No of Scrip days/Contract days traded	239	428	5,17,273	1,209	242	398	1,539	10,04,759	653	729
Common Scrip days/Contract days with the Big Clients	41	55	4,50,576	8,192	168	89	110	69,087	628	70
No of Other Non-Common Scrip days/Contract days with the Big Clients	225	373	66,697	179	74	385	1,429	9,35,672	655	659
No of Scrip days/Contract days wherein day trading (80% squared off) has been carried out	69	97	4,97,978	5,134	233	122	158	1,64,600	1,042	1,383
No of Scrip days/Contract days wherein day traded (80% squared off) and commonly traded with the Big Clients	40	54	4,50,575	8,344	168	19	20	17,138	857	62
Instances where client earned a positive square off difference of INR 1 or more when day traded (80% squared off) and commonly traded with the Big Clients and there is matched quantity between big client and any of the FRs	28	35	2,77,932	7,941	407	7	7	8,591	1,227	46

64. From the tables above, it can be observed that FRs have earned significant profits through day trading majorly on common scrip day instances matching with the Big Client.

F. ROLE OF ROHIT SALGAOCAR IN OBTAINING AND SHARING NPI

65. The investigation revealed that although trades of the Big Client in India were spread across a large number of TMs, the trades executed through Motilal and Nuvama resulted in the maximum instances of NPI based trades. As per the data obtained from the Big Client, it was seen that the Big Client had traded through 29 Trading Members during the Investigation Period and around 5.2% and 9.1% of trades of the Big Client in the Indian equity markets was made through Motilal and Nuvama, respectively. During the search and seizure operation at the premises of traders of the aforesaid TMs, it was found that they used to execute trades for Big Client based on the instructions of Rohit Salgaocar even though he was not the authorised representative of the Big Client.

66. Further, Rohit Salgaocar used to operate through a corporate entity called Strait Crossing Pte Limited (**SCPL**) which was incorporated on March 15, 2016 and registered with Accounting and Corporate Regulatory Authority (**ACRA**) of Singapore. The Unique Entity Number (**UEN**) of SCPL is "201606768H" and its registered office address, as stated by Rohit Salgaocar, is "1 Harbourfront Place #03-11 Harbourfront Tower One Singapore (098633)". The primary activity of SCPL is "Other Activities Auxiliary to Financial Service Activities N.E.C. (e.g. Mortgage Advisory Firms).

F.1 Arrangement between SCPL/Rohit Salgaocar and the Big Client

67. In its submission dated October 26, 2023, the Big Client stated that it did not have any agreement with SCPL or Rohit Salgaocar. However, traders of the Big Client, who knew Rohit Salgaocar, engaged with him while trading with respect to securities listed in India. The trade related conversation between Rohit Salgaocar and traders of the Big Client used to happen over Bloomberg chats and calls. In their statements, the traders have stated that Big Client was aware of the dealings with Rohit Salgaocar.

68. Upon analysis of the Bloomberg chats between traders of the Big Client and Rohit Salgaocar, it was found that traders of the Big Client and Rohit Salgaocar had frequent discussions with respect to trades in various scrips. There were occasions where the Big Client trader would provide Rohit Salgaocar with the quantum of trade and/or price at which they wanted to do certain trades in a scrip. The illustrations pertaining to the same are provided in Part G of this order.

69. Subsequently, the trader of the Big Client would provide the confirmation of going ahead with the trade and on a majority of instances, Rohit Salgaocar would ask trader of the Big Client to send the deal ticket to Motilal or Nuvama. The illustrations pertaining to the same are provided in Part G of this order.

70. Two traders of the Big Client namely, **BCTrader1** and **BCTrader2**[6], were primarily responsible for trading securities listed in Indian markets on behalf of the Big Client and they handled 90% of the total value of the trades of Big Client referred to Motilal or Nuvama during the Investigation Period. In their statement made to SEBI, BCTrader1 and BCTrader2, stated that they would interact with

[6] *Note*: Name of the traders of the Big Client have not been used and would be supplied to *Noticees* during inspection of documents and to Hon'ble SAT and Courts during court proceedings. Apart from these traders two other traders of Big Client, namely BCTrader3 and BCTrader4 have also been mentioned in this order.

various entities including Rohit Salgaocar for facilitating trades in Indian markets and that as per their understanding while the Big Client did not compensate Rohit Salgaocar, the Indian brokers compensated Rohit Salgaocar for his services. The relevant extracts from the statements of BCTrader2 recorded on May 28-30, 2024 at the office of the Big Client (Singapore) are reproduced below:

"Q 18. How do you identify the broker for your trade?

Reply — There are multiple factors I take into account for a broker selection. These may include maintaining continuity with a broker, who had earlier executed trade for us in that equity security of the company, brokers who were involved in the company's IPO, brokers who would have shown us their flows in certain companies which we are interested in. One of the reasons for limiting the number of brokers that receive our indications is to mitigate information leakage.

Q 19. Do you interact with anyone other than Trading Members (Brokers) registered with SEBI for the execution of your trades/facilitating execution of your trades?

Reply — Yes, in addition to Indian brokers, I also used to interact with Mr. Rohit Salgaocar as someone who can source liquidity and help find the other side of the trade in the Indian market.

Q 27. Do you have any formal arrangement/contract with Rohit Salgaocar?

Reply — No, I do not have any arrangement or contract with Rohit Salgaocar.

Q 28. Does Big Client have any formal arrangement/contract with Rohit Salgaocar, for availing his services?

Reply — As per my knowledge, there is no formal arrangement/contract between Big Client and Rohit Salgaocar.

Q 29. Does Big Client pay any remuneration/fees/commission to Rohit Salgaocar for facilitating the trades?

Reply — No, Big Client does not pay any remuneration/fees/commission to Rohit Salgaocar.

Q 30. Why was Rohit Salgaocar providing you with his services for helping you in executing Big Client trades?

Reply —As per my knowledge, Rohit Salgaocar has agreements with various brokers that have been approved by Big Client for trade execution. I am not sure about the terms of the agreements but these brokers might have had a commission sharing arrangement with him or his firm Strait Crossing Pte Ltd.

Q 31. Is Big Client aware about your dealing with Rohit Salgaocar?

Reply — Yes, Big Client is aware about my dealing with Rohit Salgaocar. The former regional manager of trading and former global head of trading knew about this. However, I do not know when they were first informed about this.

Q 32. Do you have arrangement with any other entity/person, like what you have with Rohit Salgaocar? Is there any other arrangement like Rohit in or outside India?

Reply — For India, no. For markets outside India, I do not recall."

71. From the Bloomberg chats between traders of the Big Client and Rohit Salgaocar, it is seen that the positions to be taken by the Big Client in various scrips during the Investigation Period were discussed. Various illustrations of the same are provided in Part G of this order. Further, the Bloomberg chats reveal that Rohit Salgaocar and traders of the Big Client also used to discuss trade related information with each other over calls.

Table no. 21

Extract of Bloomberg chat between Rohit Salgaocar and Trader of Big Client

Time	From	Message
Bloomberg chat on January 05, 2022		
11:38:54	BCTrader1- Big Client	I need some shares
11:38:56	Rohit Salgaocar - Strait Crossing	Till 1:30pm delivery 259k
11:39:07	Rohit Salgaocar - Strait Crossing	**calling**

Time	From	Message
Bloomberg chat on January 06, 2022		
09:00:22	BCTrader2 – Big Client	sure or if something comes up then **call** BCTrader4
09:01:03	Rohit Salgaocar - Strait Crossing	Will do, you have the algo set in BHARTI right?
Bloomberg chat on January 18, 2022		
10:13:04	BCTrader2 – Big Client	yo **call** me
10:13:13	Rohit Salgaocar - Strait Crossing	**calling**
Bloomberg chat on October 07, 2022		
08:36:00	Rohit Salgaocar - Strait Crossing	Hi BCTrader1 please let me know when free
12:17:44	BCTrader1- Big Client	Free house yo
12:18:08	Rohit Salgaocar - Strait Crossing	**Calling**
14:02:22	BCTrader1- Big Client	1mn 876 if ever ICICI Bank
14:02:23	BCTrader1- Big Client	can do
14:56:58	BCTrader1- Big Client	closing up

72. Thus, Rohit Salgaocar used to obtain NPI through Bloomberg chats as well as through phone calls from the trader of the Big Client and had clear visibility of the quantum of buying/selling that the Big Client was about to undertake.

73. Rohit Salgaocar, in his statement dated March 7, 2024 and July 22, 2024, stated that he used to help the Big Client find counterparties for their trades in the Indian securities market, functioning as an Inter-Trader Broker. Further, most of his revenues, almost 90%, were from the Big Client trades in Indian Securities Market. He had no agreement with the Big Client for his services and had commission sharing agreements with the Indian TMs viz. Motilal, Nuvama etc. As per the agreements, the brokers would give him 75% of the net brokerage income after excluding costs from the trades of the Big Client. He

further stated that since 2021, he had routed 90% of the Big Client trades through Nuvama and Motilal. The relevant extracts from the statement of Rohit Salgaocar is reproduced below:

> ***"Q 21. From 2021 onwards, what is the percentage of Big Client's trades that were routed by you through Motilal and Nuvama?***
> *Reply- Around 90%*
>
> ***Q 23. Explain how the trades for Big Client were executed by you?***
> *Reply-Dealer of the Big Client provides me with the name of the stock they are interested in. I will check the availability with different market participants including foreign funds, Indian funds, other holders of the shares etc and lastly with Ketan Parekh. After confirming the availability from the counterparty, I get back to the dealer of the Big Client with the quantity and price on offer. Upon confirmation from the dealer of the Big Client, the deal goes through. The Big Client dealer sends the deal ticket to the broker in India. After execution of the trades, Indian broker used to confirm me on Bloomberg chat. Sometimes, I used to get confirmation from Big Client dealers as well.*
>
> ***Q 27. In the reply to Q. No. 23, you have mentioned that you used to source counterparties through Mr. Ketan Parekh. What percentage of Big Client trades were being fulfilled by Ketan Parekh?***
> *Reply- Around 90%"*

74. In view of the aforesaid discussion, the following facts are noted:
    - i Traders of the Big Client and Rohit Salgaocar used to have frequent discussions with respect to trades in various scrips through Bloomberg chat as well as through phone calls;
    - ii Various illustrations of Bloomberg chats, as provided in Part G of this order, will show that Rohit Salgaocar had clear visibility of the name of the scrip, quantum of buying/selling and the timing of execution of the trade that the Big Client was about to undertake in such scrips;
    - iii Even in cases where the Bloomberg chats do not specify quantum/price of the impending order, Rohit Salgaocar had a fair idea about the price and quantity given his vast experience of dealing with the Big Client, owing to

his long standing relationship with them. He also used to speak to the traders of Big Client over calls which enabled him to have a fair insight about the impact of the Big Client orders on the existing demand and supply in the market;

iv Rohit Salgaocar used to tell traders of the Big Client the name of the particular Indian Trading Member (mostly Motilal or Nuvama), to whom the deal ticket was to be sent for execution of trades. About 90% of trades of Big Client traded executed by Motilal and Nuvama were referred by Rohit Salgaocar.

v Rohit Salgaocar was discussing impending trades of the Big Client with Ketan Parekh.

F.2 Agreements between SCPL/Rohit Salgaocar and Trading Members

75. Motilal and Nuvama had entered into a Memorandum of Understanding (MoU)/referral agreement (hereinafter "**agreement**") with a Singapore based entity named SCPL.

76. Rohit Salgaocar, who was the only Director and the authorized signatory of SCPL, had signed the aforesaid agreements on behalf of SCPL. The said agreement outlined the scope of the services that SCPL would offer and the manner of its compensation which included, *inter-alia*, referral of clients by SCPL to the Motilal and Nuvama in return for a share in brokerage. The details of the said agreements are briefly discussed in the ensuing paragraphs.

77. **Details of Agreement between SCPL and Motilal:** The agreement between Motilal and SCPL, titled as "Memorandum of Understanding" (MoU) was made on January 21, 2021, which came into effect from January 25, 2021. Para 1 of the aforesaid MoU, provides for the scope of the arrangement between Motilal and SCPL, which states that the role of SCPL is only limited to the extent of

referring individuals/entities to Motilal for transacting in all traded securities and also initiate transactions on such securities from existing clients of Motilal.

78. Further, as per Schedule I of the said MoU, in consideration of carrying out the referral activity, Motilal was required to pay SCPL a referral fees of 75% of the net commission received, from the clients referred under the agreement. While the Big Client was an existing client of Motilal, the order flow of the Big Client to Motilal increased significantly after Motilal entered into the said agreement with SCPL. The same is illustrated in the table below:

Table no. 22

Change in Gross Traded Value (GTV) in the order flow of the Big Client to Motilal

Period	GTV without Rohit Salgaocar (in INR cr)	GTV through Rohit Salgaocar# (in INR cr)	Total GTV (in INR cr)	%age jump in GTV during the investigation period vis-à-vis comparable period just before investigation period
Jan 21- Jun 23 (Investigation period)	4,478	11,857	16,334	383.31
Jul 18 - Dec 20 (Comparable period prior to Investigation Period)	4,261	-	4,261	

 # - Rohit Salgaocar entered into agreement with Motilal in January 2021.

79. Although Motilal had no written communication from the Big Client, authorising SCPL/ Rohit Salgaocar to act on their behalf or to handle their trades, the traders of Motilal were taking instructions from Rohit Salgaocar to execute trades of the Big Client. During the Investigation, Motilal contended that even though there was no written formal communication, the Big Client was aware that Rohit Salgaocar was facilitating/managing their trades and to substantiate the said contention, Motilal submitted a Bloomberg conversation, dated February 1, 2021, between trader of the Big Client (BCTrader1) and trader of Motilal, wherein BCTrader1 instructed Motilal to "*order via Rohit*".

80. In view of the aforesaid discussions, following facts are noted:

    i Motilal entered into an agreement with SCPL for referral of clients;

    ii The Big Client was an existing client of Motilal. However, the order flow from the Big Client to Motilal increased by 383% after entering into the referral agreement with SCPL/Rohit Salgaocar and no client other than the Big Client was referred by SCPL to Motilal under the aforesaid agreement.

    iii SCPL was entitled for 75% referral commission on the trades of the Big Client;

    iv As the deal ticket from the Big Client was sent through the FIX system of Bloomberg, the execution status of the trades would only reflect in the system of the traders of the brokers and traders of the Big Client. However, Rohit Salgaocar was able to get the updates in respect of the trade execution through Bloomberg chats from traders of Motilal and Nuvama;

    v The trades of the Big Client were being executed by traders of Motilal as per the instructions of SCPL/ Rohit Salgaocar without there being any written mandate from the Big Client;

    vi Hence, the role of traders of Motilal and Nuvama was to punch the trades for the Big Client and the entire control with respect to the aforesaid trades was with Rohit Salgaocar.

81. During the Investigation period, Motilal paid a total of INR 8,06,29,054 (around INR 8.06 crore) as referral fee/commission to Rohit Salgaocar.

82. **Details of agreement between SCPL and Nuvama**: The agreement between Nuvama and SCPL, titled as 'Referral Agreement" was made on August 03, 2016. As per para 1.1 and 12.2 of the aforesaid referral agreement, the role of SCPL was limited to make the referrals only and the decision to execute trade was solely made by the Big Client and as per the agreement, SCPL was not to be involved in the making of such decision or in the execution of a trade by such client.

83. Further, as per Schedule 1 of the aforesaid referral agreement, in consideration of carrying out the referral activity, Nuvama was to pay SCPL a referral fees of 75% of the net brokerage earned. During the investigation period, except for Big Client, there was only one more client referred to Nuvama by SCPL under the said agreement. However, the trades from Big Client constitute more than 99% of such referred trades. The table below illustrates the aforesaid statement:

Table no. 23

Clients referred to Nuvama by SCPL during the Investigation Period

Clients of Nuvama	INR in Crores		
	Total GTV	GTV of trades involving Rohit Salgaocar	GTV of trades without Rohit Salgaocar
Big Client	28,743.44	27,627.06	1,116.38
Other client	445.57	163.10	282.47
Total	**29,189.01**	**27,790.16**	**1,398.85**

84. While the Big Client was an existing client of Nuvama, the order flow of the Big Client to Nuvama increased significantly during the Investigation Period vis-à-vis comparable period prior to the Investigation period. The same is illustrated in the table below:

Table no. 24

Change in Gross Traded Value (GTV) in the order flow of the Big Client to Nuvama

Period	GTV without Rohit Salgaocar (in INR cr)	GTV through Rohit Salgaocar (in INR cr)	Total GTV (in INR cr)	%age jump in GTV during the investigation period vis-à-vis comparable period just before investigation period
January 2021- June 2023 (Investigation period)	1,116	27,627	28,743	543.92
July 2018 - December 2020 (Comparable period prior to Investigation Period)	3,066	2,218	5,285	-

85. Although Nuvama had no written communication from the Big Client, authorising SCPL/ Rohit Salgaocar to act on their behalf or to handle their

trades, the traders of Nuvama were taking instructions from Rohit Salgaocar to execute trades of the Big Client. During the Investigation, Nuvama contended that even though there was no written formal communication, the Big Client was aware that Rohit Salgaocar was facilitating/managing their trades and to substantiate the said contention, Nuvama submitted an email communication with the Big Client, dated August 01, 2023, wherein trader of the Big Client (BCTrader1) informed Nuvama that "*yes we trust Salgaocar help us achieve best execution as mandated by our funds, thank you for your attention to this matter and we would like to continue on with the relationship as is*". However, the aforesaid email was communicated after the search and seizure operation was carried out by SEBI.

86. In view of the aforesaid discussions, following facts are noted:
    - i Nuvama entered into an agreement with SCPL/Rohit Salgaocar for referral of clients;
    - ii The order flow from the Big Client to Nuvama increased by 543% during the Investigation Period vis-à-vis the comparable period prior to the Investigation Period and the quantum of gross traded value through Rohit Salgaocar/SCPL increased by almost 12 times;
    - iii SCPL was entitled for 75% referral commission on the trades of the Big Client;
    - iv Trades of the Big Client were being executed by traders of Nuvama as per the instructions of SCPL/ Rohit Salgaocar without there being any written mandate from the Big Client.

87. During the investigation period, Nuvama paid a total of INR 19,00,44,520 (around INR 19 crore) as referral fee/commission to Rohit Salgaocar.

88. Thus, the total commission earned by Rohit Salgaocar during the investigation period, from Motilal and Nuvama was around INR 27.06 crore which was only in respect of the trades of the Big Client referred by SCPL/Rohit Salgaocar.

89. On analysis of the Bloomberg chats between Rohit Salgaocar and traders of Motilal and Nuvama, as illustrated in Part G of this order, it is seen that:

i Traders of Motilal and Nuvama would update Rohit Salgaocar upon receipt of the deal ticket (refer Bloomberg chats provided in Table no. 32).

ii Thereafter, Rohit Salgaocar would instruct traders of Motilal and Nuvama to immediately place an order in the scrip and sometimes to also provide them with the price and/or quantity at which such deal ticket was to be executed. (refer Bloomberg chats provided in Table no. 32).

iii In some instances, it was observed that Rohit Salgaocar would start giving instructions for trade even prior to the deal ticket/ order being received from the Big Client by Motilal and Nuvama. To illustrate, on September 16, 2021, Rohit Salgaocar instructed trader of Motilal, at 12:09:49 PM, to buy 5 lakh Bharti Airtel at INR 725 (this order was in continuation to the buy orders from morning that day), however, the trader of Motilal gave the confirmation of receipt of the deal ticket at 12:10:08 PM only. The relevant extract of Bloomberg chat between Rohit Salgaocar and Trader of Motilal is provided below:

Table no. 25

Extract of Bloomberg chat between Rohit Salgaocar and Trader of Motilal on September 16, 2021

Time	From	Message
12:09:49	Rohit Salgaocar - Strait Crossing	500k 725
12:09:53	Rohit Salgaocar - Strait Crossing	Get ready

Time	From	Message
12:10:08	Trader of Motilal	go the ticket I am ready on nse at 725
12:10:12	Rohit Salgaocar - Strait Crossing	Go in
12:10:34	Trader of Motilal	477k pending
12:11:35	Trader of Motilal	137k pending
12:11:53	Rohit Salgaocar - Strait Crossing	Reduce and wait
12:11:55	Trader of Motilal	ok
12:16:02	Trader of Motilal	90k pending

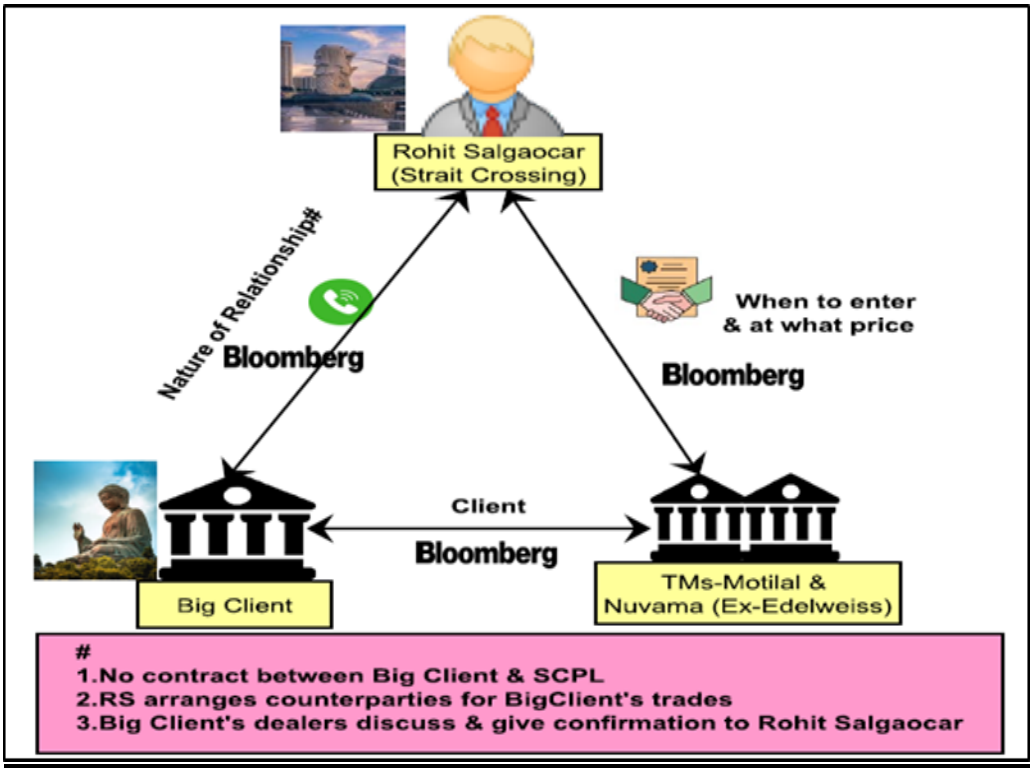
iv After receiving trade related instructions from Rohit Salgaocar, the traders of Motilal and Nuvama would continuously update Rohit Salgaocar about the execution status of the trades (as seen in the table above as well as in Part G of this order).

90. Thus, it can be seen that traders of Motilal and Nuvama were executing trades on the instructions of Rohit Salgaocar, even though, the Big Client had never authorised Motilal or Nuvama to take instructions from Rohit Salgaocar to execute its trades.

91. A diagrammatic representation depicting the arrangement between TMs and Rohit Salgaocar, arrangement between the Big Client and Rohit Salgaocar and the flow of information regarding the Big Client is as under:

Figure no. 7

Flow of NPI regarding the trades of the Big Client



F.3 Misleading and false information provided by Rohit Salgaocar to traders of the Big Client

92. Rohit Salgaocar, in his statement dated March 7, 2024 and July 22, 2024, stated that he used to help Big Client find counterparties for its trades in the Indian securities market. However, from the analysis of Bloomberg chats between traders of the Big Client and Rohit Salgaocar, it has been seen that Rohit Salgaocar used to provide false information about the identity of the counterparties which he was in fact sourcing from Ketan Parekh. An illustration in this respect is shown below.

93. On December 08, 2021, BCTrader2 (trader of the Big Client) and Rohit Salgaocar were seen to be discussing a buy trade in L&T and the Bloomberg chat with respect to the same is placed below:

Table no. 26

Bloomberg chat between Big Client trader and Rohit Salgaocar on Dec 08, 2021

Time	From	Message
08:40:12	BCTrader2 – Big Client	i also have LT to buy, trying not to pay above 1800
08:46:06	Rohit Salgaocar - Strait Crossing	Got it
10:25:23	Rohit Salgaocar - Strait Crossing	500K LT **corporate seller from treasury**.... You would care?
10:26:26	BCTrader2 – Big Client	ok
10:26:40	Rohit Salgaocar - Strait Crossing	done
12:17:26	Rohit Salgaocar - Strait Crossing	**Insurance for 200k and local HNI for 50k**.. Any care total 250k
12:53:41	Rohit Salgaocar - Strait Crossing	350k 1833
12:54:11	BCTrader2 – Big Client	ok

94. As seen from the chat above, Rohit Salgaocar, at around 10:25 am offered 500K L&T saying that a corporate treasury was the seller. Thereafter, at 12:17 pm he offered 250K L&T saying that 200K was from Insurance and 50K from a local HNI. Thereafter, he increased the offer size to 350K.

95. However, from the analysis of the trade log, it is observed that in this trade, FR2/Salasar Stock Broking Limited and FR5/APR Properties Private Limited matched almost 85.42% of the buy quantity of the Big Client (8,50,000 shares). Further, both the FRs had built the long position in L&T, just prior to the entry

of the Big Client. Thus, it is clear that FR2 and FR5 did NPI-based trades. The table below provides the details of the same:

Table no. 27

Summary of trades undertaken by FR2 and FR5 on December 08, 2021

Information	Particulars	Buy/ Sell	Trade Start Time	Trade End Time	Sum of Trade Qty	Average Trade Price Range (in INR)	Match Vol.
Buy trades by FRs, prior to first matching instance	FR5	Buy	09:15:38	10:14:50	3,50,000	1,825.29	-
	FR2	Buy	10:15:38	10:20:21	11,905	1,829.06	-
Matching – Instance 1	BC	Buy	10:28:45	10:28:45	5,00,000	1,833.92	-
	FR2	Sell	10:28:45	10:28:45	40,000	1,834.00	40,000
	FR5	Sell	10:28:45	10:28:45	4,20,000	1,834.00	4,17,495
Between first and second matching instance	FR5	Buy	10:30:45	12:20:52	2,41,578	1,831.49	-
	FR5	Sell	12:32:49	12:35:56	1,841	1,837.00	-
	FR2	Buy	10:54:33	11:50:44	85,838	1,830.94	-
	FR2	Sell	12:10:06	12:14:53	7,743	1,835.66	-
Matching – Instance 2	BC	Buy	12:55:54	12:56:10	3,07,883	1,833.00	
	FR2	Sell	12:55:54	12:55:54	75,000	1,833.00	75,000
	FR5	Sell	12:55:54	12:55:54	2,00,000	1,833.00	1,93,576
After second matching instance	BC	Buy	13:12:19	14:06:57	42,117	1,833.00	-
	FR5	Buy	14:21:46	14:47:32	30,263	1,829.99	-
	FR2	Buy	14:47:33	15:04:08	25,000	1,828.06	-

Table no. 28

Matching between the big client and the FRs on December 08, 2021

Buyer Name	Trade Time	Seller Name	Trade Quantity
AXXXP[7] FUND	**10:28:45**	FR2	40,000
		FR5	4,17,495
	12:55:54	FR2	75,000
		FR5	1,93,576
Grand Total			**7,26,071**

Table no. 29

Long positions built by each of the FR during the day

Time period/FR	FR2	FR5
Prior to first matching at 10:28:45 hrs	11,905	3,50,000
Between first matching at 10:28:45 hrs and second matching at 12:55:54 hrs	85,838	2,41,578
After second matching at 12:55:54 hrs	25,000	30,263
Total	1,22,743	6,21,841

96. From the tables above, following facts are seen:

i The trades of Big Client have matched with the FRs which were arranged by Ketan Parekh;

ii Rohit Salgaocar and Ketan Parekh, together, knowing that the Big Client would be buying shares of L&T that day, first bought the shares through various FRs, and subsequently squared off the positions by matching it with the trades of the Big Client;

[7] The identity of the Fund of Big Client is masked and will be revealed to the Noticees during inspection.

iii Rohit Salgaocar was providing false details about the counterparty to the Big Client trader when he told him that the seller in the trade was a corporate treasury, an insurance company and a local HNI;

iv Thus, in the garb of identifying pools of liquidity for the Big Client trade, Rohit Salgaocar, along with Ketan Parekh, was essentially running a scheme involving trading on the basis of the NPI about the impending orders of the Big Client in various scrips, through the accounts of various FRs, and profiting unduly from such trades.

