BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/KS/AS/2021-22/12568-12586]

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

In respect of:

S No	Noticee	PAN
1	Nishit Agarwal Beneficiary Trust	AABTN3350K
2	Pinky Agarwal	ACGPA7438L
3	Pratik Agarwal Beneficiary Trust	AABTP7516K
4	Praveen Kumar Agarwal	ACSPA4725A
5	Praveen Kumar Agarwal HUF	AAIHP6229C
6	Apex Commotrade Private Limited	AAJCA4459K
7	Bazigar Trading Private Limited	AABCB3052B
8	Dhanleela Investments & Trading Company Limited	AAACR1770P
9	Pine Animation Limited	AAECM0267A
10	Pyramid Trading and Finance Ltd (presently known as Mishka Finance and Trading Ltd.)	AAACP2548R
11	Runicha Merchants Private Limited	AAECR0580M
12	Sanklap Vincom Private Limited	AAMCS1711P
13	Signet Vinimay Private Limited	AAMCS1712Q
14	SKM Travels Private Limited	AAICS0688K
15	Vibgyor Financial Service Pvt. Ltd.	AAACV8378B
16	Winall Vinimay Private Limited	AAACW8004B
17	Daga Infocom Private Limited	AABCD9604P

18	Amit Singh	BABPS7447D
19	Spice Merchants Private Limited	AAPCS7492G

In the matter of the scrip "Radford Global Limited"

BACKGROUND

1. Pursuant to Interim orders by the Whole Time Director, Securities and Exchange Board of India (hereinafter referred to as ***SEBI***) in the scrip of Radford Global Ltd (hereinafter referred to as ***RGL***), SEBI investigated trading in the scrip of RGL during the period February 27, 2012 to March 24, 2014 (hereinafter referred to as ***IP***). Based on findings of investigation, it was alleged *interalia* that (1)Nishit Agarwal Beneficiary Trust, (2)Pinky Agarwal, (3)Pratik Agarwal Beneficiary Trust, (4)Praveen Kumar Agarwal, (5)Praveen Kumar Agarwal HUF, (6)Apex Commotrade Private Limited, (7)Bazigar Trading Private Limited, (8)Dhanleela Investments & Trading Company Limited, (9)Pine Animation Limited, (10)Pyramid Trading and Finance Ltd (presently known as Mishka Finance and Trading Ltd.), (11)Runicha Merchants Private Limited, (12)Sanklap Vincom Private Limited, (13)Signet Vinimay Private Limited, (14) SKM Travels Private Limited, (15)Vibgyor Financial Service Pvt Ltd., (16)Winall Vinimay Private Limited,(17)Daga Infocom Private Limited, (18)Amit Singh and (19)Spice Merchants Private Limited (hereinafter collectively referred to as ***Noticees***) violated Regulation 3(a), (b), (c), (d) and 4(1), (2) (a), (e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as ***PFUTP Regulations, 2003***) and Section 12A(a), (b) and (c) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as ***SEBI Act, 1992***). Further, it was alleged that Spice Merchants Private Limited violated Regulation 29(1) read with 29(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as ***SAST Regulations, 2011***) and Regulations 13(1) of SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as ***PIT Regulations, 1992***).

APPOINTMENT OF ADJUDICATING OFFICER

2. In this regard, SEBI initiated Adjudication Proceedings against the Noticees and appointed undersigned as the Adjudicating Officer, conveyed vide communique dated March 23, 2018 under Section 19 read with Section 15-I of the SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules,1995 (hereinafter referred to as ***Adjudication Rules, 1995***), to inquire and adjudge under Section 15HA and Section 15A(b) of the SEBI Act, 1992, the aforesaid violations by the Noticees.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

3. A common Show Cause Notice dated November 02, 2018 was issued to the Noticees in terms of Section 15-I of the SEBI Act, 1992 read with Rule 4 of the Adjudication Rules, 1995 to show cause as to why an inquiry should not be held against them, and why penalty under Section 15HA of the SEBI Act, 1992 be not imposed on Noticees, and penalty under Section 15A(b) of the SEBI Act, 1992 be not imposed on Spice Merchants Private Limited. The allegations in the SCN are given below in brief:

- *Pursuant to Interim orders by Whole Time Director, SEBI in the scrip of RGL, SEBI investigated trading in the scrip of RGL during the period February 27, 2012 to March 24, 2014 (hereinafter referred to as 'investigation period'). Entire investigation period has been divided into 3 patches- Patch 1 is defined for the period February 27, 2013 to January 28, 2013, Patch 2 is defined for the period January 29, 2013 to July 23, 2013 and Patch 3 is defined for the period July 24, 2013 to March 24, 2014.*

Price Volume Movement-

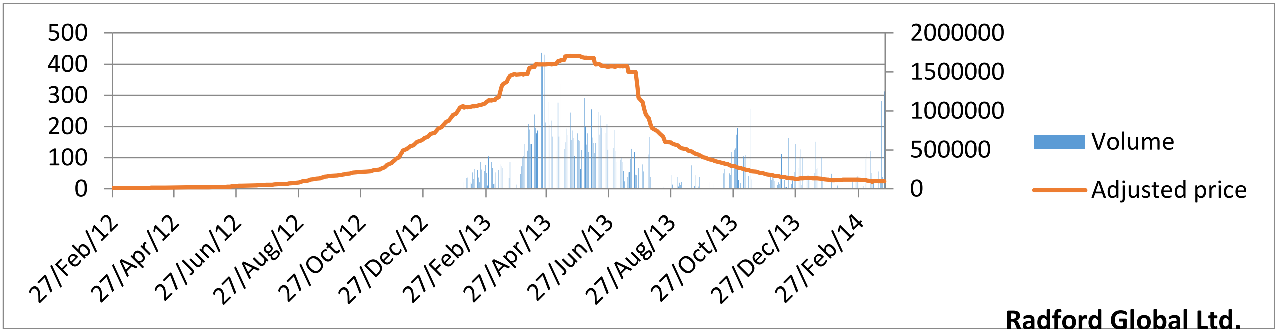
- *The PV data for the scrip during the investigation period is as follows:*

Table 1

Period	Dates		Opening Price & Vol. on first day of the period (Rs)	Closing price & vol. on last day of the period (Rs.)	Low price & vol. (date) during the period (Rs.)	High price & vol. (date) during the period (Rs.)	Avg. no. of (shares) traded daily during the period.
Patch 1 (Pre-Split price rise)	(27/02/2012-28/01/2013)	Price	3.2	241.35	3.2 (27/02/2012)	241.35 (28/01/2013)	98.76
		Vol	100	5	1 (1 share on 26 trading days)	4385 (10/01/2013)	
Patch 2 (Post Split price rise)	(29/01/2013-23/07/2013)	Price	49.2	75	49.2 (29/01/2013)	86 (21/05/2013)	495063
		Vol	10	180675	5 (30/01/2013)	1747580 (22/04/2013)	

Period	Dates		Opening Price & Vol. on first day of the period (Rs)	Closing price & vol. on last day of the period (Rs.)	Low price & vol. (date) during the period (Rs.)	High price & vol. (date) during the period (Rs.)	Avg. no. of (shares) traded daily during the period.
Patch 3 (Post Split price fall)	24/07/2013-24/03/2014	Price	74.1	4.89	4.58 (12/03/2014)	74.1 (24/07/2013)	160285
		Vol	172685	1250817	1 (1 share each on 12/11/2013 & 13/02/2014)	1250817 (24/03/2014)	
Post investigation	25/03/2014-30/05/2014	Price	4.66	8.35	4.4 (01/04/2014)	8.67 (22/05/2014)	54582

a. *The adjusted price volume chart (stock split) during the investigation period is as under:*



b. *During the investigation period, share price of RGL opened at Rs. 3.2 (February 27, 2012), touched a high of Rs. 241.35 (January 28, 2013) and closed at Rs. 4.89 (March 24, 2014). Further, 8,46,12,644 shares were traded through 98,490 trades during the investigation period.*

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Patch 2: Price rise post-split (January 29, 2013 to July 23, 2013)

- *The below mentioned table depicts the relationship/Connection among the Noticees:*

Table - 7

Sr. No.	*Noticee No.*	*Client Name and PAN*	*Basis of Connection*
1	*10*	*Dhanleela Investments & Trading Company Ltd. (AAACR1770P)*	*RGL {bank account No. 0311121500 with Kotak Mahindra Bank, **Annex A}**, has fund transactions with Dhanleela Investment (sr. no.1), Pyramid Trading (sr. no.2), Rander Corporation (sr.no.42).*

2	12	*Pyramid Trading and Finance Ltd. presently known as – Mishka Finance and Trading Ltd. (AAACP2548R)*	*1. RGL **Annex A** has fund transactions with Pyramid Trading (sr. no. 2).* *2. Pyramid (sr.no.2) has funds transactions with Dhanleela (sr. no. 1) and Pine Animation Ltd. (sr.no. 3) (**Annex-B**- Pyramid Bank A/c.)*
3	11	*Pine Animation Ltd. (AAECM0267A)*	*1. Pine Animation (sr.no.3) (A/c. No. 50103075412 – Allahabad Bank, **Annex-C**) has fund transactions with Dhanleela Investment (sr. no.1), Pyramid Trading (sr. no. 2.) and Blue Circle Ltd. (sr. no. 9).*
4	23	*Amrit Sales Promotion Pvt. Ltd. (AACCA3220D)*	*1. Amrit Sales Promotion Pvt. Ltd. (sr. no.4) bank account no. 00060340006382-**Annex-D**, has fund transactions with Blue Circle Services Ltd. (sr. no.9), Burlington Finance Ltd. (sr.no.5) and Symphony Merchant Pvt. Ltd. (sr.no.6).* *2. As per MCA database, Hanuman Mal Tater, **Annex E** is common Director in Amrit Sales Promotion (sr.no.4), Burlington Finance (sr.no.5) and Bazigar Trading (sr.no.7).* *3. As per MCA database, Panna Lal Maloo, **Annex F**, is common Director in Amrit Sales Promotion (sr.no.4), Manimudra Vincom (sr.no.8) and Symphony Merchant (sr.no.6).*
5		*Burlington Finance Ltd. (AABCB2575P)*	
6		*Symphony Merchant Pvt. Ltd. (AADCS5411K)*	
7	8	*Bazigar Trading Pvt. Ltd. (AABCB3052B)*	
8		*Manimudra Vincom Pvt. Ltd. (AADCM4316K)*	
9		*Blue Circle Services Ltd. (AAACB2131L)*	*Fund transactions with Pine Animation (sr.no.3) and Amrit Sales Promotion (sr.no.4). **Annex C & D.***
10		*Devatma Distributors Pvt. Ltd. (AADCD7140G)*	*1. Devatma Distributors (sr.no.10) and Anjali Suppliers (sr.no.11) have common director viz. Raj Kumar Dabriwal, **Annex H** and common address viz. 2E, Cornfield Road, Ground Floor, Kolkata – 700 019.* *2. From Anjali Suppliers (sr. no. 11) A/c.6611227263, **Annex H**, with Kotak Mahindra Bank, fund transactions with Sirpur Marketing Pvt. Ltd. was observed. Sirpur Marketing received Rs. 75 lakh from RGL through Scan Infrastructure Ltd on 13/02/2012.*
11		*Anjali Suppliers Pvt. Ltd. (AAJCA1784D)*	
12		*Rangan Vincom Pvt. Ltd. (AAGCR1715E)*	*1. Rangan Vincom (sr. no. 12) transferred shares in off-market to Devatma Distributors (sr.no.10) **Annex I.*** *2. As per MCA, Rangan Vincom (sr.no.12), Ladios Trading (sr.no.14) and Avlokan Dealcom (sr.no.15) have common director viz. Debendra Das, **Annex J**.* *As per the MCA, Rangan Vincom (sr. no. 12) and Katyani Commodities (sr. no. 13) have common address viz, 4, N.S Road, 1st Floor, Kolkata -700001. **Annex K.***
13		*Katyani Commodities Pvt. Ltd. (AAECK6244R)*	
14		*Ladios Trading Pvt. Ltd. (AACCL3868N)*	
15	7	*Avlokan Dealcom Pvt. Ltd. (AALCA1583G)*	
16		*Kingfisher Properties Pvt. Ltd. (AAECK3394G)*	*1. As per MCA, Chiranjit Mahanta **Annex L**, is the common director in Kingfisher Properties (sr. no.16), Topwell Properties (sr. no.17), Esquire Enclave (sr. no.18), Shivkhori Construction (sr. no.20), Limestone Properties (sr. no.21) and Natural Housing (sr. no.22).* *2. From Topwell Properties Axis Bank A/c. No.911020032366261, **Annex M**, fund transactions with Kingfisher Properties (sr.no.16), Esquire Enclave (sr. no. 18), Radison Properties (sr. no. 19), Shivkhori Construction (sr. no. 20), Limestone Properties (sr. no.21), Natural Housing, Signet Vinimay (sr.no.33) and Sanklap Vincom (sr.no.35) was observed.* *3. From Kingfisher Properties Axis Bank A/c. No.911020032345837, **Annex N**, fund transactions with Esquire Enclave sr. no. 18), Radison Properties (sr. no. 19), Shivkhori*
17		*Topwell Properties Pvt. Ltd. (AADCT8403C)*	
18		*Esquire Enclave Pvt. Ltd. Limited (AACCE7065J)*	
19		*Radison Properties Pvt. Ltd. (AAFCR2818B)*	
20		*Shivkhori Construction Private Limited (AAPCS7850L)*	
21		*Limestone Properties Pvt. Ltd. (AACCL0133G)*	
22		*Natural Housing Pvt. Ltd. (AADCN6251G)*	

