



CHIEF GENERAL MANAGER &
ADJUDICATING OFFICER

SPAD

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

A&E/DRK/CS/ 3542 /2014

March 26, 2014

1. Austral Coke and Projects Ltd. Old Kiledar Estate Bldg No 1, S.V.Road, Jogeshwari (w), Mumbai- 400102	2. Shri Rishi Raj Agarwal, Managing Director & Promoter 1st floor, Upvan Bldg, D.N. Nagar, Behind Indian Oil Nagar, Andheri (w), Mumbai- 400053
3. Shri Ratan Lal Tamakhuwala, <i>Chairman & Promoter</i> A-703, Shiv Parvati CHS Ltd. SVP Rd, Nr Versova Telephone Exchange Andheri (w), Mumbai -400053	4. Shri Prem Ranjan Kumar Chaurasia, Director Sirsia Bazar Bela Block Parihar Sitamarhi, Bihar-843324.
5. Shri Alok Bansal, Director Old Kiledar Estate Bldg No.1, 1st floor, S.V. Road Jogeshwari West, Mumbai- 400102	6. Shri Sunil Mandloi, Director Astha Medical, Meksi, Shajapur, Madhya Pradesh- 465106
7. Shri M M Damani, Director Old Kiledar Estate Bldg No.1, 1st floor, S.V. Road Jogeshwari West, Mumbai- 400102	8. Shri Ajit kumar Jindal CB 37 Salt Lake, 1st floor, Kolkata, West Bengal, 700064
9. Shri Chirag Tanna 34 Lakdawala Bldg, 2nd floor 9/11 Bhaskar Lane, Kalbadevi, Mumbai.	10. Shri Umesh Dhan Singh Flat no.8, 1st floor, Bldg no. F, Mohada, M.P. Mill Compound Tardeo, Mumbai- 400034.
11. K.K. Finstock 337- Hind Rajasthan Bldg, Dadasaheb Phalke Road, Dadar(e), Mumbai- 400014	12. Arcadia Share & Stock Broker Pvt. Ltd. 328, Nind 1st floor, Bldg No. 7 Service Road, Bandra (e) Mumbai
13. Setu Securities Pvt. Ltd. 502, Shreyas Apt 52/52. T.P.S. Road, Borivali (w) Mumbai- 400092	14. Shri Chetan Wadhwa 41, Vishram Bhavan 4th Floor, Dr. M.B. Velkar Marg, Mumbai- 400002
15. Shri Narendrabhai Amin F/63, Shandilya Flats, Rakhiyal, Ahmedabad- 380001	16. Shri Vijay Yuvraj Nanvare 55, New Textile Mill, NiDiwal Gautam Nagar Chhapra Raipur, Ahmedabad- 380001



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Sub: : Notice under Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995

1. The undersigned has been appointed as Adjudicating Officer under Section 15-I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "SEBI Act") read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as the "Rules") and the same was communicated vide communiqué dated September 2, 2013 (*Annexure- 1*), to inquire into and adjudge under-

- Section 15HA of the SEBI Act, for the alleged violation of section 12A of the SEBI Act and regulation 3(b) to (d), 4(1), 4(2)(e), (k) and (r) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as "PFUTP Regulations") by Austral Coke and Projects Ltd. (now known as Greenerth Resources and Projects Ltd.) (hereinafter referred to as "Austral Coke"/"Noticee 1"), Shri Rishi Raj Agarwal (hereinafter referred to as "Rishi"/"Noticee 2"), Shri Ratan Lal Tamakhuwala (hereinafter referred to as "Tamakhuwala"/ Noticee 3"), Shri Prem Ranjan Kumar Chaurasia (hereinafter referred to as "Chaurasia"/"Noticee 4"), Shri Alok Bansal (hereinafter referred as "Alok"/ "Noticee 5"), Shri Sunil Mandloi (hereinafter referred to as "Sunil"/"Noticee 6"), Shri M M Damani (hereinafter referred to as "Damani"/"Noticee 7"),
- Section 15HA of the SEBI Act for the alleged violation of section 12A of the SEBI Act and regulation 3(b) to (d), 4(1), 4(2)(e), of PFUTP Regulations by Shri Ajit Kumar Jindal (hereinafter referred to as "Ajit"/ "Noticee 8"),
- Section 15A(a) and 15HA of the SEBI Act for the alleged violation of section 12A of the SEBI Act and regulation 3(a) to (d), 4(1), 4(2)(e), of PFUTP Regulations by Shri Chirag Tanna (hereinafter referred to as

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"Chirag"/ "Noticee 9") and Shri Umesh Dhan Singh (hereinafter referred to as "Umesh"/ "Noticee 10")

- Section 15HA of the SEBI Act for the alleged violation of the section 12A of the SEBI Act and regulation 3(a) to (d), 4(1), 4(2)(e), of PFUTP Regulations by K.K. Finstock (hereinafter referred to as "Finstock"/ "Noticee 11"), Arcadia Share & Stock Broker Pvt. Ltd. (hereinafter referred to as "Arcadia"/ "Noticee 12") and Setu Securities Pvt. Ltd. (hereinafter referred to as "Setu"/"Noticee 13")
- Section 15HA of the SEBI Act for the alleged violation of the section 12A of the SEBI Act and regulation 3(a) to (d), 4(1), 4(2)(a),(e),(g) of PFUTP Regulations by Shri Chetan Wadhwa (hereinafter referred to as "Setu"/"Noticee 14"), Shri Narendrabhai Amin Wadhwa (hereinafter referred to as "Narendrabhai"/"Noticee 15") and Shri Vijay Yuvraj Nanvare (hereinafter referred to as "Nanvare"/"Noticee 16").