97. Further, as per the statement of Rohit Salgaocar, he used to route almost 90% of the Big Client trades through Nuvama and Motilal, from which he earned an aggregate commission of around INR 27.06 crores. Further, 90% of these trades were being fulfilled by Ketan Parekh alone. The commissions earned by Rohit Salgaocar could not have been possible without the aforesaid scheme orchestrated by Rohit Salgaocar in connivance with Ketan Parekh and therefore the gains made through commissions by Rohit Salgaocar are also in the nature of ill-gotten gains.

G. ILLUSTRATIONS OF NPI-BASED TRADING ACTIVITIES IN THE ACCOUNTS OF FRs

98. Trading activities in the accounts of various FRs have been examined based on the trend of order placement by FRs which matched with the orders of the Big Client as well as the correlation between such trades and flow of NPI between various *Noticees*. In case where multiple instances of matching are observed between FRs and Big Client on a particular day, order placement analysis is illustrated below for a particular time patch only.

99. To illustrate that the trades carried out by FRs were in fact NPI-based trades, following evidences have been provided in illustrations in ensuing paragraphs:

i scrip, quantity, price and timing of trades undertaken by FRs and Big Client on a particular day;

ii Bloomberg chats between trader(s) of the Big Client and Rohit Salgaocar showing timed communication of NPI to Rohit Salgaocar which included scrip and quantity/price of the impending order of the Big Client in various scrips;

iii Bloomberg chats between traders of Motilal and Nuvama with Rohit Salgaocar showing that Rohit Salgaocar was instructing traders for execution of the orders of Big Client and was getting prompt updates about the execution status of orders from them;

iv chats between Ketan Parekh and the FRs/ facilitators through WhatsApp groups "Jack-Saro" and "Jack-ST" showing sufficient evidence that such timely and precise communication of NPI by Ketan Parekh to FRs could not have been possible without involvement of Rohit Salgaocar. (*Note: The co-relation and communication between Rohit Salgaocar and Ketan Parekh has already been explained in paragraphs 32 to 36.*)

100. Communication of NPI from Rohit Salgaocar to Ketan Parekh is inferred from the following:

i IPDRs of the various mobile numbers of Ketan Parekh which matched with the IP address of Rohit Salgaocar;

ii Statements made by Rohit Salgaocar and Ketan Parekh to the IA;

iii Simultaneous communication between Rohit Salgaocar and the traders of Big Client on one hand and the trading instructions made by Ketan Parekh, directly or indirectly to FRs on the other hand in a time co-ordinated manner.

G.1 Illustration of NPI-based trades by FR1 and FR2 in the scrip of Titan Company Limited (TITAN/500114) on April 05, 2023

101. On analysis of the trade logs, it is observed that FR1 and FR2 have undertaken NPI-based Trades against the orders of Sxxxxxxxxxxxd Inc., one of the Funds of the Big Client, making an overall profit of INR 10,88,086.20 on that day.

102. It is observed that during the day FR1 and FR2 matched their sell orders with the buy orders of the Big Client in three different time patches. During these time patches, the Big Client bought 2.5 lakh shares out of which FR1 and FR2 matched 2,25,616 shares.

103. The trades in one of the time patches, showing matching of trades between the Big Client and FR1 is illustrated and explained below:

Table no. 30

Trades undertaken by the FR1 and Big Client

Particulars	Buy / Sell	Count of Orders	Order Start Time	Order End Time	Trade Start Time	Trade End Time	Sum of Trade Qty	Average Trade Price Range (in INR)	Match Vol.
FR1	Buy	5	09:20:08	09:25:59	09:20:08	09:25:59	76,000	2561.25-2577.95 (2568.81)	-
BC	Buy	3	09:27:54	09:28:04	09:27:54	09:30:43	1,00,000	2569.15-2570.00 (2570)	-
FR1	Sell	7	09:27:49	09:30:27	09:27:49	09:37:31	98,174	2570-2572 (2570.07)	87,041

104. From the table above, it is seen that:

i FR1 had placed 5 Buy orders during the period between 09:20:08 to 09:25:59. A quantity of 76,000 shares was executed at an average price of INR 2,568.81. It is noted that the price of the scrip increased, from INR 2,537.40 (previous day close price) to INR 2,574.60 i.e. till the time FR1 executed buy trades.

ii Subsequently, the Big Client placed 3 buy orders for a cumulative quantity of 1,00,000 shares between 09:27:54 and 09:28:04 at a price of INR 2570 and the same got executed.

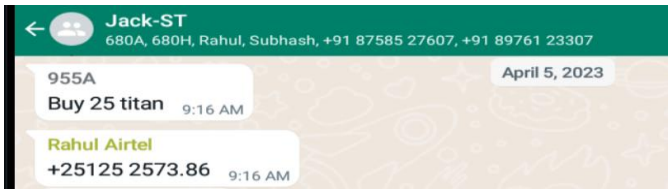
iii At that time, FR1 also placed 7 sell orders for shares between 09:27:49-09:30:27. A quantity of 98,174 shares got executed and of this 87,041 shares matched with the order of the Big Client i.e., 88.66% of the total shares sold by FR1.

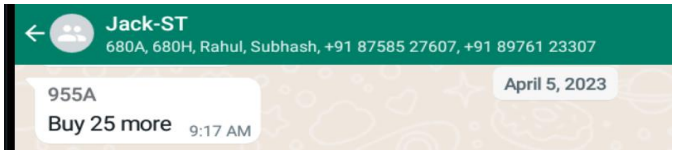
iv FR1, during the aforementioned patch, oversold a net of 22,174 shares and matched trades with the Big Client in 3 patches. Further, FR1 squared off its entire position during the day.

105. While the trades executed by the Big Client and the FR1 have been exhibited above, the manner in which the instructions in respect of the aforesaid trades were passed between various entities is shown below.

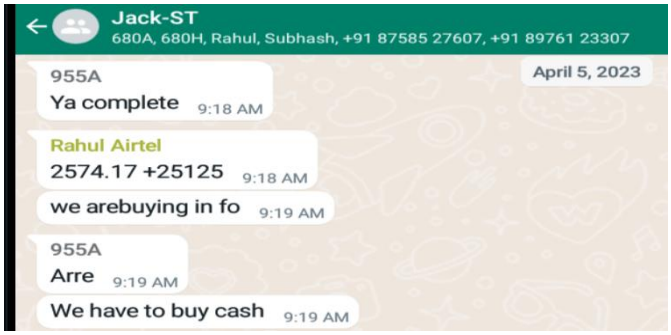
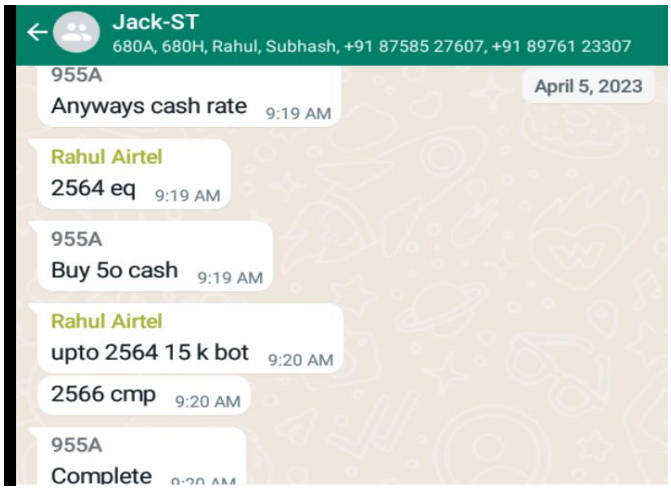
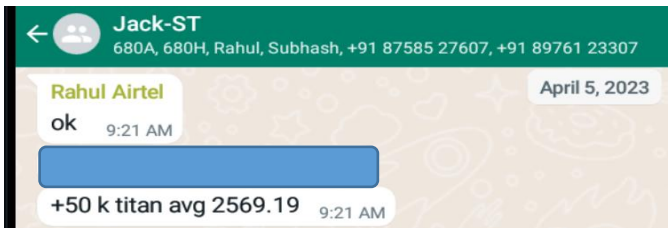
Table no. 31

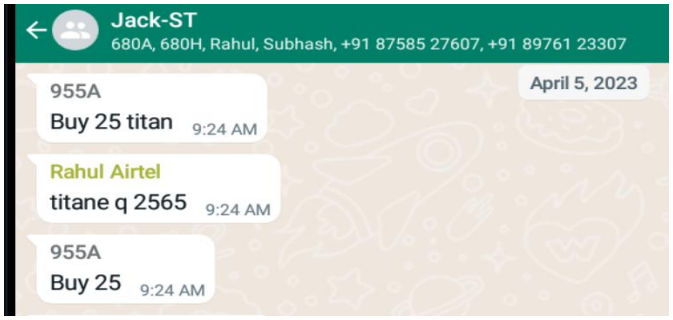
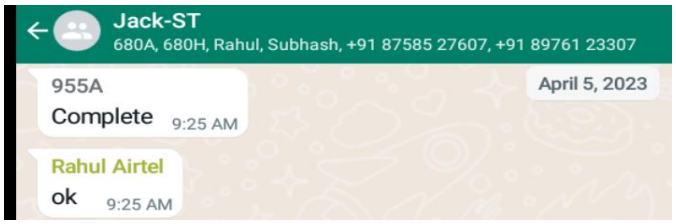
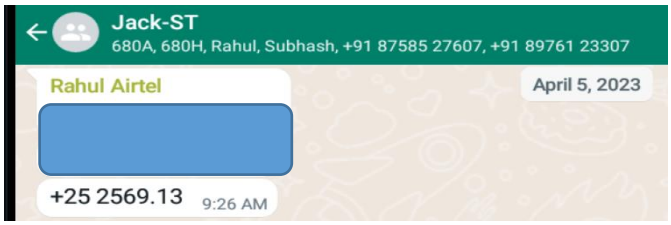
Instruction with respect to the positions taken by FR1 prior to entry of the Big Client

<table>
<tr><th>Column 1:
Bloomberg chat between the Big Client trader and Rohit Salgaocar on April 05, 2023</th><th>Column 2:
Trading Instructions from 955A (Ketan Parekh) on WhatsApp group Jack-ST on April 05, 2023</th></tr>
<tr><td>
<table>
<tr><th>Time</th><th>From</th><th>Message</th></tr>
<tr><td>08:41:26</td><td>BCTrader3 - Big Client</td><td>I would like to buy HDFCB and TTAN today</td></tr>
<tr><td>08:41:28</td><td>Rohit Salgaocar - Strait Crossing</td><td>Hi BCTrader3 good morning</td></tr>
</table>
</td><td>




</td></tr>
</table>

Column 1: Bloomberg chat between the Big Client trader and Rohit Salgaocar on April 05, 2023			Column 2: Trading Instructions from 955A (Ketan Parekh) on WhatsApp group Jack-ST on April 05, 2023
08:41:46	BCTrader3 - Big Client	about $90m in HDFCB, $20m in TTAN	  
08:42:01	Rohit Salgaocar - Strait Crossing	Got it, am checking on these, will be back	

Column 1: Bloomberg chat between the Big Client trader and Rohit Salgaocar on April 05, 2023	Column 2: Trading Instructions from 955A (Ketan Parekh) on WhatsApp group Jack-ST on April 05, 2023
	  

106. From Column 1 and 2 in table above, it is seen that:

i at around 8:41 am, Big Client trader told Rohit Salgaocar that they were looking to buy shares of Titan. The trader had also provided the quantum which they wanted to buy.

ii at around 9:16 am, Ketan Parekh simultaneously instructed to buy Titan in the group "Jack-ST". However, upon knowing that the buying by FRs was happening in F&O, clarified that the buying was to be done in cash market.

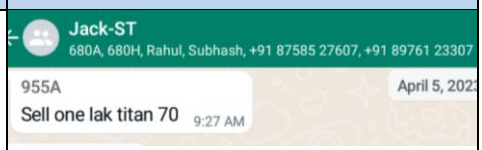
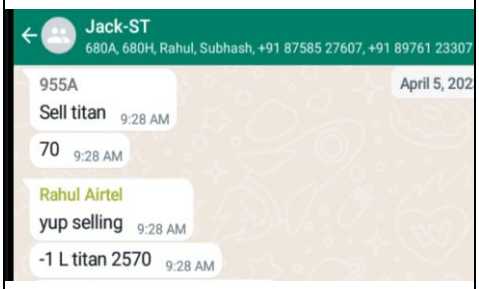
iii at around 9:19 am and 9:24 am, Ketan Parekh gave 2 instructions for buying 50,000 and 25,000 shares of Titan, each, in the group "Jack-ST"

and thereafter Rahul (employee of Sanjay Taparia) provided confirmation in this regard at 9:21 am and 9:26 am.

107. In view of the above, the cumulative buying of 76,000 shares done in the account of FR1 can be correlated with the impending order of the Big Client since Rohit Salgaocar knew about the quantum of Titan shares which the Big Client wanted to buy and accordingly passed this information to Ketan Parekh who then instructed to buy 75,000 shares. It is seen that FR1 bought additional 1000 shares on its own. The further flow of this NPI from Ketan Parekh to FRs can be seen in the table below:

Table no. 32

Instructions with respect of the positions taken by the FR1 and BC, when matching took place

Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on April 05, 2023			Column 2: Bloomberg chat between Rohit Salgaocar and the trader of Nuvama on April 05, 2023			Column 3: Trading Instructions from 955A/Jack New (Ketan Parekh) on WhatsApp
Time	From	Message	Time	From	Message	
09:25:40	Rohit Salgaocar - Strait Crossing	100k TTAN would you care?	09:27:40	Trader of Nuvama	Recd TTAN	
09:26:42	BCTrader3 - Big Client	Yea!	09:27:50	Rohit Salgaocar - Strait Crossing	GO IN	
09:27:03	BCTrader3 - Big Client	2570	09:27:52	Trader of Nuvama	ok	
09:27:04	BCTrader3 - Big Client	?	09:27:54	Trader of Nuvama	ok	
09:27:09	Rohit Salgaocar - Strait Crossing	checking	09:27:54	Trader of Nuvama	in	

Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on April 05, 2023			Column 2: Bloomberg chat between Rohit Salgaocar and the trader of Nuvama on April 05, 2023			Column 3: Trading Instructions from 955A/Jack New (Ketan Parekh) on WhatsApp
09:27:21	Rohit Salgaocar - Strait Crossing	That's done nuvama pls	09:27:59	Trader of Nuvama	47k	
			09:28:00	Trader of Nuvama	73k	
			09:28:07	Trader of Nuvama	27k pending	
			09:28:14	Trader of Nuvama	87k	
			09:29:57	Rohit Salgaocar - Strait Crossing	NOW?	
			09:30:00	Trader of Nuvama	TTAN 13k pendi	
			09:30:33	Trader of Nuvama	TTAN 99k	
			09:30:49	Trader of Nuvama	TTAN: completed	
			09:30:55	Trader of Nuvama	100k @ 2570	

108. From the aforesaid table, it is seen that:

i (Column 1) At around 9:25 am, Rohit Salgaocar, continuing his earlier chat with the trader of the Big Client, confirmed whether the Big Client would purchase 1 lakh shares of Titan. Subsequently, the price of the shares (@ INR 2570) was also agreed upon and Rohit Salgaocar asked trader of the Big Client to send the deal ticket to Nuvama at 9:27 am.

ii (Column 2) At around 9:27 am, the trader of Nuvama informed Rohit Salgaocar that deal ticket was received from the Big Client trader and Rohit Salgaocar instructed Nuvama's trader to place the order. Afterwards, Nuvama's trader provided continuous updates to Rohit Salgaocar about the execution of the order and in the end confirmed order completion at 9:30:49.

iii (Column 3) At around 9:27 am, Ketan Parekh, in the group "Jack-ST" instructed to sell 1 lakh Titan shares at INR 2570, in response to which, Rahul Saraf (employee of Sanjay Taparia) confirmed placing order of sell of 1 lakh shares of Titan at INR 2570 per share sold at 09:28 AM. This can be correlated with the cumulative selling of 98,174 shares done in the account of FR1, as shown above. The instructions received were for 1,00,000 shares, however, FR1 placed orders of 1,01,000 shares.

109. In respect of the quantity and price at which the Big Client was to buy Titan Limited, following is noted:

i Rohit Salgaocar had a vast experience of dealing with the Big Client, owing to his long standing relationship with them. This enabled him to have a fair insight about the impact of the Big Client orders on the existing demand and supply in the market. Further, in the instant case, Big Client had upfront indicated, as evident from their chat, that the Big Client wanted to buy Titan worth 20 million USD. Thus, Rohit Salgaocar had a fair idea about the size and the price at which the trades of the Big Client could be executed.

ii This becomes all the more evident, given the fact that on April 05, 2023, the volume in the Titan jumped by almost 50% (14.8 lakhs) in comparison to its last 30-day average volume (9.76 lakhs), with almost 65% of average daily trading volume of last 30 days (6.35 lakhs) being contributed by the Big Client and FRs.

110. In view of the aforesaid illustration, it is seen that:

i The chats in the tables above and the timing of flow of NPI between various entities *prima facie* establishes that the information of the forthcoming buy order of the Big Client in the scrip Titan reached to Ketan Parekh in a perfectly time-coordinated manner.

ii As Rohit Salgaocar received instructions from trader of the Big Client about buying Titan that day, the same was communicated to Ketan Parekh, who in turn instructed Sanjay Taparia (who had access to the trading account of FR1) to buy shares of Titan. Thereafter, just when the Big Client ordered to buy the shares of Titan, Ketan Parekh immediately instructed Sanjay Taparia to place sell order, which matched with the buy order of the Big Client.

iii This process of matching the Buy orders of the Big Client with the sell orders of FRs happened 2 more times in the day, where trades were placed through the account of FR1 and FR2.

iv Thus, armed with the knowledge of the NPI of the impending orders of the Big Client, Ketan Parekh got trades of such large quantity executed in the accounts of FR1 and FR2, which otherwise they would not have undertaken. This resulted in FR1 and FR2 matching with almost 90.25% of the buy quantity of the BC in the aforesaid time patches, leading to a total square off profit of INR 10,88,086.20 for FR1 and FR2 as calculated in the table below:

Table no. 33

Calculation of unlawful gains made under this illustration

FR	Buy Qty	Buy Value	Average Buy Price	Sell Qty	Sell Value	Average Sell Price	Profit
FR1	2,49,908	64,21,59,740	2,569.58	2,49,908	64,31,40,637	2,573.51	9,80,896.95
FR2	35,250	9,06,45,247	2,571.50	35,250	9,07,52,436	2,574.54	1,07,189.25
Total Profit made by the FRs							**10,88,086.20**

111. It is also seen that the value of the shares of Titan, bought by the Big Client on April 05, 2023, was less than the targeted quantity and the Titan trade was carried over next trading day (April 06, 2023), where FR1 again traded based on NPI. The trades undertaken by FR 1 and the Big Client on April 06, 2023, wherein FR1 earned a square off profit of INR 5,56,909, is provided in the table below:

Table no. 34

Trades undertaken by FR 1 and the Big Client in on April 06, 2023

Particulars	Buy/ Sell	Count of Orders	Order Start Time	Order End Time	Trade Start Time	Trade End Time	Sum of Trade Qty	Average Trade Price Range (in INR)	Match Vol.
FR 1	Buy	4	09:20:26	09:38:07	09:20:26	09:38:54	78,430	2554.85-2560.00 (2559.39)	-
FR 1	Sell	1	09:21:44	09:21:44	09:22:02	09:22:02	1	2571.00-2571.00 (2571.00)	-
BC	Buy	4	09:39:46	09:39:46	09:39:49	09:42:36	1,50,000	2560.00-2560.00 (2560.00)	-
FR 1	Sell	6	09:39:49	09:42:36	09:39:49	09:42:38	1,50,000	2560.00-2561.00 (2560.00)	1,37,869

Particulars	Buy/ Sell	Count of Orders	Order Start Time	Order End Time	Trade Start Time	Trade End Time	Sum of Trade Qty	Average Trade Price Range (in INR)	Match Vol.
FR 1	Buy	13	09:45:08	15:29:05	09:45:08	15:29:19	71,571	2545.00-2557.00 (2552.90)	-

112. Thus, trades in a particular scrip have also been carried over to next day in some instances and thus FRs have made unlawful gains over and above what can be seen on a given day.

G.2 Illustration of NPI-based trades by FR2 in the scrip of HDFC Limited (HDFC/500010) on September 19, 2022

113. On analysis of trade logs, it is observed that FR2 has undertaken NPI-based trades against orders of AXXXP Fund, one of the funds of the Big Client, making an overall profit of INR 12,68,193.00 on that day.

114. It is observed that during the day, FR2 matched its sell orders with the buy orders of the Big Client in 1 time patch. During this time patch the Big Client bought a total of 2.5 lakh shares of HDFC Limited out of which FR2 matched 99,173 shares.

115. The trades undertaken by FR2 and the Big Client in time period prior to matching and during matching of orders are illustrated and explained below:

Table no. 35

Trades undertaken by the FR2 and Big Client during aforesaid time period

Particulars	Buy / Sell	Count of Orders	Order Start Time	Order End Time	Trade Start Time	Trade End Time	Sum of Trade Qty	Average Trade Price Range (in INR)	Match Vol.
FR2	Buy	13	10:03:42	10:32:32	10:03:42	10:32:34	1,00,000	2428.80-2439.00 (2433.32)	-
Big Client	Buy	7	11:11:02	11:11:17	11:11:02	11:11:26	2,50,000	2446	-
FR2	Sell	4	11:11:08	11:11:08	11:11:08	11:11:08	1,00,000	2446	99,173

116. From the table above, it is seen that:

   i FR2 placed 13 Buy orders during the period between 10:03:42 to 10:32:32. Entire quantity of 1,00,000 shares was executed at an average price of INR 2433.32.

   ii Subsequently, the Big Client placed 7 buy orders for a cumulative quantity of 2,50,000 shares during the period between 11:11:02 - 11:11:17. The same got executed at an average price of INR 2446.

   iii At that time FR2 also placed 4 sell orders at 11:11:08, and the entire quantity of 1,00,000 shares got executed at an average price of INR 2446 of which 99,173 shares matched with the Big Client order i.e. 99.17% of the total shares sold by FR2.

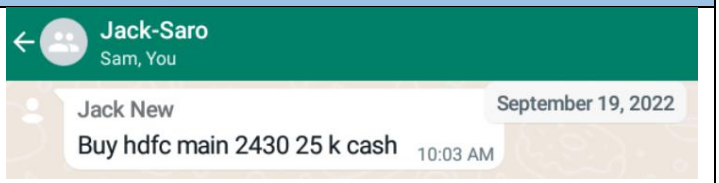
117. While the trades executed by the Big Client and the FR2 have been exhibited above, the manner in which the instructions in respect of the aforesaid trades were passed between various entities are shown below.

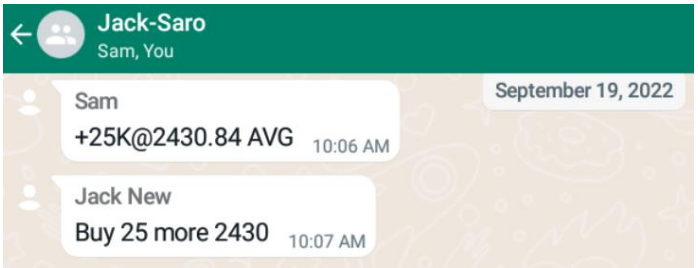
Table no. 36

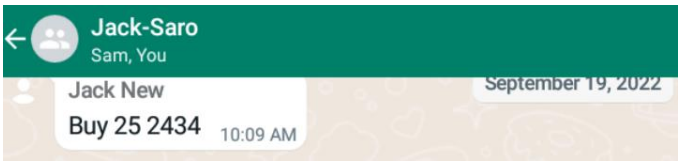
Instructions in respect of the positions taken by the FR2, prior to the entry of the Big Client

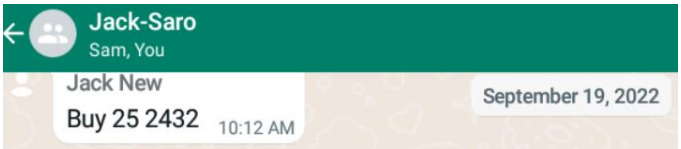
Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on September 19, 2022	**Column 2:** Trading Instructions from Jack New (Ketan Parekh) on WhatsApp group Jack-Saro on September 19, 2022

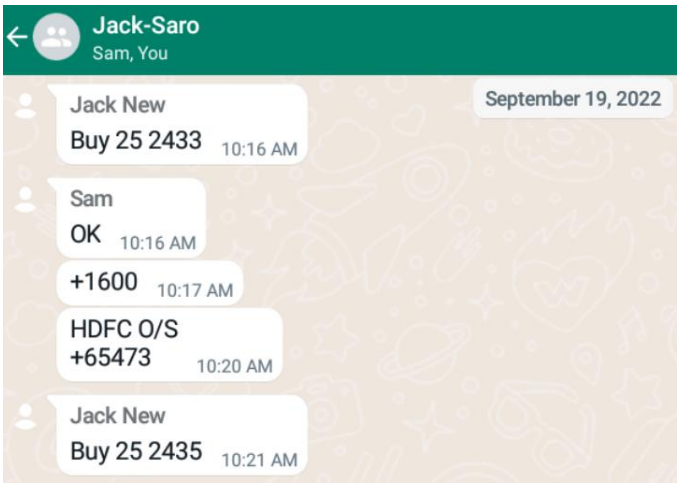
Time	From	Message
09:59:09	BCTrader2 – Big Client	i can buy slug of HDFC too
09:59:32	Rohit Salgaocar - Strait Crossing	HDFC, not the banks right?
09:59:42	BCTrader2 – Big Client	that's right. HDFC

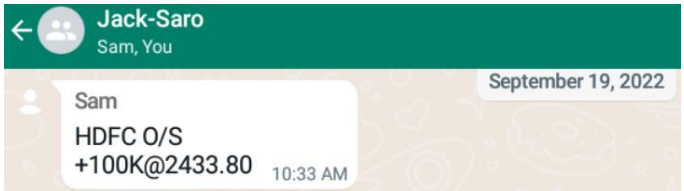










118. From columns 1 and 2 in the table above, it is seen that:
    - i at around 9:59 am, trader of the Big Client told Rohit Salgaocar that they would buy HDFC Limited.
    - ii at around 10:03 am, Ketan Parekh simultaneously started instructing to buy HDFC in the group "Jack-ST". Further, at around 10:32 am he instructed to complete 1 lakh buy. The messages are reflected and acknowledged in the group by "Sam" (name of the mobile kept in the office of FR2 as discussed at paragraph 48) of buying 100K shares of HDFC @ 2433.80 @ 10:33AM. This can be correlated with the cumulative buying of 1,00,000 shares of HDFC Limited, done in the account of FR2, as seen in table above at an average price of 2433.32 per share at 10:32:34.