23	4	Praveen Kumar Agarwal (ACSPA4725A)	Construction (sr. no. 20), Natural Housing (sr. no. 22), Topwell Properties (sr. no.17), Apex Commotrade (sr.no.41), Runicha Merchants (sr.no.32), Spice Merchants (sr. no. 40) and Divyadrishti Merchants (sr.no.28) were observed. 4. Praveen Kumar Agarwal (sr.no.23) and Pinky Agarwal (sr.no.24) are the authorised signatory in the bank account of Nishit Agarwal Beneficiary Trust (sr.no.26), Pratik Agarwal Beneficiary Trust (sr.no.27) and Jupiter Brokerage Services Ltd. (**Annex 0**) 5. Esquire Enclave (sr.no. 18) bank A/c. No.911020031723278 (Axis Bank – **Annex P**) has fund transactions with entities at sr. no. 16, 17, 19, 20, 21, 22, 23, 29, 41 and Jupiter Brokerage Services Ltd. Pinky Agarwal and Praveen Kumar Agarwal are directors in Jupiter Brokerage Services Ltd. (**Annex Q**). Jupiter Brokerage Services (Axis Bank A/c. No.911020047397153, **Annex R**) had received Rs.1.2 crore from Esquire Enclave (sr. no.18) on 07/02/2012 and further transferred Rs.30 lakh each to (sr. no. 23), (sr. no. 24), (sr. no. 26) and (sr. no. 27), to subscribe the preferential allotment of RGL. Jupiter Brokerage Services also has fund transactions with Praveen Kumar Agarwal HUF (sr. no. 25). Thus, sr. no. 23 to sr. no. 27 are related and connected to sr. no. 18.
24	2	Pinky Agarwal (ACGPA7438L)	
25	5	Praveen Kumar Agarwal HUF (AAIHP6229C)	
26	1	Nishit Agarwal Beneficiary Trust (AABTN3350K)	
27	3	Pratik Agarwal Beneficiary Trust (AABTP7516K)	
28		Divyadrishti Merchants Pvt. Ltd. (AABCD8147K)	1. As per Divyadrishti Merchants bank A/c. no. 000605010065 with ICICI Bank, **Annex S**, fund transactions with Divyadrishti Traders (sr. no. 29), Dhanraksha Vincom (sr. no. 30), Ridhi Vincom (sr. no. 31) and Kingfisher Properties (sr. no. 16) were observed. 2. RGL had fund transfer with to Scan Infrastructure Ltd., Scan had fund transfer with Sirpur Marketing Pvt. Ltd., Sirpur had fund transfer with Gaungour Suppliers, which in turn had fund transfer with Divyadrishti Trader Pvt Ltd. (Bank A/c of Scan, Sirpur, Gaungour-**Annex T**. 3. Entities at sr. no. 29 and 18 have fund transaction (**Annex P**).
29		Divyadrishti Traders Pvt. Ltd. (AABCD8146J)	
30		Dhanraksha Vincom Pvt. Ltd. (AADCD6028P)	
31		Ridhi Vincom Pvt. Ltd. (AAECR9858C)	
32	13	Runicha Merchants Pvt. Ltd. (AAECR0580M)	1. As per MCA database, Abhiset Basu and Pradip Dey- **Annex U**, are the directors in Runicha Merchants (sr. no. 32), Signet Vinimay (sr. no. 33), Winall Vinimay (sr. no. 34), Sanklap Vincom (sr. no. 35), SKM Travels (sr. no. 36) and Scope Vyapar (sr. no. 37). 2. Winall Vinimay (sr. no. 34) (A/c.No.07920200006026 DCB Bank **Annex V** has fund transaction with Apex Commotrade (sr. no. 41), Spice Merchant (sr. no. 40), Signet Vinimay (sr. no. 33), Runicha Merchant (sr. no. 32), Sankalp Vincom (sr. no. 35). 3. Runicha Merchants (sr. no. 32) has fund transaction with Kingfisher Properties (sr.no.16), (sr. no. 33), and (sr. no. 35) fund transactions with Topwell Properties (sr.no.17) and Spice Merchants (sr.no.40).
33	15	Signet Vinimay Pvt. Ltd. (AAMCS1712Q	
34	19	Winall Vinimay Pvt. Ltd. (AAACW8004B)	
35	14	Sanklap Vincom Pvt. Ltd. (AAMCS1711P)	
36	16	SKM Travels Pvt. Ltd. (Now Bitter Commercial Pvt. Ltd.) (AAICS0688K)	
37		Scope Vyapar Pvt. Ltd. (Now Class Commercial Pvt. Ltd.) (AAICS6023N)	
38	21	Amit Singh (BABPS7447D)	Off-market transactions with Spice Merchant (sr.no.40), Scope Vyapar (sr.no.37), Sanklap Vincom (sr.no.35), Runicha

			Merchants (sr.no.32), Signet Vinimay (sr.no.33) in various scrips during the IP. ***Annex W****.*
39	*18*	*Vibgyor Financial Service Pvt Ltd (AAACV8378B)*	*Vibgyor Financial Service has off market transferred of shares with Scope Vyapar (sr.no.37)* ***Annex X****.*
40	*24*	*Spice Merchants Pvt. Ltd. (AAPCS7492G)*	*1. Shakuntala Sah and Aman Sah are the directors in Spice Merchants (sr. no. 40) and Apex Commotrade (sr. no. 42). (****Annex Y****)* *2. From Apex Commotrade ICICI Bank A/c. No 62770550383 (****Annex Z)****, fund transactions with Runicha Merchants (sr.no.32), Signet Vinimay (sr.no.33), Sanklap Vincom (sr.no.35), Spice Merchants (sr.no.40), Daga Infocom (sr.no.43), SKM Travels (sr.no.36), Scope Vyapar (sr.no.37) and Winall Vinimay (sr.no.34) were observed.* *3. Spice Merchants (Kotak Mahindra A/c. 68011001873) has fund transaction with Sanklap Vincom (sr. no. 35) and Rander Corporation (sr. no. 42)* ***Annex AA****.*
41	*6*	*Apex Commotrade Pvt. Ltd. (AAJCA4459K)*	
42		*Rander Corporation Ltd (AAACR3223R)*	*1. Rander Corporation (sr. no. 42) has fund transactions with RGL (A/c. No. 0311121500* ***Annex A*** *Kotak Mahindra Bank).* *2. Rander Corporation A/c. no 091113023809 (Dena Bank* ***Annex AB****) has fund transactions with Mishka Finance (sr.no.2), Dhanleela Investment (sr.no.1), Pine Animation (sr.no.3) and Shefali Investments (sr.no.44).*
43	*20*	*Daga Infocom Pvt. Ltd. (AABCD9604P)*	*Krupa B. Mehta is the Director in Daga Infocom Pvt Ltd (sr. no. 43) and Shefali Investments Pvt Ltd (sr. no. 44)* ***Annex AC****. Daga Infocom (sr. no. 43) has fund transactions with Apex Commotrade (sr.no.41) & Apex Commotrade (sr. no. 41) has fund transaction with Kingfisher Properties (sr.no.16.)*
44		*Shefali Investments Pvt. Ltd. (AAECS9906Q)*	
45	*9*	*Devakantha Trading Pvt. Ltd. (AADCD7044B)*	*1. Devakantha Trading (sr. no. 45) bank A/c. No. 36040200000553 (Bank of Baroda* ***Annex AD****), has fund transactions with Shelter Sales Agency (sr. no. 46), Udbal Mercantile (sr. no. 47) and Amrusha Mercantile (sr. no. 48).* *2. From Shelter Sales Agency (sr. no. 46) IndusInd Bank A/c. No. 200999036626, fund transferred with Spice Merchants (sr. no.40) was observed* ***Annex AE****.*
46	*22*	*Shelter Sales Agency Pvt. Ltd. (AASCS1797F)*	
47	*17*	*Udbal Mercantile Pvt. Ltd. (AABCU2648C)*	
48	*23*	*Amrusha Mercantile Pvt. Ltd. (AALCA0340D)*	
49		*Prem lata Nahar (AFAPN8764M)*	*Fund transfers with JMD Sound Ltd (****Annex T****). JMD Sounds Ltd. has fund transaction with Pine Animation (sr. no. 3), and Pine Animation (sr. no. 3) has fund transaction with Dhanleela (sr. no. 1), Pyramid (sr. no. 2) and Blue Circle (sr. no. 9).*

*On the basis of above connection among the 24 Noticees, they are collectively called as "Group Entities". (****Annexure V*** *- Copy of Connection Annexures mentioned in Table 7).*

- *During Patch 2, Share price of RGL increased from Rs. 49.2 on January 29, 2013 to Rs. 86 on May 21, 2013. Closing price on last day of Patch 2 i.e. on July 23, 2013 was Rs. 75/-. In Patch 2, 16 entities of connected Group Entities* *have contributed to net positive LTP as buyers (**Annexure II** - Copy of Trade Log of Group entities). The details of their trading are as under:*

Table - 8

		All Trades			*LTP diff > 0*			*LTP diff < 0*			*LTP diff = 0*		
	Name	*LTP Impact*	*QTY traded*	*No of trades*	*LTP Impact*	*QTY traded*	*No of trades*	*LTP Impact*	*QTY traded*	*No of trades*	*QTY traded*	*No of trades*	*% of Positive LTP to Total Market Positive LTP*
	Amrusha Mercantile Pvt. Ltd.	*17.30*	*3374465*	*8345*	*25.10*	*144215*	*311*	*-7.80*	*60465*	*87*	*3169785*	*7947*	*8.34*
	Devakantha Trading Pvt. ltd.	*14.70*	*2525591*	*12615*	*27.75*	*72776*	*334*	*-13.05*	*13023*	*84*	*2439792*	*12197*	*9.23*
	Udbal Mercantile Pvt. Ltd.	*12.75*	*2905451*	*7173*	*17.65*	*91208*	*179*	*-4.90*	*39867*	*51*	*2774376*	*6943*	*5.87*
	Shelter Sales Agency Pvt. Ltd.	*12.05*	*3156896*	*7762*	*20.15*	*120585*	*247*	*-8.10*	*47354*	*94*	*2988957*	*7421*	*6.70*
	Amit Singh	*3.50*	*3193625*	*1024*	*5.15*	*204350*	*63*	*-1.65*	*37472*	*24*	*2951803*	*937*	*1.71*
	Runicha Merchants Pvt Ltd.	*3.45*	*1584913*	*1175*	*3.90*	*92432*	*56*	*-0.45*	*6026*	*6*	*1486455*	*1113*	*1.30*
	Spice Merchants Pvt. Ltd.	*3.10*	*3342475*	*1809*	*5.65*	*141130*	*72*	*-2.55*	*54216*	*32*	*3147129*	*1705*	*1.88*
	Apex Commotrade Pvt. Ltd.	*2.55*	*1223735*	*777*	*2.90*	*46487*	*44*	*-0.35*	*12400*	*5*	*1164848*	*728*	*0.96*
	Winall Vinimay Pvt. Ltd.	*1.95*	*2189989*	*1100*	*2.95*	*73572*	*40*	*-1.00*	*20000*	*9*	*2096417*	*1051*	*0.98*
	Signet Vinimay Pvt. Ltd.	*1.35*	*903711*	*698*	*1.50*	*36061*	*25*	*-0.15*	*2348*	*3*	*865302*	*670*	*0.50*
	Sanklap Vincom Pvt. Ltd.	*1.10*	*892600*	*233*	*1.40*	*64408*	*18*	*-0.30*	*18350*	*5*	*809842*	*210*	*0.47*
	Pyramid Trading &	*0.60*	*648175*	*494*	*1.00*	*27308*	*15*	*-0.40*	*7100*	*5*	*613767*	*474*	*0.33*

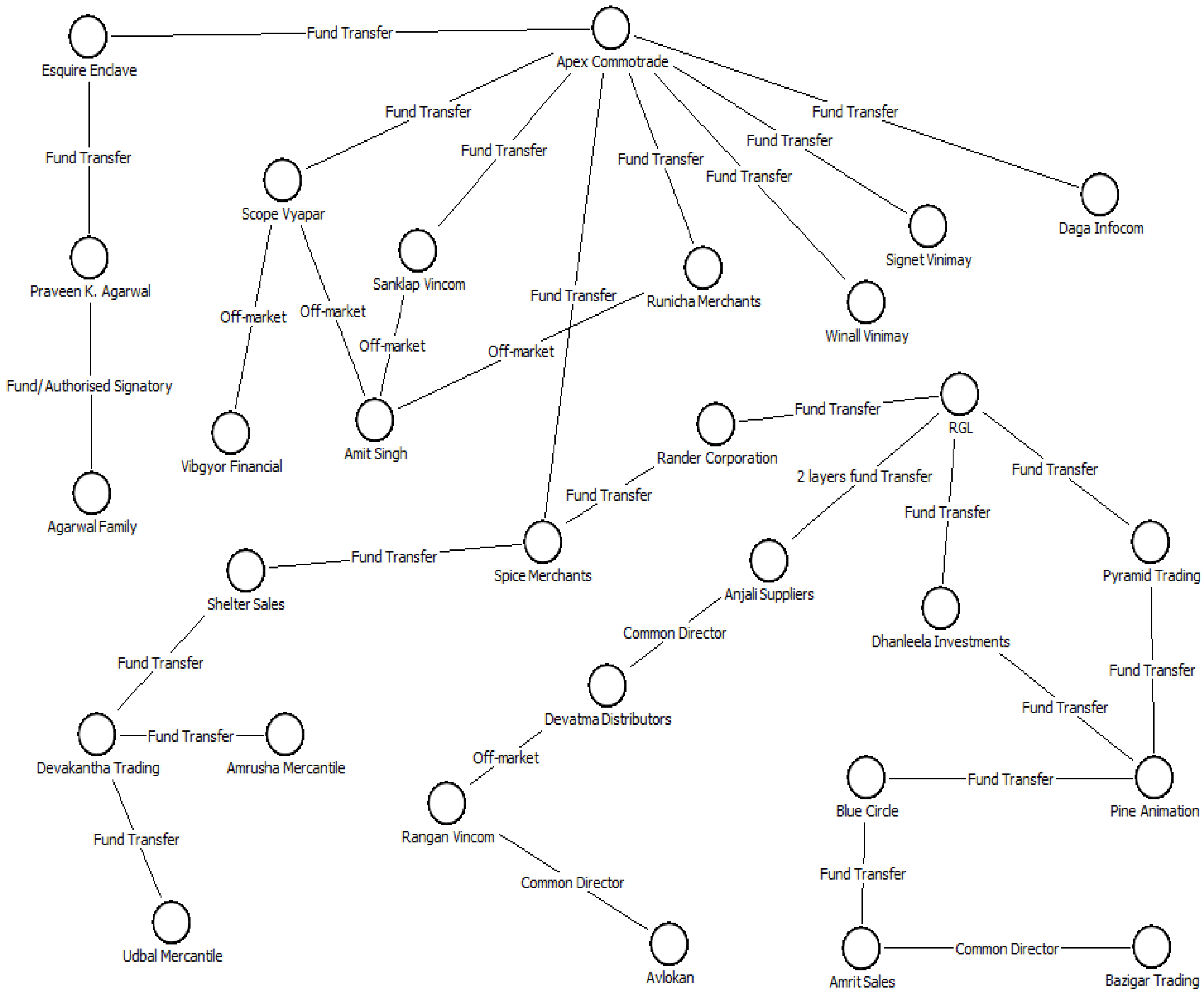
	Finance Ltd.												
	SKM Travels Pvt. Ltd.	*0.25*	*494050*	*142*	*0.35*	*24635*	*6*	*-0.10*	*5500*	*2*	*463915*	*134*	*0.12*
	Vibgyor Financial Service Pvt. Ltd.	*0.10*	*82000*	*12*	*0.10*	*8000*	*2*	*0.00*	*0*	*0*	*74000*	*10*	*0.03*
	Bazigar Trading Pvt. Ltd.	*0.05*	*34500*	*12*	*0.05*	*2347*	*1*	*0.00*	*0*	*0*	*32153*	*11*	*0.02*
	Avlokan Dealcom Pvt. Ltd.	*0.05*	*389706*	*97*	*0.40*	*33944*	*7*	*-0.35*	*15580*	*7*	*340182*	*83*	*0.13*
Group net positive LTP		***74.85***	***26941882***	***43468***	***116.00***	***1183458***	***1420***	***-41.15***	***339701***	***414***	***25418723***	***41634***	***38.56***
Total Group Entities		***24.35***	***37903013***	***56895***	***139.30***	***1377901***	***1612***	***-114.95***	***1743325***	***1278***	***34781787***	***54005***	***46.31***
Total Market		***25.80***	***60397726***	***85301***	***300.8***	***3129367***	***2640***	***-275***	***3024530***	***2009***	***54243829***	***80652***	***100***