2. Securities and Exchange Board of India (hereinafter referred to as "SEBI") conducted an investigation in the matter of Austral Coke to examine the books of accounts of the company with regard to purchase and sales from/ to entities controlled by Noticee 8; and also examine the possible manipulation of price/ volume of the scrip during the period July 13, 2009 to August 31, 2009 i.e.(hereinafter referred to as "investigation period") just prior to the proposed Board Meeting to be held on September 03, 2009 to inter alia discuss raising of funds upto 200 Million USD through QIP. Austral Coke came out with an Initial Public Offer (IPO) in August 2008. The issue opened on August 7, 2008 and closed on August 13, 2008. The shares of Austral Coke are listed on BSE and NSE.
3. From the Major corporate announcements (Annexure-2), from September 2008 to September 2009, it is observed that within a span of one month just before the

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scheduled board meeting to discuss raising of US\$200 million through QIP, Austral Coke made four major corporate announcements, while there was no such announcement in almost 11 months after the listing of Austral Coke on September 4, 2008. It may be mentioned that the company made four announcements during the period July 13, 2009 to August 31, 2009 and out of the said four days when the announcements were made, except for one announcement day, the price of the scrip witnessed increase on the balance three days of the announcement. The impact of the announcements on the price and volume of the scrip is provided as below:

Sl. No.	Date of corporate Announcements	Closing price	Closing price on the previous day	% Change	Traded volume	Traded volume on the previous day	% Change
1	22/07/2009	350.1	339	3.27	5,91,931	5,57,582	6.16
2	6/8/2009	437.45	430.75	1.56	528982	4,81,588	9.84
3	10/8/2009	47.15	44.9	5.01	4573584	32,41,557	41.09
4	26/08/2009	51.65	53.3	-3.10	1532775	18,59,359	-17.56

- From the above, it can be seen that the announcements resulted in rise in price of the scrip in the range of 1.56% to 5.10% on three trading days and rise in volume from 6% to 41%. These announcements assume significance as they are made just prior to the proposed QIP, whose price is determined on the basis of the market price of the company as prescribed in the DIP guidelines.
- Vide letter dated March 03, 2011, Austral Coke informed that it's records and documents were destroyed in an unfortunate accident while transporting records

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from corporate office of the company in Mumbai to the registered office of the company in Kolkata. A copy of the FIR and Newspaper report in this regard was enclosed along with the said letter. Hence, it could not be ascertained whether the announcements made by the company were genuine or not.

Manipulation in the books of accounts of the company with regard to purchase and sales

6. Financial year wise break-up of purchases and sales shown in the books of accounts of Austral Coke is given as follows:

Description	F.Y. 2006-07 (₹ in crore)	F.Y. 2007-08 (₹ in crore)	F.Y. 2008-09 (₹ in crore)	Total (₹ in crore)
Purchases	12.87	145.27	394.83	552.97
Sales	-	100.04	394.71	494.75

7. KYC copies of the entities were sought from DCB, IDBI Bank Ltd., Axis Bank and ICICI bank Ltd. From the same, it was observed that for 23 entities, the authorized signatory was Noticee 8. In case of the balance two entities, where the authorized signatory was Mr. Debesh Kumar Mullick, however, the address of the entity was mentioned as 25, Black burn Lane, Room No. - 308, 3rd floor, Kolkata -700012, which was same as the address of the other entities where the authorized signatory was Noticee 8.

8. A visit was made to the Ahmedabad office of the Income Tax Department to collect the documents, which were relevant for investigation purpose. Income Tax Department, vide letter dated January 27, 2011 and February 11, 2011 made available the following documents:

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- a. Copies of certain sales bills of Austral Coke pertaining to sales with entities owned / controlled by Noticee 8;
 - b. Copies of certain purchase bills of Austral Coke pertaining to purchases with entities owned / controlled by Noticee 8.
9. From the copies of sales bills issued by entities owned/ controlled by Noticee 8 to Austral Coke, it was observed that though Noticee 8 had admitted that all his entities were based in Kolkata, some of the entities named below showed Ahmedabad addresses on their sales bills. It was found that most of the telephone numbers mentioned on these bills were of Bharat Sanchar Nigam Ltd. (BSNL). From the above, it was observed that the telephone numbers mentioned as the contact numbers of the entities belonging to Noticee 8 on the sales bills were neither in the name of Noticee 8, nor, in the name of his entities. In view of the same, IA decided to physically visit some of the locations mentioned on these sales bills. The findings as inter alia recorded in the visit report are as below:
- i. Bridge & Building Construction Co. Pvt. Ltd. and BBC Project Services Pvt. Ltd. had shown their address as B-14, Keshavbagh Appt., Ambawadi, Ahmedabad- 15 on the sales bill. Further, the telephone number viz. 26609911, which was shown as the contact number for BBC Project Services Pvt. Ltd., Navratan Marketing Pvt. Ltd., Autumn Buildcon Pvt. Ltd. and Jitesh Coal Agency, is registered in the BSNL directory with name as Shri Shambhusinh Udesinh Rajput and address as B14 Shreyas Tekra, Keshavbag Appt., Ambawadi, 380015. However, though the address of BBC Project Services Pvt. Ltd. was shown on the sales bill as the address at which telephone number 26609911 was registered, the addresses of the other three entities as mentioned on the sales bills, was different from the address where the telephone number was registered. A visit was made to the said premise and the statement of Shri Shambhu Sinh Rajput, in whose name the telephone number 26609911 was registered was recorded.

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Shri Rajput vide his statement dated January 29, 2011 stated that he owns the Flat B-14, Keshavbagh Appt. since 1996 and he is the builder of the said apartment. He also stated that the telephone no. 26609911 is in his name for the last ten years. He further stated that he is in no way associated with any of the aforesaid five entities, except Bridge & Building Construction Co. Pvt. Ltd. He also clarified that his association with Bridge & Building Construction Co. Pvt. Ltd. was only till the year 2001, and, after that he only used to speak to Noticee 8 occasionally. He further stated that he does not have any dealing with Austral Coke and came to know about the company only during the IT raid.

- ii. AIS International, Navratan Marketing Pvt. Ltd. and Shilp Industrial Products had shown their office address as Narayan Chambers, Ashram Road, 5th Floor, Ahmedabad. One entity called Allright Dealers Pvt. Ltd. had given its telephone no. as 26582492, which is registered as per BSNL directory in the name of one Sarla Udaysing Laxmichand with address as 7-A, 5th floor, Narayan Chamber Opp. Nehru Bridge, Ashram Road, 380009. Hence, a visit was made to Narayan Chambers. It was found that a firm named Asarpota & Asarpota was operating from the address 7-A, 5th floor, Narayan Chambers, Opp. Nehru Bridge, Ashram Road, 380009 with telephone no. as 26582492.

Asarpota & Asarpota was advised to inform regarding the relationship/ association of Asarpota & Asarpota and/ or its proprietor/ partners with the aforesaid three entities, i.e. AIS International, Navratan Marketing Pvt. Ltd., Shilp Industrial Products and/or with Austral Coke, if any. They were also advised to inform whether the aforesaid three entities were operating from Narayan Chambers at any point of time. Asarpota & Asarpota inter alia informed SEBI vide letter dated February 01, 2011 that the fact that AIS

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International, Navratan Marketing Pvt. Ltd., Shilp Industrial Products were functioning from their premises was totally false and that none of the parties had used their premises at any point of time. Vide the said letter, they further stated that somebody might have misused their telephone number and mentioned their address with mala fide intentions.