119. The further flow of the aforesaid NPI from Ketan Parekh to FRs can also been seen in the table below:

Table no. 37

Instructions with respect of the positions taken by the FR2 and Big Client, when matching took place

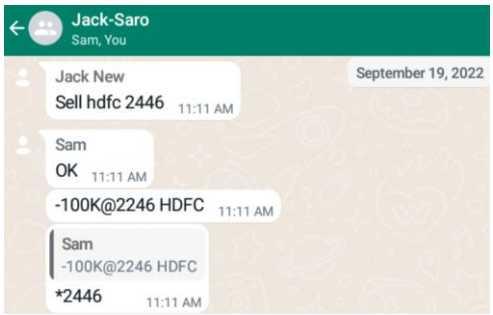
Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on September 19, 2022

Time	From	Message
11:08:00	Rohit Salgaocar - Strait Crossing	Small HDFC and I don't think grows 250k too irch or small?
11:08:41	BCTrader2 – Big Client	looking
11:09:10	BCTrader2 – Big Client	2445
11:09:54	Rohit Salgaocar - Strait Crossing	2446?
11:10:06	Rohit Salgaocar - Strait Crossing	250k
11:10:15	BCTrader2 – Big Client	Ok
11:10:19	Rohit Salgaocar - Strait Crossing	thx

Column 2: Bloomberg chat between Rohit Salgaocar and the trader of Nuvama on September 19, 2022

Time	From	Message
11:10:43	Trader of Nuvama	Recd HDFC
11:10:45	Rohit Salgaocar - Strait Crossing	250k HDFC 2446
11:11:00	Rohit Salgaocar - Strait Crossing	Go inb
11:11:02	Trader of Nuvama	ok
11:11:06	Trader of Nuvama	26k done
11:11:08	Trader of Nuvama	52k done
11:11:11	Trader of Nuvama	176k done
11:11:13	Trader of Nuvama	200k done
11:11:15	Trader of Nuvama	224k done
11:11:25	Trader of Nuvama	26k pending
11:11:28	Trader of Nuvama	done

Column 3: Trading Instructions from Jack New (Ketan Parekh) on WhatsApp group Jack-Saro



Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on September 19, 2022			Column 2: Bloomberg chat between Rohit Salgaocar and the trader of Nuvama on September 19, 2022			Column 3: Trading Instructions from Jack New (Ketan Parekh) on WhatsApp group Jack-Saro
11:10:23	Rohit Salgaocar - Strait Crossing	Edel pls	11:11:47	Trader of Nuvama	Bought 250k @ 2446.00	
11:10:38	BCTrader2 – Big Client	sent				

120. From the aforesaid table, it is seen that:

i (Column 1) At around 11:08 am, Rohit Salgaocar, continuing his earlier chat with the trader of the Big Client, offered 2.5 lakhs shares at INR 2446 and the trader then agreed to the trade, after which Rohit Salgaocar asked the Big Client trader to send the deal ticket to the Edelweiss (now Nuvama).

ii (Column 2) At around 11:10 am, the trader of Nuvama informed Rohit Salgaocar that deal ticket was received from the Big Client and Rohit Salgaocar instructed Nuvama's trader to place the HDFC order. Afterwards, Nuvama's trader provided to Rohit, continuous updates about the order and in the end confirmed order completion.

iii (Column 3) At around 11:11 am, Ketan Parekh instructed to sell HDFC at INR 2446, in the group "Jack-Saro" to which Sam (mobile phone kept in the office of FR2) confirmed at 11:11 AM that 1 lakh shares of HDFC had been sold @ 2446. This can be correlated with the cumulative selling of 1,00,000 shares of HDFC Limited, in the account of FR2, as seen in the table above. Further, as can be seen in table above, the instructions across 3 different chat windows were time coordinated.

iv In respect of the quantity and price at which the Big Client was to buy HDFC Limited, as explained above, Rohit Salgaocar, owing to his vast experience of dealing with the Big Client and his insights in respect of the impact of the

Big Client orders on the existing demand and supply in the market, had a fair idea about the size and the price at which the trades of the Big Client could be executed.

v The aforesaid analysis gets supported by the fact that on September 19, 2022 the volume in the HDFC Limited jumped by almost 75% (45.85 lakhs) in comparison to its 30-day average volume (26.17 lakhs). The Big Client and FR2 contributed around 5.5 lakhs to this volume, which is roughly 21% of the average daily trading volume of last 30 days.

121. In view of the aforesaid illustration, it is seen that:

i The chats in the tables above and the timing of flow of NPI between various entities *prima facie* establishes that the information of the forthcoming buy order of AXXXP Fund in the scrip of HDFC Limited reached to Ketan Parekh in a perfectly time-coordinated manner.

ii As Rohit Salgaocar received instructions from trader of the Big Client about buying HDFC Limited, he communicated the same to Ketan Parekh who in turn instructed FR2 to buy shares of HDFC Limited.

iii Thereafter, just when the Big Client ordered to buy the shares of HDFC Limited, Ketan Parekh immediately instructed FR2 to place sell order, which matched with the buy order of the Big Client.

iv Thus, armed with the knowledge of the NPI of the impending buy orders of the Big Client, Ketan Parekh got trades of such large quantity executed in the account of FR2, which otherwise it would not have undertaken. This resulted in FR2 matching with almost 39.67% of the buy quantity of the Big Client in the aforesaid time-patch, and made a total square off profit of INR 12,68,193.00 as calculated in the table below:

Table no. 38

Calculation of unlawful gains made under this illustration

FR	Buy Qty	Buy Value	Average Buy Price	Sell Qty	Sell Value	Average Sell Price	Profit
FR2	1,00,000	24,33,31,808	2,433.32	1,00,000	24,46,00,001	2,446.00	12,68,193.00

G.3 Illustration of NPI-based trade by FR1, FR2 and FR3 in the scrip of Policy Bazar Limited (PB Fintech/ 543390) on November 11, 2022

122. On analysis of the trade logs, it is observed that FR1, FR2 and FR3 have undertaken NPI-based Trades against the orders of two funds of the Big Client (Big Client) namely AXXXP Fund and Axxxxxxn Fund, making an overall profit of INR 18,55,650 on that day.

123. It is observed that during the day, two funds of the Big Client (AXXXP Fund and Axxxxxxn Fund) sold a total of 52.5 lakh shares of Policy Bazar Limited, in multiple time patches. During 3 time patches, either of FR1, FR2 and FR3 matched their buy orders with the sell orders of the Big Client, resulting in matched quantity of 20,61,291 shares.

124. Of the 3 time patches wherein NPI-based trading was observed, trading in 2 time patches has been shown wherein the first patch involves matching of trades of FR2 and the Big Client and the second time patch involves matching of trades of FR1, FR2 and FR3 with that of the Big Client.

125. The trades in the first time patch, showing matching of trades between the Big Client and FR2 is illustrated and explained below:

Table no. 39

Trades undertaken by FR2 and Big Client

Particulars	Buy/ Sell	Count of Orders	Order Start Time	Order End Time	Order Limit Price Range	Trade Start Time	Trade End Time	Sum of Trade Qty	Average Trade Price Range (in INR)	Match Vol.
FR2	Sell	16	09:15:00	09:58:48	379.5 - 383.75	09:15:00	10:01:48	5,00,000	379.50-383.75 (382.62)	-
Big Client	Sell	7	10:02:16	10:02:16	382	10:02:16	10:02:16	17,50,000	382.00-383.45 (382.00)	-
FR2	Buy	7	10:01:50	10:02:14	382	10:02:16	10:02:16	5,00,000	382.00-382.00 (382.00)	4,95,873

126. From the table above, it is seen that:

i Between 09:15:00 to 09:58:48, FR2 had placed 16 sell orders, in which 5,00,000 shares were executed at an average price of INR 382.62.

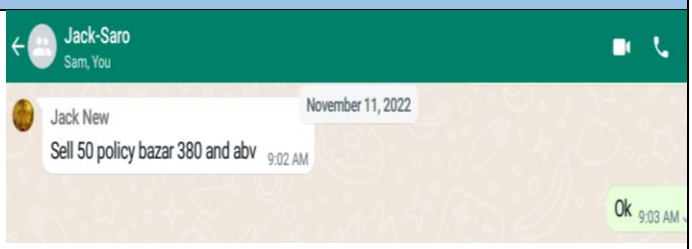
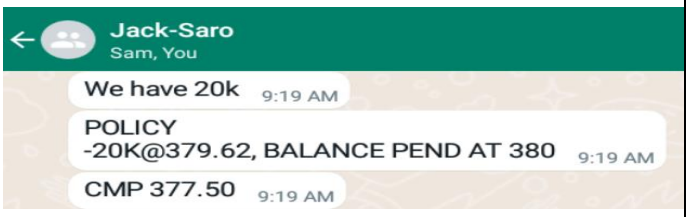
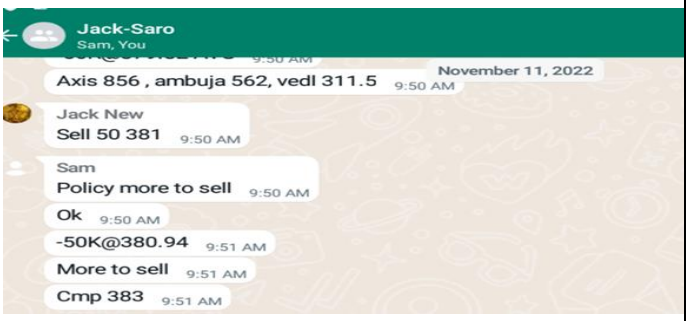
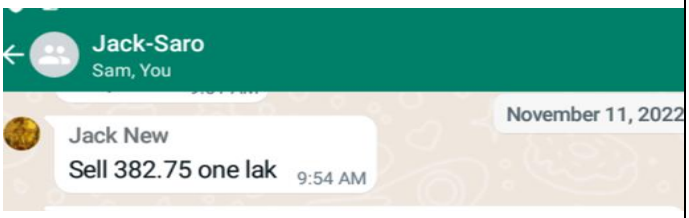
ii Around 10:02:16 am, Big Client placed 7 sell orders of which 17,50,000 shares which got executed at an average price of INR 382.

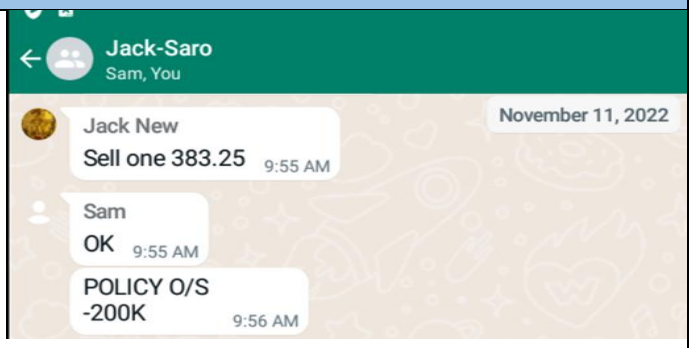
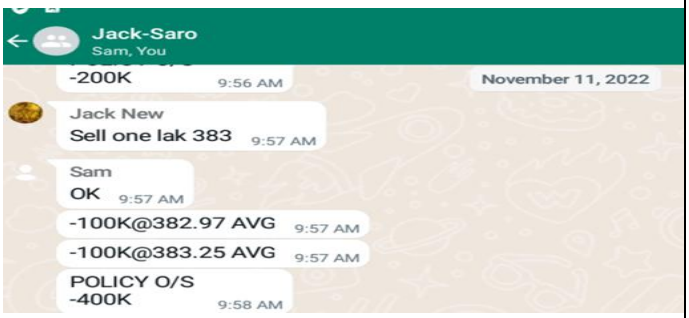
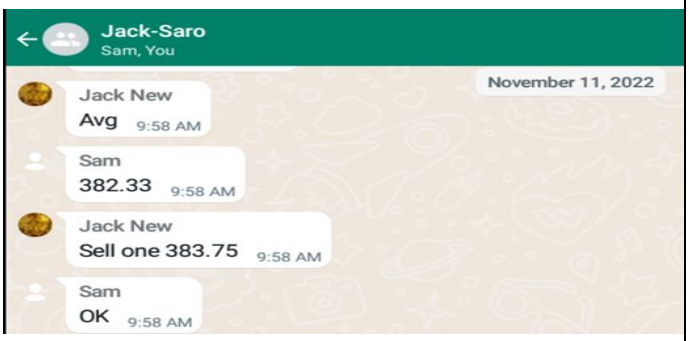
iii Between 10:01:50 - 10:02:14, FR2 placed 7 buy orders for 5,00,000 shares which got executed at an average price of INR 382 and of this 4,95,873 shares matched with the Big Client order i.e., 99.17% of the total shares bought by FR2.

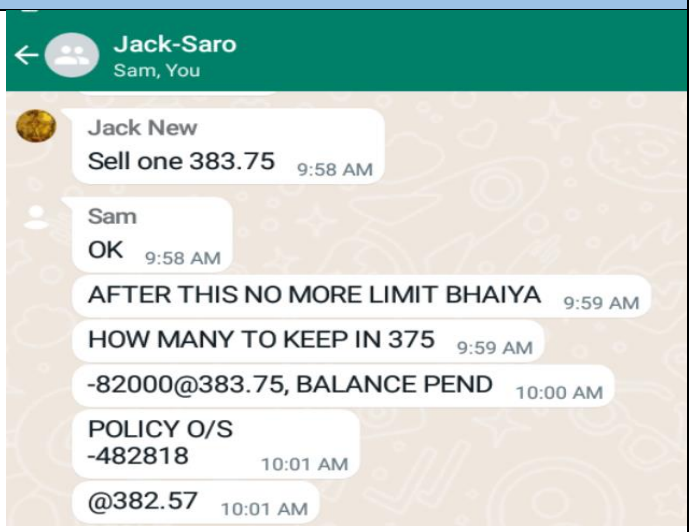
127. While the trades executed by the Big Client and FR2 have been exhibited above, the manner in which the instructions in respect of the aforesaid trades were passed between various entities are shown below.

Table no. 40

Instructions in respect of the positions taken by the FR2, prior to the entry of the Big Client

Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on November 11, 2022			**Column 2:** Trading Instructions from Jack New (Ketan Parekh) on WhatsApp group Jack-Saro
Time	From	Message	
08:02:25	Rohit Salgaocar - Strait Crossing	Hi BCTrader2 Good Morning. Back in the PLM north of 1000 for blocks, APTUS 325 ob and POLICYBZ(there are whispers around that someone is trying to build a book)]	
08:07:14	BCTrader 2 -Big Client	yo rohit morning. Hopefully helps some of this stuff i'm trying to sell	
08:08:53	Rohit Salgaocar - Strait Crossing	This POLICYBZ should only be north of 390 right?	
08:11:39	BCTrader 2 -Big Client	let's say 380 but won't get there	

Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on November 11, 2022	Column 2: Trading Instructions from Jack New (Ketan Parekh) on WhatsApp group Jack-Saro
	  

Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on November 11, 2022	Column 2: Trading Instructions from Jack New (Ketan Parekh) on WhatsApp group Jack-Saro
	

128. From Column 1 and 2 in table above, it is seen that:

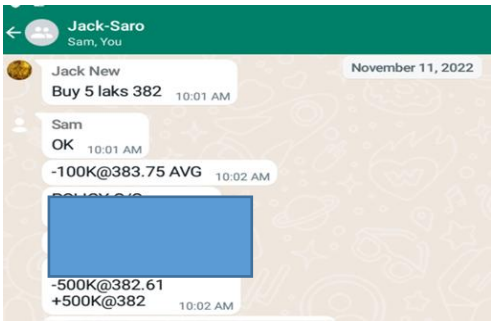
i before market hours, Rohit Salgaocar and trader of the Big Client were discussing about Policy Bazar and trader of the Big Client confirmed to Rohit Salgaocar that they would sell Policy Bazar that day.

ii from 9:00 am to 9:58 am, Ketan Parekh gave multiple instructions to sell scrip of Policy Bazar at various price in the WhatsApp group “Jack-Saro”.

129. In view of the above, cumulative selling of 5,00,000 shares done in the account of FR2 can be correlated with the impending order of the Big Client since Rohit Salgaocar knew about the quantum of shares which the Big Client wanted to sell and accordingly passed this information to Ketan Parekh who then instructed FRs to take position in the market. The further flow of NPI is as under:

Table no. 41

Instructions with respect to the positions taken by the FR2 and Big Client

<table>
<tr><th colspan="3">Column 1:
Bloomberg chat between Big Client trader and Rohit Salgaocar on November 11, 2022</th><th colspan="3">Column 2:
Bloomberg chat between Rohit Salgaocar and the trader of Nuvama on November 11, 2022</th><th>Column 3:
Trading Instructions from Jack New (Ketan Parekh) on WhatsApp group Jack-Saro</th></tr>
<tr><td>Time</td><td>From</td><td>Message</td><td>Time</td><td>From</td><td>Message</td><td rowspan="6"> 
</td></tr>
<tr><td>09:52:37</td><td>Rohit Salgaocar - Strait Crossing</td><td>750k?</td><td>10:02:21</td><td>Trader of Nuvama Wealth</td><td>Completed</td></tr>
<tr><td>09:52:54</td><td>Rohit Salgaocar - Strait Crossing</td><td>POLICY BZ</td><td>10:03:19</td><td>Trader of Nuvama Wealth</td><td>POLICYBZ: Sold 1.75 mln @ 382.00 on NSE</td></tr>
<tr><td>10:01:00</td><td>BCTrader2 - Big Client</td><td>382 or better</td><td colspan="3"></td></tr>
<tr><td>10:01:02</td><td>Rohit Salgaocar - Strait Crossing</td><td>382. For 1.75</td><td colspan="3"></td></tr>
<tr><td>10:01:09</td><td>BCTrader2 - Big Client</td><td>done</td><td colspan="3"></td></tr>
</table>

Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on November 11, 2022			Column 2: Bloomberg chat between Rohit Salgaocar and the trader of Nuvama on November 11, 2022	Column 3: Trading Instructions from Jack New (Ketan Parekh) on WhatsApp group Jack-Saro
10:01:14	Rohit Salgaocar - Strait Crossing	Nuvama pls		
10:01:49	BCTrader2 - Big Client	sent		

130. From the aforesaid table, it is seen that:

i (Column 1) At around 9:52 am, Rohit Salgaocar, continuing with his earlier chat with the trader of the Big Client, discussed the price and quantity of shares of PolicyBazaar which were to be sold. The Big Client agreed to sell 17.5 lakhs shares in PolicyBazaar at the rate of INR 382 per share. Thereafter, Rohit Salgaocar asked the trader of the Big Client to send deal ticket to the Nuvama.

ii (Column 3) At around 10:01 am, Ketan Parekh, simultaneously instructed to buy Policy Bazar at INR 382 in the group "Jack-Saro", to which Sam (mobile phone kept in the office of FR2) confirmed buying of 5 lakh shares of Policy Bazar. The same can be correlated with the buy trade of 5 lakh shares in the account of FR2.

iii (Column 2) Between 10:02:21 and 10:03:19 am, Nuvama's trader informed Rohit Salgaocar about completion of sell order received from the Big Client trader i.e., total 17.5 lakh shares of Policy Bazar sold at INR 382.00 on NSE. Further, as can be seen in table above, the instructions across 3 different chat windows were time coordinated.

131. In respect of the quantity and price at which the Big Client was to sell Policy Bazar, the following is noted:

i In the morning itself, the trader of the Big Client had given the price range to Rohit Salgaocar. Further, owing to Rohit Salgaocar's vast experience of dealing with the Big Client, he had a fair idea about the size of the trades which the Big Client executed.

ii This becomes all the more evident, given that on November 11, 2022 the volume in the Policy Bazar jumped by almost 5891% (5.09 Cr) in comparison to its 30-day average volume (8.5 lakhs). The Big Clients, FR1, FR2 and FR3 contributed around 79.30 lakhs to this volume, which is roughly 930% of the average daily trading volume of last 30 days.

iii Further, it is seen that the 1st instance of matching happened at around 10:02:16 am, and the total volume contributed by the Big Client and FR2 till that time was around 22.50 lakhs, which is 32.42% of their total volume on the day.

132. In view of the aforesaid illustrations, it is seen that:

i The chats in the tables above and the timing of flow of information between various entities, *prima facie* establishes that the information of the forthcoming sell order of AXXXP Fund in the scrip of Policy Bazar reached to Ketan Parekh in a perfectly time-coordinated manner.

ii As Rohit Salgaocar received the instructions from trader of the Big Client about selling Policy Bazar that day, the same was communicated to Ketan Parekh, who in turn instructed FR2 to sell shares of Policy Bazar Limited. Thereafter, just when the Big Client ordered to sell the shares of Policy

Bazar Limited, Ketan Parekh immediately instructed FR2 to place buy order, which matched with the sell order of the Big Client.

133. The trades in the second time patch, showing matching of trades of FR1, FR2 and FR3 with that of the Big Client are illustrated and explained below:

Table no. 42

Trades undertaken by the FR1, FR2, FR3 and Big Client

Particulars	Buy/ Sell	Count of Orders	Order Start Time	Order End Time	Order Limit Price Range	Trade Start Time	Trade End Time	Sum of Trade Qty	Average Trade Price Range (in INR)	Match Vol.
FR1	Sell	17	10:04:56	10:54:22	383.9-385.6	10:04:56	11:05:19	5,58,531	384.00-386.05 (384.88)	-
FR1	Buy	5	10:17:45	11:10:12	382.5-385.1	10:17:45	11:10:12	1,32,500	382.50-385.00 (384.23)	-
FR2	Buy	5	10:22:04	10:23:26	383.5-384.5	10:22:05	10:29:46	25,000	383.50-384.50 (384.00)	-
FR2	Sell	13	10:03:55	11:10:22	384-386	10:04:36	11:15:52	6,05,869	384.00-386.00 (384.75)	-
FR3	Sell	2	11:09:51	11:10:08	384.5	11:09:51	11:15:09	1,50,000	384.50	-
Big Client	Sell	11	11:14:32	11:16:27	384.5	11:15:09	11:18:26	25,00,000	384.50	
FR1	Buy	5	11:15:54	11:16:20	384.5	11:15:54	11:16:20	4,08,531	384.50	4,08,529
FR2	Buy	7	11:15:39	11:16:13	384.50	11:15:39	11:16:13	5,80,869	384.50	5,79,001

Particulars	Buy/ Sell	Count of Orders	Order Start Time	Order End Time	Order Limit Price Range	Trade Start Time	Trade End Time	Sum of Trade Qty	Average Trade Price Range (in INR)	Match Vol.
FR3	Buy	2	11:15:51	11:16:42	384.50	11:15:51	11:16:42	1,30,000	384.50	1,29,998

134. From the table above, it is seen that:

i FR2 placed 13 sell orders between 10:03:55 to 11:10:22 in which 6,05,869 shares got executed at an average price of INR 384.75.FR2 also placed 5 buy orders between 10:22:04 to 10:23:26 in which 25,000 shares got executed at an average price of INR 384.00.

ii Similarly, FR1 placed 17 sell orders between 10:04:56 to 10:54:22 in which 5,58,531 shares were executed at an average price of INR 384.88. FR1 also placed 5 buy orders between 10:17:45 to 11:10:12 in which 1,32,500 shares were executed at an average price of INR 384.23.

iii FR3 also placed 2 sell orders between 11:09:51 to 11:10:08 in which 1,50,000 shares were executed at an average price of INR 384.50.

iv Subsequently, Big Client placed 11 sell orders for a cumulative quantity of 25,00,000 shares during the period between 11:14:32 – 11:16:27. The same got executed at an average price of INR 384.50.

v At that time FR1, FR2 and FR3 placed 5, 7 and 2 buy orders, respectively, for a cumulative quantity of 11,19,400 shares, between 11:15:39 – 11:16:42, and 11,19,400 shares got executed at an average price of INR 384.50, of which 11,17,528 shares matched with the Big Client order i.e., 99.83% of the total shares bought by FRs.

135. While the trades executed by the Big Client and the FRs have been exhibited above, the manner in which the instructions in respect of the aforesaid trades were passed between various entities are shown below.