- *As brought out in the above table, it is observed that 16 Group entities contributed Rs.74.85 to net LTP and Rs.116 of positive LTP (i.e. 38.56% of the total market positive LTP) in 1420 trades for 11,83,458 shares. Further analysis of these 1420 trades revealed that in 379 trades for 2,24,612 shares, the counterparties were Group entities. Trading among Group entities have contributed Rs. 23.35 to positive LTP which is 7.77% of total market LTP. The details pertaining to positive LTP contribution by Group entities as sellers are given below:*

Table – 9

Buyer Name	***Sr. No.***	***Noticee no.***	***Seller***	***LTP > 0***	***Qty.***	***No. of Trades***	***% of mkt. positive LTP***
16 Group entities mentioned in Table 8	*1*	*1*	*Nishit Agarwal Beneficiary Trust*	*6.15*	*58670*	*122*	*2.04*
	2	*5*	*Praveen Kumar Agarwal HUF*	*5.40*	*56481*	*64*	*1.80*
	3	*2*	*Pinky Agarwal*	*3.90*	*24346*	*55*	*1.30*
	4	*4*	*Praveen Kumar Agarwal*	*3.80*	*18818*	*76*	*1.26*
	5	*3*	*Pratik Agarwal Beneficiary Trust*	*3.70*	*61152*	*59*	*1.23*
	6	*10*	*Dhanleela Investments & Trading Company Ltd.*	*0.20*	*100*	*1*	*0.07*
	7	*11*	*Pine Animation Ltd.*	*0.15*	*50*	*1*	*0.05*
	8	*20*	*Daga Infocom Pvt. Ltd.*	*0.05*	*4995*	*1*	*0.02*
		Grand Total		***23.35***	***224612***	***379***	***7.77***

- *The pictorial presentation of connection among the above entities is as under:*



Agarwal family includes Praveen Kumar Agarwal HUF, Pinky Agarwal, Nishit Agarwal Beneficiary Trust and Pratik Agarwal Beneficiary Trust who are connected among themselves

- *It is observed that the above mentioned Group entities (16 buyers and 8 sellers) contributed Rs. 23.35 (7.77%) of market positive LTP and thereby contributed to price rise in the scrip during the IP. Therefore, it is alleged that the intragroup trading amongst the Group entities resulted in false and misleading appearance of trading in the scrip as well as contributed to price rise in the scrip during Patch 2.*
- *It is pertinent to mention here that the Noticee 1 to 5 were allottees under the preferential allotment of RGL, who sold a total of 45,64,875 shares during the IP. These entities belong to same family and sold shares for a total sale value of Rs. 36.69 crore during the investigation period. Thus, it is alleged that the*

Noticee 1 to 5, indulged in price manipulation and also benefitted by selling their shares at a substantially high value. It is further alleged that the Noticee 1, 3 and 5 being trusts and HUF are managed by the Noticee 4, by virtue of him being the trustee and karta of the Noticee 1, 3 and 5. Profit made by all allottees of preferential allotment done by RGL on February 16, 2012 is given in Table below:

<u>Table – 10</u>

Sr no	Client Name	PAN	Qty Allotted	Qty after split	Buy Value (INR)	Sell Qty.	Sell Value (INR)	Profit
1	Brij Bhushan Singal	AEFPS6298M	580000	2900000	8700000	2900000	238151547.10	229451547.10
2	Neeraj Singal	ANRPS7986B	580000	2900000	8700000	2900000	230856517.05	222156517.05
3	Ritu Singal	ABHPS3711M	515000	2575000	7725000	2575000	213129070.55	205404070.55
4	Uma Singal	ANRPS7987A	225000	1125000	3375000	1125000	88428164.05	85053164.05
5	Naresh Nemchand Shah	ACRPS0182J	400000	2000000	6000000	2000000	157568641.00	151568641.00
6	Harikishan S Virmani	AAJPV4754H	100000	500000	1500000	500000	41494974.50	39994974.50
7	Surendra Jiwrajka	AACPJ4316L	250000	1250000	3750000	1250000	98999153.50	95249153.50
8	Dilip Jiwrajka	AAGPJ8756J	250000	1250000	3750000	1250000	98996103.55	95246103.55
9	Ashok Jiwrajka	AACPJ3610K	250000	1250000	3750000	1250000	98972911.05	95222911.05
10	Nishit Agarwal Beneficiary Trust	AABTN3350K	200000	1000000	3000000	1000000	78549009.00	75549009.00
11	Pinky Agarwal	ACGPA7438L	200000	1000000	3000000	1000000	82471984.35	79471984.35
12	Pratik Agarwal Beneficiary Trust*	AABTP7516K	200000	1000000	3000000	1000000	79033232.50	76033232.50
13	Praveen Kumar Agarwal	ACSPA4725A	200000	1000000	3000000	500000	39235000.00	36235000.00
14	Praveen Kumar Agarwal HUF	AAIHP6229C	200000	1000000	3000000	1000000	82600930.20	79600930.20
15	Bimal Desai	AAKPD3160A	200000	1000000	3000000	1009001	83972958.15	80972958.15
16	Jyotsna Jitendra Desai	AHPPD4223L	200000	1000000	3000000	990999	70014528.50	67014528.50
17	Yogesh Popatlal Thakkar	AAPPT1825P	200000	1000000	3000000	1000000	80154413.90	77154413.90
18	G S Anith Kumar	ADPPK9874N	200000	1000000	3000000	1000000	77800649.45	74800649.45
19	G M Lingaraju	AEYPM5850Q	200000	1000000	3000000	1000000	71913912.10	68913912.10
20	G. M. Prasannakumar	AHEPG0025A	200000	1000000	3000000	1000000	76720095.45	73720095.45
21	Babita Mittal	AAIPG4573G	150000	750000	2250000	750000	59504421.55	57254421.55
22	Mukesh Mittal	AJGPM2125D	150000	750000	2250000	750000	60076737.30	57826737.30
23	Renu Aggarwal	AAEPA1694C	150000	750000	2250000	750000	59969482.75	57719482.75
24	Tarun Aggarwal	AOQPA9034E	150000	750000	2250000	750000	59251648.80	57001648.80
25	Renu Mittal	AGMPM1488Q	150000	750000	2250000	750000	60953897.65	58703897.65
26	Santosh Aggarwal	ABAPA4548E	150000	750000	2250000	750000	60083909.50	57833909.50
27	Mohan Mittal	APFPM0496Q	150000	750000	2250000	750000	59898728.85	57648728.85
28	Mohit Aggarwal	ADSPA9301K	150000	750000	2250000	750000	57214382.60	54964382.60
29	Shilpa Aggarwal	AEXPA1230M	150000	750000	2250000	750000	56488750.00	54238750.00
30	Dilip Chhotalal Morzaria	AADPM9919M	200000	1000000	3000000	1000000	55788678.30	52788678.30
31	Hitesh Jain	AABPJ2835R	100000	500000	1500000	500000	41319781.55	39819781.55
32	Rajendra Mangilal Jain	ACPPJ9853R	100000	500000	1500000	500000	41305257.60	39805257.60
33	Shailesh Mangilal Jain	AAAPJ6765F	100000	500000	1500000	500000	41200599.50	39700599.50
34	Jyoti Anil Trevadia	ABWPT8000C	100000	500000	1500000	500000	40695997.95	39195997.95
35	Dalsukh Ujamshi Trevadia	ACDPT3428N	100000	500000	1500000	500000	40648937.15	39148937.15
36	Tanvi Bhavik Trevadia	AFAPT5888A	100000	500000	1500000	500000	40035769.20	38535769.20
37	Kalpita Suresh Luniya	AAAPL9611J	100000	500000	1500000	500000	29416282.00	27916282.00
38	Hukamsingh Bhawarsinghji Rajpurohit	AABPR9949J	100000	500000	1500000	500000	40580552.95	39080552.95
39	Afsar Zaidi	AADPZ8571G	100000	500000	1500000	500000	40022857.30	38522857.30
40	Kamal Indur Punwani	AFFPP5207G	100000	500000	1500000	500000	39656782.55	38156782.55
41	Hasumati Anantrai Mody#	AJSPM7935P	100000	500000	1350000	450000	37731293.00	36231293.00
	Amresh Anantrai Mody#	AACPM4024E			150000	50000	3992500.00	3992500.00
42	Mayuri Darshan Bhanushali	AKJPB8572F	100000	500000	1500000	500000	36169719.30	34669719.30
43	Ujwala Namdev Mane	AAEPM5924H	100000	500000	1500000	500000	23077500.00	21577500.00
44	Anil Rajat Agarwal & Sons (Huf)	AAFHA0709M	60000	300000	900000	300000	20731633.90	19831633.90
45	Sushant Investments	ACAFS8650G	250000	1250000	3750000	239604	18867913.20	15117913.20
46 #	Achal Chand Balar#	ABAPB8617M	150000	750000	750000	189060	15192205.00	14442205.00
	Abhishek Kumar Balar#	AATPB8811B			750000	166000	14146846.30	13396846.30
	Piyush Kumar Balar#	AEMPB6394Q			750000	140000	11674028.05	10924028.05
47 #*	Glory Investment Services Pvt. Ltd.	AACCG9982A	340000	1700000	5100000	0	0.00	0.00
48	Ramchandra Vitthal Satre	ACAPS9829D	100000	500000	1500000	0	0.00	0.00
	Total		9100000			41599539		3124860889.75

***Pratik Agarwal Beneficiary Trust purchased 64875 shares at the value of Rs.5102093.75. The same has not been considered in profit calculation.*

 # Joint holders in demat account,

Joint holders of shares allotted in physical mode in one folio number.*

- *In addition to that SEBI has also received following Suspicious Transaction Reports (STR) from Financial Intelligence Unit (FIU) against the Noticees 10, 22 & 23 in the matter of RGL -*

a. STR no.10031313 against the Noticee 10 for accumulating 13,69,290 shares of RGL worth Rs. 11,33,77,212.

b. STR no. 10034945 and 10019430 against the Noticee 22 & 23 as their trading volume did not appear to be commensurate with their financials net worth.