During the visit to Keshavbagh Appt to record the statement of Shri Rajput, the name of Asarpota & Asarpota was seen on the plan of one of the projects of Shri Rajput, who is a builder. It was informed by Shri Rajput that Noticee 8 used to visit his said premise. Therefore, it appears that Noticee 8 might have taken the address of Asarpota & Asarpota from the said plan at Shri Rajput's office.

iii. Western Minerals had shown its address as Vedant Building, Kalpana Society, Municipal Market, Ahmedabad, 380009 and its contact number as 26401617. A visit was made to Vedant Building and it was found that no entity in the name of Western Minerals was operating from the said premise. Further, the telephone no. 26401617, which was shown as the contact no. of Western Minerals on the bill copy, was registered in the name of one Ritu Sobhag Brahmbhatt with address as A/3, Opp. Parimal Garden, Garden View Apartment, Ambawadi, 380006. A visit was made to the said premise and Ms. Ritu Sobhag Brahmbhatt and she was shown the bills raised by Western Minerals to Austral Coke Ms. Ritu Sobhag Brahmbhatt, vide letter dated January 29, 2011, informed SEBI that the telephone no. 26401617 is registered in her name for the last five years. She also stated that she does not know anything about Western Mineral and Austral Coke.

iv. Imperial Refractories, Om Marketing, and Autumn Buildcon Pvt. Ltd. had given their address as Gota Chokhri, S G Road, Ahmedabad, 380054, which

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is a short address. Similarly, Superfast Commerce Pvt. Ltd. has given its address as Ellisbridge, Ashram Road, Near V S Hospital, Ahmedabad, 380006, which is also a short address. A visit was made to the place near V S Hospital and no such entity was found around that address.

10. Noticee 8 in his statement recorded on April 08, 2011 has stated that he knew Shri Shambhusinh Udesinh Rajput because of business relationship for the construction of staff quarters for BSNL through his company Bridge & Building Construction Co. Pvt. Ltd., whose address was B-14, Keshavbag Appt., Ambawadi, and, that the other addresses were fake and he did not know anything about those addresses. Noticee 8 has further stated that he knew the telephone number 26609911 as belonging to Shri Shambhusinh Udesinh Rajput and that he did not know any other telephone numbers. He also clarified that the bill and challans, which had those addresses and telephone numbers, were not prepared and printed by him, and, that the company officials had prepared those bills and challans. He informed that the 14 entities belonging to him, who had shown their address as Ahmedabad, are only based in Kolkata and they never had any address in Ahmedabad, except for Bridge and Building Construction. He also confirmed that none of his other companies/ proprietorship firms had office in Ahmedabad.

11. From the above, it is inferred that the addresses/ contact telephone numbers on the bills were given just to show that the entities were operating from Ahmedabad, while in reality, they were just paper entities/ companies operating from Kolkata.

12. Further, it was observed that a list of 12 entities belonging to Noticee 8, who had shown to have supplied raw materials as well as finished goods to Austral Coke,

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the GST(VAT) No. and CST no. shown by the said entities either does not exist or belong to some other entity. The same is as produced Annexure-3.

13. Further, the list of 15 entities belonging to Noticee 8, in the name of which Austral Coke had shown to have booked sales shows that as per the existing provisions of law, the sale of LAM coke attracts VAT of 4% and on verification from the Commercial Tax Department of Gujarat and findings of the verification from the Commercial Tax Website of Govt. of Gujarat is provided as Annexure-4.

14. From the above, it can be observed that the VAT TIN and the CST TIN of the buyers, who are entities belonging to Noticee 8, and, to whom Austral Coke has shown to have booked sales and the GST(VAT) No. and CST no. of the suppliers of Austral Coke, who are entities belonging to Noticee 8 are either nonexistent or belong to some other entity. Therefore, the aforesaid entities belonging to Noticee 8, who had shown purchase/ sales to Austral Coke are just paper entities/ companies without any real business.

15. Further, the bank accounts of the entities of certain entities of Noticee 8, who were suppliers of raw materials and capital goods to Austral Coke were analyzed to find out the utilization of funds received from Austral Coke. The findings of the same is provided as Annexure-5. From the annexure, it can be seen that the funds received from Austral Coke by the entities of Noticee 8 were routed back to the Austral Coke through the entities of Noticee 8.

16. For example, the following chart shows how the funds were routed back to Austral Coke through two entities of Noticee 8.

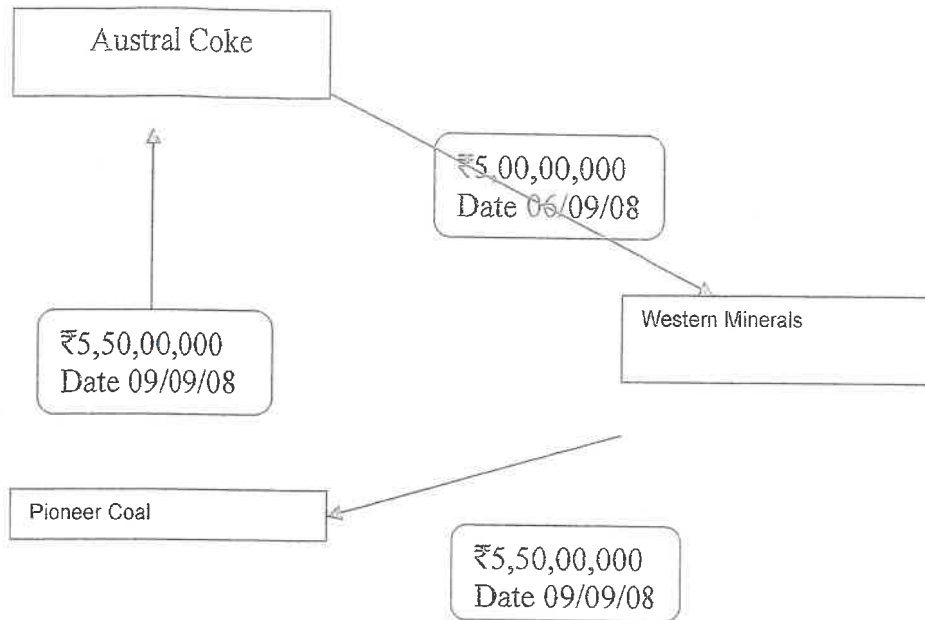
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17. It is observed from the Annexure that during the financial year 2008-09, funds to the tune of ₹94.18 crore, which were transferred by Austral Coke to the entities of Noticee 8 for the fake purchases from them, were similarly received back by Austral Coke, after routing the funds through a few of the entities of Noticee 8.