Table no. 43

Instructions with respect to the positions taken by the FR2 and Big Client, when matching took place

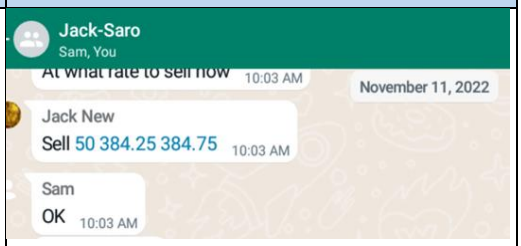
Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on November 11, 2022

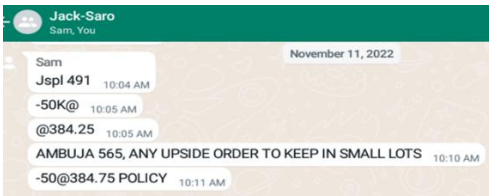
Time	From	Message
10:01:52	BCTrader2 - Big Client	going to eat lunch now
10:01:59	Rohit Salgaocar - Strait Crossing	thanks
10:02:03	Rohit Salgaocar - Strait Crossing	Keep looking
10:02:07	Rohit Salgaocar - Strait Crossing	?
10:01:09	BCTrader2 - Big Client	not now

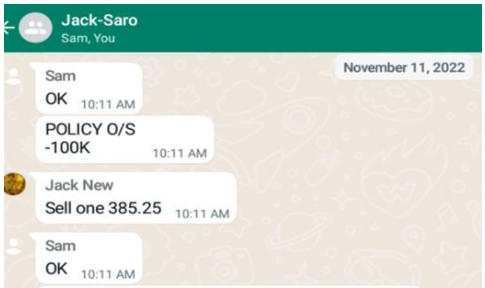
Column 2: Bloomberg chat between Rohit Salgaocar and the trader of Nuvama on November 11, 2022

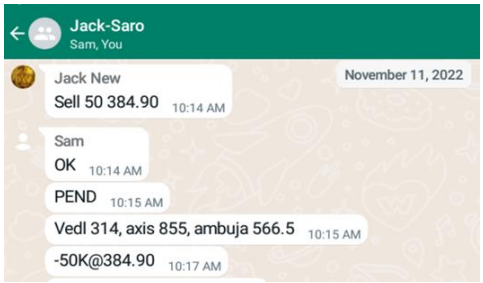
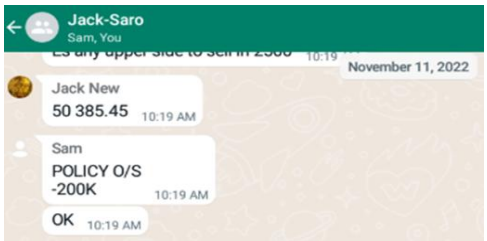
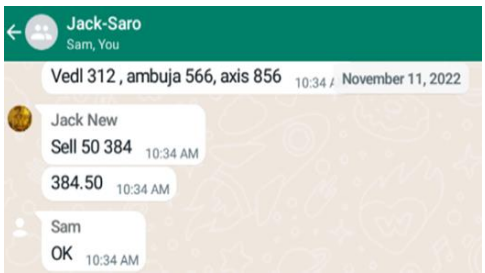
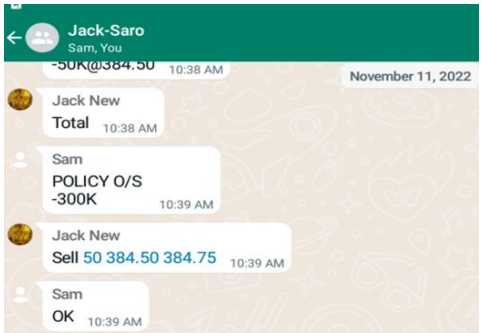
Time	From	Message
11:10:49	Trader of Nuvama Wealth	Received POLICYBZ
11:11:08	Trader of Nuvama Wealth	384.50
11:11:12	Rohit Salgaocar	Call me
11:11:34	Trader of Nuvama Wealth	yes
11:18:33	Trader of Nuvama Wealth	completed
11:21:26	Trader of Nuvama Wealth	POLICYBZ: Sold @ 384.50 on BSE

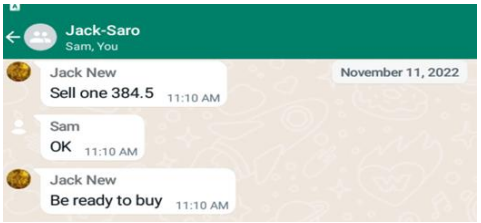
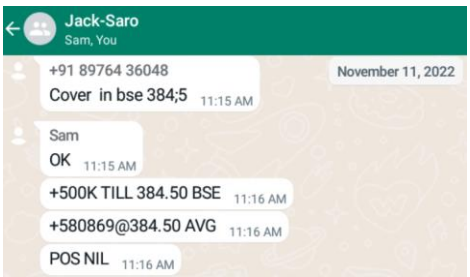
Column 3: Trading Instructions from 955A/Jack New (Ketan Parekh) on WhatsApp







Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on November 11, 2022			Column 2: Bloomberg chat between Rohit Salgaocar and the trader of Nuvama on November 11, 2022	Column 3: Trading Instructions from 955A/Jack New (Ketan Parekh) on WhatsApp
10:02:13	BCTrader2 - Big Client	eating		
10:47:49	Rohit Salgaocar - Strait Crossing	Buyer for 2.5mn at 384		
11:06:54	BCTrader2 - Big Client	back. counter 384.50 for 2.5mn		
11:07:19	Rohit Salgaocar - Strait Crossing	One min		
11:09:11	Rohit Salgaocar - Strait Crossing	384.50?		
11:09:14	Rohit Salgaocar - Strait Crossing	2.5mn		
11:10:02	Rohit Salgaocar - Strait Crossing	*rang the bell*		

Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on November 11, 2022			Column 2: Bloomberg chat between Rohit Salgaocar and the trader of Nuvama on November 11, 2022	Column 3: Trading Instructions from 955A/Jack New (Ketan Parekh) on WhatsApp
11:10:15	BCTrader2 - Big Client	yes done		
11:10:18	Rohit Salgaocar - Strait Crossing	thanks		
11:12:13	Rohit Salgaocar - Strait Crossing	nuvama		
11:12:19	Rohit Salgaocar - Strait Crossing	I will do on bse		
11:13:18	BCTrader2 - Big Client	so you want me to send all to Nuvama?		
11:13:22	Rohit Salgaocar - Strait Crossing	Yes pls		
11:13:33	BCTrader2 - Big Client	sent		

Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on November 11, 2022			Column 2: Bloomberg chat between Rohit Salgaocar and the trader of Nuvama on November 11, 2022	Column 3: Trading Instructions from 955A/Jack New (Ketan Parekh) on WhatsApp
11:14:44	Rohit Salgaocar - Strait Crossing	thx		

136. From the aforesaid table, it is seen that:

i (Column 1) At around 10:01 am, Rohit Salgaocar continued with his earlier chat with the trader of the Big Client, in respect of the sell trade in Policy Bazar, wherein the price, quantity and the Exchange (in this case BSE) on which the trade was to be executed was agreed upon. Subsequently, Rohit Salgaocar asked the Big Client trader to send the deal ticket to the Nuvama.

ii (Column 2) At around 11:10 am, the trader of Nuvama informed Rohit Salgaocar that deal ticket is received from the Big Client. Subsequently, Rohit Salgaocar instructed Nuvama's trader to call him. Afterwards, Nuvama's trader provided confirmation to Rohit of order completion.

iii (Column 3) Between 10:03 am and 11:10 am Ketan Parekh gave multiple instructions to sell Policy Bazar at various prices in the group "Jack-Saro". This can be correlated with the buy and sell trades done in the account of FR2. At 11:10 am, it can also be observed from the chat that Ketan Parekh told FR2 to be ready to buy Policy Bazar and to cover the shares sold on BSE. At 11:16 am, FR2 confirmed that the buy order for 5,80,869 shares had been executed on BSE out of which, 5,79,001 trades matched with the Big Client.

iv FR1 and FR 3 had also created **net** short position, by selling shares in cash segment, in Policy Bazar and most of this short position created by FR1 and FR3 had also been squared off by them and matched with the Big Client in the aforesaid time patch. By doing this, both FR1 and FR 3 had matched 4,08,529 and 1,29,998 trades with the Big Client, respectively.

137. In respect of the quantity and price at which Big Client was to buy Policy Bazar, it is seen that:

i In respect of the quantity and price at which Big Client was to sell Policy Bazar, as explained above, Rohit Salgaocar, owing to his vast experience of dealing with the Big Client and his insights in respect of the impact of the Big Client orders on the existing demand and supply in the market, had a fair idea about the size and the price at which the trades of the Big Client could be executed.

ii This gets supported by the fact that on November 11, 2022 the volume in the Policy Bazar jumped by almost 5891% (5.09 Cr) in comparison to its 30-day average volume (8.5 lakhs). The Big Clients, FR1, FR2 and FR3 contributed around 79.12 lakhs to this volume, which is roughly 930% of the average daily trading volume of last 30 days.

iii Further, it is seen that the Exchange at which the trade is going to be executed was communicated to the FRs so that the **net** short position created gets squared off with the intended Big Client. It is to be noted that the short position created by the FRs, would not have otherwise been created.

138. In view of the aforesaid illustration, it is seen that:

i The chats in the aforesaid table and the timing of flow of information between various entities, *prima facie* establishes that the information of the

forthcoming sell order of the Big Client in the scrip of Policy Bazar reached to Ketan Parekh in a perfectly time-coordinated manner.

ii As Rohit Salgaocar received the instructions from traders of the Big Client about the impending trades of the Big Client on that day, the same was communicated to Ketan Parekh, who in turn instructed Sanjay Taparia (who had access to account of FR1 and FR3)[8] and FR2, to sell shares of Policy Bazar. Thereafter, just when the Big Client ordered to sell the shares of Policy Bazar, Ketan Parekh immediately instructed Sanjay Taparia and FR2, to place buy order, which matched with the buy order of the Big Client.

iii This process of matching the Buy orders of the Big Client with the sell orders of FRs happened 3 times in the day, where trades were placed through the account of FR1, FR2 and FR3.

iv Thus, armed with the knowledge of the impending buy orders of the Big Client, Ketan Parekh got trades of such large quantity executed in the accounts of FR1, FR2 and FR3, which otherwise they would not have undertaken. This resulted in a match of 39.26% of the sell quantity of the Big Client in the aforesaid time patches and a total square off profit of INR 18,55,650 for FR1, FR2 and FR3 as calculated in the table below:

Table no. 44

Calculation of unlawful gains made under this illustration

FR	Buy Qty	Buy Value	Average Buy Price	Sell Qty	Sell Value	Average Sell Price	Profit
FR1	8,18,693	31,63,02,063	386.35	8,16,693	31,57,69,389	386.64	2,40,026.05
FR2	16,90,964	65,15,38,290	385.31	16,90,964	65,30,00,219	386.17	14,61,929.00

[8] Connection of Sanjay Taparia and FR3 is discussed at paragraph 45 and 46.

FR	Buy Qty	Buy Value	Average Buy Price	Sell Qty	Sell Value	Average Sell Price	Profit
FR3	1,70,000	6,52,81,269	384.01	1,55,000	5,96,74,852	385.00	1,53,694.97
Total Profit made by the FRs							**18,55,650**

G.4 Illustration of NPI-based trades by FR 2 and FR5 in the scrip of Cholamandalam Investment and Finance Company Limited (CHOLAFIN / 511243) on January 09, 2023

139. On analysis of the trade logs, it is observed that FR2 and FR5 have undertaken NPI-based trades against the orders of AXXXP Fund, one of the funds of the Big Client, making an overall profit of INR 70,63,705.40.

140. It is observed that during the day, the Big Client sold around 9 lakh shares of Cholamandalam Investment and Finance Company Limited (hereinafter "CIFC" or "Chola"). FR2 and FR5 matched their buy orders with the sell orders of the Big Client, matching the sell order of the Big Client with a quantity of 4,60,085.

141. The trades undertaken by FR2, FR5 and Big Client prior to matching and during matching of the orders are illustrated and explained below:

Table no. 45

Trades undertaken by the FR2, FR5 and Big Client

Particulars	Buy / Sell	Count of Orders	Order Start Time	Order End Time	Trade Start Time	Trade End Time	Sum of Trade Qty	Average Trade Price Range (in INR)	Match Vol.
FR5	Sell	4	09:03:13	09:17:11	09:07:19	09:19:20	80,310	660.00-667.00 (661.21)	-
Big Client	Sell	7	09:19:37	09:19:37	09:19:37	09:21:51	9,00,000	660.00 - 660.60 (660.00)	-

Particulars	Buy / Sell	Count of Orders	Order Start Time	Order End Time	Trade Start Time	Trade End Time	Sum of Trade Qty	Average Trade Price Range (in INR)	Match Vol.
FR2	Buy	3	09:20:27	09:20:32	09:20:27	09:20:32	1,50,000	660.00 - 660.00 (660.00)	1,47,946
FR5	Buy	4	09:19:40	09:20:50	09:19:40	09:20:50	3,12,810	659.85 - 660.00 (660.00)	3,12,139
FR5	Sell	19	09:38:37	9:58:43	09:38:37	09:58:54	2,32,500	675.95-682.60 (678.77)	-
FR2	Sell	39	13:54:34	14:29:31	13:54:34	14:30:14	1,50,000	676.00 - 679.00 (677.34)	-

142. From the table above, it is seen that:

i Big Client placed 7 sell orders at 09:19:37. The same got executed at an average price of INR 660.00. It is noted that FR5 placed 4 sell orders by 09:19:20 am, i.e. before Big Client entered the market, in which 80,310 shares were executed. The price decreased from around INR 667.90 to INR 660.06 during this period owing to large sell orders placed by FR5.

ii FR2 placed 3 buy orders between 09:20:27-09:20:32, in which 1,50,000 shares got executed at an average price of 660, of which 1,47,946 shares matched with the Big Client order i.e., 98.63% of the total shares bought by FR2. Further, FR5 placed 4 buy orders between 09:19:40-09:20:50 in which 3,12,810 shares, got executed at an average price of 660, of which 3,12,139 shares matched with the Big Client order i.e., 99.78% of the total shares bought by FR5. Thus, FR2 and FR5 cumulatively bought 4,60,085 shares from the Big Client which means they matched 51.12% of the Big Client order.

iii Afterwards, during the period between 13:54:34 to 14:29:31, FR2 placed 39 Sell orders in which 1,50,000 shares got executed at an average price of INR 677.34. FR5 placed 19 sell orders between 09:38:37 to 09:58:43 in which 2,32,500 shares got executed at an average price of INR 678.77. Thus, it is seen that based on the NPI-based trading instructions, FRs were making unlawful gains from trades which were executed after matching with the Big Client also.

143. The discussion between Rohit Salgaocar and the trader of Big Client about CIFC started on the previous working day i.e. January 06, 2023, where also NPI-based trades were executed by FR5. The relevant extracts of the Bloomberg chats between Rohit Salgaocar and the trader of Big Client on January 06, 2023 are shown below:

Table no. 46

Bloomberg chats between Rohit Salgaocar and the trader of Big Client on January 06, 2023

Time	From	Message
09:07:48	BCTrader2 - Big Client	can also sell CIFC
09:30:03	Rohit Salgaocar - Strait Crossing	200k CIFC?
09:30:59	BCTrader2 -Big Client	mkt 680 or better yes
09:31:28	Rohit Salgaocar - Strait Crossing	681
09:31:31	Rohit Salgaocar - Strait Crossing	Done
09:36:45	Rohit Salgaocar - Strait Crossing	Continue to look 680 ob?
10:53:56	BCTrader2 -Big Client	would stll do mkt here
10:54:19	Rohit Salgaocar - Strait Crossing	Will look

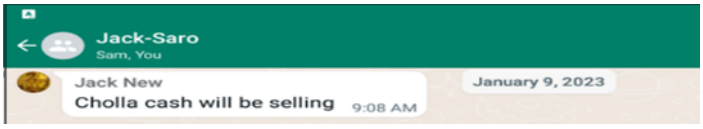
144. As can be seen from table above, on January 06, 2023, BCTrader2 told Rohit that he wanted to sell CIFC. Thereafter, during the day Rohit Salgaocar did a trade of 200K shares in CIFC for Big Client. Thereafter, the trader of Big Client confirmed that he was still interested in selling CIFC indicating that he had more quantity which could be sold, to which Rohit Salgaocar replied that he would look. Hence, it is seen

that Rohit Salgaocar, owing to his vast experience of dealing with the Big Client, had a fair idea about the size of the trades that the Big Client was looking to execute.

145. While, the trades executed by the Big Client, FR2 and FR5 have been exhibited in Table no. 45, the manner in which the instructions in respect of the aforesaid trades were passed between various entities are shown below.

Table no. 47

Instruction with respect to the positions to be taken in the scrip on January 09, 2023

<table>
<tr><th>Column 1:
Bloomberg chat between Big Client trader and Rohit Salgaocar on January 9, 2022</th><th>Column 2:
Trading Instructions from Jack New (Ketan Parekh) on WhatsApp group Jack-Saro</th></tr>
<tr><td>
<table>
<tr><th>Time</th><th>From</th><th>Message</th></tr>
<tr><td>08:20:45</td><td>Rohit Salgaocar - Strait Crossing</td><td>Hi BCTrader2 Good Morning. Just checking if back to look for blocks in CIFC and levels please? MAXHEALTH at 430 ob PLM 980 ob and RLXF at 970 ob thanks</td></tr>
<tr><td>08:23:23</td><td>BCTrader2 (Big Client)</td><td>morning Rohit. all good. cifc 650 and better</td></tr>
</table>
</td><td> 
</td></tr>
</table>

146. From Column 1 and 2 in table above, it is seen that:

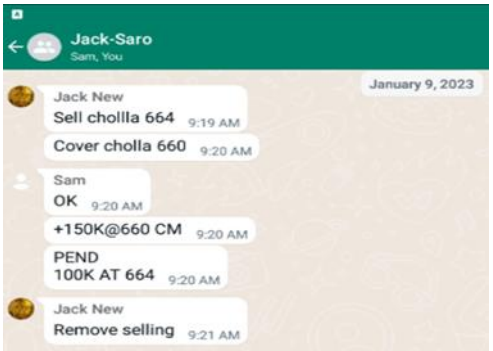
i At around 8:23 am on January 09, 2023, trader of the Big Client indicated to Rohit Salgaocar that he was interested in Chola (CIFC) with a price range of “650 and better”;

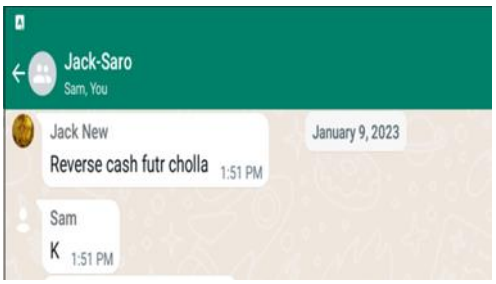
ii At around 09.08 am, Ketan Parekh simultaneously communicated in the WhatsApp group “Jack-Saro” that Chola (CIFC) cash would be selling on that day.

147. The further flow of the aforesaid NPI from Ketan Parekh to FRs is depicted in the table below:

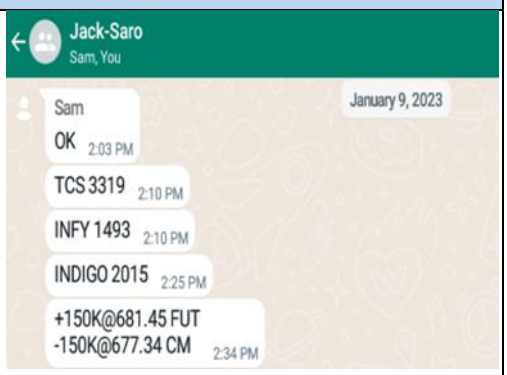
Table no. 48

Instructions with respect to the positions taken by the FR2 and Big Client

<table>
<tr><th>Column 1:
Bloomberg chat between Big Client trader and Rohit Salgaocar on January 09, 2023</th><th>Column 2:
Bloomberg chat between Rohit Salgaocar and the trader of Nuvama on January 09, 2023</th><th>Column 3:
Trading Instructions from Jack New (Ketan Parekh) on WhatsApp group Jack-Saro</th></tr>
<tr>
<td>
<table>
<tr><th>Time</th><th>From</th><th>Message</th></tr>
<tr><td>09:16:41</td><td>Rohit Salgaocar - Strait Crossing</td><td>1mn you care CIFC?</td></tr>
<tr><td>09:16:47</td><td>Rohit Salgaocar - Strait Crossing</td><td>Rang the bell</td></tr>
<tr><td>09:17:03</td><td>BCTrader2 (Big Client)</td><td>Looking</td></tr>
<tr><td>09:17:21</td><td>BCTrader2 (Big Client)</td><td>Yes</td></tr>
<tr><td>09:17:35</td><td>Rohit Salgaocar - Strait Crossing</td><td>660 Can I show?</td></tr>
</table>
</td>
<td>
<table>
<tr><th>Time</th><th>From</th><th>Message</th></tr>
<tr><td>09:19:24</td><td>Trader of Nuvama</td><td>Recd Order to sell CIFC</td></tr>
<tr><td>09:19:27</td><td>Trader of Nuvama</td><td>900k @ 660</td></tr>
<tr><td>09:19:30</td><td>Trader of Nuvama</td><td>Ready</td></tr>
<tr><td>09:19:34</td><td>Rohit Salgaocar</td><td>Go in</td></tr>
<tr><td>09:19:36</td><td>Trader of Nuvama</td><td>Ok</td></tr>
<tr><td>09:19:43</td><td>Trader of Nuvama</td><td>83k</td></tr>
</table>
</td>
<td>




</td>
</tr>
</table>

Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on January 09, 2023			Column 2: Bloomberg chat between Rohit Salgaocar and the trader of Nuvama on January 09, 2023			Column 3: Trading Instructions from Jack New (Ketan Parekh) on WhatsApp group Jack-Saro
09:17:39	BCTrader2 (Big Client)	Yes	09:19:48	Trader of Nuvama	135k	
09:17:41	BCTrader2 (Big Client)	and that would be it	09:20:35	Trader of Nuvama	390k	
09:17:55	BCTrader2 (Big Client)	as in no more after	09:20:49	Trader of Nuvama	633k	
09:17:55	Rohit Salgaocar - Strait Crossing	That's done,	09:21:23	Trader of Nuvama	775k	
09:18:06	Rohit Salgaocar - Strait Crossing	U want to keep back some?	09:21:43	Trader of Nuvama	867k	
09:18:14	BCTrader2 (Big Client)	i hav 112k left. will keep	09:21:55	Trader of Nuvama	completed	
09:18:20	BCTrader2 (Big Client)	nuvama?	09:23:34	Trader of Nuvama	CIFC:Sold 900k @ 660	
09:18:22	Rohit Salgaocar - Strait Crossing	Shud I do 900 ?				
09:18:43	BCTrader2 (Big Client)	you think that's better?				
09:18:45	Rohit Salgaocar - Strait Crossing	Yes nuvama				
09:18:53	BCTrader2 (Big Client)	worried it will not				

Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on January 09, 2023			Column 2: Bloomberg chat between Rohit Salgaocar and the trader of Nuvama on January 09, 2023	Column 3: Trading Instructions from Jack New (Ketan Parekh) on WhatsApp group Jack-Saro
		trade so much today		
09:19:00	BCTrader2 (Big Client)	ok 900		
09:19:11	Rohit Salgaocar - Strait Crossing	900k is odne 660		

148. From columns 1, 2 and 3 in the table above, it is seen that:

i at around 9:19 am, Rohit Salgaocar got a confirmation from the trader of the Big Client about the sell order of 900,000 shares in CIFC and the deal ticket is sent to Nuvama.

ii at around 9:19 am, Nuvama's trader informed Rohit Salgaocar about receipt of CIFC sell order from the Big Client and thereafter, Rohit Salgaocar instructed Nuvama's trader to place the order. Afterwards, Nuvama's trader provided Rohit with continuous updates about the status of execution of the order and in the end confirms order completion at around 9:22 am.

iii at around 9:19-9:20 am, Ketan Parekh, in the group "Jack-Saro", instructed to sell Chola at 664 and cover Chola at 660. To this Sam (mobile kept in the office of FR2) confirmed buying 1.5 lakh Chola at INR 660 and pending sell order of 1 lakh at INR 664. However, immediately afterwards Ketan Parekh instructed in the group to remove selling i.e. to delete the pending sell order in the scrip Chola, which had just been placed.

iv at around 1:51 pm, Ketan Parekh in the group “Jack-Saro”, instructed to reverse the existing positions in Cash and Futures of Chola and Sam (mobile kept in the office of FR2) reversed both the positions and confirmed about the same in the group. The trade reversed in the cash market can be correlated with the cumulative sell of 1.5 lakh shares of Chola, in the account of FR2.

v In respect of the quantity and price at which the Big Client was looking to sell CIFL, the trader of the Big Client had given the price range to Rohit Salgaocar in the morning itself. Further, as stated above, the discussion about CIFL has been continued from previous working day i.e. January 06, 2023, wherein the trader of the Big Client had indicated that he has more quantity which can be sold. Given that Rohit Salgaocar had vast experience of dealing with the Big Client, it can be said that he had a fair idea about the size of the trades that the Big Client was looking to execute.

vi Further, on January 09, 2023, the volume in the CIFL jumped by almost 3 times (39.66 lakhs) in comparison to its 30-day average volume (13.36 lakhs). The Big Client, FR2 and FR5 contributed around 13.63 lakhs to this volume, which is roughly 102% of the average daily trading volume of last 30 days. Further, it is seen that the instance of matching happened at around 9:19-9:20 am, and the total volume contributed by the Big Client, FR2 and FR5 till that time was around 13.63 lakhs, which is 100% of their volume on the day.

149. In view of the aforesaid illustration, it is seen that:

i The chats in the tables above and the timing of flow of NPI amongst various entities *prima facie* establishes that the information of the forthcoming sell

order of AXXXP Fund in the scrip of CIFL reached to Ketan Parekh in a perfectly time-coordinated manner.

ii As Rohit Salgaocar received the instructions from trader of the Big Client about selling CIFL that day, the same was communicated to Ketan Parekh, who in turn instructed about the same to FR2. Thereafter, just when the Big Client ordered to sell the shares of CIFL, Ketan Parekh immediately instructed FR2 to place buy order, which matched with the sell order of the Big Client.

iii This process of matching the sell order of the Big Client with the buy orders of FRs happened at around 9:19-9:20 am, where trades were placed through the account of FR2 and FR5.

iv Thus, armed with the knowledge of the impending sell orders of the Big Client, Ketan Parekh got trades of such large quantity executed in the accounts of FR2 and FR5[9], which otherwise they would not have undertaken. This resulted in a match of 51.12% of the sell quantity of the Big Client and a total square off profit of INR 70,63,705.40 for FR2 and FR5 as calculated in the table below:

Table no. 49

Calculation of unlawful gains made under this illustration

FR	Buy Qty	Buy Value	Average Buy Price	Sell Qty	Sell Value	Average Sell Price	Profit
FR2	1,50,000	9,90,00,000	660.00	1,50,000	10,16,01,369	677.34	26,01,369.20
FR5	3,12,810	20,64,54,594	660.00	3,12,810	21,09,16,930	674.27	44,62,336.20
Total Profit made by the FRs							**70,63,705.40**

[9] Flow of NPI from Ketan Parekh to FR5 is discussed in Part D.5 of this order.

G.5 Illustration of NPI-based trades by FR 2 and FR6 in the scrip of Tube Investments of India Limited (TIINDIA/540762) on May 18, 2022

150. Upon analysis of the trade logs, it is observed that FR2 and FR6 have undertaken NPI-based trades against the orders of AXXXP Fund, one of the funds of the Big Client, making an overall profit of INR 7,53,405.65.

151. It was observed that during the day FR2 and FR6 matched their buy orders with the sell orders of AXXXP Fund in two time patches. During the aforesaid patches, the Big Client sold around 2.25 lakh shares of Tube Investments of India Limited out of which FRs matched 2,23,150 shares.

152. The trades undertaken by the FR2, FR6 and the Big Client in time period prior to matching and during matching of orders are illustrated and explained below:

Table no. 50

Trades undertaken by the FR2, FR6 and Big Client during aforesaid Patch

Particulars	Buy/ Sell	Count of Orders	Order Start Time	Order End Time	Trade Start Time	Trade End Time	Sum of Trade Qty	Average Trade Price Range (in INR)	Match Vol.
FR2	Sell	29	09:15:00	09:31:20	09:15:00	09:32:24	1,50,000	1666.00-1681.30 (1669.45)	-
FR6	Sell	1	09:33:12	09:33:12	09:33:12	09:33:12	3367	1670.00-1674.50 (1670.33)	-
Big Client	Sell	4	09:35:31	09:36:13	09:35:56	09:36:36	2,00,000	1666.00	

Particulars	Buy/ Sell	Count of Orders	Order Start Time	Order End Time	Trade Start Time	Trade End Time	Sum of Trade Qty	Average Trade Price Range (in INR)	Match Vol.
FR2	Buy	4	09:36:05	09:36:11	09:36:05	09:36:11	1,65,000	1661.95-1666.00 (1666.00)	1,64,600
FR6	Buy	1	09:35:56	09:35:56	09:35:56	09:35:56	35,000	1662.15-1666.00 (1665.99)	34,628
FR2	Sell	1	09:37:41	09:38:01	09:37:41	09:40:17	15,000	1667.00-1668.05 (1667.00)	
FR6	Sell	20	09:41:57	14:46:28	09:48:30	14:51:10	51,360	1669.00-1674.00 (1670.90)	
Big Client	Sell	1	14:51:29	14:51:29	14:51:29	14:51:48	25,000	1669.00-1669.50 (1669.00)	
FR6	Buy	2	14:45:06	14:51:48	14:45:16	14:51:48	26,153	1668.00-1669.00 (1668.91)	23,922
FR6	Sell	3	14:52:54	15:25:24	14:53:30	15:25:24	6,426	1669.80-1671.00 (1670.68)	

153. From the table above, it is seen that:

i between 9:15 am and 9:31 am, FR2 had placed 29 sell orders wherein a quantity of 1,50,000 shares was executed at an average price of INR 1,669.45. It is noted that the price of the scrip has decreased from INR 1,692.90 (previous day close price) to INR 1,666.00 till the time trade with the Big Client had matched. At 9:33 am, FR6 also placed sell order which got executed for 3367 shares at an average price of INR 1670.33.

ii between 9:35 am and 9:36 am, the Big Client placed 4 sell orders wherein 2,00,000 shares got executed at an average price of INR 1,666.00.

iii at around 9:36 am, FR2 and FR6 also placed buy orders wherein for 1,65,000 shares and 35,000 shares, respectively got executed and a total of 1,99,228 shares got matched with the Big Client order i.e., 99.61% of the total shares sold by the Big Client.

iv at around 9:37 am, FR2 placed 1 sell order wherein 15,000 shares got executed at an average price of INR 1667.00. Subsequently FR6 sold 51,360 shares at an average price of INR 1670.90 which got executed between 9:48 am and 2:51 pm.

v at around 2:51 pm, FR6 again matched trade with the Big Client in another time-patch. Further, it was seen that FR6 squared off its entire position during the day.