- *Therefore, it is alleged that the intra group trading in patch 2, by the Noticee 1 to 24 was with a manipulative intent to increase the share price of RGL and they have allegedly violated sections 12A(a), (b) and (c) of the SEBI Act read with regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) & (e) of PFUTP Regulations.*

Non-disclosure in terms of SAST and PIT Regulations[1] during the period January 01, 2013 to December 29, 2014

- *It was observed that Noticee 22 to 24 (Shelter Sales Agency Pvt Ltd, Amrusha Mercantile Pvt Ltd and Spice Merchants Pvt Ltd) acquired more than 5% shares in RGL during the investigation period. The change in holding of these entities during the investigation period is as under:*

<u>Table – 11</u>

Date	No of shares held - pre Acquisition	% of shareholding held - pre Acquisition	No of shares Acquired	No of shares held - post Acquisition	% of shareholding held - post Acquisition	Mode of acquisition	Date of disclosure to company	Date of disclosure to stock exchange	Violation of Regulation (s), if any
Noticee 22/ Shelter Sales Agency Pvt Ltd									
11-Oct-13	3515322	4.999	4500	3519822	5.006	On-Market	Nil	Nil	Regulation 13(1) of PIT Regulations & Regulation 29(1) read with Regulation 29(3) of SAST Regulations, 2011
Noticee 23/ Amrusha Mercantile Pvt Ltd									
01-Oct-13	3470409	4.94	108960	3579369	5.09	Off-Market	Nil	Nil	Regulation 13(1) of PIT Regulation & Regulation 29(1) read with

[1]read with 12(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as "PIT Regulations, 2015")

									Regulation 29(3) of SAST Regulation
Noticee 24/ Spice Merchants Pvt Ltd									
03-Mar-14	3487985	4.96	50000	3537985	5.03	On-market	Nil	Nil	Regulation 13(1) of PIT Regulation & Regulation 29(1) read with Regulation 29(3) of SAST Regulation
06-Jun-14	3504186	4.98	19900	3524086	5.01	Inter Depository	Nil	Nil	

- *It is observed from the above table that the shareholding of the Noticee 24 exceeded 5% of total paid-up share capital of RGL on two occasions; the shareholding of the Noticee 23 and the Noticee 22 exceeded 5% of total paid up share capital of RGL on one occasion each. Further, in terms of Regulation 29(1) read with 29(3) of SAST Regulations (i) the Noticee 24 was required to make relevant disclosures on two occasions (ii) the Noticees 22 & 23 were required to make relevant disclosures on one occasion each, to RGL and Bombay Stock Exchange (Hereinafter referred to as "BSE") within two working days of their shareholding crossing 5% of total paid up share capital of the company. Similarly, in terms of Regulation 13(1) of PIT Regulations (i) the Noticee 24 was required to make relevant disclosures on two occasions (ii) the Noticees 22 & 23 were required to make relevant disclosures on one occasion each, to RGL.*
- *It was also observed that shareholding of the Noticee 22 & 23, who were holding more than 5% paid up share capital of RGL, decreased by more than 2% of paid up share capital of RGL. Details of these changes are tabulated in Table - 12:*

<u>Table – 12</u>

Date	No of shares held - pre disposal	% of shareholding held - pre disposal	No of shares disposed	No of shares held - post Disposed	% of shareholding held - post Disposal	Mode	Date of disclosure to company	Date of disclosure to stock exchange	Violation of Regulation (s) under PIT & SAST Regulation
Noticee 22									
27-Mar-14	3519822	5.006	1437576	2082246	2.96	On-market	Nil	Nil	Regulation 13(3) read with 13(5) of PIT Regulation & Regulation 29(2) read with Regulation 29(3) of SAST Regulation
Noticee 23									
11-Jun-14	3579369	5.09	1416634	2162735	3.08	On-market	Nil	Nil	Regulation 13(3) read with 13(5) of PIT Regulation & Regulation 29(2) read with Regulation 29(3) of SAST Regulation

- *Further, the Noticees 22 & 23 were required to make disclosures in terms of Regulation 29(2) read with 29(3) of SAST Regulations within two working days of change in their shareholding exceeded 2% of paid up share capital of the Company, to RGL and BSE. Similarly, Noticees 22 & 23 were required to make disclosures in terms of Regulation 13(3) read with 13(5) of PIT Regulations within two working days of change in their shareholding exceeded 2% of paid up share capital of the Company, to RGL.*
- *RGL vide email dated August 14, 2017 has submitted disclosures in terms of SAST Regulations during the period February 27, 2012 to December 29, 2014, as received and filed with BSE. However, it is observed from the same that no disclosures under SAST Regulations, 2011 and PIT Regulations, 1992 w.r.t above transactions was received by RGL. (**Annexure VI** - Copy of Radford Reply dated August 10, 2017)*
- *BSE vide email dated August 10, 2017 to SEBI has confirmed that no disclosure was received from the Noticee 22 to 24 for the transactions mentioned at Tables 10 & 11. (**Annexure VII** - Copy of BSE's email dated August 14, 2017)*

  In view of the above, it is alleged that the Noticee 22 to 24 have failed to make required disclosures in terms of Regulation 29(1) read with 29(3) of SAST Regulations to RGL and BSE. Further, It is also alleged that the Noticee 22 to 24 have failed to make required disclosures in terms of Regulation 13(1) of PIT Regulations to RGL.
- *In addition to that it is alleged that the Noticee 22 & 23 have failed to make required disclosures in terms of 13(3) read with 13(5) of PIT Regulations to RGL. It is also alleged that the Noticee 22 & 23 have failed to make required disclosures in terms of 29(2) read with 29(3) of SAST Regulations to RGL and stock exchange.*

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

4.1 <u>Nishit Agarwal Beneficiary Trust</u>

The common SCN dated November 02, 2018 was delivered via SPAD as per the records. Vide email dated April 18, 2019, Notice submitted reply to the SCN. Extracts of the aforesaid reply are as follows:

It is humbly submitted that, the allegation in the SCN in so far as they relate to us, are product of mere surmises, conjectures and hearsay and are totally misplaced and contrary to factual position on record. Sweeping inferences have been made in the SCN, based merely on surmises & conjunctures, suspicion and assumption, and on erroneous inference of connection, to draw the preconceived conclusions which are totally untenable and unreasonable. It is extremely absurd on the part of SEBI to label our trades as manipulative after about 66 months of the transactions.

It is humbly submitted that we are deemed to be related / connected to Mr. Praveen Kumar Agarwal, Smt. Pinky Agarwal, Pratik Agarwal Beneficiary Trust, and Praveen Kumar Agarwal (HUF). In the SCN, our trades in "Radford' have been clubbed together with several other unrelated entities, so as to draw adverse inference against us. It is categorically denied that we are in any way related or connected to any of the "noticee" listed in the SCN except as admitted in para 5 above. Any inference of our connection with these entities is wrong, flawed, erroneous, irrational and devoid of merit.

It is submitted that we are not related or connected in any manner what so ever to the promoters, Directors, Key Management Personnel, other Preferential Allottees of 'Radford' (except as admitted in para 5 above), or any of entities impugned or referred to in the SCN. Any inference of our connection with these entities is erroneous, wrong, flawed, irrational and devoid of merit. Before proceeding to make a para wise response to the allegation leveled against us, we submit the following for your kind consideration.

a. *We are Investor in securities market and we invest for gains. We make investments in the identified scrips and restrict our investments to a selected few stocks. Preferential allotments were one such mode of acquisition of bulk shares without disturbing the market equilibrium of our identified scripts.*
b. *We trade in the market in the ordinary course, out of our own wisdom, independently and without any fraudulent intent or design. We have never been faulted for our trades on any prior occasion by any of the exchanges or any regulatory authorities.*
c. *Our rational for making investments in Radford are summarized as under:*

i. *Radford had proposed to be a one stop financial solutions for all kind of services especially in both Funds based and Non Fund based qualitative services related to Real Estate Industry and recruitment agency.*

ii. *Both these sector looked promising to us. In our opinion Real Estate was at its ebb at that point of time and was ripe for investments for value investor and recruitment services was a sunrise industry.*

iii. *Both these sectors were the direct beneficiary of economic revival in our country.*

iv. *Radford was a profit making company and with infusion of funds was expected to grow faster. The price of Rs.15/- at which the preferential issue was offered, was in our opinion justified by the fundamental of the company and its business plans and projected earnings.*

v. *When in our opinion the price of the scrip overran it's fundamental, we have sold the shares and nothing adverse should be read against the same. We had sold the shares to lock our gains.*

It has been stated in the SCN that the investigation has been conducted by SEBI pursuant to interim orders by Hon'ble WTM, SEBI. It is thus, apparent that SEBI have carried out the whole investigation to just implicate the entities based on the pre-drawn conclusions, surmises and conjectures.

Before proceeding further, we would first like to place on records, the following:

a. *That vide an ex-parte ad interim order u/s 11(1), 11(4) abd 11B of the SEBI Act, 1992 passed by the Hon'ble WTM on 19/12/2014 the following directions were passed against us and several other entities:*

"in order to protect the interest of the investors and the integrity of the securities market, I, in exercise of the powers conferred upon me in terms of section 19 read with section 11(1), section 11 (4) and section 11B of the SEBI Act, 1992, pending inquiry/investigation and passing of final order in the matter, hereby restrain the following persons/entities from accessing the securities market and buying, selling or dealing in securities, either directly or indirectly, in any manner, till further directions"

b. *That the direction passed in the ex-parte ad interim order as above, were revoked in respect of various entities vide order passed by the Hon'ble WTM on 20/09/2017. However, in our case the directions were not revoked and the Honb'le WTM directed as under:*

"The revocation of the directions issued vides the abovementioned orders (at paragraph 11) is only in respect of the entities mentioned at paragraph 9 of this order in the matter of Radford Global Limited. As regards remaining entities in the scrip of Radford, violations under SEBI Act, SCRA, PFUTP Regulations, etc., were observed and SEBI shall continue its proceedings against them. Hence, the directions issued vide Orders dated October 12, 2015, March 18, 2016 and August 26, 2016 against the remaining 24 entities shall continue."

c. *We had full faith in SEBI and had patiently waited for 4 years, under a belief that after proper inquiry and investigation SEBI would definitely find out that* ***we are bonafide investor like other preferential allottees and had traded in the script of "Radford" in the normal course*** *without any manipulative intent. But even after the passage of more than 4 years, the restraining directions are still continuing against us causing us great hardship, financial losses and social stigma. Further to that, the allegation in the present SCN has completely broken us and we feel that grave injustice is been done to us for no apparent reason. We genuinely hope that our reply to the present SCN would convince your kind authority that no case has been made out against us and that the allegations against us are ill founded and contrary to facts on records and based merely on surmises and conjunctures and that we have been unduly punished for no apparent reasons.*

Our Trades in 'Radford' :

SEBI had carried out an Investigation in the script of 'Radford' for the period January 28, 2013 to March 24, 2014, herein after referred to as the 'Investigation Period'. The Investigation period has been divided into 3 Patch, Patch 1 covers the period 27/02/2012 to 28/01/2013, Patch 2 covers the period 29/01/2013 to 23/07/2013 and Patch 3 covers the period 24/07/2013 to 24/03/2014. We have traded only during Patch 2 on 6 days. All our transactions in 'Radford' were genuine and in the ordinary course. All our transactions were carried out on the screen based anonymous order matching system of the exchange wherein it is impossible to know the counterparty buyer or brokers. All our orders were placed at prevailing market price and within the price range prevailing at that point of time. Further, we have traded independently, without acting in concert with anybody. We have not carried out any transactions with any fraudulent intent, or to contribute to LTP and increasing the price as alleged in the SCN. All our orders were placed with a view *to maximize our gains and realize the best price for our sell trade, based on the maxim "buy cheap & sell dear". All our orders were placed like a prudent investor. The details of our trades in 'Radford' are as under:*

Patch	Date	Sales (Qty.)	Avg. Selling Rate	No of our trades	Highest price for the day on BSE	Lowest prices for the day on BSE	No of Trades on BSE	Volume of trades on BSE
2	24/06/2013	199940	78.66	299	78.75	78.55	955	715398
	25/06/2013	350000	78.55	736	78.75	78.45	1374	833435
	26/06/2013	100000	78.50	68	78.55	78.45	848	500535
	27/06/2013	175000	78.50	120	78.50	78.45	392	371490
	28/06/2013	175000	78.50	437	78.75	78.40	1241	751802
	01/07/2013	60	78.55	3	79.00	78.45	996	52549

During the investigation period spanning over 755 days, we have traded on just 6 days. All our trades resulted in deliveries. We have placed several orders during the days. All our orders were placed at prevailing market prices and with a view to maximize our selling price. None of our orders has resulted in creation of a new "high price" for Radford. None of our trades are alleged to be synchronized, or reversal.

From the Table above, the following are apparent:

d. *That our trades were spread over 6 days.*
e. *Our Average selling prices were lower than the highest price for the day.*
f. *Our trades and volume were a small fraction of the overall trades and volume on the exchanges.*
g. *Our average selling prices for any day were lower than our previous day average selling prices, showing that the prices were decreasing pursuant to our sales and not increasing as alleged.*
h. *We had placed orders for substantial quantities ranging from 25,000 shares to 1,00,000 shares, and our orders have matched with several counterparties. Out of our sell of 10,00,000 just 58,670 shares have been impugned in the SCN. Had our intention been to increase the price of Radford, we would not have sold bulk quantity, but would have sold in small lots & each lot would have been used to raise the price. But this has not been the case. The same shows our genuine intent of selling.*

*It is humbly submitted that we had sold shares, our aggregate sell during Patch 2 was 10,00,000 shares of "Radford". As a general rule it is said that "**selling have***

***a moderating effect on prices**". Thus, to allege that we had increased prices vide our selling is a contradictory terms. Secondly, as the maxim goes "buy cheap & sell dear", it was our endeavor to maximize our selling price and we had placed our orders accordingly. Based on the table as above, none of our trades has been at the highest price of the day. It is humbly submitted that when the price of the script overran its fundamental, we decided to liquidate our holding and realize our gains.*

We draw your kind attention to the details of our sell orders placed by us as extracted from Annexure – II of the SCN.

Trade Date	***Our Order Nos.***	***Order Rate***	***Our Order LTP***	***LTP Impact***	***Our Order Qty***	***Trade Qty***	***Pending Order***
24/06/2013	*12000125042013*	*78.70*	*78.60*	*+0.10*	*30,300*	*30,300*	*-*
24/06/2013	*14000148028146*	*78.65*	*78.70*	*-0.05*	*50,000*	*50,000*	*-*
24/06/2013	*14000148028732*	*78.65*	*78.70*	*-0.05*	*50,000*	*50,000*	*-*
24/06/2013	*14000148123729*	*78.65*	*78.70*	*-0.05*	*50,000*	*50,000*	*-*
24/06/2013	*14000148129353*	*78.65*	*78.65*	*0*	*50,000*	*19,640*	*30,360*
25/06/2013	*13000111037959*	*78.55*	*78.55*	*0*	*50,000*	*50,000*	*-*
25/06/2013	*13000111066167*	*78.55*	*78.55*	*0*	*50,000*	*50,000*	*-*
25/06/2013	*13000111082582*	*78.55*	*78.50*	*+0.05*	*100,000*	*100,000*	*-*
25/06/2013	*13000111101077*	*78.55*	*78.55*	*0*	*50,000*	*50,000*	*-*
25/06/2013	*19000148544445*	*78.55*	*78.55*	*0*	*50,000*	*50,000*	*-*
25/06/2013	*19000148558546*	*78.55*	*78.55*	*0*	*50,000*	*50,000*	*-*
26/06/2013	*22000106044789*	*78.55*	*78.55*	*0*	*50,000*	*50,000*	*-*
26/06/2013	*22000106132250*	*78.50*	*78.50*	*0*	*50,000*	*50,000*	*-*
27/06/2013	*14000146028464*	*78.50*	*78.50*	*0*	*50,000*	*50,000*	*-*
27/06/2013	*14000146056150*	*78.50*	*78.45*	*+0.05*	*50,000*	*50,000*	*-*
27/06/2013	*14000146058603*	*78.50*	*78.50*	*0*	*50,000*	*50,000*	*-*
27/06/2013	*14000146064597*	*78.50*	*78.45*	*+0.05*	*25,000*	*25,000*	*-*
28/06/2013	*18000085130591*	*78.50*	*78.45*	*+0.05*	*50,000*	*50,000*	*-*
28/06/2013	*18000085252139*	*78.50*	*78.50*	*0*	*25,000*	*25,000*	*-*
28/06/2013	*21000072115795*	*78.50*	*78.55*	*-0.05*	*100,000*	*100,000*	*-*
01/07/2013	*14000177620603*	*78.55*	*78.55*	*0*	*60*	*60*	*-*
Total					***1,030,360***	***1,000,000***	***30,360***

From the Table above, it is apparent that we have placed our orders at or around the LTP. Some of our orders were placed marginally higher than the LTP with a view to maximize our gains / sales realization. Such orders had matched with several entities in the ordinary course after substantial time gaps. None of our orders / trades are alleged to be synchronized. We had placed rational orders as a prudent investor would do to maximize his gains.