18. The statement of Noticee 8 was recorded on April 8, 2011. The major submissions made by Noticee 8 are as follows:

- That through Mr. Nikhil Jalan he met Noticee 2 sometime in 2007.
- That he opened the bank accounts as per the instruction of Noticee 2 and Noticee 3. He also submitted that they used to take the signed cheque books from him and give him commission of 0.40% in cash.
- That except for the address of Bridge and Building Construction, he does not know anything about other addresses that are shown as the addresses of certain proprietorship firms/ private limited companies owned by him and who

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had issued the bills to Austral Coke. He stated that the address of Bridge and Building Construction belongs to his friend Mr. Shambhu Singh Rajput as also the telephone number 26609911, which was shown as the contact number of Navratan Marketing Pvt. Ltd., BBC Project Services Pvt. Ltd., Autumn Buildcon Pvt. Ltd. and Jitesh Coal Agency. He also submitted that the bill, challan and letter head which have those addresses and telephone numbers have not been prepared and printed by him and the Austral Coke people had made them.

- d. That he had not taken any VAT/CST/GST numbers in any of the entities belonging to him and that Austral Coke might have used these numbers
- e. That the transactions shown in the bank accounts of the entities owned by him, which had shown purchase/ sale transactions with Austral Coke are just banking transactions and he has not made any sale/purchase to Austral Coke. He also submitted that he had given only blank cheques signed to the representative of Austral Coke
- f. That the 14 entities belonging to him, who had shown their address as Ahmedabad are only based in Kolkata and they never had any address in Ahmedabad except for Bridge and Building Construction. He also confirmed that none of his other companies/ proprietorship firms had office in Ahmedabad.
- g. That he has never prepared any vouchers, bills for purchase/sale transactions with Austral Coke and he only signed blank cheques.
- h. That after the credit and debit transactions with Austral Coke in the bank accounts of entities belonging to him, there used to be balance left which he was allowed to withdraw in lieu of the opening of the bank accounts in the name of his entities and allowing Austral Coke to use them for their purpose.

The list of entities which Noticee 8 admitted to be owned/ controlled by him is provided in the **Annexure-6**.

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19. It may be mentioned that out of the 33 entities owned / controlled by Noticee 8, 24 entities are proprietorship concerns and 9 entities are Pvt. Ltd. companies. From the KYCs collected from the concerned banks, it was seen that Noticee 8 was the proprietor of all the proprietorship concerns. As regards the nine Pvt. Ltd. companies, Noticee 8 is the promoter of all the companies and also the authorized person in most of the entities. Further, only two Pvt. Ltd. companies have Sales Tax/Vat No.s though they had shown to have purchase/sales transactions with Austral Coke.

20. Therefore, it is inferred from the above that the purchases and sales figures shown in the books of accounts of Austral Coke, were inflated by passing fictitious purchase/ sales entries from/ to entities belonging to Noticee 8, which were just paper entities/ companies without any real business.

Manipulation of the price/ volume of the scrip

21. The price of the scrip increased from closing price of ₹243.75 on July 13, 2009 to a high of ₹452 on August 6, 2009. After the stock split on August 7, 2009, the price of scrip reached ₹57.4 on August 25, 2009 and closed ₹51.5 on August 31, 2009. As mentioned earlier, this price rise was just prior to the Austral Coke's proposed QIP for US\$200 million, whose pricing was dependent on the scrip's market price. The period from July 13, 2009 to August 31, 2009 was, hence, taken as the investigation period for analysis of trading in the scrip.

22. The trading period in the scrip from July 13 to August 30, 2009 is divided into two periods

- a. Period- 1 (pre-split period) and
- b. Period-2 (post-split period)

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Period- 1 (Pre-split period)

23. On BSE, though the price of the scrip increased from ₹ 243.75 to ₹ 452 during the period July 13, 2009 to August 6, 2009, there was no significant increase in the trading volume in the scrip. The average daily trading volume of the scrip was 2,19,544 shares. In the three months period prior to this period, i.e. during April 1, 2009 to July 12, 2009, the trading volume in the scrip was comparatively low with total trading volume of 73,11,692 shares and average daily trading volume of 1,09,129 shares. During the said period, the daily trading volume in the scrip was less than 1 lac shares on 45 trading days out of a total of 67 trading days. During the period July 13, 2009 to August 6, 2009, the highest daily trading volume was seen on July 21 & 22, 2009 with trading volume of 5,57,582 shares and 5,91,931 shares respectively. It may be mentioned that the company made a corporate announcement dated July 21, 2009 regarding fixing of the record date as August 10, 2009 for sub-division of equity shares of ₹ 10/- each into 10 equity shares of Re. 1/- each. Just prior to the effective date of the stock split, the scrip also witnessed high trading volume of 3,60,349 shares, 4,81,588 shares and 5,28,982 shares on August 4, 5 and 6, 2009 respectively. After the stock split, there was price rise in the scrip with spurt in trading volume in certain days.

24. Similarly on NSE, though the price of the scrip increased from ₹ 242 to ₹ 453.9 during the period July 13, 2009 to August 6, 2009, there was no significant increase in the trading volume in the scrip. The average daily trading volume of the scrip was 2,35,095 shares. High trading volume was seen on July 21 & 22, 2009 where the trading volume in the scrip of 6,29,879 and 7,36,528 shares respectively. It may be mentioned that the company made a corporate announcement dated July 21, 2009 regarding fixing of the records date as August 10, 2009 for sub-division of equity shares of ₹ 10/- each into 10 equity shares of

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Re. 1/- each. Just prior to the effective date of the stock split, the scrip witnessed high trading volume with trading volume of 3,73,098, 4,51,780 and 6,26,817 shares on August 4, August 5 and August 6, 2009 respectively.