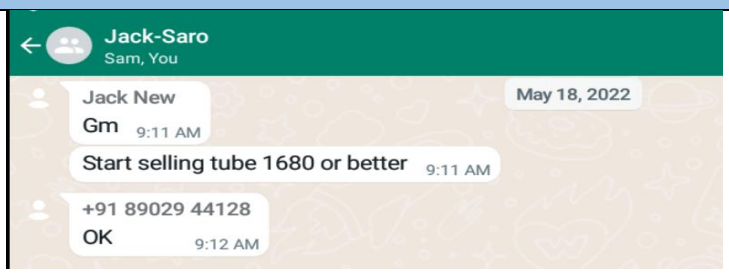
154. While the trades executed by the Big Client, FR2 and FR6 have been exhibited above, the manner in which the instructions in respect of the aforesaid trades were passed from Big Client to FR2 are shown below:

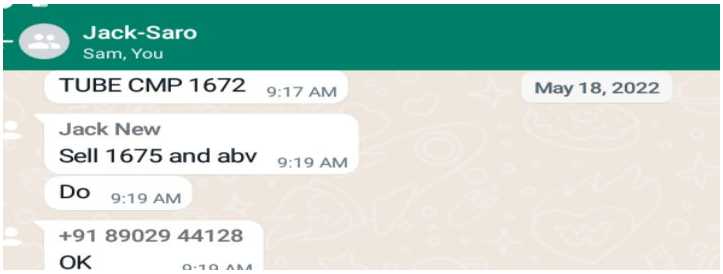
Table no. 51

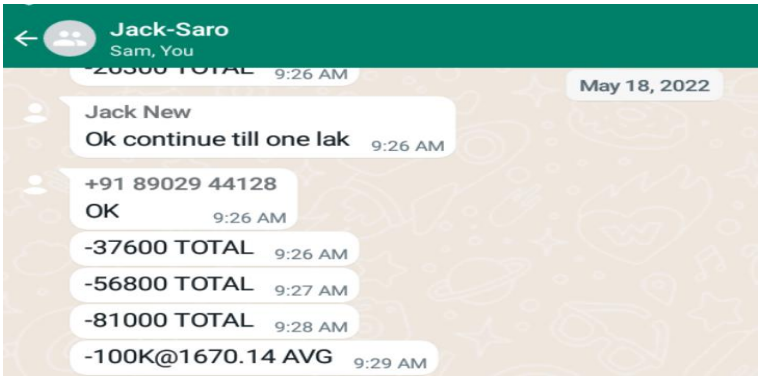
Instruction with respect to positions taken by the FR2, prior to entry of the Big Client

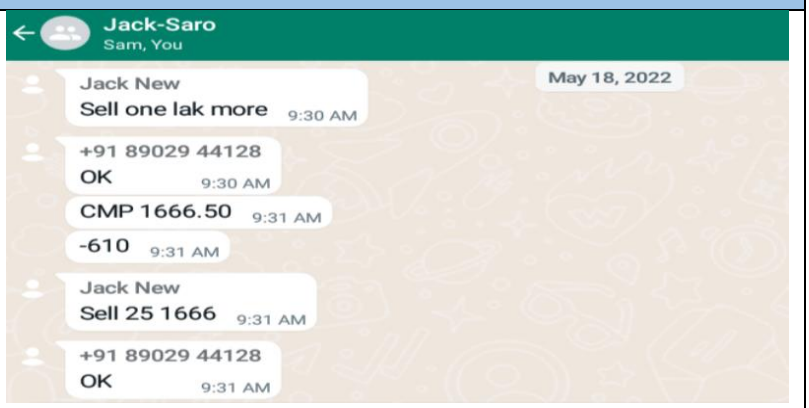
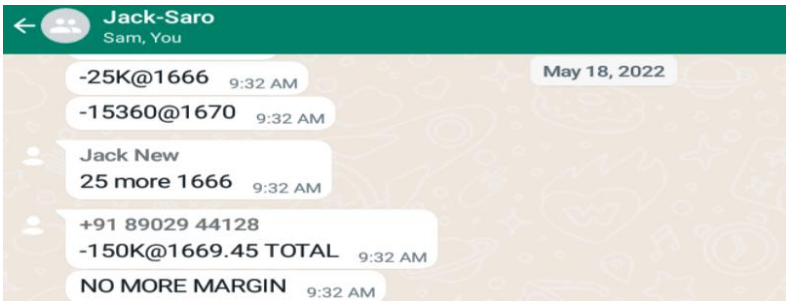
Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on May 18, 2022	**Column 2: Trading Instructions from Jack New (Ketan Parekh) on WhatsApp group Jack-Saro**

Time	From	Message
09:07:04	BCTrader4- Big Client	Im trying to sell some TIINDIA. Know any recent buyers?
09:08:43	Rohit Salgaocar - Strait Crossing	I will check with the last few buyers, and be back asap
09:08:51	BCTrader4 - Big Client	ty







Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on May 18, 2022	Column 2: Trading Instructions from Jack New (Ketan Parekh) on WhatsApp group Jack-Saro
	 

155. From Column 1 and 2 in table above, it is seen that:

   i at around 09:07 am the Big Client trader told Rohit Salgaocar that they would sell TIINDIA.

   ii from 9:11 am onwards Ketan Parekh gave multiple sell instructions for TIINDIA. During the course of these instructions, Sam (mobile phone kept in the office of FR2), provided updates about the orders placed. At 9:32 am, Sam confirmed that 1.5 lakh TIINDIA is sold and no more margin left for placing further trades.

156. The further flow of the aforesaid NPI-based trading instructions from Ketan Parekh to FR2 is depicted in the table below:

Table no. 52

Instructions with respect to the positions taken by the FR2, FR6 and Big Client, during matching phase

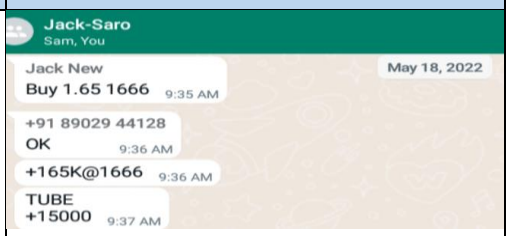
Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on May 18, 2022

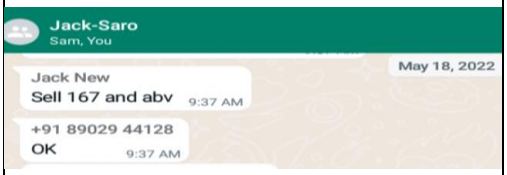
Time	From	Message
09:31:36	Rohit Salgaocar - Strait Crossing	125K tiindia ?
09:33:53	BCTrader4 - Big Client	What px?
09:34:04	Rohit Salgaocar - Strait Crossing	Sorry 200k 1866?
09:34:12	BCTrader4- Big Client	Yes
09:34:16	Rohit Salgaocar - Strait Crossing	1666 sorry
09:34:18	BCTrader4- Big Client	Which broker?
09:34:25	Rohit Salgaocar - Strait Crossing	Edel pls
09:34:26	BCTrader4- Big Client	1666
09:34:47	BCTrader4- Big Client	Done sent
09:34:57	Rohit Salgaocar - Strait Crossing	thanks
09:35:10	BCTrader4- Big Client	ty

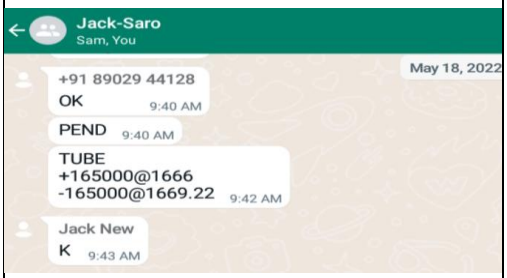
Column 2: Bloomberg chat between Rohit Salgaocar and the trader of Nuvama on May 18, 2022

Time	From	Message
09:34:50	Rohit Salgaocar - Strait Crossing	Get ready 200k1666
09:34:53	Trader of Nuvama	Sure
09:35:01	Trader of Nuvama	Ready
09:35:28	Rohit Salgaocar - Strait Crossing	Go in
09:35:30	Trader of Nuvama	ok
09:35:31	Trader of Nuvama	in
09:35:47	Trader of Nuvama	Nil so far
09:36:01	Trader of Nuvama	34k done
09:36:11	Trader of Nuvama	134k done
09:36:13	Trader of Nuvama	184k done
09:36:21	Trader of Nuvama	767 shs pending

Column 3: Trading Instructions from Jack New (Ketan Parekh) on WhatsApp group "Jack-Saro"







Column 1: Bloomberg chat between Big Client trader and Rohit Salgaocar on May 18, 2022	Column 2: Bloomberg chat between Rohit Salgaocar and the trader of Nuvama on May 18, 2022			Column 3: Trading Instructions from Jack New (Ketan Parekh) on WhatsApp group "Jack-Saro"
	09:37:15	Trader of Nuvama	TIINDIA. Sold 200k @ 1666.00 on NSe	

157. From columns 1, 2 and 3 in the table above, it is seen that:

i At around 9:31am, Rohit Salgaocar continuing with his earlier chat with the trader of the Big Client, offered 2 lakh shares of TIINDIA at INR 1666. Big Client trader agreed to the trade and sought broker name to which Rohit Salgaocar responded "Edelweiss" (now Nuvama).

ii between 9:35 am and 9:37 am, Rohit Salgaocar instructed the trader of Nuvama to get ready for 200 thousand shares for INR 1666 and then instructed Nuvama's trader to place the TIINDIA order. Afterwards, Nuvama's trader provided to Rohit, continuous updates about the order and in the end confirmed order completion.

iii at 9:35 am, Ketan Parekh, in the group "Jack-Saro", instructed to buy 1.65 lakh TIIINDIA at INR 1,666, to which Sam (mobile phone kept in the office of FR2) confirmed that the 1.65 lakh TIINDIA was bought. The trade can be correlated with the cumulative buy of 1.65 lakh shares of TIINDIA, in the account of FR2.

iv The above trade resulted in an excess long quantity of 15,000 shares in the account of FR2. In this respect Ketan Parekh, at 9:37 am instructed to sell, after which Sam (mobile phone kept in the office of FR2) confirmed

the buy and sell of 1.65 lakh shares in TIINDIA. The excess 15,000 shares were sold by FR2 at 9:37 am.

v In respect of the quantity and price at which Big Client was to buy TIINIDIA, as explained above, Rohit Salgaocar, owing to his vast experience of dealing with the Big Client and his insights in respect of the impact of the Big Client orders on the existing demand and supply in the market, had a fair idea about the size and the price at which the trades of the Big Client could be executed.

vi This gets supported by the fact that on May 18, 2022, the volume in the TIINIDIA jumped by almost 8.3 times (16.23 lakhs) in comparison to its 30 days' average volume (1.95 lakhs). The Big Client, FR2 and FR6 contributed around 7.01 lakh shares to this volume, which is roughly 360% of the average daily trading volume of last 30 days.

158. In view of the aforesaid illustration, it is seen that:

i The chats in the tables above and the timing of flow of information between various entities, *prima facie* establishes that the information of the forthcoming sell order of AXXXP Fund in the scrip TIINDIA reached to Ketan Parekh in a perfectly time-coordinated manner.

ii As Rohit Salgaocar received the instructions from the Big Client about selling TIINIDA that day, the same was communicated to Ketan Parekh, who in turn instructed FR2 to sell shares of TIINIDA. Thereafter, just when the Big Client orders to sell the shares of TIINDIA, Ketan Parekh immediately instructed FR2 to place buy order, which matched with the sell order of the Big Client.

iii Thus, armed with the knowledge of the impending sell orders of the Big Client, Ketan Parekh got trades of such large quantity executed in the account of FR2 and FR6[10], which otherwise it would not have undertaken. This resulted in a match of 99.18% of the sell quantity of the Big Client in the aforesaid time patches and a total square off profit of INR 7,53,405.65 for FR2 and FR6 as calculated in the table below:

Table no. 53

Calculation of unlawful gains made under this illustration

FR	Buy Qty	Buy Value	Average Buy Price	Sell Qty	Sell Value	Average Sell Price	Profit
FR2	1,65,000	27,48,89,667	1,666.00	1,65,000	27,54,22,676	1,669.23	5,33,008.85
FR6	61,153	10,19,56,719	1,667.24	61,153	10,21,77,116	1,670.84	2,20,396.80
Total Profit made by the FRs							**7,53,405.65**

<u>Conclusion from the aforesaid illustrations</u>

159. From the aforesaid illustrations, it is observed that FRs, either directly or through facilitators, used to build positions in the same scrips ahead of the impending order of the Big Client based on the NPI-based trading instructions received from Ketan Parekh. As and when the substantial impending orders of the Big Client were placed in the market, the FRs took counter positions upon instructions received from Ketan Parekh to match with the position of the Big Client. This would lead to FRs either squaring off of their initial position taken in the scrip or creating excess long or short position in the scrip, which they eventually square off during the day and thus generated huge illegal gains in a short span of time.

160. It is observed that the circumstances in which FRs were receiving instructions from Ketan Parekh and thereafter trading in the securities markets revealed that they were aware that these trading instructions were not genuine and were only possible with

[10] Flow of NPI from Ketan Parekh to FR6 is discussed is discussed in Part D.5 of this order.

leakage of the substantial impending transactions in such scrips for the following reasons:

i Being associated with securities market for a long time, FRs should have known that the precise quantity/price and timing of the trading instruction on a repetitive basis was not possible without access to some non-public information regarding impending trades in the scrips that were being front run;

ii The nature of the trading instructions communicated to FRs i.e. to take positions on instant basis and then to square off such trades within the same day to earn huge profits in a short span of time should have raised a doubt in the minds of FRs regarding the sincerity of the trading instructions;

iii FRs were sharing profits earned through NPI-based trades with Ketan Parekh in clandestine manner through banking and non-banking channels as explained in Part I of this order;

iv The FRs were receiving trading instructions from Ketan Parekh who is widely known for fraudulent activities in the securities markets and is still undergoing criminal proceedings as detailed in Part M of this order and as such there ought to have been suspicion regarding the authenticity of the trading instructions.

161. In view of the above, I am of the view that FRs were fully aware about the nature of fraudulent trading activity being committed through their trading accounts since they were aware that the trading instructions received from Ketan Parekh were based on some non-public information relating to the scrips in which they were executing trades. Further, since large orders placed by FRs were repeatedly matching with the counterparty at the desired price, they ought to have known, given their long association with the securities markets, that the trading instruction received from Ketan Parekh were matching substantial orders of another trader in those scrips. Hence, while executing trading instructions received from Ketan Parekh, FRs were aware that they were in possession of information which was not publically available

and there was a high probability that such information was regarding a substantial impending transaction in securities.

162. Further, as illustrated above, these leakages were happening because Rohit Salgaocar was divulging NPI about the impending order of the Big Client in various scrips to Ketan Parekh, for executing the fraudulent scheme. Thus, it resulted in unfair gains to following entities:

I. All FRs, in the form of profit made from the NPI-based trades carried out in their trading accounts; and

II. Rohit Salgaocar, in the form of undue commission earned from Motilal and Nuvama.

H. CALCULATION OF TOTAL UNLAWFUL GAINS MADE BY NOTICEES FROM TRADING BASED ON NPI AND COMMISSION INCOME OF ROHIT SALGAOCAR

163. From the analysis of the trading activities and price of buy and sell transactions of the FRs, clearly identifiable profit generating trades were found to have been executed on various days during the Investigation Period through which the FRs *prima facie* generated unlawful gains of INR 38.70 crores as depicted herein below:

Table no. 54

Profit earned by FRs during the Investigation Period

Entity	Equity Segment					Equity Derivative Segment				
	Calendar days	No of instances	Gross Traded Value (INR In lakhs)	Average Gross Traded Value (INR In lakhs)	Square off earned (INR In lakhs)	Calendar days	No of instances	Gross Traded Value (INR In lakhs)	Average Gross Traded Value (INR In lakhs)	Square off earned (INR In lakhs)
FR1	85	97	4,79,943.93	4,947.88	559.54	26	26	16,954.90	652.11	41.37
FR2	175	218	9,65,519.81	4,428.99	1,241.02	4	4	5,265.12	1,316.28	4.18
FR3	43	46	3,73,959.92	8,129.57	485.63	-	-	-	-	-
FR4	3	3	20,332.25	6,777.42	17.22	-	-	-	-	-

Entity	Equity Segment					Equity Derivative Segment				
	Calendar days	No of instances	Gross Traded Value (INR In lakhs)	Average Gross Traded Value (INR In lakhs)	Square off earned (INR In lakhs)	Calendar days	No of instances	Gross Traded Value (INR In lakhs)	Average Gross Traded Value (INR In lakhs)	Square off earned (INR In lakhs)
FR5	64	81	9,21,048.85	11,370.97	1,029.92	9	10	10,383.89	1,038.39	38.2
FR6	28	35	2,77,931.71	7,940.91	406.9	7	7	8590.58	1,227.23	46.39
Total					**3740.23**					**130.14**

***Note**: This table provides the instances where FRs earned a positive square off difference of INR 1 or more, when day traded (80% squared off), commonly traded with the Big Client and there is matched quantity with either of the FR.*

164. Further, from the information provided by TMs, it was found that through trades based on NPI, Rohit Salgaocar has also earned referral fee/commission of INR 8,06,29,054 (around INR 8.06 crore) and INR 19,00,44,520 (around INR 19 crore) from Motilal and Nuvama, respectively. Thus, the total unlawful gain made by Rohit Salgaocar is INR 27.07 crore which was only in respect of the trades of the Big Client referred by SCPL/Rohit Salgaocar.

165. Thus, *prima facie*, *Noticees* made cumulative unlawful gains amounting to approximately INR 65.77 crores (INR 38.70 crores by FRs + INR 27.07 crore by Rohit Salgaocar). The individual and joint and several liabilities of *Noticees* are tabulated in Table no. 64.

I. ILLUSTRATION OF PROFIT SHARING FROM FR TRADES

166. After elaborating the trade details, now I will examine the profit sharing between various *Noticees*. From analysis of the WhatsApp data available on the devices found during the Search and Seizure operation, statements made by FRs/ facilitators and analysis of the bank statements of various entities, it is gathered that there were

numerous fund transfers, both through cash as well as bank transfers, between Ketan Parekh and FRs/ facilitators.

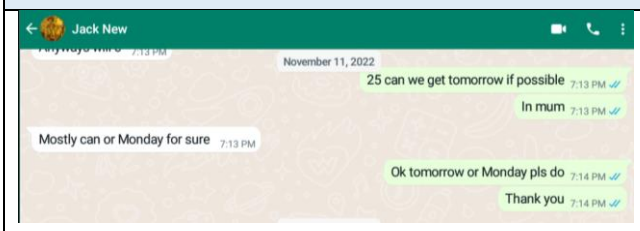
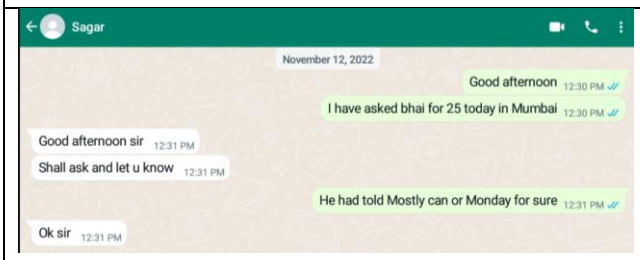
167. Various illustrations of the money transfers between aforesaid entities have been shown below, with the help of the screenshots of WhatsApp chats and extracts of the bank account statements:

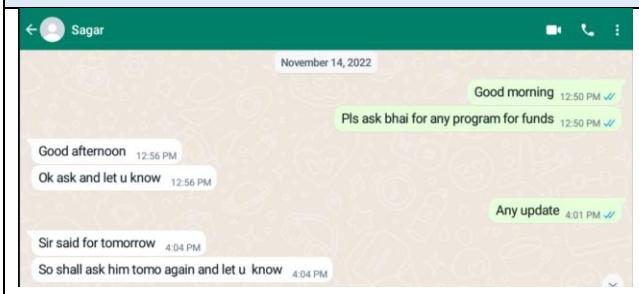
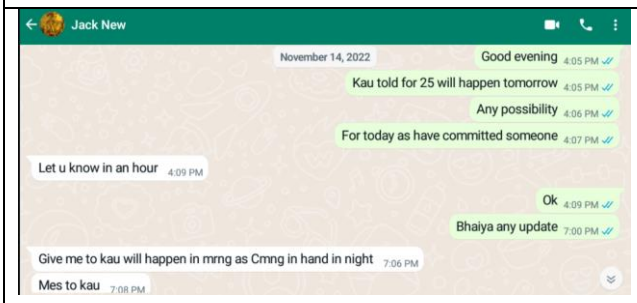
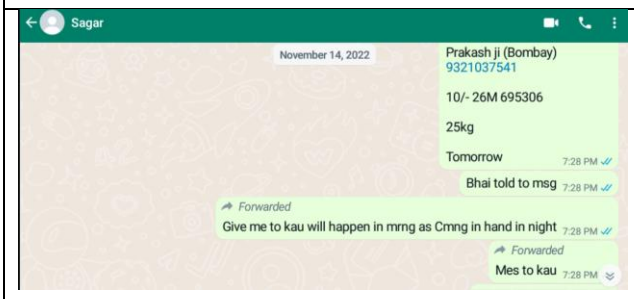
I. **<u>Fund transfers between Ketan Parekh and Sumit Sonthalia</u>**:

i <u>Cash Transfer of INR 25 lakhs from Ketan Parekh (Jack New) to Sumit Sonthalia, through Angadiya</u>: With respect to this transaction, discussions of Sumit Sonthalia with Ketan Parekh and with mobile number XXX6123307 (saved as Sagar in the phone of Sumit Sonthalia and Kau.New in the mobile of Sanjay Taparia) have been shown below.

Table no. 55

Cash transfer of INR 25 lakhs from Ketan Parekh (Jack New) to Sumit Sonthalia

Screenshot of chats from the WhatsApp of Sumit Sonthalia	Chat with	Date	Explanation
	Jack New (Ketan Parekh)	11/11/2022	• Sumit asks Ketan Parekh for 25 lakhs in Mumbai
	Sagar	12/11/2022	• Sumit messages Sagar for 25 lakhs in Mumbai, saying that he had discussed same with Bhai (**Ketan Parekh**).

Screenshot of chats from the WhatsApp of Sumit Sonthalia	Chat with	Date	Explanation
	Sagar	14/11/2022	• Sumit asked Sagar about update on fund program. • Sagar says that funds will be transferred tomorrow.
	Jack New (Ketan Parekh)	14/11/2022	• Sumit also asks Ketan Parekh for the fund program and tells that "Kau" (Sagar) has told him that 25 lakhs will be transferred tomorrow. • Ketan Parekh, at 7:06 PM, messages saying that tell Kau that funds are coming tonight and will be transferred tomorrow.
	Sagar	14/11/2022	• Sumit sends same message to Sagar. • Also sends details of Angadiya (unofficial channels) and note, against which payment is to be made.

Screenshot of chats from the WhatsApp of Sumit Sonthalia	Chat with	Date	Explanation
	Sagar	14/11/2022	• Afterwards, Sagar confirms, saying tomorrow morning it shall be done.

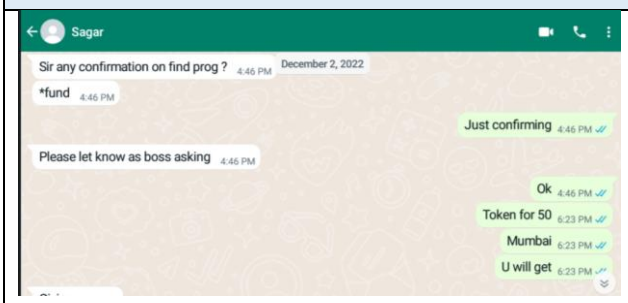
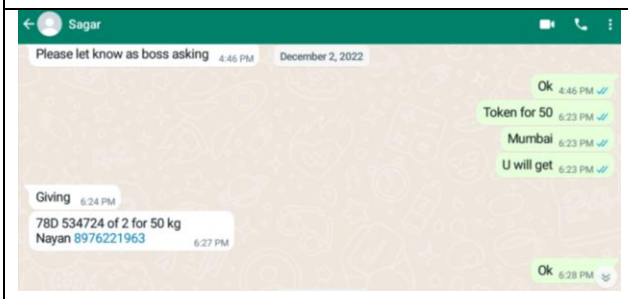
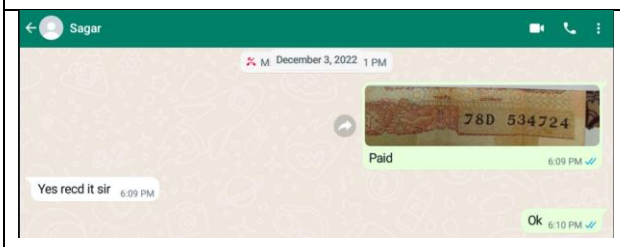
ii As seen in the chats above, Sumit Sonthalia was coordinating with Ketan Parekh and Sagar in respect of a cash transfer of INR 25 lakhs. Further, Sumit Sonthalia in one of the chats with Ketan Parekh said that Kau (mobile XXX6123307, saved in the name of Sagar in his phone) had confirmed that transfer would happen tomorrow. In response, Ketan Parekh told Sumit to message Kau that funds were coming tonight and would be transferred tomorrow. Thereafter, Sumit forwarded the same message to Sagar, saying "*Bhai told to message*".

iii Thus, mobile number XXX6123307, which is saved as Sagar in the phone of Sumit Sonthalia or Kau New in the phone of Sanjay Taparia, belongs to the same person and the said person works for Ketan Parekh. Further, from the chats it is seen that Sumit Sonthalia received INR 25 lakhs from Ketan Parekh, through Angadiya.

iv <u>Cash Transfer of INR 50 lakhs from Sumit Sonthalia to Ketan Parekh (Jack New), through Angadiya</u>: This transaction involved discussions only with mobile number XXX6123307, saved in the name of Sagar (an associate of Ketan Parekh).