The allegations against us are based on incorrect appraisal of facts on records. In several instances our sell orders were placed at or below LTP, at the time of our order placements, but allegation have been leveled against us that we have increased the LTP. The same proves that erroneous inference has been drawn against us based on incorrect appraisal of facts. We draw your kind attention to the following:

Date	***Our Order Nos.***	***Our Sell Order Price***	***LTP at our Order Time as per Annexure II to SCN***	***LTP Impact based on our orders***	***Allegation of LTP increase in respect of such orders***
25/06/2013	*13000111037959*	*78.55*	*78.55*	*0*	*+0.45*
25/06/2013	*13000111066167*	*78.55*	*78.55*	*0*	*+0.40*
25/06/2013	*13000111101077*	*78.55*	*78.55*	*0*	*+0.60*
27/06/2013	*14000146028464*	*78.50*	*78.50*	*0*	*+0.05*
24/06/2013	*14000148028732*	*78.65*	*78.70*	*-0.05*	*+0.05*
24/06/2013	*14000148123729*	*78.65*	*78.70*	*-0.05*	*+1.90*
25/06/2013	*19000148544445*	*78.55*	*78.55*	*0*	*+0.40*
25/06/2013	*19000148558546*	*78.55*	*78.55*	*0*	*+0.20*
26/06/2013	*22000106044789*	*78.55*	*78.55*	*0*	*+0.05*
28/06/2013	*21000072115795*	*78.50*	*78.55*	*-0.05*	*+0.90*

Without prejudice to what has been stated at para 14 & 15 above and assuming, without admitting, the allegation against us to be true, we draw your kind attention to our Trades based on Annexure-II (Trade Logs) of the SCN:

All Trades			***Trades with LTP >0***			***Trades with LTP < 0***			***Trades at LTP***	
LTP Impact	***Qty Traded***	***Nos. of trades***	***LTP Impact***	***Qty Traded***	***Nos. of trades***	***LTP Impact***	***Qty Traded***	***Nos. of trades***	***Qty Traded***	***Nos. of trades***
6.30	*10,00,000*	*1663*	*6.45*	*71380*	*128*	*-0.15*	*216*	*3*	*928404*	*1532*

From the Table above the following are apparent:

i. *A vast majority of the shares sold 9,28,620/- i.e. about 92.86% were at or below LTP.*

j. *A vast majority of our trades' 1,535 nos. i.e. 92.30% of our total trades were at or below LTP.*

k. *The LTP Impact as worked out above is as per Trade data provided to us in Annexure – II of the SCN.* ***The LTP impact in Annexure – II / Table 9 are worked out based on trade order data of purchaser and not in based on our sale orders*****.** ***The same are therefore erroneous and based on such***

erroneous observation, adverse inference has been drawn against us. *The fallacy of the allegations against us are detailed in para 15 above.*

l. *It is humbly submitted that we have placed all our orders at prevailing market prices and with an objective of maximizing our gains / sales realization; we had not placed any orders with a view to increase the price of 'Radford'. The orders placed at above LTP were below the highest price for the day. None of our trades resulted in a new High price for the script.*

*We also enclose herewith the trade details of the alleged 58,670 shares sold by us in respect of which it has been alleged that we have contributed Rs. 6.15 to the positive LTP as **Schedule – 1**. From the same it would be apparent that there was a substantial time gap between our order placements and the order placed by the alleged buyers. Most of our orders were placed at or below the LTP prevailing at that point of time; some orders were placed at a price slightly above the LTP to maximize our gains / sales realization. Further none of our orders were placed at the highest price for the day. We humbly submit that our trades had matched with the counterparties in the anonymous order matching system of the exchange in the ordinary course and not by any meeting of mind. If our intention were to collude with the buyers and jack up the price in the scrip of Radford, the buy and the sell orders would have been placed simultaneously and our matching would have been more frequent. Since, there is a significant time gap between buy and sell orders, it proves that there was no malicious intent and the trades were genuine and in the ordinary course of business. There is no allegation that our alleged trades were synchronized or structured.*

Our first order in "Radford" was executed on 24/06/2013 at a price of Rs. 78.65 and our last order was executed at a price of Rs. 78.55. The same shows that the price of "Radford" had not increased pursuant to our trades but has fallen pursuant to our selling.

Further to the above, several of our orders on several dates as detailed below, were not executed in full. The same proves that our trades in "Radford" were in the ordinary course and without any prior meeting of mind as alleged. Had there been any meeting of minds with the alleged counterparties buyers, then they would have picked up our orders and none would have been pending.

Date	***Order nos.***	***Order Rate***	***Order Quantity***	***Traded Quantity***
24/06/2013	*14000148129353*	*78.65*	*50,000*	*19,640*

Based on the details provided w.r.t our trades in the script of "Radford" it is apparent that all our trades in "Radford" were independent, genuine, in the ordinary course and at prevailing market prices.

<u>Erroneous presumption of connection:</u>

It is humbly submitted that erroneous inference of connection has been drawn against us and further based on such erroneous inference of connection, our trades in the normal course has been clubbed with several others and adverse inference drawn against us. The grouping of entities is erroneous and misleading and we have erroneously been clubbed / lumped with others. Unrelated and unconnected entities have been grouped together based on mere surmise and conjectures to draw adverse inference without any basis. It appears that commercial transactions between unrelated entities have been used as an alibi to allege connection. Commercial transactions between two entities, with whom we are not related or connected, have been unduly stretched in order to somehow bunch us with these entities. Trades of several unconnected entities have been grouped together with ours, so as to draw adverse inference against us. It is submitted that we have independently carried out transactions in the scrip of "Radford" on the anonymous order matching mechanism of the exchange. The transactions carried out by us were genuine and without any fraudulent intent. The basis of alleging us to be a part of the alleged "Group Entities" as detailed in Para 6.1 & 6.4 of the SCN are:

m. ***<u>Para 6.1</u>****: The 'basis of connection' alleged are as follows:*
   i. *As per MCA, Chiranjit Mahanta, is the common director in Kingfisher Properties, Topwell Properties, Esquire Enclave, Shivkhori Constructions, Limestone Properties and Natural Hosing*
   ii. *From Topwell Properties Axis Bank a/c no. 911020032366261funds transaction with Kingfisher Properties, Esquire Enclave, Radison Properties, Shivkhori Constructions, Limestone Properties, Natural Hosing, Signet Vinimay and Sanklap Vincom are alleged*
   iii. *From Kingfisher Properties Axis Bank a/c no. 911020032345837 funds transactions with Esquire Enclave, Radison Properties, Shivkhori Constructions, Natural Hosing, Topwell Properties, Apex Commotrade Runicha Merchants, Spice Merchants and Divyadrishti Merchants are alleged*

iv. *Praveen Kumar Agarwal and Pinky Agarwal are the authorized signatories in the bank account of Nishit Agarwal Beneficiary Trust, Pratik Agarwal Beneficiary Trust and Jupiter Brokerage Services Ltd.*

v. *Esquire Enclave Pvt. Ltd. bank a/c no. 911020031723728 with Axis Bank has fund transaction with Kingfisher Properties Pvt. Ltd., Topwell Properties Pvt. Ltd., Radison Properties Pvt. Ltd., Shivkhori Construction Pvt. Ltd., Limestone Properties Pvt. Ltd., Natural Hosing Pvt. Ltd., Praveen Kumar Agarwal, Divyadristhi Traders Pvt. Ltd., Apex Commtrade Pvt. Ltd. and Jupiter Brokerage Services Ltd.*

vi. *Pinky Agarwal and Praveen Kr. Agarwal are directors in Jupiter Brokerage Services Ltd. (Axis Bank A/c no. 911020047397153) had received Rs. 1.2 crores from Esquire Enclave on 07/02/2012 and further transferred Rs. 30 lacs each to Praveen Kr. Agarwal, Pinky Agarwal, Nishit Agarwal Beneficiary Trust and Pratik Agarwal Beneficiary Trust to subscribe to the preferential allotment of "Radford". Jupiter Brokerage Services also had funds transaction with us. It has thus been alleged that Praveen Kr Agarwal (HUF) i.e we, Praveen Kr. Agarwal, Pinky Agarwal, Nishit Agarwal Beneficiary Trust and Pratik Agarwal Beneficiary Trust are related & connected to Esquire Enclave Pvt. Ltd.*

n. ***Para 6.4:*** *Vide a pictorial presentation it has been alleged that we are related to Mr. Praveen K. Agarwal, who in turn has been alleged to be connected to Esquire Enclave through fund transfer. It has further been alleged that Esquire Enclave had funds transfer with Apex Commotrade. Thereafter through a web of pictorial presentation various entities are alleged to be connected to Apex Commotrade.*

*With regards to the "**basis of connection**", it is a matter of records that Shri Praveen Kr. Agarwal and Smt. Pinky Agarwal are our trustee. Shri Praveen Kr. Agarwal and Smt. Pinky Agarwal are director of Jupiter Brokerage Services Ltd ('Jupiter' for short) along with Shri. Ajay Agarwal, since incorporation. M/s. 'Jupiter' has acknowledged that they have received a sum of Rs. 1.20 crores from M/s. Esquire Enclave Pvt. Ltd. ('Esquire' for short), as share application money. M/s Jupiter has further submitted that they have received Share Application from "Esquire' in the past also. M/s. Jupiter had allotted 34,600 Equity shares of Face Value of Rs. 10/- each on 31/03/2012 to M/s. Esquire (Copy of Form 2 filed with*

MCA is enclosed herewith as Schedule - 2). M/s. Esquire is just a minority shareholder of M/s. Jupiter holding just 3 % of equity shares of M/s. Jupiter. It is further submitted that M/s. Esquire did not had any nominee director on the Board of M/s. Jupiter and had never participated in any decision making process of M/s. Jupiter. Further apart from the fact that Esquire is a minority shareholder of Jupiter, M/s. Jupiter is not aware of any dealing or transactions of Esquire with any third parties and neither are they concerned or accountable for the same. They are independent entities having separate ownership and control.

Further to the above, we vehemently deny that we are related to M/s. Esquire in any manner whatsoever. M/s. Jupiter has confirmed to us that they did not have any nominee on the Board of Esquire. Further, Mr. Chiranjit Mahanta was not the nominee of Jupiter on the board of M/s. Esquire or that they have any ownership or management control over M/s. Esquire. Mr. Praveen Kr. Agarwal and Mrs. Pinky Agarwal has confirmed to us that they are not related to any of the entities listed in Table – 8 of the SCN for the purpose of their trading in the securities market. They have also denied that they are related to M/s. Chiranjit Mahanta or any entities wherein he is a Director.

Based on the fact that M/s. Esquire had funds transaction with various entities, no adverse inference is to be drawn against us. The transaction between Esquire and other parties were not on our behalf or behest and neither are we concerned for the same. At no point of time were we privy of any transaction / relationship / dealing between Esquire and any other entities. In respect of transaction between our trustee Shri. Praveen Kr. Agarwal and M/s. Esquire, we humbly submit that he has taken a loan of Rs. 2 lacs from Esquire on 21/9/2012 and the same was repaid to M/s. Esquire on 22/7/2013 (Bank accounts in support of the transactions are enclosed as Schedule - 3)

Further, even though there has been a fund movement between our trustee & M/s. Esquire, there were no alleged matched trades between them. Hence, mere fund movement without any allegation of matched trades is futile, fallacious and serves no purpose. Further, the alleged funds movements had no linkage or relationship with our trades in "Radford".

Further to the above, nothing has been brought on records to alleges that the alleged fund movements between various entities in para 6.1 based on which the "basis of connection" has been alleged has no bearing to our alleged trades. We *cannot be connected to others based merely on some bonafide commercial transaction between different entities.*

Without prejudice, we humbly submit that <u>M/s. Esquire is not even a noticee</u> in the present SCN. When "Esquire" is not a "connected noticee" any inference of our connection with other alleged noticee are erroneous, and based merely on surmises & conjunctures.

Without prejudice to the above, we draw your kind attention to the Order of the Hon'ble WTM dated September 20, 2017 bearing reference no. ***SEBI/WTM/MPB/EFD-1-DRA-III/ 30 /2017*** *passed in the matter of Radford Global Ltd. We reproduce para 8 to 10 from the said order for your records & perusal Para 8. Pursuant to the interim orders,* ***<u>SEBI conducted a detailed investigation</u>*** *(emphasis supplied) of the entire scheme employed in the instant matter, role and connection amongst the concerned entities, funds used for the price manipulation of the scrip of Radford, etc., so as to ascertain the violation of securities laws.*

Para 9."Upon completion of investigation by ***SEBI, investigation did not find any adverse evidence/adverse findings in respect of violation of provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (PFUTP Regulations) in respect of following 82 entities*** *(against whom directions were issued vide the interim orders as confirmed vide the above said confirmatory orders) warranting continuation of action under Section 11B r/w 11(4) of SEBI Act."*

Para 10. Considering the fact that there are no adverse findings against the aforementioned 82 entities with respect to their role in the manipulation of the scrip of Radford, I am of the considered view that the directions issued against them vide interim orders dated December 19, 2014 and November 9, 2015 which were confirmed vide Orders dated October 12, 2015, March 18, 2016 and August 26, 2016 are liable to be revoked.