25. It is observed that most of the top brokers on the gross buy basis were also the top brokers on gross sell basis on BSE and NSE. Angel Broking Ltd., Noticee 12, B N Rathi Securities Ltd., JM Financial Services Private Ltd., Mansukh Securities & Finance Ltd. and Motilal Oswal securities Ltd. were the among the top ten brokers on the buy side both on BSE as well as NSE. Similarly, on the sell side, Angel Broking Ltd., Noticee 12, Ashika Stock Broking Ltd., B N Rathi Securities Ltd., Golden Stock Brokers Private Ltd., JM Financial Services Private Ltd. and Motilal Oswal Securities Ltd. were the among the top ten brokers on the sell side both on BSE as well as NSE.
26. It is observed that Noticee 9, Saraswati Vincom Limited, Noticee 10, Kanudia Capital and Management Services Pvt. Ltd. and Noticee 11 were the top five clients, both on the buy and sell side on BSE in **Period 1**.
27. Top five clients on the buy and sell side i.e. Noticee 9, Saraswati Vincom Limited, Noticee 10, Kanudia Capital and Management Services Private Limited and Noticee 11 were also among the top counterparty party clients of the buy and sell trades of other four top clients. For instance, Saraswati Vincom, which was a top client both on buy and sell side, was also among the top five counter-parties of Noticee 9, Noticee 10, Kanudia Capital and Noticee 11 for their buy and sell trades.
28. The trading of the top five clients i.e. Saraswati Vincom (AAECS4656B), Noticee 9 (AFGPT7375A), Noticee 10 (BRMPS9721A), Kanudia Capital (AAACK8091Q) and Noticee 11 (AAHFK7686F) among themselves is provided as below:

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PAN No.	AAACK8091Q	AAECS4656B	AAHFK7686F	AFGPT7375A	BRMPS9721A	Grand Total
AAACK8091Q		43865	17189	9798	1173	72025
AAECS4656B	9542	5206	4031	10163	24114	53056
AAHFK7686F	9481	3832	3795	22474	16148	55730
AFGPT7375A	5972	23240	17352	5681		52245
BRMPS9721A	1480	22682	12681		531	37374
Grand Total	26,475	98,825	55,048	48,116	41,966	2,70,430

29. From the above, it can be seen that the trading of the top five clients among themselves was 2,70,430 shares, which was around 25% of their total trading volume.

30. It can be seen that Kanudia Capital and Management Services Private Limited, Noticee 9, Sarswati Vincom Limited, K. K. Finstock and Noticee 10 were the top five clients, both on the buy and sell side on NSE for Period 1.

31. The top five clients on NSE were the same as that of BSE i.e. Saraswati Vincom (AAECS4656B), Noticee 9 (AFGPT7375A), Noticee 10 (BRMPS9721A), Kanudia Capital (AAACK8091Q) and Noticee 11 (AAHFK7686F). The trading among themselves is provided as below:

PAN No.	AAACK8091Q	AAECS4656B	AAHFK7686F	AFGPT7375A	BRMPS9721A	Grand Total
AAACK8091Q	0	12342	5195	3797	10676	32010
AAECS4656B	591	1000	3195	13860	1741	20387
AAHFK7686F	4648	3253	2926	9660	10784	31271
AFGPT7375A	9026	8207	10908	5855	137	34133
BRMPS9721A	17986	9308	11364	71	1804	40533
Total	32,251	34,110	33,588	33,243	25,142	1,58,334

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32. From the above, it can be seen that the trading of the top five clients among themselves was 1,58,334 shares, which was around 19% of their total trading volume.

Period-2 (Post Split period)

33. It is observed that Sarswati Vincom Limited, Kanudia Capital and Management Services Private Limited, Noticee 9, Chetan Gobindram Wadhwa and DRB Securities Pvt. Ltd were the top five clients, both on the buy and sell side on BSE.

34. Kanudia Capital and Management Services Private Limited, Noticee 9, Sarswati Vincom Limited, Standard Securities & Investment Intermediates Ltd, Narendrabhai Amin were the top five clients, both on the buy and sell side on NSE.

35. Top 10 analysis revealed that:

- Kanudia Capital and Management Services Private Limited, Noticee 9, and Sarswati Vincom Limited, Noticee 11 and Noticee 10 were the top five clients on both BSE and NSE during the pre-split period;
- Kanudia Capital and Management Services Private Limited, Noticee 9, Sarswati Vincom Limited; Noticee 14 and DRB Securities Pvt. Ltd. were among the top five clients on BSE on both buy and sell side during the post-split period; and;
- Kanudia Capital and Management Services Private Limited, Noticee 9, Sarswati Vincom, Standard Capital Markets Ltd. and Narendrabhai Amin were among the top five clients on BSE during the post-split period.

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Analysis of major trading days

36. It was observed that on certain trading days, there was a sharp rise in the trading volume of the scrip as compared to their previous trading days. The details of the said trading days are as provided below:

Sr. No.	Date	Trading volume	Trading volume on the previous day
1	15/07/2009	2,42,323	86,466
2	21/07/2009	5,57,582	78,584
3	22/07/2009	5,91,931	5,57,582
4	04/08/2009	3,60,349	1,27,184
5	05/08/2009	4,81,588	3,60,349
6	06/08/2009	5,28,982	4,81,588
7	07/08/2009	32,41,557	5,28,982 (stock split on the next day)
8	10/08/2009	45,73,584	32,41,557
9	19/08/2009	11,75,445	6,051,74
10	24/08/2009	22,06,496	10,43,602

Trading analysis was carried out to find out the concentration of the clients, if any, on the said trading days. The findings of the same are provided in the **Annexure-7**. From the annexure, it was observed that Noticee 9, Noticee 10, Saraswati Vincom, Kanudia Capital and Noticee 11 were among the top buying clients on most of the days on which the scrip witnessed large trading volume.

Fund flow Analysis

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37. The findings of the fund trail as regards the funds received in the accounts of Noticee 9, Noticee 10 are as mentioned below:

- Noticee 9 had traded through the broker B.N.Rathi Securities Ltd. ("BNRS") majorly in the scrip of Austral Coke during the period June 19, 2009 to August 10, 2009. The major net purchases of Noticee 9 in the scrip of Austral Coke during the period are as given below:

Date	Name of the client	Net Amount (in ₹) as per trading in Austral Coke on BSE and NSE
19/06/2009	Noticee 9 (Chirag Tanna)	4,03,032
23/06/2009	Noticee 9	6,36,944
25/06/2009	Noticee 9	17,74,472
9/7/2009	Noticee 9	10,23,536
13/07/2009	Noticee 9	2,68,646
20/07/2009	Noticee 9	10,69,736
28/07/2009	Noticee 9	4,40,265
10/8/2009	Noticee 9	16,49,833

Analysis of the client ledger of Noticee 9 with the BNRS revealed that a total of ₹25 lacs was received on May 30, 2009 from his account held with Pratap Co-operative Bank Ltd. The further analysis of the bank account of Noticee 9 revealed that ₹10 lacs, ₹6 lacs and ₹ 9 lacs was debited from his account on May 29, Jun 02 and Jun 02, 2009 respectively, and paid to the stock broker BNRS. As on May 28, 2009, the account balance of Noticee 9 was ₹ 2,067. Subsequently, on May 28, 2009, he received an amount of ₹ 10 lacs by way of demand draft from Meera Enterprises account held with Pen Co-op Bank, which was paid to the broker on May 29, 2009. Again an amount of ₹ 15 lacs

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was received by way of demand draft from Amrut Enterprises account held with Pen Co-op Bank on Jun 01, 2009, which was paid to the BNRS on June 02, 2009 in two lots of ₹ 6 lacs and ₹ 9 lacs. Further trail of these payments received in the account of Noticee 9 revealed that Pen Co-op Bank did not have any records of Meera Enterprises and Amrut Enterprises as per the KYC norms prescribed by RBI. Pen Co-op. Bank vide their letter dated April 11, 2011 informed that the aforesaid demand drafts were issued in favour of Noticee 9, through fake accounts and that police enquiries regarding the fake accounts of Meera Enterprise and Amrut Enterprise are in progress.