Table no. 56

Cash transfer of INR 50 lakhs from Sumit Sonthalia to Ketan Parekh (Jack New)

Screenshot of chats from the WhatsApp of Sumit Sonthalia	Date	Explanation
	02/12/2023	• Sagar asks Sumit for funds, saying that Boss (**Ketan Parekh**) is asking. • Sumit says a token of 50 lakhs will be done in Mumbai
	02/12/2023	• Sagar provides the details of Angadiya and the note, against which payment is to be made.
	03/12/2023	• Sumit, sends the photo of same note to Sagar saying "Paid" i.e. INR 50 lakhs paid to the Angadiya. • Sagar confirms receipt of the same.

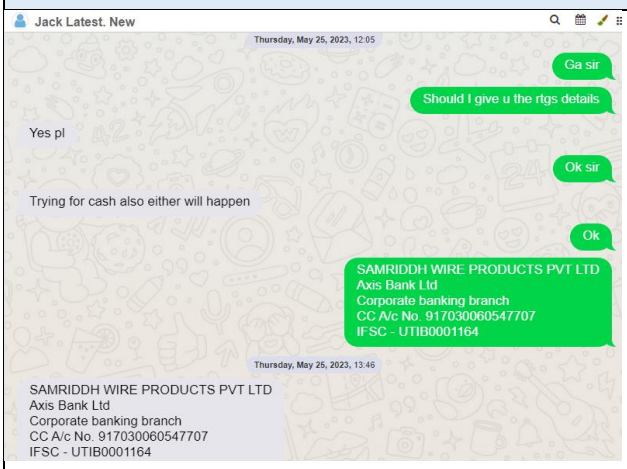
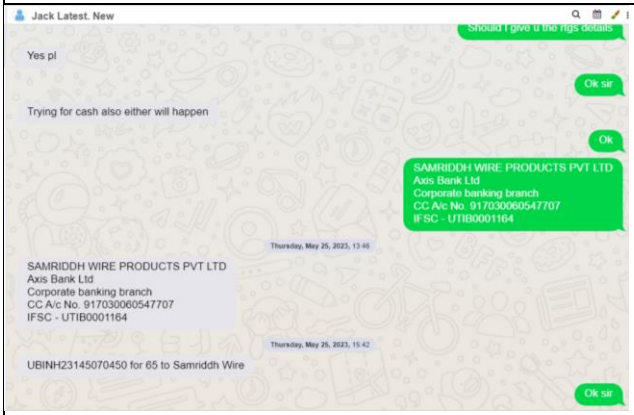
v From chats above, it can be seen that Ketan Parekh received INR 50 lakhs from Sumit Sonthalia, through Angadiya.

II. **<u>Fund transfers between Ketan Parekh and Sanjay Taparia:</u>**

i Bank Transfer of INR 65 lakhs from Ketan Parekh (Jack Latest. New) to Sanjay Taparia

Table no. 57

Bank transfer of INR 65 lakhs from Ketan Parekh (Jack Latest.New) to Sanjay Taparia

Screenshot of chats from the WhatsApp of Sanjay Taparia	Date	Explanation
	25/05/2023	• Sanjay Taparia sends account details to Ketan Parekh (Jack Latest. New), in which funds are to be transferred.
	25/05/2023	• Ketan Parekh confirms that INR 65 lakhs is transferred
Extract of Bank Statements Date: 25/05/2023 Bank Name: Union Bank of Account Number: 510101006630212 Name: Realstone Trading Company Debit (in INR): 65,00,000 Credit (in INR):	25/05/2023	• INR 65 lakh was transferred from the account of Realstone Trading Company Private Limited to the account of Samriddh Wire Products Private Limited, as confirmed by Ketan Parekh.

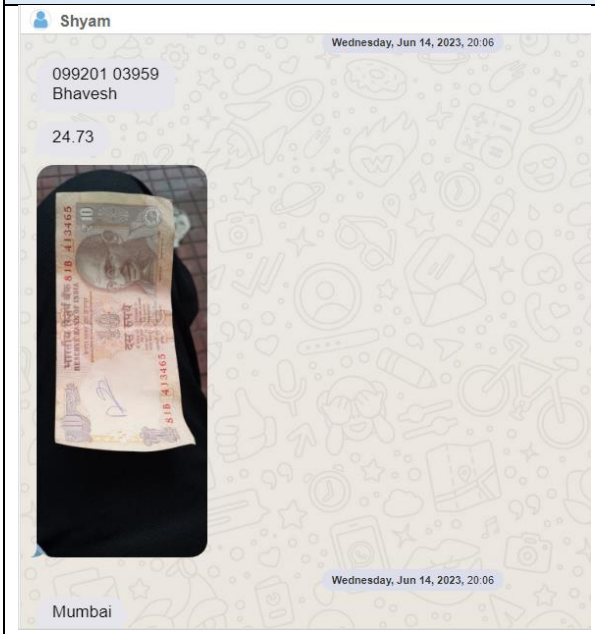
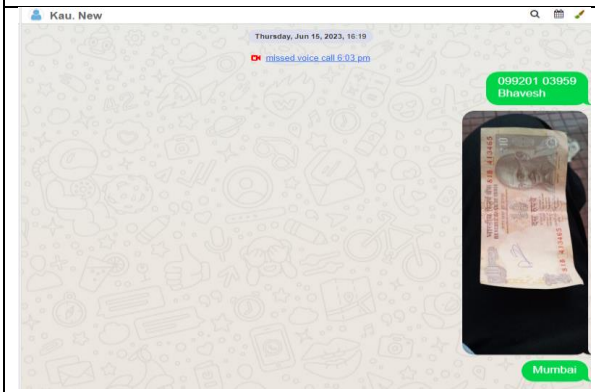
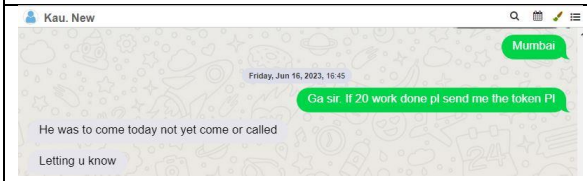
Screenshot of chats from the WhatsApp of Sanjay Taparia						Date	Explanation
	India		Private Limited				
25/05/2023	Axis Bank	917030060547707	Samriddh Wire Products Private Limited		65,00,000		

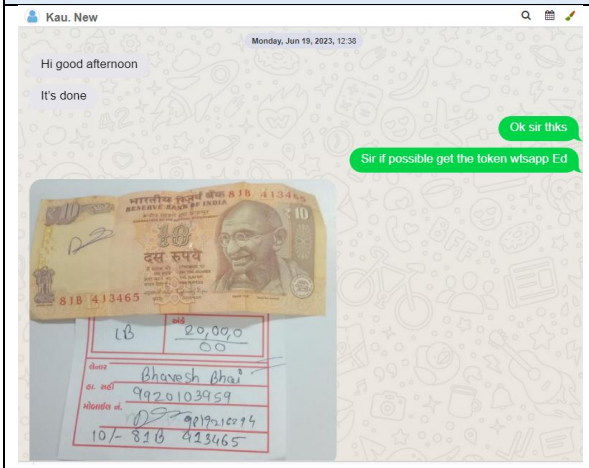
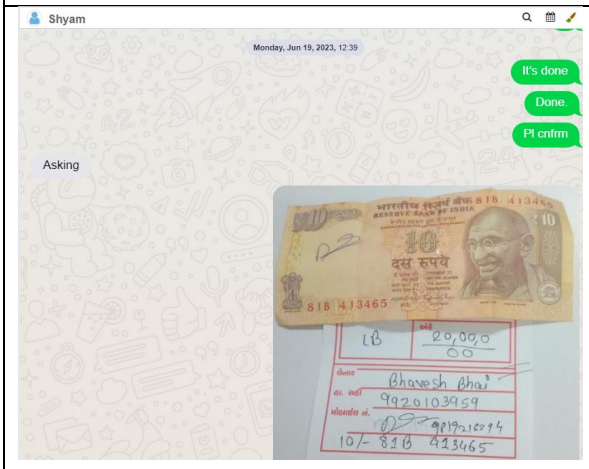
ii From the aforesaid table, it can be seen that Ketan Parekh transferred INR 65 lakhs to Sanjay Taparia, from the account of a firm Realstone Trading Company Private Limited (hereinafter referred to as "**Realstone**").

iii <u>Cash Transfer of INR 20 lakhs from Ketan Parekh to Sanjay Taparia, through Angadiya</u>: With respect to this transaction, discussions between Sanjay Taparia with Shyam Rajkumar Saraogi, mobile no. XXX0460230 (Shyam Rajkumar Saraogi of Salasar Stock Broking) and Kau New, mobile number XXX6123307 (saved as Sagar in the phone of Sumit Sonthalia) have been shown below.

Table no. 58

Cash transfer of INR 20 lakhs from Ketan Parekh to Sanjay Taparia

Screenshot of chats from the WhatsApp of Sanjay Taparia	Date	Explanation
	14/06/2023	• Shyam sends details of a person and the photo of note to Sanjay Taparia.
	15/06/2023	• Sanjay Taparia send the same details to Kau New
	16/06/2023	• Next day Sanjay Taparia checks with Kau New if 20 lakhs have been transferred.

Screenshot of chats from the WhatsApp of Sanjay Taparia	Date	Explanation
	19/06/2023	• On June 19, 2023, Kau New confirms that transfer is done. • Also sends photo of the note and a receipt of Angadiya, depicting details of transfer and the name of person which Shyam told to Sanjay Taparia.
	19/06/2023	• Sanjay Taparia forwards the same to Shyam.

iv From the table above, it can be seen that on June 14, 2023, Shyam Rajkumar Saraogi sent details of a person and the photo of a 10 rupee note to Sanjay Taparia and thereafter on June 15, 2023, Sanjay Taparia sent the same details to Kau.New (Associate of Ketan Parekh). On June 19, 2023, Kau.New confirmed to Sanjay Taparia that the transfer of money is done and also sent a photo of the note and a receipt of Angadiya, depicting details of transfer (INR 20 lakhs) and the name of person which Shyam Rajkumar Saraogi had informed to Sanjay Taparia on June 14, 2023. Thereafter Sanjay Taparia forwards these details to Shyam Rajkumar Saraogi.

III. **<u>Fund transfers between Ketan Parekh and various entities of Rachit Poddar (director of FR5 and FR6)</u>:**

i From the aforesaid evidence, it is seen that Ketan Parekh had transferred funds to Sanjay Taparia using the account of firm Realstone. On analysis of the bank statement of this account, it is noted that during the investigation period a total of 263 debit and credit transactions have happened between the account of Realstone and bank accounts of various firms of Rachit Poddar. A summary of these transactions is as under:

Table no. 59

Fund transfers between Ketan Parekh and various entities of Rachit Poddar

Name of the account holder	Account number	Money received in the account of Realstone (in INR)	Money paid from the account of Realstone (in INR)
APR Properties Pvt Limited	XXX00002635509	28,67,05,000.00	35,53,00,000.00
	XXX09836040066	25,86,63,232.00	22,78,16,000.00
Basukinath Properties Pvt Limited	XXX72694719	5,65,50,000.00	5,06,00,000.00
R R Food Import LLP	XXX00070966191	6,69,10,632.00	17,42,50,000.00
Hello Money Advisors LLP	XXX09022357	2,38,70,483.00	-
Griebs Commosales	XXX09334796	2,38,75,387.00	-
Total		**71,65,74,734.00**	**80,79,66,000.00**

ii Out of the account holders mentioned in the aforesaid table, NPI-based trades were undertaken using the accounts of APR Properties Private Limited and Basukinath Properties Private Limited, of which Rachit Poddar is a Director. Further, RR Food Import LLP, Hello Money Advisors LLP and Griebs Commosales

have only two partners viz. Rachit Poddar and Manju Poddar, aunt of Rachit Poddar.

IV. **Relationship between Realstone and Ketan Parekh**

i On analysis of the bank account statement of the Realstone, it is observed that the highest value of cumulative transfers (both debit as well as credit) and highest number of transactions are observed with an account of a firm called Classic Share and Stock Broking Services Limited. A summary of the transactions between Realstone and Classic Share is shown in the table below.

Table no. 60

Summary of the transactions between Realstone and Classic Share

Name of the account holder	Account number	Money received in the account of Realstone (in INR)	Money paid from the account of Realstone (in INR)	Transaction count (both debit and credit)
Classic Share And Stock Broking Services Limited	XXX101005904421	1,02,02,89,859	84,13,78,688	500

ii Classic Share and Stock Broking is an entity linked with Ketan Parekh, as one of the Director of Classic Share is Kartik Parekh who is brother of Ketan Parekh. Further, Ketan Parekh and Kartik Parekh are common Directors in 4 companies namely – Triumph Securities Limited, Classic Infin Limited, Panther Investrade Limited and Saimangal Investrade Limited.

iii Thus it can be seen that the account of Realstone was in substance used and controlled by Ketan Parekh.

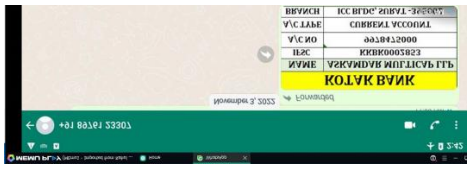
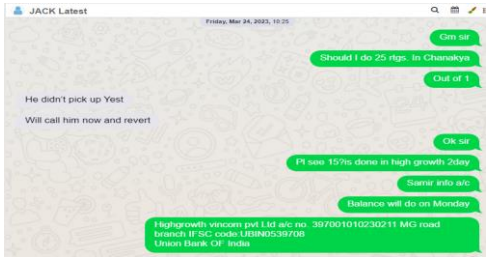
V. **Summary of bank transfers made between Realstone (front for Ketan Parekh) and bank accounts of various FRs/ facilitators**

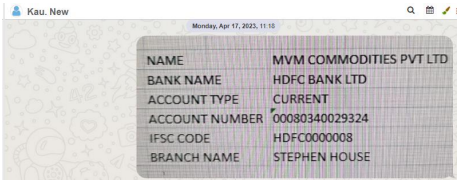
i The table below shows the details of transactions done between the bank account of Realstone Trading and bank accounts of FRs/ facilitators (as gathered from various WhatsApp chats between FRs and Ketan Parekh/his associate and/or the bank account statement of Realstone), during the investigation period.

Table no. 61

Summary of bank transfers made between Realstone and bank accounts of various FRs/ facilitators

Name of the account holder	Account number	Money received in the account of Realstone (in INR)	Money paid from the account of Realstone (in INR)	Transaction count (both debit and credit)	Details
APR Properties Pvt Limited	XXX00002635509	28,67,05,000	35,53,00,000	117	Rachit Poddar is Director of APR Properties Private Limited and Basukinath Properties Private Limited Rachit Poddar is Partner of Griebs, Hello Money, R R Food, along with his aunt, Ms. Manju Poddar.
	XXX09836040066	25,86,63,232	22,78,16,000	94	
Basukinath Properties Pvt Limited	XXX72694719	5,65,50,000	5,06,00,000	14	
Griebs Commosales	XXX09334796	2,38,75,387		1	
Hello Money Advisors LLP	XXX09022357	2,38,70,483		1	
RR Food Import LLP	XXX00070966191	6,69,10,632	17,42,50,000	36	
Sanghi Steel Udyog Pvt Limited	XXX033915	8,38,00,000	11,24,00,000	42	Rahul Saraf, employee of Sanjay Taparia, shared the bank account details with the mobile number XXX6123307 (*an*

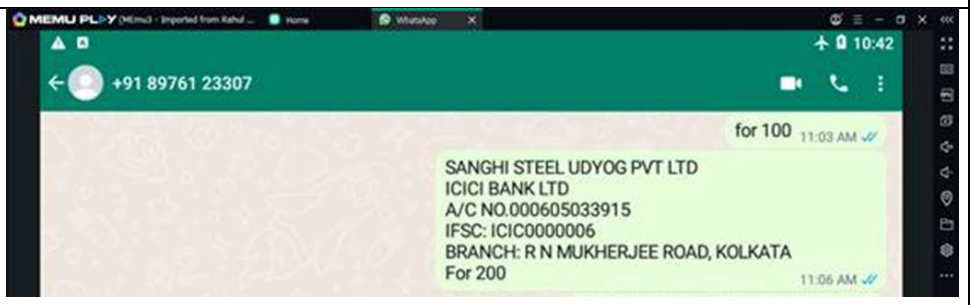
Name of the account holder	Account number	Money received in the account of Realstone (in INR)	Money paid from the account of Realstone (in INR)	Transaction count (both debit and credit)	Details
Askamdar Multicap LLP	XXX8475000	8,45,00,000	7,97,00,000	27	*associate of Ketan Parekh and which is saved as Kau. New in the phone of Sanjay Taparia and Sagar in the phone of Sumit Sonthalia*) 
Jaliyan Commodity	XXX0200000363	1,26,16,117	1,25,00,000	6	
Highgrowth Vincom PVT LIMITED	XXX001010230211		30,00,000	2	Sanjay Taparia shared the bank account details with Ketan Parekh. 
Samriddh Wire Products Pvt Limited	XXX030060547707		65,00,000	1	

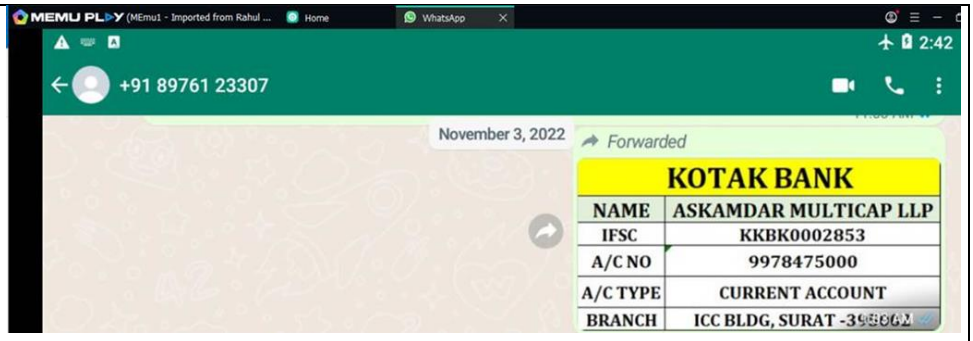
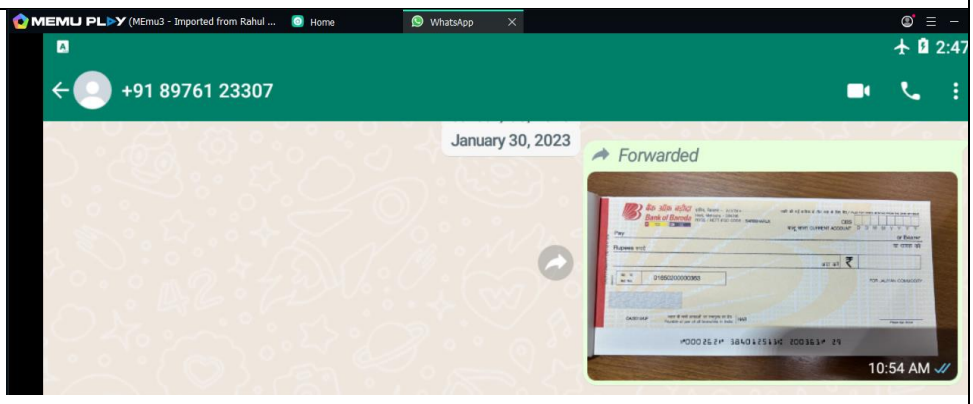
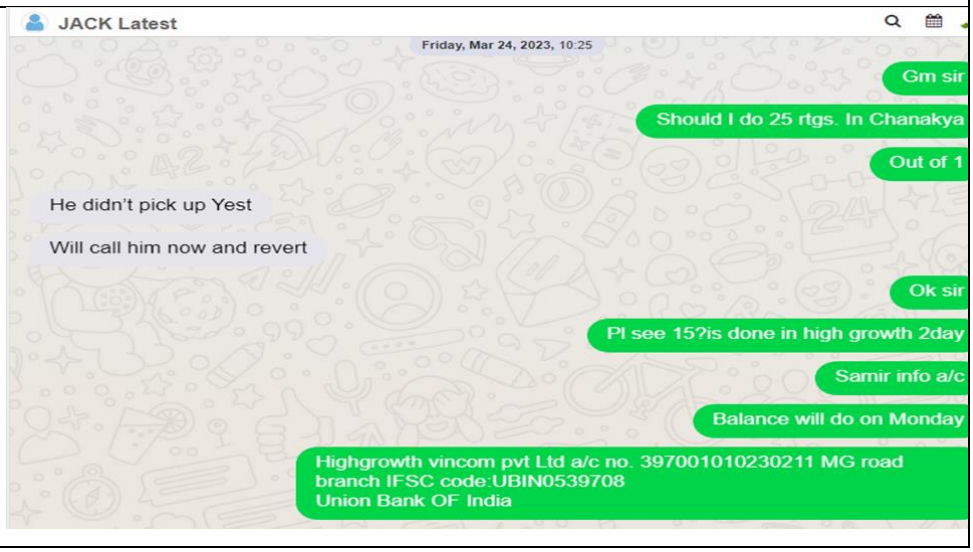
Name of the account holder	Account number	Money received in the account of Realstone (in INR)	Money paid from the account of Realstone (in INR)	Transaction count (both debit and credit)	Details
MVM Commodities Pvt Limited	XXX40029324	65,00,000	27,84,610	4	Sanjay Taparia shared the details of bank account details to Kau New, an associate of Ketan Parekh. 

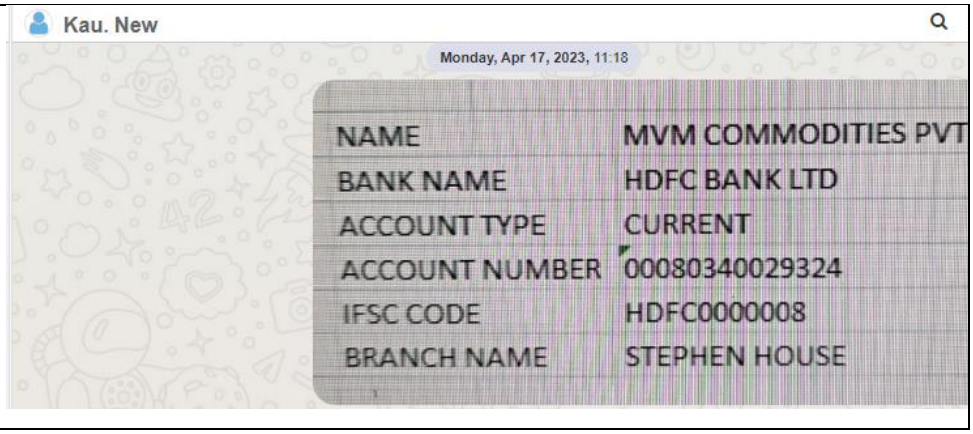
168. The proof of information sharing between various entities pertaining to the account numbers for transfer of money is show in the table below:

Table no. 62

Proof of information sharing between various entities

Name of the account holder	Account number	Proof of information sharing
Sanghi Steel Udyog Pvt Limited	XXX033915	

Askamdar Multicap LLP	XXX8475000	
Jaliyan Commodity	XXX0200000363	
Highgrowth Vincom PVT LIMITED	XXX001010230211	

MVM Commodities Pvt Limited	XXX40029324	

169. In view of the transactions/details showcased above, it is *prima facie* established that there were regular cash/bank transactions between Ketan Parekh and various FRs/ facilitators. These transactions are nothing else but profit sharing amongst *Noticees*.

J. FACT FINDING TO SUPPORT ALLEGATION OF MODUS OPERANDI

170. The elaborate examination of the trading activities carried out in the account of FRs *prima facie* indicates that orders were placed just ahead of the orders of the Big Client based on the NPI about such impending orders in various scrips. As seen from the extracts of Bloomberg chats produced in different parts of this order, it was Rohit Salgaocar who, while advising traders of the Big Client, was in possession of time-sensitive NPI pertaining to the impending orders of the Big Client in various scrips. He was also instructing traders of Motilal and Nuvama about the execution of the trades of the Big Client and was getting updates from them. Further, it has been admitted in the statements under oath by both Rohit Salgaocar and Ketan Parekh that they used to interact with each other over WhatsApp during the Investigation Period and the same has also been corroborated by the data obtained from IPDR of the mobile numbers of Ketan Parekh. Considering this and in light of the evidence that Ketan Parekh was able to communicate this time-sensitive NPI which was available with Rohit Salgaocar within minutes to the FRs. either directly or through facilitators, leads to an inference that Ketan Parekh was obtaining the time-sensitive NPI from Rohit Salgaocar over WhatsApp.

171. In the present case, it has been prima facie noted from the factual details of trading activities carried out in the accounts of the FRs that generally the first leg of order placement was ahead of the order placement of the Big Client; and the second leg (reversal of first trade) of such order was in sync with the order placement of the Big Client. Further, in instances where any excess short or long position was created in the account of FRs while matching with the Big client, the same was also squared off during the day. In the process the aforesaid Noticees were successful in generating quick profits. Such clearly identifiable profit generating trades were found to have been executed on various days during the Investigation Period through which the FRs generated unlawful gains of around INR 38.69 crores as provided in Table no. 54.

172. Further, it is *prima facie* established from the details of WhatsApp chats and bank statements of various *Noticees* that Ketan Parekh used to send/receive money both in cash and through bank transfer to/from the facilitators and the FRs. Thus, empowered with the information about the impending orders in various scrips, *Noticees* unlawfully enriched themselves at the expense of other investors who were not privy to such NPI.

K. EXAMINATION OF LEGAL ISSUES TO DETERMINE IF THERE IS A VIOLATION

173. In the instant matter, it is seen that the mechanism of execution of fraudulent trades by the FRs is a modified form of “front running” since the FRs have applied ingenious strategies to substantially increase their profits as compared to traditional front running. The strategies employed are explained in detail in the ensuing paragraphs.

174. The term “front running” is defined under SEBI’s Circular no. CIR/EFD/1/2012 dated May 25, 2012. While referring to the said definition, and other definitions of front

running, the Hon'ble Supreme Court in the matter of in the matter of ***SEBI Vs. Shri Kanaiyalal Baldevbhai Patel and ors.*** *[(2017) 15 SCC 1]* observed as:

> *…17. SEBI has defined front-running in one of its circular (CIR/EFD/1/2012 dated May 25, 2012) in the following manner-*
>
> > *Front-running; for the purpose of this circular, front running means usage of non-public information to directly or indirectly, buy or sell securities or enter into options or futures contracts, in advance of a substantial order, on an impending transaction, in the same or related securities or futures or options contracts, in anticipation that when the information becomes public; the price of such securities or contracts may change.*
>
> *….*
>
> *19. In actuality, front-running is more complicated than these definitions suggest. It comprises of at least three forms of conduct. They are: (1) trading by third parties who are tipped on an impending block trade ("tippee" trading); (2) transactions in which the owner or purchaser of the block trade himself engages in the offsetting futures or options transaction as a means of "hedging" against price fluctuations caused by the block transaction ("self-front-running"); and (3) transactions where a intermediary with knowledge of an impending customer block order trades ahead of that order for the intermediary's own profit ("trading ahead")…."*

175. Based on the afore-quoted judgment, the following may be listed as ingredients to classify a trading activity as front running:

    I. There is existence of an information regarding a substantial order on behalf of a Big Client in a particular security, and such information is not available publicly;

II. Based on such information about impending orders in various scrips, order (s) is/are placed in the account of Front Runner ("**FR Order**") in the securities in advance of the order (s) of the Big Client. The FR order is placed in alignment with the order of the Big Client i.e. if the Big Client is going to buy securities, the FR order will also be of buying shares and vice versa.