The following entities are listed in the 82 entities against whom the directions were revoked by the Hon'ble WTM:

Sl. no	*Name of the entities*		*Sl. no.*	*Name of the entities*
12	***Esquire Enclave Pvt. Ltd.***		*14.*	*Kingfisher Properties Pvt. Ltd.*
38.	*Dhanraksha Vincon Pvt. Ltd.*		*40.*	*Divyadrishti Traders Pvt. Ltd.*
42.	*Divyadrishti Merchants Pvt. Ltd.*		*48.*	*Limestone Properties Pvt. Ltd.*
52.	*Natural Housing Pvt. Ltd.*		*54.*	*Radison Properties Pvt. Ltd.*
62.	*Shivkhori Construction Pvt. Ltd.*		*66.*	*Topwell Properties Pvt. Ltd.*

We humbly submit that, SEBI had carried out detailed investigation for almost 34 months, and after such extensive investigation, there were no adverse findings against these entities in respect of their role in manipulation of the script of Radford. It is very surprising and strange that SEBI has impugned us in the SCN based on our alleged links with Esquire and between Esquire and these entities. We deny that we are related to any of the entities listed above or with any other entities based on which we have been impugned in the SCN.

Further, from the pictorial connection at para 6.4, we have been alleged to be part of the "Group entities" based on some funds transfer between Esquire Enclave and Apex Commotrade. In this regards we submit that we are neither related nor connected with Esquire Enclave or Apex Commotrade in any manner whatsoever. Secondly, we have been alleged to be a "Group entities" based on alleged funds transfer between Esquire and Apex Commotrade Pvt. Ltd. We submit that Esquire is an independent entity, not under our ownership and control. The funds transfer between Esquire and Apex are of no concern to us. The same were not on our advice or behest. ***There is absolutely nothing on records to link the alleged funds transfer between Esquire and Apex with our trades in "Radford".*** *We cannot be alleged to be connected to any entity for violation of PFUTP Regulation based on banking transaction between two entities, with whom we are not related, and which have no bearing to our alleged trades in "Radford". It thus appears that erroneous inference of connection has been drawn against us based on surmises and conjunctures and stretched relationship to somehow pin us down.*

We further submit that; funds transfer between various entities has been used to establish that we are part of the "Group entities". We humbly submit that the "basis of connection" based on funds transfer are irrational and illogical. How can funds transfer based on some commercial transactions in the normal course be the basis of alleging connection? And that too in support of PFUTP violations?

We humbly submit that alleging connection for the purpose of SEBI PFUTP violation based on funds transfer between various entities, which have no relations to our impugned trades or with entities over which we do not have any ownership or management control is fallacious, erroneous, wrong and mischievous. We do not accept the 'basis of connection" and humbly submit that the same is erroneous and wrong and based purely on surmises and conjunctures, assumption and presumption.

We deny that we are related to the alleged 16 entities impugned at Para 6.2 (Table – 8) of the SCN, in any manner what so ever. We humbly submit that we have traded in the scrip of Radford independently, out of our own and in the ordinary course. It is denied that we have carried out any trades in 'Radford' with the alleged 'Group Entities' by design or with any meeting of minds. It is submitted that we are not connected with any of the alleged 'Group Entities' and that the basis of alleged connection is wrong, flawed and irrational. It is submitted that our alleged trades had matched with these entities in the normal course, in the anonymous order matching system of the exchange. It is further denied that we have contributed a sum of Rs. 6.15 to the net LTP of 'Radford' vide our trades. The allegations against us are based on incorrect appraisal of facts. It is denied that we have violated the provisions of regulations 3(a),(b),(c), (d), 4(1), 4(2)(a), & ,(e) of PFUTP Regulations and Section 12A (a), (b) & (c) of the SEBI Act. The charge of violation of said regulations as alleged against us are based on surmises & conjunctures, on erroneous inference of connection and are without any merit.

<u>The Investigation is arbitrary, selective & discriminatory:</u>

We draw your kind attention to page 10 of 40 of the Investigation report annexed as Annexure VII of the SCN. It has been stated that:

*"It has been mentioned in the IO-1 that certain allottees viz Brijbhushan Singhal, Neeraj Singhal, Uma Singhal & Ritu Singhal (*Singhal family) by virtue of funds transfer from Dhanleela Investments & Trading Company Ltd were connected to RGL. In this regards, Singhal family contended that they had applied for certain nos. of shares of Dhanleela Investments & Trading Co. Ltd. and the fund transfer from Dhanleela was refund of balance amount after allotment of shares in Dhanleela………………….. In view of the same, no adverse inference is drawn against Brij Bhushan Singal, Neeraj Singhal, Ritu Singhal & Uma Singhal and they have not been considered as part of Group 1 above."*

In this regards we humbly submit as under:

- *o. That Dhanleela is one of the alleged "Group entity". It has been stated in Table-7 of the SCN that "Radford" had fund transaction with Dhanleela.*
- *p. That some of the preferential allottees had fund transfer with the alleged "Group entities".*
- *q. That the funds transfer between the alleged "Group entities" and such preferential allottees were rightly observed to be bonafide by the investigation team.*

r. Thus, the basis of alleging connection between two entities for violation of SEBI Act and PFUTP Regulation just based on the fact that they had funds transfer is wrong, flawed & erroneous.

s. In the facts of our case, we have been impugned in the SCN based on the alleged funds transfer between entities totally unrelated to us, and allegation leveled against us without even seeking our explanation and submission of such "basis of connection".

t. The same proves the fallacy of SEBI's rationale to links us with several other unrelated entities, based solely on the basis of funds transfer between entities and that too with entities with whom we are absolutely not related.

Apart from Fund Transfer, there are also matched trades between these entities. In this regards we humbly submit as under:

a. The alleged "Singhal Family" had sold shares out of which 2,01,869 shares have matched with "Dhanleela" an alleged "Group Entities".

b. The alleged "Singhal Family" sell trades have matched with the alleged "Group Entities" to the extent of 53,78,520 shares in 7,290 trades

c. The alleged "Singhal Family" have contributed to positive LTP by a sum of Rs. 10.70 from 1,63,605 shares in 129 trades based on their trades that matched with the alleged "Group Entities".

d. If trades above LTP are taken as a criterion to allege violation of SEBI Act and SEBI PFUTP Regulations, then the trades of other "preferential allotteess" (other than our 5 family entities) have matched with the alleged "Group Entities". The trades above LTP were for 5,80,544 shares in 495 trades and they have collectively contributed to the positive LTP of Rs. 41.85.

e. The Investigation team has drawn adverse inference against us based on such matching of trades with the alleged "Group Entities", but have completely ignored the fact that other preferential allottees have traded likewise.

Based on our submission in para 34, 35 & 36 it is apparent that the Investigation was arbitrary, selective and discriminatory to somehow or the other pin us down, without according us any opportunity. It is thus, apparent that the investigation was carried out to just implicate the entities based on the pre-drawn conclusions, surmises and conjectures.

Our parawise reply to the SCN:

Para 1: *We welcome your appointment as "Adjudicating Officer" to inquire into and adjudge under sec 15HA of the SEBI Act, 1992 for the violation of Regulation 3(a), (b), (c), (d), and Regulation 4(1), 4(2)(a), & (e) of the SEBI (PFUTP) Regulations, 2003 & Section 12A (a), (b) & (c) of the SEBI Act, against us. We sincerely hope that, based on our submission, your kind authority would find out that we have not traded in the script of "Radford" in violation of the provision of SEBI Act and PFUTP Regulations and that the alleged violation is based on surmises and conjunctures and erroneous inference of connection and based on wrong analysis of our trade data.*

Para 2 to 5: *The content of para is a matter of records and do not relates to us specifically. In respect of price movement during Patch-2 pursuant to our trading we would like to submit as under:*

Start date of our trading / (last date of our trading)	***Opening Price on the first day of our trading i.e 24/06/2013***	***Closing Prices on the last day of our trading i.e 01/07/2013***	***Highest prices during the period of our trading***	***Lowest prices during the period of our trading***	***Increase / (Decrease) in prices during the period of our selling***
24/06/2013 & (01/07/2013)	*Rs. 78.70*	*Rs. 78.55*	*Rs. 79.00 on 01/07/2013*	*Rs.78.40 on 28/06/2013*	*(Rs. 0.15)*

Thus, there has been no increase in the price of the script subsequent to our selling. The very basis of alleging that we have raised the price of the script vide our selling during Patch 2 is wrong & flawed and the allegation fails.

Para 6.1: *We have been erroneously grouped with several other unrelated entities and are referred to as "group entities". We vehemently deny that we are related or connected to any of the entities listed in the para except as admitted by us in preceding paragraphs. The whole grouping in erroneous based on flawed rationale. We reiterate and resubmit all that has been stated at para 21 to 33 above.*

We specifically deny that we are related to Amrusha Mercantile Pvt. Ltd. , Devkant Trading Pvt. Ltd., Udbal Mercantile Pvt. Ltd., Shelter Sales Agency Pvt. Ltd., Amit Singh, Runicha Merchants Pvt. Ltd., Spice Merchants Pvt. Ltd., Apex Commtrade Pvt. Ltd., Winall Vinimay Pvt. Ltd., Signet Vinimay Pvt. Ltd., Sankalp Vincom Pvt. Ltd., Pyramid Trading & Finance Ltd., SKM Travels Pvt. Ltd., Vibygor Financial Services Pvt. Ltd., Bazigar Trading Pvt. Ltd., Avlokan Dealcom Pvt. Ltd., Dhanleela Investments & Trading Co. Ltd., Pine Animation Ltd., and Daga Infocom Pvt. Ltd. Based on the fact that these entities had banking transaction with some other *companies / entities with whom we are not at all related in any manner what so ever or over whom we do not have any management or ownership control, cannot be the basis to allege connection for violation of SEBI PFUTP Regulations.*

SEBI after a detailed investigation came to the conclusion that there are no adverse findings against Esquire with respect to their alleged role in the manipulation of the scrip of Radford and now SEBI is drawing adverse inference against us based on alleged funds transfer between Praveen Kr. Agarwal / Jupiter with Esquire. The same proves that the present SCN has been issued with a biased view against us to somehow pin us down.

The very fact that Esquire is not a "noticee" in the present SCN, completely destroys SEBI's argument of "connection" between us and various other entities listed in the para.

<u>Para 6.2:</u> *The trading details of the entities provided in the Table-8 are a matter of record. It is humbly submitted that, we were not aware of the trades of any of these entities and that we have traded independently in an opaque screen. We vehemently deny that we are part of the alleged "group entities". We have been alleged to be a "group entities" based on mere surmises and conjuncture and on flawed "basis of connection". We reiterate and submit all that is stated at para no 21 to 33 above.*

Further to the above, we draw your kind attention to the trade details provided in Table 8. We deny any relationship with these entities and further deny that our trades had matched with these entities with any prior meeting of mind or that we were aware of any counterparties to our trades. A comparative analysis of our trades vis a vis collective trades of these 16 entities are as under:

Particulars	All Trades		LTP diff > 0		LTP difference < 0		LTP Difference = 0	
	Qty Traded	Nos. of Trades	Qty Traded	Nos. of Trades	Qty Traded	Nos. of Trades	Qty Traded	Nos. of Trades
Trades of 16 Buyers (A)	26941882	43468	1183458	1420	339701	414	25418723	41634
Our alleged Trades that matched with these entities (B)	6,54,724	1,486	58,670	122	166	2	5,95,888	1,362
% of our trades and volume to the trades of the alleged counterparties	2.43%	3.42%	4.95%	8.59%	0.05%	0.48%	2.34%	3.27%

Note: The LTP difference has been taken as alleged by SEBI without prejudice to all that has been stated at para 14 to 15 above.

From the Table, it is apparent that:

u. *All our trades did not match with the alleged 16 counterparties.*

v. *The alleged 16 buyers had traded for almost 44.60% of the market volume during Patch 2 and their trades were almost 50.95% of all the trades during Patch 2.*

w. *The very fact that these 16 combined entities had substantial trading interest in the script of "Radford", it was only natural that some part of our trades matched with these entities in the ordinary course.*

x. *The trades above LTP by these 16 entities are almost 20 times of our trades above LTP, which allegedly matched with them. Thus trades of several other entities have matched with these 16 entities at prices above the LTP, for which SEBI has not drawn any adverse inference against such other entities.*

y. *It is therefore inferred that these entities have carried on their trades in the ordinary course and our trades have matched with these entities in the ordinary course.*

z. *These 16 entities have collectively sold 44,54,119 shares in 3389 trades during Patch 2. None of these trades had matched with us. The same support our contention that we have traded independently of these entities and all our trades were in the ordinary course and our trades that matched with the alleged 16 entities had matched in the ordinary course in the anonymous order matching system of the exchanges.*

It has been alleged that the 16 buyers had an impact of Rs. 116/- to the positive LTP in aggregate. Assuming without admitting the allegation against the alleged entities to be true, it has been alleged that 8 entities on the sell side have impacted LTP by Rs. 23.25 in consonance with the alleged 16 buyer entities. Then why is it that by the same yardstick the remaining entities who have contributed to the LTP impact of Rs. 92.75 not been alleged to be in violation of SEBI PFUTP Regulation? The same proves that data has been selectively used to somehow or the other includes us in the list of "Group Entities".