- Noticee 10, had traded through the broker BNRS majorly in the scrip of Austral Coke during the period May 19, 2009 to July 28, 2009. The major net purchases of Noticee 10 in the scrip of Austral Coke during the period are as given below:

Date	Name of the client	Net Amount (in ₹) as per trading in Austral Coke on BSE and NSE
19-May-09	Noticee 10 (Umesh Dhan Singh)	3,70,354
25-May-09	Noticee 10	42,12,384
25-Jun-09	Noticee 10	15,05,745
10-Jul-09	Noticee 10	8,55,526
13-Jul-09	Noticee 10	7,90,171
14-Jul-09	Noticee 10	8,75,697
20-Jul-09	Noticee 10	24,11,447
28-Jul-09	Noticee 10	19,31,754

- The analysis of the client ledger of Noticee 10 with the BNRS revealed that a total of ₹10 lacs (in two lots of ₹ 5 lacs each) was received on May 15, 2009

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and ₹ 6.80 lacs and ₹ 8 lacs was received on May 30, 2009 from his account held with Pratap Co-operative Bank Ltd. The further analysis of the bank account of Noticee 10 revealed that ₹ 10 lacs (in two lots of ₹ 5 lacs each), ₹ 8 lacs and ₹ 6.80 lacs was debited from his account on May 16, Jun 02 and Jun 02, 2009 respectively and paid to the broker BNRS. As on May 14, 2009, Noticee 10 account balance was ₹ 11,321. Subsequently, on May 15, 2009, he received an amount of ₹10 lacs (₹5 lacs in two lots) from one Rajnikant Gulabchand Shah's account held with ICICI Bank Ltd., which was paid to the broker on May 15, 2009. Again an amount of ₹ 15 lacs was received by way of demand draft from Amrut Enterprises account held with Pen Co-op Bank on Jun 01, 2009, which was paid to the broker on June 02, 2009 in two lots of ₹ 8 lacs and ₹ 6.80 lacs. Further trail of these payments received in the account of Noticee 10 revealed that Pen Co-op Bank did not have any records of Amrut Enterprise as per the KYC norms prescribed by RBI. Pen Co-op. Bank vide their letter dated April 11, 2011 informed that the aforesaid demand draft of ₹ 15 lacs was issued in favour of Noticee 10, through fake account and that police enquiries regarding the fake account of Amrut Enterprise is in progress.

From the same, it is alleged that funds used by Noticee 9 and Noticee 10 for the purpose of their trading came from fake accounts.

LTP Analysis-BSE during the investigation period

38. Analysis of the trading on BSE, during the said period revealed that there were certain persons/ entities, who had raised the price of the scrip substantially. The detailed LTP analysis-BSE is at **Annexure-8**. The same revealed that the trades executed by Noticee 10, who had bought 19,94,761 shares had net positive impact of ₹537. Noticee 11 had bought 6,11,054 shares which had a net positive



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impact ₹461.7. The details of the trades of entities, who had contributed for a positive LTP of more than ₹ 20 are provided as below:

Name	All trades			LTP Diff. > 0			LTP Diff. < 0			LTP Diff. =0	
	Sum of LTP diff	Sum of Qty	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades
Noticee 9	537	1994761	6608	824	495716	2796	-287	349384	1142	1149661	2670
Noticee 10	461	611054	3201	651	172174	1463	-189	88790	533	350090	1205
Sunita C. Patil	46	275	7	48	105	4	-1.95	1	1	169	2
OPG Securities	33	116478	567	55	34308	233	-22.15	7583	64	74587	270
Noticee 12	25	346993	1544	107	73772	415	-81.95	55811	342	217410	787

The individual trades of the aforesaid five clients with the impact on the price of the scrip are provided at **Annexure-9**.

LTP Analysis-NSE

39. Analysis of the trading on NSE, during the said period revealed that there were certain persons/ entities, who had raised the price of the scrip substantially. The detailed LTP analysis NSE is at **Annexure-10**. The same revealed that the trades executed by Noticee 10, who had bought 3,59,593 shares, had a net positive impact of ₹ 210.25. Similarly, Noticee 9, who bought a total of 16,11,541 shares had a net positive impact of ₹102.10. Noticee 13 who bought 21,880 shares had a net positive impact of ₹67.20. Noticee 11 who bought 1,71,609 shares had a net positive impact of ₹56.50. Noticee 12 who bought 3,07,064 shares had a net

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positive impact of ₹40.50. The details of the trades of entities, who had contributed for a positive LTP of more than ₹ 20 are provided as below

Name of the Client	All trades			LTP Diff. > 0			LTP Diff. < 0			LTP Diff. =0	
	Sum of LTP diff	Sum of Qty	No of trades	LTP impact	Qty traded	No of trades	LTP impact	Qty traded	No of trades	Qty traded	No of trades
Noticee 10	210.25	359593	3625	318.4	52213	746	-108.15	63725	416	243655	2463
Noticee 9	102.1	1611541	7934	244.15	258880	1316	-142.05	197362	857	1155299	5761
Noticee 13	67.2	21880	1473	96.55	3419	218	-29.35	1326	73	17135	1182
Noticee 11	56.5	171609	8596	679.65	28533	1299	-623.15	39161	1367	103915	5930
Noticee 12.	40.5	307064	2481	116.85	43707	408	-76.35	35524	288	227833	1785

The individual trades of the aforesaid five clients with the impact on the price of the scrip are provided at **Annexure-11**.

40. The trades executed by Noticee 13 had a net positive impact of ₹67.2. It was shown the positive impact of its trades on the price of the scrip on a daily basis and was advised to provide reasons for raising the price of the scrip in such a fashion. He requested for time to reply to this query. Subsequently, vide letter dated March 22, 2011, (sent vide e-mail) Noticee 13 had made the following major submission:

- That orders are placed by different jobbers from various terminals at different point of time without the knowledge of other jobbers. As per technical analysis

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their jobbers are placing the orders as per market conditions and sometimes the rates placed by jobbers may be higher than the current rate as jobber wants to have stop loss trigger. i.e jobbers wants to buy at particular price only. This facility itself is provided by both the exchanges i.e. BSE & NSE in their trading terminal.