III. The placement of the buy orders of the Big Client generally causes the prices of the scrip to move upward or the sell orders of the Big Client generally causes the price to move downwards.

IV. During the time of placement of orders of the Big Client, the Front Runner squares off his position and earns the difference in price which is majorly attributable to the orders of the Big Client.

176. To summarise, when Big Client is going to buy shares, the Front Runner follows a pattern of **Buy-Buy–Sell**, where first Buy trades are carried out in the account of Front Runner; second set of Buy trades are carried out in the account of the Big Client generally causing the prices to move upward and the third set of Sell trades are squaring off the position by Front Runner. Similarly, in **Sell-Sell-Buy** pattern, the Front Runner first short sells the shares before sell orders of the Big Client are placed in the system and eventually buys the shares and earns profit.

177. The Front Running activity can either be carried out in cash segment or may also be carried out in the derivatives (Futures and Options) segment. Following the patterns explained above, the Front Runner may take a long position (in case of Buy-Buy-Sell pattern) or may take a short position (in case of Sell-Sell-Buy pattern).

178. As per the generally understood definition of front running, an FR basis the information with respect to substantial impending transaction of the Big Client and builds a position in the market prior to the entry of the order of Big Client. Subsequently, when the Big Client order enters into the market, the FR matches the

order of the Big Client by placing its order in near proximity to the order of the Big Client. To illustrate, having knowledge of an impending substantial buy order of a Big Client, FR buys 1,00,000 shares of ABC at an average price of INR 97. Subsequently, the Big Client places order to buy 5,00,000 shares of ABC at a price of INR 100 and the front runner matches this buy order by placing a sell order of 1,00,000 ABC at a price of INR 100. Thus, in this process front runner squares off its position and earns undue profits, which in the current example comes out to be INR 3,00,000. This modus operandi of front running is known as Buy-Buy-Sell (BBS).

179. Similarly, when a FR first sells and then later on matches the sell order of Big Client by placing a buy order, it is categorized as Sell-Sell-Buy (**SSB**). This kind of BBS or SSB front running trading pattern is identified as traditional front running.

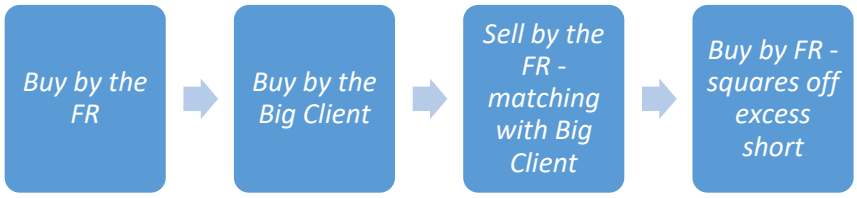
180. However, in the instant matter, the trading pattern of many trades executed by the FRs does not always follow traditional front running trading pattern. In certain instances, the FRs have modified the usual modus operandi of front running and, thus, have adopted a novel approach to benefit from the NPI with respect to substantial impending transaction of the Big Client. After the traditional BBS and SSB trading strategy, the prices in a scrip generally retrace to normal levels after the big trades get executed. A person equipped with the knowledge of the impending big order and knowing how the prices in the scrip behave post such big trades can undertake NPI-based trades by matching quantities with Big Client as well as by taking positions in larger quantities than the position of Big Client and then squaring off their excess position when the prices in the scrip retrace to normal levels. In both the instances, FR can make huge profits in a short span of time.

181. The aforesaid approach can be understood as Buy-Buy-Sell-Buy (**BBSB**) or Sell-Sell-Buy-Sell (**SSBS**) or Sell-Buy-Sell (**SBS**) or Buy-Sell-Buy (**BSB**). The same is explained below:

i. **Buy-Buy-Sell-Buy (BBSB)**: Based on prior knowledge about impending buy order of the Big Client, the FR takes a buy position in the scrip prior to entry of the Big Client. When the Big Client places its buy order, the FR matches it with its sell order. However, the sell quantity of the FR is higher than the buy position, which it had earlier built in the scrip. Thereafter, during the day as price in the scrip retraces to its normal level, the FR squares off its short position in the scrip (i.e. built due to sell trades undertaken in excess of its earlier buy position) by undertaking buy trades during the day. Thereby, FR increases his payoff vis-à-vis the payoff he would have earned had he only squared off his position against the trades of Big Client only. This pattern of NPI-based trades is labelled as BBSB (shown in picture below).

Figure no. 8

Depiction of Buy-Buy-Sell-Buy (BBSB) Strategy

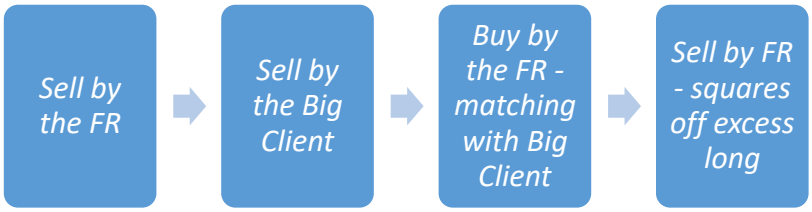


ii. **Sell-Sell-Buy-Sell (SSBS):** The converse of BBSB trading strategy can be understood as SSBS trading strategy. Based on prior knowledge about impending sell order of the Big Client, the FR builds a sell position in the scrip. When the Big Client places its sell order, the FR matches it with its buy orders. However, the buy quantity of the FR is higher than the sell position, which it had earlier built in the scrip. Thereafter, during the day as price in the scrip retraces to its normal level, the FR squares off its long position in the scrip (i.e., built due to buy trades undertaken in excess of its earlier sell position) by undertaking sell trades. Thereby increasing his payoff vis-à-vis the payoff he would have earned had he only squared off his

position against the trades of Big Client. This pattern of NPI-based trades is, thus, labelled as SSBS (shown in picture below).

Figure no. 9

Depiction of Sell-Sell-Buy-Sell (SSBS) Strategy



iii. **Buy-Sell-Buy (BSB):** Based on the prior knowledge about impending buy order of the Big Client, the FR matches it with its sell trades. However, this sell has been done by the FR without any initial buy in the scrip, thereby, creating a short position in the scrip. Due to the buy order of the Big Client, there is a sudden rise in the demand for the scrip, leading to rise in prices. However, once the buy order of the Big Client gets executed, the price in the scrip retraces to its normal level. Thus, FR squares off its short position in the scrip (i.e. created by matching its sell trades with the buy trades of the Big Client) throughout the day. This pattern of NPI-based trade is labelled as BSB trading strategy (shown in picture below).

Figure no. 10

Depiction of Buy-Sell-Buy (BSB) Strategy

iv. **Sell-Buy-Sell (SBS):** Based on the prior knowledge about impending sell order of the Big Client, the FR matches it with its buy trades. However, this buy has been done by the FR without any initial sell in the scrip, thereby, creating a long position in the scrip. Due to the sell order of the Big Client, there was a sudden fall in the demand for the scrip, leading to depression in

prices. However, once the sell order of the Big Client gets executed, the price in the scrip retraces to its normal level. FR squares off its long position in the scrip (i.e. created by matching its buy order with the sell order of the Big Client) throughout the day. This pattern of NPI-based trades is, thus, labelled as SBS (shown in picture below).

Figure no. 11

Depiction of Buy-Sell-Buy (BSB) Strategy

182. In the instant matter, in addition to the traditional BBS and SSB front-running strategies, the FRs have used BBSB, SSBS, BSB and SBS trading strategies to take advantage of the prior knowledge of the orders of the Big Client as explained above. The aforesaid strategies are nothing but an extended form of front-running since the orders are placed in securities by FRs, while directly or indirectly in possession of information that is not publically available, regarding a substantial impending transaction in that securities, its underlying securities or its derivative.

183. When the examination of trades carried out in the earlier part of this order is considered with a lens of the definition of front running elaborated above, I hold, *prima facie*, that the trades executed in the accounts of the FRs were in the nature of extended front running of the trades of the Big Client. It is for this reason that in this order profit makers who carried out extended form of front running are called front runners. It may be emphasised that the trading patterns showing identifiable patterns are themselves sufficient to *prima facie* hold such trades as extended front running, however, the present case has direct evidence in the form of statement of *Noticees* and also other corroborative evidences in term of Bloomberg chats, Whatsapp Chats, phone calls, digital footprints of IP address etc.

184. Having examined the trades executed in the account of the FRs, where it has been observed with strong evidences that trades in the above mentioned *Noticees* account were in the nature of extended front running the trades of the Big Client, it become imperative now to make a further examination as to whether the acts on the part of *Noticees* can *prima facie* be in violation of provisions of clauses (a), (b), (c) and (e) of section 12A of the Securities and Exchange Board of India Act, 1992 and clauses (a), (b), (c), (d) of regulation 3, sub-regulation (1) of regulation 4 and clause (q) of sub-regulation (2) of regulation 4 read with clause (c) of sub-regulation (1) of regulation 2 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003, (**PFUTP Regulations**). In case the answer to the above in affirmative, it is to be examined whether the facts of the matter warrant an urgent action while exercising power bestowed under the provisions of section 11, section 11B of the SEBI Act and clause (d) of sub-regulation 1 of regulation 11 of the PFUTP Regulations. Before proceeding further, it is necessary to refer the relevant provisions of law which are reproduced here under for reference:

"SEBI Act, 1992

Functions of Board.

11. (1) Subject to the provisions of this Act, it shall be the duty of the Board to protect the interests of investors in securities and to promote the development of, and to regulate the securities market, by such measures as it thinks fit.

11 (4) Without prejudice to the provisions contained in sub-sections (1), (2), (2A) and (3) and section 11B, the Board may, by an order, for reasons to be recorded in writing, in the interests of investors or securities market, take any of the following measures, either pending investigation or inquiry or on completion of such investigation or inquiry, namely: —

…

(d) impound and retain the proceeds or securities in respect of any transaction which is under investigation;

….

(4A) Without prejudice to the provisions contained in sub-sections (1), (2), (2A), (3) and (4), section 11B and section 15-I, the Board may, by an order, for reasons to be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.

Power to issue directions and levy penalty.

11B. (1) Save as otherwise provided in section 11, if after making or causing to be made an enquiry, the Board is satisfied that it is necessary, —

(i) in the interest of investors, or orderly development of securities market; or

(ii) to prevent the affairs of any intermediary or other persons referred to in section 12 being conducted in a manner detrimental to the interest of investors or securities market; or

(iii) to secure the proper management of any such intermediary or person, it may issue such directions, —

(a) to any person or class of persons referred to in section 12, or associated with the securities market; or

(b) to any company in respect of matters specified in section 11A, as may be appropriate in the interests of investors in securities and the securities market.

Explanation. — For the removal of doubts, it is hereby declared that the power to issue directions under this section shall include and always be

deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.

(2) Without prejudice to the provisions contained in sub-section (1), sub-section (4A) of section 11 and section 15-I, the Board may, by an order, for reasons to be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.

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

Section 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.

(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;

….

(e) deal in securities while in possession of material or non-public information or communicate such material or non-public information to any other person, in a manner which is in contravention of the provisions of this Act or the rules or the regulations made thereunder;

Delegation*.*

19. The Board may, by general or special order in writing delegate to any member, officer of the Board or any other person subject to such conditions, if any, as may be specified in the order, such of its powers and functions under this Act (except the powers under section 29) as it may deem necessary.

Contravention by companies.

27. (1) Where a contravention of any of the provisions of this Act or any rule, regulation, direction or order made thereunder has been committed by a company, every person who at the time the contravention was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the contravention was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such contravention.

PFUTP Regulations

***2**. (1) In these regulations, unless the context otherwise requires, —*

…

(c) "fraud" includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include—

(1) a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;

(2) a suggestion as to a fact which is not true by one who does not believe it to be true;

(3) an active concealment of a fact by a person having knowledge or belief of the fact;

(4) a promise made without any intention of performing it;

(5) a representation made in a reckless and careless manner whether it be true or false;

(6) any such act or omission as any other law specifically declares to be fraudulent,

(7) deceptive behaviour by a person depriving another of informed consent or full participation,

(8) a false statement made without reasonable ground for believing it to be true.

(9) the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price.

And "fraudulent" shall be construed accordingly;

Nothing contained in this clause shall apply to any general comments made in good faith in regard to—

(a) the economic policy of the government

(b) the economic situation of the country

(c) trends in the securities market or

(d) any other matter of a like nature whether such comments are made in public or in private;

Prohibition of certain dealings in securities

Regulation 3. No person shall directly or indirectly—

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made thereunder;

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

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in

or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made thereunder. Prohibition of manipulative, fraudulent and unfair trade practices

Regulation 4 (1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.

Regulation 4 (2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves–

...(q) any order in securities placed by a person, while directly or indirectly in possession of information that is not publically available, regarding a substantial impending transaction in that securities, its underlying securities or its derivative."

185. As noted above that in case, records indicate violation of aforesaid provisions, it will be required to be examined whether sufficient grounds are present necessitating issuance of interim directions under sub-sections (1) and (4) of section 11, and sub-section (1) of section 11B of the SEBI Act.

186. I note that the clauses (a), (b) and (c) of section 12A of the SEBI Act, 1992 and regulations 3 and 4 quoted above, prohibit:

    i. dealing in securities which is manipulative, fraudulent or an unfair trade practice.
    ii. use of or employment of any manipulative or deceptive device or contrivance, in contravention of the provisions of the SEBI Act or rules or regulations;
    iii. employment of any device scheme or artifice to defraud;
    iv. engagement in any act, practice, course of business which operate/would operate as fraud or deceit upon any person in

contravention of the provisions of the SEBI Act or rules or regulations; or

v. dealing in securities while in possession of material or non-public information or communicate such material or non-public information to any other person in contravention of the provisions of the SEBI Act or rules or regulations made thereunder.

187. Sub-regulation (1) of regulation 4 of the PFUTP Regulations prohibit any person to indulge in fraudulent transaction and unfair trade practice in securities. The term "fraud" of "fraudulent" are defined broadly in clause (c) of sub-regulation (1) of regulation 2 of the PFUTP Regulations. An act of front running a trade is clearly covered as "fraudulent transaction" in the definition. Further, clause (q) of sub-regulation (2) of regulation 4 of the PFUTP Regulations stipulates that any order of securities placed by a person while directly/indirectly in possession of an information pertaining to a substantial impending transaction in such securities, shall be deemed to be fraudulent transaction. This particular clause clearly makes front running a fraudulent transaction. Thus, buying, selling or dealing in securities in a fraudulent manner leads to violation of provisions of section 12A of the SEBI Act read with regulations 3 and 4 of the PFUTP Regulations.

188. In the present case, it has been elaborated in detail based on factual evidence as to how Rohit Salgaocar and Ketan Parekh have *prima facie* devised a scheme in where Ketan Parekh was obtaining NPI about the impending order of the Big Client from Rohit Salgaocar and passing trading instructions on the basis of such NPI to FRs, either directly or through facilitators, who took positions in various scrips ahead of the order of the Big Client in those scrips. As and when the orders on behalf of the Big Client containing large quantities were placed, the FRs were directed to take counter positions, so as to match with the order of Big Client. This would lead to FRs either squaring off of their initial position taken in the scrip or creating excess long or short position in the scrip, which they would eventually square off during the day,

thereby, generating undue profits in quick span of time. The investigation has also brought out evidence about the sharing of unlawful profits between *Noticees* in cash as well as banking transactions. All the acts on the part of *Noticees* elaborated in the present order indicates towards the scheme that was crafted for personal gains and to defraud the investors, as the NPI pertaining to the impending transactions in various scrips was encashed to make unlawful gains in the accounts of the FRs.

189. In view of the analysis of the facts of the present case, I hold that there is a *prima facie* case of fraudulent and unfair trade practice carried out by *Noticees* which resulted in accrual of unlawful gains of INR 65,77,11,547 (INR 38.70 crores by FRs + INR 27.07 crore by Rohit Salgaocar) in the accounts of Rohit Salgaocar and the FRs. The analysis carried out in the present order backed by evidence leads to a *prima facie* conclusion that the violation of clauses (a), (b), (c), (e) of section 12 A and clauses (a), (b), (c), (d) of regulation 3, sub-regulation (1) of regulation 4, clause (q) of sub-regulation (2) of regulation 4 of the PFUTP Regulations have been committed by *Noticees* herein as under:

    i. *Noticees* have employed fraudulent/manipulative or deceptive device or contrivance, in contravention of the provisions of the SEBI Act, 1992 and the PFUTP Regulations.
    ii. *Noticees* have employed a device/scheme or artifice to defraud investors and for that they have engaged in act, practice, course of business which operated as fraud or deceit upon investors in contravention of provisions of the SEBI Act, 1992 and the PFUTP Regulations as quoted above.
    iii. *Noticees* have dealt in securities or facilitated such dealing, while in possession of material or non-public information in the form of advance information about the impending orders in various scrips.
    iv. The dealing in securities by the aforesaid *Noticees* in manner as elaborated in the present order is fraudulent and an unfair trade practice and was in the nature of extended front running.

190. I note that in a similar matter (***Madhu Chanda and others vs. SEBI****, Appeal no. 335 of 2023, Date of decision: October 30, 2023*) involving front running in multiple accounts, the Hon'ble Securities Appellate Tribunal (**SAT**) has *inter alia* observed as:

> *"…We find that the very nature front running refers to an extremely precise trading activity which is impossible to achieve unless the front runner had access to the non-public information about the impending orders of the Big Client (in this case the, Sterling group). For this reason, matching of common scrip days, common percentage of shares, precise matching of price by the front runner with the Big Client, earning significant amounts of profits on common scrip days with the Big Client when compared to non-common scrip days are all extremely strong indicators that the front runners were placing its orders ahead of and in tandem with the large orders of the Big Client in order to make gains for themselves. Thus, due to the trading based on prior information of trades of the Sterling group, the front runners and the entities who facilitated them gained unlawfully and caused loss to other investors / deprived the investors from profits.*
>
> *…We find that a sample analysis of the trades placed in the accounts of each of the front runners vis-a-vis the trades in the account of the respective Sterling group entity has been carried out meticulously in the WTM order as well as the respective AO orders which clearly establish the manner in which the front running trades were carried out.*

191. On the basis of examination of evidences collected during the investigation, I *prima facie* hold that:

    i. *Noticees* were involved in extended front running the trades of the Big Client.

    ii. The said acts on the part of *Noticees* are fraudulent in terms of clause (c) of sub-regulation (1) of regulation 2 of the PFUTP Regulations and is violative of clauses (a), (b), (c) and (e) of section 12 A of the SEBI

Act, 1992 read with clauses (a), (b), (c), (d) of regulation 3, sub-regulation (1) of regulation 4 and clause (q) of sub-regulation (2) of regulation 4 of the PFUTP Regulations.

L. LIABILITY OF DIRECTORS OF FR1, FR2, FR5 AND FR6

192. Four of the FRs, in whose proprietary trading account NPI-based trades were carried out namely, GRD Securities Limited, Salasar Stock Broking Limited, Basukinath Properties Private Limited and APR Properties Private Limited are not natural person but are companies incorporated in India. Section 27 of the SEBI Act enunciates the liability of a director, manager, secretary or other officer of the company for the contraventions committed by such company. In terms of sub-section (1) of section 27 of the SEBI Act, every person who at the time the contravention was committed was in charge of, and was responsible to, the company for the conduct of its business shall be deemed to be guilty of the contravention along with the company. However, such presumption is rebuttable if such person proves that the contravention was committed without his or her knowledge or that he or she had exercised all due diligence to prevent the commission of such contravention.

193. In order to ascertain the liability of the person responsible for the conduct of its business of the corporate FRs, a table containing the details of directors who were in charge of, and were responsible to, the company for the conduct of its business during the Investigation Period and the role played by them is provided below:

Table no. 63

Liability of the directors for contraventions committed by FR companies

Name	Designation (Category)	Date of appointment of director	Date of retirement of director	Whether charged as *Noticee*	Rationale for charging or not charging the directors
GRD Securities Limited					
Pramod Kumar Drolia	Managing Director (Promoter)	01/08/2007	Not retired	Yes	Pramod Kumar Drolia was the managing director and promoter of GRD Securities Limited at the time the contravention was alleged to be committed by the company and was in such capacity in charge of, and responsible to, the company for the conduct of its business and hence is *prima facie* held to be guilty of the alleged contravention committed by GRD Securities Limited.
Bimal Kumar Drolia	Whole-Time Director (Promoter)	01/08/2007	Not retired	Yes	Bimal Kumar Drolia was the Whole-Time Director and promoter of GRD Securities Limited at the time the contravention was alleged to be committed by the company and was in such capacity in charge of, and responsible to, the company for the conduct of its business and hence is *prima facie* held to be guilty of the

Name	Designation (Category)	Date of appointment of director	Date of retirement of director	Whether charged as *Noticee*	Rationale for charging or not charging the directors
					contravention committed by GRD Securities Limited.
Anita Drolia	Director (Promoter)	06/01/2020	11/11/2021	Yes	Anita Drolia was the executive director and promoter of GRD Securities Limited at the time the contravention was alleged to be committed by the company and was in such capacity in charge of, and responsible to, the company for the conduct of its business and hence is *prima facie* held to be guilty of the contravention committed by GRD Securities Limited.
Priya Saraf	Director (Independent)	15/07/2022	Not retired	Yes	Priya Saraf was an independent director at the time the contravention was alleged to be committed and in such capacity is not deemed guilty of alleged contravention committed by the company since she is not presumed to be in charge of the day-to-day activities of the company. However, the physical computer system with CTCL ID '700020002063' which was found in the office of Sanjay Taparia was

Name	Designation (Category)	Date of appointment of director	Date of retirement of director	Whether charged as *Noticee*	Rationale for charging or not charging the directors
					registered in the name of Priya Saraf (as detailed in Table no. 9) and hence it is inferred that she facilitated trading in the proprietary trading account of GRD Securities Limited through her CTCL ID. Since there is direct evidence on record to show her involvement in the alleged contravention, she is deemed to be in-charge of the company for the contravention committed by the company and hence deemed guilty.
Nainaa Drolia	Director (Independent)	04/12/2021	15/07/2022	No	Nainaa Drolia was an independent director at the time the contravention was committed and in absence of direct evidence on record to show that she was in charge of, and responsible to the company for the alleged contravention, she is not held guilty of the alleged contravention committed by GRD Securities Limited.
Satyam Saraf	Director (Independent)	30/09/2016	Not retired	No	Satyam Saraf was an independent director at the time the contravention was committed and in absence of direct evidence on record to show that he was in charge of, and responsible

Name	Designation (Category)	Date of appointment of director	Date of retirement of director	Whether charged as *Noticee*	Rationale for charging or not charging the directors
					to the company for the alleged contravention, he is not held guilty of the alleged contravention committed by GRD Securities Limited.
Salasar Stock Broking Limited					
Kiran Kumar Sonthalia	Whole-Time Director(-)	30/12/1994	Not retired	Yes	Kiran Kumar Sonthalia was the Whole-Time Director of Salasar Stock Broking Limited at the time the contravention was alleged to be committed by the company and was in such capacity in charge of, and responsible to, the company for the conduct of its business and hence is *prima facie* held to be guilty of the contravention committed by the company.
Shyam Saraogi	Whole-Time Director(-)	11/01/2019	Not retired	Yes	Shyam Saraogi was the Whole-Time Director of Salasar Stock Broking Limited at the time the contravention was alleged to be committed by the company and was in such capacity in charge of, and responsible to, the company for the conduct of its business and hence is *prima facie*

Name	Designation (Category)	Date of appointment of director	Date of retirement of director	Whether charged as *Noticee*	Rationale for charging or not charging the directors
					held to be guilty of the contravention committed by the company. Further, there is evidence on record to show his direct involvement in the commission of alleged contravention as brought out in this order. Further, as discussed in this order, following evidences show his active involvement in the alleged violations as facilitator: i. Shyam Saraogi was a member of the WhatsApp group named "Jack-Saro", in which Ketan Parekh provided NPI-based trade instructions pursuant to which such trades were executed from the proprietary account of Salasar Stock Broking Limited. ii. Shyam Saraogi colluded with Sanjay Taparia and an associate of Ketan Parekh to transfer money through Angadiya.