The very fact that the alleged 16 buyers have impacted the positive LTP by Rs. 116.00 shows that these buyers were buying substantial quantity from the market at higher prices that the LTP for reasons best known to them and that some part *of our trades in the ordinary course were picked up by them in keeping with their buy strategy. Nothing adverse should be read into such matching in the ordinary course.*

Further to all that have been stated above, we submit that only selective trades that were executed at price higher than the LTP is not conclusive to establish the charge of price manipulation as alleged in the SCNs. In this regard, we draw your kind attention to the observations of the Hon'ble SAT in its order dated February 25, 2010 in the matter of Vikas Ganeshmal Bengani Vs. SEBI:-

"Merely because an investor placed orders in the scrip at a price higher than LTP does not by itself lead to the conclusion that he was manipulating the scrip. May be the person was desperate to purchase the shares in order to meet his market obligations. Action of purchasing share at a price higher than LTP is only indicative of the desire of the purchaser to buy the shares for whatsoever reasons."

<u>Para 6.3:</u> *It has been alleged that "16 Group entities contributed Rs.75.85 to net LTP and Rs. 116 of positive LTP in 1420 trades for 11,83,458 shares. Further analysis of these 1,420 trades revealed that in 379 trades for 2,24,612 shares, the counterparties were Group entities. Trading amongst the alleged Group entities (we being one of them) contributed Rs. 23.35 to the positive LTP which is 7.77% of the total market positive LTP." On perusal of Table 9, it has been alleged that out of our trades that matched with the alleged "connected group entities", 58,670 shares contributed a sum of Rs. 6.15 to the LTP increase. We deny that we are a part of the "group entities" and that the "basis of connection" based on which the grouping is done is erroneous and faulty. We reiterate and submit all that is stated at para no 21 to 33 above. Thus no case is made out against us to allege us as "Group entities". In so far as we are concerned, trades of unrelated entities have been grouped together with our trades, so as to draw adverse inference against us. We further reiterate that erroneous allegation has been leveled against us based on erroneous observation.* ***<u>The LTP impact in Table 9 are worked out based on trade order data of the purchasers</u>****. We cannot be saddled with the burden of others.*

We humbly submit that we have traded in an opaque screen, wherein we do not get to choose our counterparty clients or brokers. Our trades have matched with our counterparties in the ordinary course in the anonymous order matching system of the exchange. We draw your kind attention to para 14, wherein details of our orders has been provided. From the same it would be apparent that we have *placed most of our orders at or below the LTP at the time of our order placements. Our sell orders have matched with various counterparties at various point of time. As is apparent from the data provided in Annexure II to the SCN, all our trades have matched with the counterparties at our ordered prices. In between two trades if some trades are executed at a price below our ordered prices and thereafter some trades matches with our pending orders at our ordered price, no adverse inference should be drawn against us. There is no allegation that our trades are synchronized.*

Further it is almost impossible to know the identity of the parties in a screen-based transaction. The position has been accepted and affirmed by SEBI before the Joint Parliamentary Committee (JPC) on Stock Market Scam and matters relating thereto, 2001, which tabled its Report in the Parliament in December, 2002.In the report it has, inter alia, been stated:

"SEBI has also confirmed that in the screen based trading that is prevalent in the stock exchange now, the buyer or the broker will not be aware of the identity of the seller or the broker."

Our orders are vital in determining our intention. Since none of our orders have been at the highest prices for the day and the fact that none of our orders are alleged to be first trades, it cannot be alleged that we have raised the LTP. If a buyer wants to buy shares from available sellers at that point of time and places an order at a price above LTP (at that point of time), nothing can be alleged against the sellers. Generalized observation has been made with regards to our sales completely ignoring the fact that in the anonymous screen based order matching system of the exchanges, trades of a buyer matches with those of the seller when their prices matches. It is only then that trades are executed. If a buyer wants to buy shares, he will definitely have to buy the same from the sellers available in the anonymous screen at a price demanded by them.

All our trades have resulted in delivery. It is not an allegation in the SCN that our trades are synchronized or structured. The very facts demonstrate that bonafide of our order placements and our trades.

All our orders were placed, in keeping with the market depth and prevailing prices and with a rationale to maximize our gains. We had not placed any orders with a view to increase the price of Radford. We place on records the details of our orders in respects the alleged trades for 58,670 shares as detailed in Schedule 1. It is apparent that the alleged trades above LTP both in no. of trades and quantity were *very insignificant, in comparison to the trades and volume on BSE, to either affect the volume or the prices of the script of "Radford". We have placed all our alleged orders at prices prevailing at the time of our order placements. The alleged orders have been picked by the alleged buyers after substantial time gaps. The rationale for buying the shares at above LTP is to be provided by the buyer, and not us. It is humbly submitted that adverse inference has been drawn against us based solely on erroneously inference of connection and on erroneous observation with respect to our alleged trades above LTP as detailed in para 15 above and Schedule 1*

Noticee quoted observations of Hon'ble SAT in the matter of **Bang Entities vs. SEBI (2003).**

Further to the above, and without prejudice to what has been stated above, we would like to draw your kind attention to the following table:

Particulars (A)	***Qty traded during Patch 2***	***% of qty sold by us to the Total Traded Qty***	***% of qty sold by us to the our traded qty.***
Qty traded during Patch 2	*6,03,97,726*		
Our Total Trades during Patch	*10,00,000*	*1.66%*	
Our Trades above LTP	*71,380*	*0.12%*	*7.14%*
Our Trades below LTP	*216*	*-*	*0.02%*
Our Trades at LTP	*9,28,404*	*1.53%*	*92.84%*
Trades impugned in the SCN	*58,670*	*0.09%*	*5.87%*

Note: The LTP difference has been taken as alleged by SEBI without prejudice to all that has been stated at para 14 to 15 above.

From the Table above, the following facts are apparent:

a. *Our Trades Quantity above LTP was a miniscule 0.12% of all the trades during the period.*
b. *Our Trades Quantity above LTP was a paltry 7.14% of our trades during the Patch.*
c. *Our Trades Quantity at or below LTP were almost 13.01 time our trades above LTP*
d. *A substantial majority of our trades' i.e 92.86% were at or below LTP.*
e. *Assuming without admitting, that we have acted along with others to increase the price of the script, we would also have traded in a manner such that our trades above the LTP would be significant part to our overall trade.*

We also draw your kind attention to the observation on Hon'ble WTM in order dated 15/12/2012 bearing reference no. WTM/RKA/IVD/ID-4/56/2012 in the matter of Temptation Foods Limited, Confidence Petroleum India Limited, Cals Refineries Limited and Shree Precoated Steels Limited (now known as Ajmera Realty & Infra India Limited)

Para37: I find from Annexure to the SCN that the total trades executed by Beejay and Mr. Sudhir Jain in the scrip of 'Temptation' at the price higher than LTP are less than the total trades executed by them at price lower than LTP and at the LTP. For instance, during the period March 17, 2008 to June 17, 2008, I note that Beejay and Mr. Sudhir Jain had traded for 2,98,384 shares in 851 trades which were executed at LTP or at price lower than LTP as compared to 1,01,306 shares in 291 trades at price higher than LTP. From these facts, I find that Beejay and Mr. Sudhir Jain placed more shares and orders at LTP or at price lower than LTP, than at price higher than LTP. Hence, the charge of price manipulation does not stand established. I, therefore, find that with regard to the allegation of manipulation of price in the scrip of Temptation' under regulations 4(2) (b) and (e) of PFUTP, as observed above, there is no substantial evidence in the SCN to establish the alleged violation

We humbly submit that in the fact of our case also our trades at LTP or below LTP are 9,28,620 shares in 1,535 trades as compared to 122 trades above LTP for 58,670 shares alleged in the SCN.

Noticee cited observations of Hon'ble SAT in its order dated 29/07/2011 in the matter of Narendra Ganatra vs. SEBI and Jagruti Securities Limited vs. SEBI

Based on the above, it is apparent that we have traded in the normal course, devoid of any manipulative intent, and as a rational investor. ***<u>That our selling could only have depressed the prices and not increase them</u>****. Our miniscule trades above the LTP were with a view to maximize our sell consideration. Adverse inference has been drawn against us, by clubbing our trades with several unconnected entities, based on erroneous inference of connection and allegation has been leveled against us based on trade orders above LTP of buyers.*

<u>Para 6.4</u>*: With regards to the pictorial presentation of connection we submit as under:*

aa. *We have been alleged to be connected to M/s. Esquire Enclave Pvt. Ltd, based on the alleged fund transfer between our trustee and M/s Esquire.*

bb. We have been alleged to be connected to various entities based on the alleged funds transfer between Esquire and Apex Commotrade.

cc. It is denied that we are related to M/s. Esquire for the purpose of our Investment and Capital market activities. The funds transfer between Esquire and our trustee and between Esquire & M/s. Jupiter were in the ordinary course as already explained in para 22 to 24 above.

dd. Esquire is not even a "noticee" in the present SCN and secondly SEBI after investigation ***did not find any adverse evidence/adverse findings in respect of violation of provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (PFUTP Regulations)*** *against them. Therefore, drawing adverse inference against us based on our alleged relationship with Esquire is farfetched. Commercial relationship is unduly stretched in order to somehow bunch us with other entities.*

ee. Hon'ble WTM has revoked directions against Esquire after taking SEBI investigation into consideration. Therefore, to allege that we have fraudulently traded in "Radford" based on our alleged relationship with M/s. Esquire and linking us to several others based on the alleged fund transfer between Esquire & Apex is erroneous and flawed.

ff. We submit that Esquire is an independent entity, not under our ownership and control. The funds transfer between Esquire and Apex are of no concern to us. The same were not on our advice or behest. There is absolutely nothing on records to link the alleged funds transfer between Esquire and Apex with our trades in "Radford". We cannot be alleged to be connected to any entity for violation of PFUTP Regulation based on banking transaction between two entities which have no bearing to our alleged trades in "Radford". It thus appears that erroneous inference of connection has been drawn against us based on surmises and conjunctures and stretched relationship to somehow pin us down.

gg. It is denied that we have indulged in manipulating in the scrip of 'Radford". It is further denied that we have sold any shares of 'Radford" to increase the price of the script. We have sold the shares to lock our gains and maximize our profit. Assuming without admitting, SEBI's allegation to be true, the very fact that 94.13% of our trades are genuine and bonafide demolish SEBI allegations. If we had intended to trade with a view to increase the LTP and *thereby the price of the script, a majority of our trades and orders would have been above LTP.*

Para 6.5: *It is humbly submitted that the grouping of entities is erroneous and misleading and that we have erroneously been clubbed / lumped with others. Unrelated and unconnected entities have been grouped together based on mere surmise and conjectures to draw adverse inference without any basis. It appears that commercial transactions between unrelated entities have been used as a alibi to allege connection. Commercial transactions between two entities, with whom we are not related or connected, have been unduly stretched in order to somehow bunch us with these entities. Trades of several unconnected entities have been grouped together with ours, so as to draw adverse inference against us. It is submitted that we have independently carried out transactions in the scrip of "Radford" on the anonymous order matching mechanism of the exchange. The transactions carried out by us were genuine and without any fraudulent intent.*

Our selling was confined to the period 24/06/2013 to 01/07/2013. During the period of our selling the price of "Radford" decreased from Rs.78.70 to Rs.78.55. Thus, during the period of our trade the price of "Radford" has decreased and not increased. The same proves our point that selling as a general rule dampens the prices.

Even assuming without admitting the allegation to be true, it has been stated that the alleged trades of the 16 buyers and 8 sellers have contributed 7.77% of market positive LTP increase and thereby contributed to the price rise. In this regards it is humbly submitted that SEBI has not been able to find the others entities who had contributed to 92.23% of the market positive LTP increase or is it that such trades were in the ordinary course?

All our trades were on the anonymous order matching system of the exchange. All our trades have resulted in delivery and there has been change in beneficial ownership. None of our trades are alleged to be synchronized, structured or reversal trades. Thus, all our trades are genuine and bonafide and the allegation that our trades resulted in false and misleading appearance of trading fails.

Para 6.6*: We submit that we were preferential allottee in "Radford". Our rationale for subscribing to "Radford" has been discussed in para 8(c) above. We further submit that we had filed a written submission before the Hon'ble WTM on 11/5/2015 in response to the ex-parte d interim order ref. no WTM/RKA/ISD/161/2014 dated 19/12/2014. The same may kindly be taken on* *record. We submit that vide Hon'ble WTM order dated 20/09/2017 direction issued in the ad interim ex parte order date 19/12/2014 against several preferential allottee were revoked. Thus, there are no adverse inference against the preferential issue and allotment per se. Thus, no adverse inference is to be drawn against us based on the fact that we are a preferential allottee.*

We draw your kind attention to Table 10 annexed to the SCN, wherein the "details of the shares sold by various preferential allottees" has been provided. From the same it is apparent that other preferential allottees have sold the shares during Patch 2 at similar price points and they have also traded in similar manner, but no adverse inferences have been drawn against them. On days that we have sold shares, other preferential allottees have also sold shares. The sell trades of such other preferential allottee are considered to be genuine and bonafide. We have also traded likewise and in ordinary course, but we have been singled out, for reasons best known to SEBI.

Further to the above, the trades of other preferential allottees have also matched with the alleged "group entities" but no adverse inference has been drawn against such sell trades of other preferential allottees or the buy trades of the alleged "group entities". We have been singled out by SEBI for reasons best known to SEBI.

We deny that we have indulged in price manipulation and humbly submit that there has been no increase in price of the script subsequent to our selling. On the contrary the price of the script has fallen pursuant to our selling. The allegations against us are based on erroneous inference of connection and clubbing a very small part of our trades with several unconnected entities do draw adverse inference against us.

It is submitted that, we have traded in the ordinary course in the anonymous order matching system of the exchanges at prevailing market prices. We have placed our orders at prevailing prices and with a view to maximize our gains. We had placed our orders like a prudent investor. None of our orders were at the highest prices for the day, or were the first trades. None of our trades are alleged to be synchronized, reversal or structured trades. Our alleged trades have matched with the counterparties after substantial time gap. We have traded prudently and have sold our shares at the prevailing prices.