- b. Analysis of their trade file showed that even though trades are executed in small quantities of 1 or 2, the orders placed by them were for bigger quantities. This clearly shows that in fact the opposite parties with whom trades are matched have placed order in smaller quantities.
- c. Controlling or manipulating prices in scrips like Austral Coke is not possible for a single trader under any circumstances looking at the volume and trades of the said scrip in the market. In most of the cases, their trading volume in the scrip of Austral Coke was less than 1% of the market volume
- d. The net loss for the period from 15.07.2009 to 31.08.2009 in the said scrip is just ₹ 7,230/- and the total volume traded is just 86,020 shares. It is next to impossible to affect the prices and market with such small amount of profit or loss.

41. It was observed that Noticee 13 was found to be entering orders at prices higher than the then prevailing market prices and thus resulted in a net positive price impact of ₹ 67.2 on NSE. Details of such trades with very small trading volume and which were traded at prices of at least ₹1 higher than the LTP along with order details are given as below:

Date	Buy Order No.	Change in price as comp.to LTP (in	Trd. Qty.	Buy Order Qty.	Counter- party Sell Order Qty.	Buy order time	Counter- party Sell order time	Time diff.

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30-Jul-09	2009073068764240	2.8	9	10	250	12:54:25	12:54:25	0:00:00
21-Jul-09	2009072169146578	2	1	1	51	13:22:09	13:22:08	0:00:01
31-Jul-09	2009073167798764	2	2	2	6	10:57:27	10:57:24	0:00:03
20-Jul-09	2009072070212482	1.9	4	4	200	15:22:28	15:22:16	0:00:12
31-Jul-09	2009073169000755	1.55	1	1	170	13:03:51	12:56:11	0:07:40
20-Jul-09	2009072067519606	1.45	1	1	10	10:45:33	10:43:42	0:01:51
30-Jul-09	2009073069349337	1.35	16	16	50	14:07:22	14:03:11	0:04:11
17-Jul-09	2009071767237220	1.25	9	9	65	10:23:28	10:19:22	0:04:06
20-Jul-09	2009072068737671	1.15	7	7	10	12:51:28	12:51:18	0:00:10
23-Jul-09	2009072368451154	1.1	16	16	461	12:27:01	12:21:46	0:05:15
4-Aug-09	2009080468870141	1.05	2	2	49	12:43:47	12:23:44	0:20:03
15-Jul-09	2009071568997762	1	1	11	1	13:44:54	11:06:05	2:38:49
17-Jul-09	2009071767495163	1	1	1	10	10:43:02	10:14:15	0:28:47
20-Jul-09	2009072067148833	1	1	2	1	10:19:12	10:17:33	0:01:39
20-Jul-09	2009072067916496	1	1	2	1	11:22:48	11:17:37	0:05:11
21-Jul-09	2009072167268734	1	1	1	1	10:21:49	10:00:14	0:21:35
21-Jul-09	2009072168376268	1	1	1	5	11:53:35	11:53:21	0:00:14
30-Jul-09	2009073066941301	1	1	2	1	10:05:07	10:02:09	0:02:58
30-Jul-09	2009073068258234	1	1	1	30	11:57:31	9:59:48	1:57:43
3-Aug-09	2009080369656841	1	1	1	1	14:53:23	10:15:12	4:38:11

42. From the above it can be seen that Noticee 13 was putting orders of small quantities at prices higher than the last traded prices. Though, Noticee 13 submitted that though trades are executed in small quantities of 1 or 2, the orders placed by them were for bigger quantities, the aforesaid table shows that in fact the orders at higher prices were entered by Noticee 13 in small quantities. Further, it is seen that in most of the cases, the sell orders remained pending for a long time showing that other buy orders were not available at that price and the buy orders of Noticee 13 matched with the pending sell orders resulting in trades immediately after entry of the buy orders of Noticee 13. Though the traded volume of Noticee 13 is 86,020 shares, the fact remains that the trades executed

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by Noticee 13 resulted in significant rise in the price of the scrip. Therefore, Noticee 13 has contributed to the rise in price of the scrip of Austral Coke by such trading.

43. It was further observed on the analysis of the trade log that SIC Stocks & Services Pvt. Ltd. (SIC) had entered into fictitious trades i.e. SIC bought and sold shares of Austral Coke simultaneously for four consecutive trading days i.e. August 26, 27, 28 and 31, 2009 on behalf of the same client and created artificial volume in the scrip of Austral Coke & Projects Ltd. on NSE and BSE. The clients on the buy and sell side of the trades were the same. On BSE, SIC has executed the fictitious trades in the name of Noticee 14 (client code-C064) where in it bought and sold 6,96,897 shares. Similarly, on NSE SIC has executed self trades in the name of Noticee 15 (client code-N056), wherein it bought and sold 7,94,790 shares. The time difference between the buy and sell orders entered by SIC on behalf of its client Noticee 14 on BSE was just 4 seconds for all the trades. On NSE, the time difference between the buy and sell orders entered by SIC on behalf of its client Noticee 15 was 2 seconds to 1.56 minutes. Therefore, all the aforesaid trades except two are synchronized. These trades did not result in change in beneficial ownership and resulted in creation of artificial volume in the scrip of Austral Coke. Details of the trades are provided as **Annexure-12**.

44. Further analysis of the trade log revealed that SIC had executed reversal trade, wherein on August 26, 2009, Noticee 14, first bought 1,00,000 shares from Noticee 16 at 14:10:21 and then Noticee 14 sold 99,000 shares back to Noticee 16 within 3 minutes at 14:13:14 on the same day and this trades were synchronised with time difference of 4 and 6 seconds respectively. Noticee 14, placed the buy order for 1 lac shares at 14:10:20 and Noticee 16 placed the sell order for 1 lac shares at 14:10:14. The trade between the two was executed at 14.10.21 for 1 lac shares. Again Noticee 14 placed the sell order for 1 lac shares

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at 14:13:10 and Noticee 16, placed the buy order for 1 lac shares at 14:13:14. The trade between the two was executed at 14.13.14 for 99,000 shares and balance 1,000 shares matched in two trades with two clients. The said two trades were also executed at the same time as that of the trade between Noticee 14 and Noticee 17 i.e. at 14.13.14 and the sell orders were entered prior to the order of Noticee 14. The aforesaid trading created artificial volume in the scrip of Austral Coke.