Name	Designation (Category)	Date of appointment of director	Date of retirement of director	Whether charged as *Noticee*	Rationale for charging or not charging the directors
Pradeep Kumar Saraogi	Director (Independent)	17/05/2005	Not retired	Yes	Pradeep Kumar Saraogi was an independent director at the time the contravention was alleged to be committed by the company and in such capacity is not *prima facie* held to be guilty of alleged contravention committed by the company since he is not presumed to be in charge of the day-to-day activities of the company. However, the physical computer system with CTCL ID '700001002002' through which the NPI-based trades were executed in the proprietary trading account of Salasar Stock Broking Limited was found in the office of Company was registered in the name of Pradeep Kuma Saraogi (as detailed in Table no. 12) and hence it is inferred that he facilitated trading in the proprietary trading account of Salasar Stock Broking Limited through his CTCL ID. Since there is direct evidence on record to show his involvement in the alleged contravention, he is deemed

Name	Designation (Category)	Date of appointment of director	Date of retirement of director	Whether charged as *Noticee*	Rationale for charging or not charging the directors
					to be in-charge of the company for the contravention committed by the company and hence *prima facie* held guilty.
Ashok Tibrewal	Whole-Time Director(-)	30/12/1994	Not retired	No	Ashok Tibrewal was the Whole-Time Director of Salasar Stock Broking Limited at the time the contravention was alleged to be committed. However, the evidence on record shows that he has been in dispute with Salasar Stock Broking Private Limited since 2016 (as per NCLT case no. CP/21(KB) 2016) and is not involved in the day to day operations of the company. Accordingly, he is not held guilty of the contraventions committed by the company.
APR Properties Private Limited					
Rachit Poddar	Director (Promoter)	30/09/2019	Not retired	Yes	Rachit Poddar was the director and promoter of APR Properties Private Limited at the time the contravention was alleged to be committed by the company and was in such capacity in charge of, and responsible to, the

Name	Designation (Category)	Date of appointment of director	Date of retirement of director	Whether charged as *Noticee*	Rationale for charging or not charging the directors
					company for the conduct of its business and hence is *prima facie* held to be guilty of the contravention committed by the company. Further, as discussed in this order, following evidences show his active involvement in the alleged violations as facilitator: i. Mobile number of Ketan Parekh was saved as "Wellwisher" on the mobile phone of Rachit Poddar; ii. In the statement made by father of Rachit Poddar i.e. Ashok Kumar Poddar, he stated that Ketan Parekh used to provide trade related instructions to Ashok Kumar Poddar over WhatsApp call and messages. This is corroborated by the analysis of CDR which indicates that Ashok Kumar Poddar had frequent

Name	Designation (Category)	Date of appointment of director	Date of retirement of director	Whether charged as *Noticee*	Rationale for charging or not charging the directors
					interactions with Ketan Parekh and his brother Kartik Parekh; iii. In the statement made by Ashok Kumar Poddar, he further stated that he used to communicate the NPI-based trading instructions received from Ketan Parekh to his son, Rachit Poddar who then used to execute the NPI-based trades in the trading accounts of APR Properties Private Limited and Basukinath Properties Private Limited through the systems placed at their residence; iv. The computer devices from which NPI-based trades were executed in the trading accounts of APR Properties Private Limited and Basukinath Properties Private Limited were found at the residential premises of Ashok Kumar Poddar and Rachit Poddar;

Name	Designation (Category)	Date of appointment of director	Date of retirement of director	Whether charged as *Noticee*	Rationale for charging or not charging the directors
					v. The analysis of bank accounts of various firms of Rachit Poddar shows that during the investigation period a total of 263 debit and credit transactions have happened between the account of Realstone (a firm associated with Ketan Parekh) and bank accounts of various firms of Rachit Poddar.
Manoj Kumar Agarwal	Director (Promoter)	20/09/2022	Not retired	Yes	Manoj Kumar Agarwal was the director and promoter of APR Properties Private Limited at the time the contravention was alleged to be committed by the company and was in such capacity in charge of, and responsible to, the company for the conduct of its business and hence is *prima facie* held to be guilty of the contravention committed by the company.
Mahendra Kumar Agarwal	Director(-)	14/07/1995	25/04/2022	Yes	Mahendra Kumar Agarwal was a director of APR Properties Private Limited at the time the contravention was alleged to be committed and was

Name	Designation (Category)	Date of appointment of director	Date of retirement of director	Whether charged as *Noticee*	Rationale for charging or not charging the directors
					in such capacity in charge of, and responsible to, the company for the conduct of its business and hence is *prima facie* held to be guilty of the contravention committed by the company.
Renu Agarwal	Director(-)	31/01/2002	25/04/2022	Yes	Renu Agarwal was a director of APR Properties Private Limited at the time the contravention was alleged to be committed and was in such capacity in charge of, and responsible to, the company for the conduct of its business and hence is *prima facie* held to be guilty of the contravention committed by the company.
Basukinath Properties Private Limited					
Rachit Poddar	Director(Promoter)	30/09/2019	Not retired	Yes	Rachit Poddar was the director and promoter of APR Properties Private Limited at the time the contravention was alleged to be committed by the company and was in such capacity in charge of, and responsible to, the company for the conduct of its business and hence is prima facie

Name	Designation (Category)	Date of appointment of director	Date of retirement of director	Whether charged as *Noticee*	Rationale for charging or not charging the directors
					held to be guilty of the contravention committed by the company. Further, as discussed in this order, following evidences show his active involvement in the alleged violations as facilitator: i. Mobile number of Ketan Parekh was saved as "Wellwisher" on the mobile phone of Rachit Poddar; ii. In the statement made by father of Rachit Poddar i.e. Ashok Kumar Poddar, he stated that Ketan Parekh used to provide trade related instructions to Ashok Kumar Poddar over WhatsApp call and messages. This is corroborated by the analysis of CDR which indicates that Ashok Kumar Poddar had frequent interactions with Ketan Parekh and his brother Kartik Parekh; iii. In the statement made by Ashok Kumar Poddar, he further

Name	Designation (Category)	Date of appointment of director	Date of retirement of director	Whether charged as *Noticee*	Rationale for charging or not charging the directors
					stated that he used to communicate the NPI-based trading instructions received from Ketan Parekh to his son, Rachit Poddar who then used to execute the NPI-based trades in the trading accounts of APR Properties Private Limited and Basukinath Properties Private Limited through the systems placed at their residence; iv. The computer devices from which NPI-based trades were executed in the trading accounts of APR Properties Private Limited and Basukinath Properties Private Limited were found at the residential premises of Ashok Kumar Poddar and Rachit Poddar; v. The analysis of bank accounts of various firms of Rachit Poddar shows that during the investigation period a total of 263

Name	Designation (Category)	Date of appointment of director	Date of retirement of director	Whether charged as *Noticee*	Rationale for charging or not charging the directors
					debit and credit transactions have happened between the account of Realstone (a firm associated with Ketan Parekh) and bank accounts of various firms of Rachit Poddar.
Manoj Kumar Agarwal	Director(Promoter)	20/09/2022	Not retired	Yes	Manoj Kumar Agarwal was the director and promoter of APR Properties Private Limited at the time the contravention was alleged to be committed by the company and was in such capacity in charge of, and responsible to, the company for the conduct of its business and hence is *prima facie* held to be guilty of the contravention committed by the company.
Mahendra Kumar Agarwal	Director(-)	20/02/2001	25/04/2022	Yes	Mahendra Kumar Agarwal was a director of APR Properties Private Limited at the time the contravention was alleged to be committed and was in such capacity in charge of, and responsible to, the company for the conduct of its business and hence is *prima facie* held to be guilty of the

Name	Designation (Category)	Date of appointment of director	Date of retirement of director	Whether charged as *Noticee*	Rationale for charging or not charging the directors
					contravention committed by the company.

194. In the matter of ***KK Ahuja v. V.K Arora*** *(2009 10 SCC 48.)*, the Hon'ble Supreme Court analysed the terms 'in charge of' and 'responsible to' in the context of vicarious liability provisions and held that the 'in-charge' principle presents a factual test and the 'responsible to' principle presents a legal test. The court held that a person would be in-charge of the business of the company if the person is in overall control of the day-to-day business of the company.

195. Thus, while an executive or whole-time director of the defaulting company can be called to be 'in charge of the business of the company', an independent director or a non-executive director, having no control over the day-to-day business of the company might not be considered to be in charge of the business of the company unless evidence to the contrary can be shown.

196. In view of the above and basis the legal principle contained in section 27 of the SEBI Act, a rebuttable presumption can be drawn against the executive directors of the FRs for fastening vicarious liability upon them for the contraventions committed by the corporate FRs in the instant matter. Accordingly, for the reasons stated in the table above. I find the aforesaid directors, except Nainaa Drolia, Satyam Saraf and Ashok Tibrewal, are vicariously liable for the extended front-running activities committed by the FR companies.

M. NEED FOR INTERIM EX-PARTE ORDER

197. I have already held that the acts imputed in the present order on *Noticees* are *prima facie* held in violation of various provisions of the SEBI Act, 1992 and the PFUTP Regulations. Now it would be important to examine as to whether this interim ex-parte order is required to be passed. I note that sub-section (4) of section 11 and section 11B allows SEBI to restrain persons from accessing the securities market and prohibit any person associated with securities market to buy, sell or deal in securities and to issue "such directions as may be necessary" in the interest of investors of the securities market. The evidence of the present case speaks volume about the intricate design that was at play. Traders of the Big Client were discussing with Rohit Salgaocar prior to executing trades and such information was *prima facie* encashed by Rohit Salgaocar by sharing the same with Ketan Parekh. While the traders of the Big Client were discussing trades with Rohit Salgaocar for ensuring counter parties for their trading, Rohit Salgaocar was using that information to make illegal profits by routing information to Ketan Parekh. When the information reached Ketan Parekh, he acted in a systematic manner and trades were executed in different accounts which cumulatively generated unlawful profits. Ketan Parekh is not an ordinary person. As discussed later, he was debarred from the securities markets for 14 years earlier also.

198. It is noted that a duty has been cast upon SEBI under section 11 to protect the interests of investors in securities and to promote the development of and to regulate the securities market. All the afore-quoted objects are equally crucial for growth of the securities market. It is also noticed that any kind of manipulative activities by a person or group of persons have impact on the securities market as a whole. Therefore, it becomes essential that the investors and the securities market are protected from the manipulative and unfair trade practices relating to securities market and SEBI has been empowered to take any measures, as it deems fit to achieve the mandate. The PFUTP Regulations have been framed with an objective

of preventing fraudulent and unfair trade practices relating to securities market, which will aid in achieving the mandate of investor protection, regulation and development of securities market.

199. A *prima facie* case of violation of various provisions of the SEBI Act, 1992 and the PFUTP Regulations has already been made out against *Noticees* which is largely backed by direct evidences on record. I observe that the association of some of the *Noticees* to the securities market, their overall conduct and the manner in which they have used technology to cover their tracks, necessitate to take emergent actions to protect the integrity of the securities market, so that the interest of the investors is not jeopardised. Further, at this stage, I also note the following factors:

    I. All *Noticees* are closely associated with the securities market as discussed above.

    II. The trading activities which are *prima facie* swarmed with illicit design, were repeatedly carried out for long period of time.

    III. The concerned *Noticees* were able to generate large amount of profits which is *prima facie* found to be unlawful, which may be siphoned off beyond regulatory reach, if immediate steps are not taken.

    IV. Further, I have considered other factors like the nexus that *Noticees* have with each other; the use of technology by them to share information, the sharing of profits of large amounts. Considering all these factors, it becomes imperative for SEBI to protect siphoning off of the unlawful gains made by *Noticees*, which may be liable for disgorgement in the final proceedings.

200. At this juncture, it is also crucial to note that Ketan Parekh is a habitual offender and has been found guilty of market manipulation in the past as well. Through his group broking firms and investment companies, Ketan Parekh indulged in manipulative trades which led to the stock markets crash in 2001. A Joint Parliamentary Committee on Stock market scam and matters relating thereto was also constituted

on April 27, 2001 to probe, *inter alia*, into the irregularities and manipulations related to the stock markets crash of 2001 and the Committee submitted its report on December 19, 2002 wherein it noted that Ketan Parekh was the key player in the scam and received large sums of money from banks as well as from Corporate bodies during the period when SENSEX was falling rapidly and therefore recommended SEBI to investigate the matter expeditiously. The investigations conducted by SEBI into the alleged violations, *inter alia*, revealed that, Ketan Parekh created artificial volumes and manipulations in various scrips during the period between 1999 to 2001and accordingly various enforcements actions were initiated against Ketan Parekh group entities including passing of various directions under Section 11B of the SEBI Act, Adjudication Proceedings and Prosecution Proceedings.

201. Vide SEBI order dated December 12, 2003, Ketan Parekh and his group entities were prohibited from dealing in the securities in any manner, directly or indirectly, and were also debarred from associating with the securities market for a period of 14 years. While the aforesaid order of debarment was in force, it was found that an entity named Gibs Computers, which was controlled by Ketan Parekh, was trading in the securities market despite clear embargo on Ketan Parekh to directly or indirectly deal or associate with securities market. Accordingly, a monetary penalty of one crore rupees was imposed on the entity by the Adjudicating Officer vide order dated June 26, 2013.

202. SEBI has also initiated prosecution proceedings against Ketan Parekh and connected entities. I note that in the said proceedings, Ketan Parekh has evaded the service of summons, bailable warrants and non-bailable warrants and finally appeared only after the issuance of proclamation by the court and after further follow-ups by SEBI.

203. In view of the above, considering the repetitive nature of violations by Ketan Parekh and evidences gathered in the instant matter, I am of the view that an interim ex-parte order is required to be passed in this matter to protect the interest of the securities market and investors.

204. I seek to place reliance on the order of the Hon'ble Securities Appellate Tribunal, passed in the matter of ***Amalendu Mukherjee Vs. SEBI*** *(Appeal (L) no. 169 of 2020),* wherein the Hon'ble Tribunal has underscored the necessity of passing impounding orders by *inter alia* observing as:

> "*We are of the opinion that the WTM is empowered under the SEBI Act and the Regulations to pass an ex-parte order in order to protect the interests of securities market and the investors. If such impounding order is not passed, it may result in defeating the ultimate direction of disgorgement if any, as there would be chances of such monies being dissipated by the appellant. …*"

205. Based on the foundation of factors quoted above and in totality of the facts of the present case, I am compelled to invoke the provisions under sub-section (1) of section 11, sub-section (4) of section 11, section 11B of the SEBI Act, 1992 and regulation 11 of the PFUTP Regulations, to hold that it is a fit case for passing interim order and to impound the proceeds of *prima facie* unlawful gains made by *Noticees*.

N. BASIS OF DISGORGEMENT AND JOINT AND SEVERAL LIABILITY

206. Having held that in the facts of the present case, invocation of powers to issue interim order is necessitated, the next issue that deserves consideration is fixing of *prima facie* liability for impounding of unlawful gains which accrued due to deployment of fraudulent scheme by *Noticees*. In this connection, I note that the explanation to sub-section (1) of section 11B of the SEBI Act, 1992 *inter alia* empowers SEBI to issue

directions to any person, for disgorgement of wrongful gains made by him, by contravention of any provision of the SEBI Act or the regulations made thereunder.

207. In order to fix the liability of the respective entities, it is noted that Rohit Salgaocar was instrumental in obtaining the NPI about the substantial impending trades of the Big Client in various scrips and Ketan Parekh, through facilitators and FRs, used such information to execute front running trades.

208. Thus, apart from the FRs (in whose account the unlawful profit accrued), other *Noticees* also played an active role for generation of the unlawful gains, making them liable jointly and severally for impounding, with the respective *Noticee* in whose account the profit accrued.

209. Further, in view of the findings in Part L of this order, the directors of various companies are also liable to be proceeded against for the unlawful profits that accrued to the *Noticees* and are held jointly and severally liable with their respective companies, by virtue of section 27 of the SEBI Act, 1992.

210. In view of the aforesaid discussion and the calculation of unlawful gains made by *Noticees* as detailed in Table no. 54, I hold that *Noticees* to be *prima facie* jointly and severally liable for impounding of unlawful profits in the following manner:

Table no. 64

Joint and several liabilities of *Noticees* for impounding of wrongful gains

Sr. No.	*Noticee*	Amount of wrongful gains made (INR)	Entities jointly and severally liable for impounding of wrongful gains
1.	Rohit Salgaocar	**27,06,73,574** (Commission earnings)	Rohit Salgaocar and Ketan Parekh

Sr. No.	*Noticee*	Amount of wrongful gains made (INR)	Entities jointly and severally liable for impounding of wrongful gains
2.	GRD Securities Limited	6,00,91,126 (Profits made through fraudulent trading)	Rohit Salgaocar, Ketan Parekh, Sanjay Taparia, GRD Securities Limited, Pramod Kumar Drolia, Bimal Kumar Drolia, Priya Saraf and Anita Drolia
3.	Anirudh Damani	4,85,62,517 (Profits made through fraudulent trading)	Rohit Salgaocar, Ketan Parekh, Sanjay Taparia, Anirudh Damani and Ashok Kumar Damani
4.	Ashok Kumar Damani	17,22,612 (Profits made through fraudulent trading)	
	Subtotal	**11,03,76,255**	
5.	Salasar Stock Broking Limited	12,45,20,605 (Profits made through fraudulent trading)	Rohit Salgaocar, Ketan Parekh, Sumit Sonthalia, Salasar Stock Broking Limited, Kiran Kumar Sonthalia, Shyam Saraogi and Pradeep Kumar Saraogi
	Subtotal	**12,45,20,605**	
6.	Basukinath Properties Private Limited	10,68,11,692 (Profits made through fraudulent trading)	Rohit Salgaocar, Ketan Parekh, Ashok Kumar Poddar, Basukinath Properties Private Limited, APR Properties Private Limited, Rachit Poddar, Manoj Kumar

Sr. No.	*Noticee*	Amount of wrongful gains made (INR)	Entities jointly and severally liable for impounding of wrongful gains
			Agarwal and Mahendra Kumar Agarwal
7.	APR Properties Private Limited	4,53,29,421 (Profits made through fraudulent trading)	Rohit Salgaocar, Ketan Parekh, Ashok Kumar Poddar, Basukinath Properties Private Limited, APR Properties Private Limited, Rachit Poddar, Manoj Kumar Agarwal, Mahendra Kumar Agarwal and Renu Agarwal
	Subtotal	**15,21,41,113**	
	TOTAL	**65,77,11,547**	

O. INTERIM ORDER

211. Thus, after analysing all the evidences on record I hold that this is a fit case to exercise powers of passing interim order so as to insulate the securities market and to protect the unlawful gains, which may go beyond regulatory reach. Accordingly, I, in exercise of the powers conferred upon me under sub-section (1) of section 11, sub-section (4) of section 11, sub-section (1) of section 11B read with section 19 of the SEBI Act, 1992 read with regulation 11 of the PFUTP Regulations, hereby by way of the present *interim* order cum show cause notice, issue the following directions, which shall remain in force until further orders:

I. An amount of INR 65,77,11,547 (Sixty Five Crore Seventy Seven Lakh Eleven Thousand Five Hundred Forty Seven Rupees), being the total unlawful gain earned from the alleged violations, shall be impounded, jointly and severally in manner provided in Table no. 64 and the *Noticees* are directed to credit/deposit jointly/severally the aforesaid amount of unlawful gains to interest bearing savings account(s) created specifically

for the purpose in a Scheduled Commercial Bank. The *Noticees* shall create interest bearing savings account(s) with Lien in favour of SEBI and the amount kept therein shall not be released without permission from SEBI.

II. *Noticees no. 1 and 2* i.e. Rohit Salgaocar and Ketan Parekh devised the entire scheme to unjustly enrich from the NPI pertaining to the Big Client by orchestrating front running activities. *Noticee no. 10* has admitted to be a facilitator in the front running activities. Further, *Noticees no. 2 and 10* i.e. Ketan Parekh and Ashok Kumar Poddar had been prohibited from dealing in the securities and debarred from associating with the securities market in the past as well. Considering the same, *Noticees no. 1,2 and 10* shall be restrained from buying, selling or dealing in securities or associating with any intermediary registered with SEBI, either directly or indirectly, with immediate effect.

III. Banks, where *Noticees no.* 1 to 22 are holding bank accounts, shall be directed that no debits shall be made, without permission of SEBI, in respect of the bank accounts held jointly or severally by *Noticees*, except for the purposes of transfer of funds to the interest bearing savings account(s) as stipulated above. Further, this direction shall not apply to those bank accounts of *Noticees no. 3 and 4* which deal with clients' funds, since *Noticees no. 3 and 4* are stock brokers registered with SEBI and deal with funds of clients.

IV. Depositories shall also be directed that no debit shall be made, without permission of SEBI, in respect of the demat accounts held by *Noticees*. However, credits, if any, into the accounts may be allowed.

V. Banks and the Depositories are directed to ensure that all the aforesaid directions are strictly enforced. Further, debits in the bank accounts may also be allowed for amounts available in the account in excess of the amount to be impounded. Banks are allowed to debit the accounts for the purpose of complying with this Order.

VI. The Registrar and Transfer Agents shall ensure that, they neither permit any transfer nor redemption of securities, including Mutual Funds units, held by *Noticees*.

VII. *Noticees* shall not dispose of or alienate any of their assets/properties, till such time the amount of unlawful gain is credited to an interest bearing savings account except with the prior permission of SEBI.

VIII. *Noticees* are further directed to provide a full inventory of all their assets whether movable or immovable, or any interest or investment or charge in any of such assets, including property, details of all their bank accounts, demat accounts, holdings of shares/securities if held in physical form and mutual fund investments and details of companies in which they hold substantial or controlling interest immediately but not later than 15 days of this Order.

IX. The directions stipulated in paragraph (III), (IV), (V), (VI) and (VII) shall cease to apply upon credit of unlawful gains to the interest bearing savings account as stipulated in sub-paragraph (I) of this paragraph.

X. If the *Noticees* have any open position in any exchange traded derivative contracts, as on the date of the order, they can close out /square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. The *Noticees* are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this order. Banks are allowed to debit the accounts for the purpose of complying with this direction.

212. The *prima facie* observations/findings contained in this Order are made on the basis of the material available on record. In light of the alleged violations of the provisions of the SEBI Act, 1992 and the PFUTP Regulations by *Noticees,* this Order shall be treated as a Show Cause Notice under sub-section (1) of section 11, sub-section (4) of section 11, sub-section (4A) of section 11, sub-section (1) of section 11B, and sub-

section (2) of section 11B of the SEBI Act, 1992 read with regulation 11 of the PFUTP Regulations read with SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005, calling upon all the Noticees to show cause as to why suitable directions shall not be passed against them, including directions as proposed hereunder:

I. Direction to disgorge an amount equivalent to the total gains made on account of alleged extended front running along with interest;
II. Direction to restrain them from accessing the securities market and prohibiting them from buying, selling or otherwise dealing in securities for an appropriate period;
III. Direction to restrain them from associating with any registered intermediary; and
IV. Directions for imposition of penalty under sub-section (4A) of section 11 and sub-section (2) of section 11B read with section 15HA of the SEBI Act, 1992 against all Noticees.

213. *Noticees* may file their replies to SEBI within 21 days from the date of receipt of this Order and avail an opportunity of personal hearing in the matter, if they so desire.

214. This Order is without prejudice to any other action that SEBI may initiate under the securities laws, as deemed appropriate.

215. This Order shall come into force with immediate effect and shall be in force till further Orders.

216. A copy of this Order shall be forwarded to:

I. Noticees, Stock Exchanges, Depositories, Registrar and Share Transfer Agents and Banks to ensure necessary compliance;
II. Big Client, Nuvama and Motilal, enabling them to take appropriate actions for strengthening their internal controls to prevent occurrence of violations noted in the present Order;

III. Concerned departments of SEBI which deal with the regulation of registered intermediaries involved in the instant matter such as the funds of Big Client, Nuvama, Motilal, Salasar Stock Broking Limited and GRD Securities Limited for examination of violation of other securities laws, if any.

KAMLESH CHANDRA VARSHNEY

Digitally signed by KAMLESH CHANDRA VARSHNEY
Date: 2025.01.02 17:44:04 +05'30'

PLACE: MUMBAI
DATE: JANUARY 02, 2025

KAMLESH C. VARSHNEY
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

LIST OF FIGURES MENTIONED IN THE ORDER

Figure no. 1 Screenshot of WhatsApp chat between Sanjay Taparia and Ketan Parekh 24
Figure no. 2 Establishing identity of Ketan Parekh 25
Figure no. 3 WhatsApp chat showing instructions given by Ketan Parekh in the group Jack-ST 30
Figure no. 4 Screenshot of a message in the WhatsApp group “Jack-ST”.....38
Figure no. 5 Screenshot of a message in the WhatsApp group “Jack-Saro”.....39
Figure no. 6 Flow of NPI-based trading instructions from Ketan Parekh to FRs 43
Figure no. 7 Flow of NPI regarding the trades of the Big Client 67
Figure no. 8 Depiction of Buy-Buy-Sell-Buy (BBSB) Strategy 145
Figure no. 9 Depiction of Sell-Sell-Buy-Sell (SSBS) Strategy 146
Figure no. 10 Depiction of Buy-Sell-Buy (BSB) Strategy.....146
Figure no. 11 Depiction of Buy-Sell-Buy (BSB) Strategy.....147

LIST OF TABLES MENTIONED IN THE ORDER

Table no. 1 Details of entities whose premises were searched by SEBI 3
Table no. 2 Details of contact numbers as obtained from various devices 12
Table no. 3 IMEI analysis of various phone numbers of Ketan Parekh 19
Table no. 4 Location analysis of various phone numbers of Ketan Parekh 20
Table no. 5 Details confirmed by Hotels 22
Table no. 6 Flight Details of Ketan Parekh 24
Table no. 7 Details of the WhatsApp group “Jack-ST” 31
Table no. 8 Details from CDR of Sanjay Taparia and Damanis 32
Table no. 9 Placement of orders in the trading account of GRD Securities Limited ..33
Table no. 10 Pattern of buying by FR1 and FR3 on November 11, 2022 38
Table no. 11 Details of the members of the WhatsApp group “Jack-Saro” 40
Table no. 12 Placement of orders in the prop account of Salasar Stock Broking Limited 41
Table no. 13 Details from CDR of Ashok Kumar Poddar 42
Table no. 14 Details of trades executed by FRs before and during the Investigation Period 44
Table no. 15 Trading profile of Salasar Stock Broking Limited (FR 2) 46
Table no. 16 Trading profile of GRD Securities Limited (FR1) 48
Table no. 17 Trading profile of Anirudh Damani (FR 3) 49
Table no. 18 Trading profile of Ashok Kumar Damani (FR4) 50
Table no. 19 Trading profile of Basukinath Properties Private Limited (FR5) 51
Table no. 20 Trading profile of APR Properties Private Limited (FR6) 52
Table no. 21 Extract of Bloomberg chat between Rohit Salgaocar and Trader of Big Client 56
Table no. 22 Change in Gross Traded Value (GTV) in the order flow of the Big Client to Motilal 60
Table no. 23 Clients referred to Nuvama by SCPL during the Investigation Period ..62
Table no. 24 Change in Gross Traded Value (GTV) in the order flow of the Big Client to Nuvama 63
Table no. 25 Extract of Bloomberg chat between Rohit Salgaocar and Trader of Motilal on September 16, 2021 65
Table no. 26 Bloomberg chat between Big Client trader and Rohit Salgaocar on Dec 08, 2021 68
Table no. 27 Summary of trades undertaken by FR2 and FR5 on December 08, 2021 69
Table no. 28 Matching between the big client and the FRs on December 08, 2021 .70
Table no. 29 Long positions built by each of the FR during the day 70
Table no. 30 Trades undertaken by the FR1 and Big Client 73

Table no. 31 Instruction with respect to the positions taken by FR1 prior to entry of the Big Client 74
Table no. 32 Instructions with respect of the positions taken by the FR1 and BC, when matching took place 77
Table no. 33 Calculation of unlawful gains made under this illustration 81
Table no. 34 Trades undertaken by FR 1 and the Big Client in on April 06, 2023 81
Table no. 35 Trades undertaken by the FR2 and Big Client during aforesaid time period 83
Table no. 36 Instructions in respect of the positions taken by the FR2, prior to the entry of the Big Client 84
Table no. 37 Instructions with respect of the positions taken by the FR2 and Big Client, when matching took place 86
Table no. 38 Calculation of unlawful gains made under this illustration 89
Table no. 39 Trades undertaken by FR2 and Big Client 90
Table no. 40 Instructions in respect of the positions taken by the FR2, prior to the entry of the Big Client 91
Table no. 41 Instructions with respect to the positions taken by the FR2 and Big Client 94
Table no. 42 Trades undertaken by the FR1, FR2, FR3 and Big Client 97
Table no. 43 Instructions with respect to the positions taken by the FR2 and Big Client, when matching took place 99
Table no. 44 Calculation of unlawful gains made under this illustration 104
Table no. 45 Trades undertaken by the FR2, FR5 and Big Client 105
Table no. 46 Bloomberg chats between Rohit Salgaocar and the trader of Big Client on January 06, 2023 107
Table no. 47 Instruction with respect to the positions to be taken in the scrip on January 09, 2023 108
Table no. 48 Instructions with respect to the positions taken by the FR2 and Big Client 109
Table no. 49 Calculation of unlawful gains made under this illustration 113
Table no. 50 Trades undertaken by the FR2, FR6 and Big Client during aforesaid Patch 114
Table no. 51 Instruction with respect to positions taken by the FR2, prior to entry of the Big Client 117
Table no. 52 Instructions with respect to the positions taken by the FR2, FR6 and Big Client, during matching phase 119
Table no. 53 Calculation of unlawful gains made under this illustration 122
Table no. 54 Profit earned by FRs during the Investigation Period 124
Table no. 55 Cash transfer of INR 25 lakhs from Ketan Parekh (Jack New) to Sumit Sonthalia 126
Table no. 56 Cash transfer of INR 50 lakhs from Sumit Sonthalia to Ketan Parekh (Jack New) 129

Table no. 57 Bank transfer of INR 65 lakhs from Ketan Parekh (Jack Latest.New) to Sanjay Taparia 130
Table no. 58 Cash transfer of INR 20 lakhs from Ketan Parekh to Sanjay Taparia.132
Table no. 59 Fund transfers between Ketan Parekh and various entities of Rachit Poddar.....134
Table no. 60 Summary of the transactions between Realstone and Classic Share 135
Table no. 61 Summary of bank transfers made between Realstone and bank accounts of various FRs/ facilitators 136
Table no. 62 Proof of information sharing between various entities 138
Table no. 63 Liability of the directors for contraventions committed by FR companies 159
Table no. 64 Joint and several liabilities of *Noticees* for impounding of wrongful gains 178