45. It is important to mention that during the period July 13 to August 31, 2009, SIC had traded only on four trading days i.e. August 26, 27, 28 and 31, 2009 and bought and sold 9,00,060 shares of Austral Coke, on BSE, on behalf of Noticee 14. Out of the total traded volume of 9,00,060 shares, self trade and reversal trade volume was for 8,95,897 shares, which was 99.53% of the total trading done by SIC on behalf of Noticee 14. The self trades and reversal trades executed by SIC in BSE on August 26, 27, 28 and 31, 2009 accounted for 12.94% to 33.17% of the market volume on the said days. The summary of the same is provided as below:

Exchange	Date	Self trade volume (no. of shares)	% Cont. to Market volume
BSE	8/26/2009	2,97,321	19.39
BSE	8/27/2009	1,99,864	22.80
BSE	8/28/2009	1,99,143	16.47
BSE	8/31/2009	1,99,569	33.17

46. Similarly on NSE, SIC had traded only on four trading days i.e. August 26, 27, 28 and 31, 2009 and executed self trades for 7,94,790 shares for Noticee 15.

Exchange	Date	Self trade volume (no. of shares)	% Cont. to Market Volume
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NSE	8/26/2009	1,99,220	8.53
NSE	8/27/2009	1,99,172	19.19
NSE	8/28/2009	1,99,800	12.33
NSE	8/31/2009	1,96,598	23.51

47. This shows that artificial volumes was created by SIC which accounted for substantial quantity of the total market volume. SIC created artificial volumes in the scrip Austral Coke by executing self trades / reversal trades in the scrip on behalf of three clients i.e. Noticee 13, Noticee 14 and Noticee 15. The trades executed by Noticee 9, Noticee 10, Noticee 11, Noticee 12 and Noticee 13 contributed to the rise in price of the scrip by executing trades at prices higher than the last traded prices.

48. It is observed from the investigation report that Austral Coke along with its directors and promoters (Noticee 2 to Noticee 7) manipulated its books of accounts and showed fake purchases and sales to entities owned / controlled by Noticee 8. It was found that these entities were just paper companies and the funds transferred by Austral Coke to these entities for the fake purchases from them and funds were subsequently received back by Austral Coke after routing the funds through some of entities of Noticee 8.

49. Therefore, Noticee 1 to Noticee 7 have violated section 12A of the SEBI Act and regulation 3(b) to (d), 4(1), 4(2)(e), (k) and (r) of PFUTP Regulations. The text of these has been reproduced as under:

SEBI Act:

Section 12 (A) 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 recognised 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;*

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- (b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognized stock exchange;
- (c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;

PFUTP Regulations:

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

- (a) —————
- (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.

4. Prohibition of manipulative, fraudulent and unfair trade practices

- (1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.
- (2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely :—
 - (a) indulging in an act which creates false or misleading appearance of trading in the securities market;
 -
 - (e) any act or omission amounting to manipulation of the price of a security;

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

.....
(k) an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of the investors;

.....
(r) planting false or misleading news which may induce sale or purchase of securities.

50. Noticee 8, facilitated Austral Coke to manipulate its books of accounts by creating paper companies and allowing Austral Coke, its promoters and directors to use those paper companies to show fake purchase and sales to inflate its turnover. The entities of Noticee 8, were just used to issue fake purchase and sales bills and route funds towards the purchase and sales transactions of Austral Coke. Therefore, Noticee 8 has violated section 12A of the SEBI Act and regulation 3(b) to (d), 4(1), 4(2)(e) of the PFUTP Regulations. The text has been given in the pre-para mentioned above.

51. Noticee 9, Noticee 10, Noticee 11, Noticee 12 and Noticee 13 have contributed to the rise in price of the scrip by executing trades at prices higher than the last traded prices. Therefore, Noticee 9, Noticee 10, Noticee 11, Noticee 12 and Noticee 13 have violated section 12A of the SEBI Act and regulation 3(a) to (d), 4(1), 4(2)(e) of the PFUTP Regulations. The text has been given in the paragraph mentioned above.

52. Noticee 14, Noticee 15 and Noticee 16 had executed self trades/ reversal trades in the scrip of Austral Coke and created artificial volume in the scrip of Austral Coke. Therefore, Noticee 14, Noticee 15 and Noticee 16 have violated section 12A of the SEBI Act and regulation 3(a) to (d), 4(1), 4(2) (a),(e) and (g) of the PFUTP Regulations. The text has been given in the paragraph mentioned above.

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53. The aforesaid alleged violations, if established, makes, Noticees 1 to 8 and 11 to 16 liable for monetary penalty under Section 15HA, and Noticees 9 to 10 liable for monetary penalty under Section 15A(a) and Section 15HA which reads as follows:

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

(a) to furnish any document, return or report to the Board, fails to furnish the same, he shall be liable to [a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less];

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

54. Noticees are, therefore, called upon to show cause as to why an inquiry should not be held against them in terms of Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 read with section 15-I of SEBI Act and penalty be not imposed under section 15A (b) and 15HA of SEBI Act for the aforesaid alleged violation of the provisions of the SEBI Act and provisions of PFUTP Regulations.

55. Noticees reply shall reach the undersigned within 15 (fifteen) days from the date of receipt of this notice, failing which it shall be presumed that Noticees have no reply to submit and the matter shall be proceeded on the basis of the material available on record. Noticees are advised to send the soft copy of their reply via e-mail at chandas@sebi.gov.in. Noticees are also required to submit a copy of their PAN card and their contact details (contact person (name & designation), phone number, e-mail ID and fax number) for our records. If Noticees desire to avail the opportunity of personal hearing, Noticees may indicate the same in their reply.

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56. As the proceedings as informed above are in progress, Noticee(s) are advised to keep the undersigned informed about the change in their correspondence address, if any, till the proceedings are complete.

57. Noticees are also advised to submit a photocopy of PAN card for our records.

D. RAVI KUMAR

Encl:

1. Annexure 1- communiqué dated September 2, 2013
2. Annexure 2- major corporate announcements
3. Annexure 3- list of 12 entities.
4. Annexure 4- list of 15 entities
5. Annexure 5- findings from bank accounts of the few entities
6. Annexure 6- list of entities controlled by Ajit kumar jindal
7. Annexure 7- trade analysis
8. Annexure 8- LTP analysis-BSE (CD enclosed)
9. Annexure 9- individual trades of the five clients (CD enclosed)
10. Annexure 10- LTP analysis NSE (CD enclosed)
11. Annexure 11- individual trades of the five clients (CD enclosed)
12. Annexure 12- details of trades which resulted in creation of artificial volume.