The allegation against us that "we have indulged in price manipulation and benefitted by selling our shares at substantially higher prices" is based on mere *surmises and conjunctures. We have sold shares when in our opinion; the prices of "Radford" had overrun its fundamental. We had sold shares at prevailing prices. Assuming, without admitting, SEBI's allegation to be true, a very miniscule part of our trades for 58,670 shares are alleged to be in violation of SEBI PFUTP Regulation and it has been alleged that they have resulted in LTP increase of Rs. 6.15. The allegations are based on surmises and conjunctures and on erroneous inference of connection.*

If trades above the LTP is taken as a criterion to allege that we have benefitted by the alleged price manipulations, we draw your kind attention to the trades of the following other preferential allottees, who have traded likewise:

Sl. No	***Name of the preferential allottee.***	***LTP>0***	***Qty***	***No. of Trades***
1.	*Shri. Brij Bhushan Singal*	*Rs.4.65*	*1,48,643*	*67*
2.	*Shri. Neeraj Singal*	*Rs.4.40*	*1,02,056*	*47*
3.	*Smt. Ritu Singal*	*Rs.3.90*	*1,31,034*	*49*
4.	*Shri Naresh Nareshchand Shah*	*Rs.2.70*	*31,903*	*29*
5.	*Shri. Surendra Jiwrajka*	*Rs.2.25*	*1,08,713*	*23*
6.	*Shri Dilip Jiwrajka*	*Rs.1.15*	*93,998*	*20*
7.	*Shri Ashok Jiwrajka*	*Rs.3.10*	*61,381*	*30*
8.	*Shri Bimal Desai*	*Rs.2.25*	*30,705*	*25*
9.	*Mr. G.S. Anith Kumar*	*Rs.2.40*	*55,648*	*30*
10	*Mr. G.M.Lingaraju*	*Rs.11.70*	*1,51,698*	*67*
11.	*Mr. G. M. Prasannakumar*	*Rs.5.15*	*92,702*	*35*

Based on the Table above, it is very apparent that all sellers try to sell dear by maximizing their selling price. This is normal human behavior and prudent investment decision. Trying to sell shares at a better valuation then prevailing market price is a rational investing decision. No adverse inference is to be drawn from such investment decision. Likewise, we have tried to sell our shares at best possible prices.

The allegation against us and the conclusion drawn against us are ill founded, based on surmises and conjunctures and on erroneous inference of connection & erroneously drawing adverse inference against us based on orders above LTP of buyers completely ignoring the LTP at the time of our orders and our order prices. The very fact that many preferential allottees had sold shares during patch 2 at similar prices and have made similar gains and part of their trades have also matched with the alleged "group entities", but no adverse inference has been drawn against these allottees, clearly demonstrate that the trades of the alleged "group entities" and the preferential allottee were genuine and bonafide. Likewise, *all our trades were genuine, in the ordinary course, independent and without any manipulative intent. All our trades were at prevailing market prices, all our trades resulted in delivery. The allegation that we have increased the prices of Radford by trading above LTP are not based on the orders placed by us, but erroneously based on orders placed by buyers for which we are not accountable or responsible.*

***Para 6.7**: The content of the para do not relates to us.*

***Para 6.8:** It is humbly submitted that we have traded in an opaque, anonymous order matching system of the exchange, wherein we do not get to know the counterparty client or brokers to our trades. Our trades that had matched with the alleged 16 counterparties were in the ordinary course and not by design or meeting of minds. It is further submitted that our trades have been clubbed with several other unrelated entities, so as to draw adverse inference against us. We deny any knowledge of the trades of any other entities, apart from the entities related to us. Unrelated entities have been grouped together based on surmises and conjunctures and allegations levied based on erroneous basis of connection. The allegation against us are ill founded, contrary to facts on records and based on surmises and conjunctures.*

It is denied that we traded with a manipulative intent to increase the price of "Radford". It is denied that our alleged trades are in violation of Section 12(a), (b) and (c) of SEBI Act, 1992 r/w Regulation 3(a) ,(b), (c) & (d) and Regulation 4(1), 4(2) (a), & (e) of the SEBI (PFUTP) Regulations, 2003

It is humbly submitted that the transactions based on which allegation has been leveled against us were in the normal course, devoid of manipulative intent and executed in good faith and in accordance with the rules/regulations framed by SEBI/ Stock Exchange. Erroneous inferences have been drawn against us based on orders above LTP by the buyers.

With regard to the violation of Regulation 3 of PFUTP Regulation 2003, it is strongly contended that:

a. *We have not indulged in buying, selling or dealing in securities in fraudulent manner directly or indirectly in any scrip;*
b. *We have not used or employed, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;*

c. *We have not employed 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. *We have not engaged in any act, practice, and course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.*

With regard to the violation of Regulation 4(1), 4(2) (a), and (e) of the PFUTP Regulations, 2003 it is submitted as under:

a. *With regard to the allegation of violation of Regulation 4(1) of PFUTP Regulations, we strongly deny that we had indulged into any kind of fraudulent and unfair trade practices in the scrip. The "SCN" fails to show any evidence which shows that we have indulged into such practices. The charge of fraudulent and unfair trade practices remains un-established in the "SCN" in the absence of any details as to how the trades executed by us were fraudulent and non-genuine.*

b. *As far as the violation of Regulation 4(2)(a) is concerned it is submitted that we have not indulged in any act so as to create a false or misleading appearance of trading in the securities market. We have just sold shares during Patch 2 when the price of the script overran it's fundamental. Our alleged trades were just 0.09% of the market volume during the Investigation Period. The same were very insignificant to either affect the volume or the price in the script. We have not made repeated buying or selling or carried out any synchronized or circular trade to allege that we have indulged in any act so as to create a false or misleading appearance of trading in the securities market. In the "SCN" unrelated and unconnected entities have been clubbed together based on erroneous inference and flawed rational. It is submitted that we have traded independently, in the anonymous order matching system of the exchange and in the ordinary course. We always execute genuine trades by placing genuine orders and executing the same.*

c. *With regard to violation of Regulation 4(2)(e) is concerned it is submitted that all our trades were in the ordinary course of business, independent and with a profit making objective. In respect of the alleged trades, we reiterate & resubmit all that has been stated at para 11 to 19. Based on the same, it is* *apparent that we have placed our sell orders at prevailing market prices and it were the buyers who had bought shares at prices above their LTP. Our selling was confined to the period 24/06/2013 to 01/07/2013. During the period of our selling the price of "Radford" decreased from Rs.78.70 to Rs. 78.55. Thus, during the period of our trade the price of "Radford" has decreased and not increased. The same proves our point that selling as a general rule dampens the prices.*

With regard to the violation of Section 12A(a),(b),(c) of SEBI Act,1992 it is strongly contended that:

- *We have never used or employed, 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. We have followed accordingly all the laws and bye laws of SEBI and the Exchange.*
- *We have never employed 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. All our trades were executed keeping in view our own possible interests as a genuine investor depending on the prevailing situations like that of the market depth and demand of the shares.*
- *We have never engaged our self 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. All our trades were done in regular course of business free from any motive of defrauding or appropriating others.*

Not only that, the allegations of fraudulent and unfair trade practices are unsubstantiated and unfounded because they need proper reasoning and evidence which SEBI has miserably failed. Allegations have been levied against us based merely on surmises and conjunctures, on erroneous inference of connection & erroneous analysis of date.

Noticee cited observations of Hon'ble SAT in the matter of Vintel Securities Pvt. Ltd V. SEBI, Sterlite Industries Limited vs SEBI (2001)34 SCL 485(SAT-Mumbai) and of Hon'ble Supreme Court in the matter of An Advocate v. Bar Council of India, 1989 Supp(2) SCC 25, Varanasaya Sanskrit Vishwa Vidyalaya & Anr. vs. Dr. Rajkishore Tripathi and Anr, (AIR 1977 SC 615).

Thus, a clear charge should be established to prosecute us under the harsh orders of PFUTP Regulations, 2003, without which it is highly erroneous on part of SEBI to institute baseless allegations of fraud and unfair trade practices.

As can be analyzed from our above submission, we had not carried out any trade in violation to the applicable Act, Rule & Regulation. The very basis of issuing SCN is flawed and erroneous. We have been clubbed as "group entities" based on a erroneous inference of connection. In view of the aforesaid submission it is submitted that there is not even a prima facie case made against us to warrant any action against us by SEBI.

In these compelling circumstances, in so far as we are concerned, the charges are based on surmises and conjectures and on the wild allegation that our trading had an adverse impact on securities market. To make any one liable for any act of commission or omission to visit adverse consequence, there should be adequate justification and in the absence thereof any punishment meted to him will be unsustainable. It is submitted that our trades have been clubbed with various other entities, without any reason or justification and on flawed inference of connection. It is submitted that we have not indulged in any manipulative activities directly or indirectly and have not violated the provisions of law as alleged. Further the 'SCN' is based on surmises and conjectures and is contrary to the facts and material available on record.

***Para 7.1 to 7.7**: The content of the para does not relate to us.*

***Para 8.1:** While no case has been made out against me in the "SCN" and based on the fact that we have not carried out any fraudulent or manipulative trade, in the script of "Radford", there is no cause for imposing any penalties on us. We would further like to draw your kind attention to Sec 15J of the SEBI Act, 1992 which deals with the factors to be taken into account while imposing penalties. In this regards we submit that:*

a. *We have not made any disproportionate gain or derived any unfair advantage vide our trading in "Radford", neither the same has been quantified in the "Notice"*
b. *No loss has been caused to an investor or a group of investor as a result of the alleged trades above LTP.*

c. *The alleged irregularities have not been repetitive and are one off instances, as can be analysed from our submission.*

We would like to place on records the facts that we have already suffered total debarment of more than 4 years pursuant to the ex-parte ad interim order u/s 11(1), 11(4) and 11B of the SEBI Act, 1992 passed by the Hon'ble WTM on 19/12/2014 and the restraining direction against us are still continuing.

The direction "restraining us from accessing the securities market and buying, selling or dealing in securities either directly or indirectly" is gross, harsh, disproportionate and excessive in the facts of the instant case. It is reiterated that we have not derived any unfair gain or pecuniary advantage from transactions carried out by us in the normal course. We are already facing prohibition since last 4 years for no apparent fault of ours. The present SCN is also based on surmises and conjunctures & on erroneous observation of relationship and trade data, as our reply had demonstrated. We therefore humbly pray that the present SCN be withdrawn, so far as it relates to us.

Vide letter dated January 09, 2020, Noticee was granted personal hearing on January 21, 2020. The aforesaid hearing notice could not be delivered via SPAD. Further, vide letter dated January 31, 2020, Noticee was granted personal hearing on February 14, 2020. The aforesaid hearing notice was delivered via hand delivery. Vide email dated February 11, 2020, Noticee/Authorized Representative (AR) intimated alternate address for communication. Vide email dated February 11, 2020, copy of the letters dated January 31, 2020 were provided to the Noticees/AR. Vide email dated February 14, 2020, Noticee/AR again submitted a copy of the reply dated April 18, 2019 in the matter. Vide email dated February 19, 2020, Noticees/ AR confirmed their presence for hearing scheduled on February 20, 2020. The personal hearing for the Noticee was conducted on February 20, 2020, and the hearing minutes are on record. Vide email dated February 28, 2020, Noticees/ AR made additional submissions in the matter. Extracts of the same are as follows:

<u>Allegations levied against us based on erroneous analysis of trade data enclosed as Annexure II to the SCN:</u>

It is humbly submitted that allegations have been levelled against us for trading above LTP based on erroneous analysis of data by SEBI. ***<u>Trade data of the</u>***

buyers have been used to allege that we have traded above LTP *and allegation levied against us that we (along with 3 other entities) have contributed a sum of Rs.23.35 to the positive LTP during the investigation period. In this regards we humbly place on records details of our alleged orders (refer to our reply to the SCN). From the same it would be apparent that* ***even in respect of orders placed by us at or below LTP, allegations has been levelled against us that we have contributed to the positive LTP****. Some illustrative cases are highlighted below:*

a. *Nishit Agarwal Beneficiary Trust:*

Date of trade	*Order Nos.*	*Our Sell Order Price*	*LTP at our Order Time as per Annexure II to SCN*	*Impact on LTP based on our order*	*Allegation of LTP increase in respect of such orders*
25/06/2013	*13000111037959*	*78.55*	*78.55*	***0.00***	*+0.45*
25/06/2013	*13000111066167*	*78.55*	*78.55*	***0.00***	*+0.40*
25/06/2013	*13000111101077*	*78.55*	*78.55*	***0.00***	*+0.60*
27/06/2013	*14000146028464*	*78.50*	*78.50*	***0.00***	*+0.05*
24/06/2013	*14000148028732*	*78.65*	*78.70*	***-0.05***	*+0.05*
24/06/2013	*14000148123729*	*78.65*	*78.70*	***-0.05***	*+1.90*
25/06/2013	*19000148544445*	*78.55*	*78.55*	***0.00***	*+0.40*
25/06/2013	*19000148558546*	*78.55*	*78.55*	***0.00***	*+0.20*
26/06/2013	*22000106044789*	*78.55*	*78.55*	***0.00***	*+0.05*
28/06/2013	*21000072115795*	*78.50*	*78.55*	***-0.05***	*+0.90*

b. *Pinky Agarwal:*

Date of trade	*Order Nos.*	*Our Sell Order Price*	*LTP at our Order Time as per Annexure II to SCN*	*Impact on LTP based on our order*	*Allegation of LTP increase in respect of such orders*
16/05/2013	*18000131230959*	*85.00*	*85.00*	***0.00***	*+0.25*
21/05/2013	*11000086251616*	*85.30*	*85.30*	***0.00***	*+0.10*
11/06/2013	*23000094225881*	*83.85*	*83.85*	***0.00***	*+0.15*
17/06/2013	*22000106346604*	*80.00*	*80.05*	***-0.05***	*+0.70*
17/06/2013	*22000106353295*	*80.00*	*80.00*	***0.00***	*+1.30*
18/06/2013	*16000081048888*	*79.85*	*79.85*	***0.00***	*+0.25*
18/06/2013	*16000081100030*	*79.85*	*79.85*	***0.00***	*+0.40*
18/06/2013	*16000081246514*	*79.85*	*79.85*	***0.00***	*+0.35*
21/06/2013	*14000122257853*	*78.75*	*78.75*	***0.00***	*+0.20*

c. *Pratik Agarwal Beneficiary Trust:*

Date of trade	*Order Nos.*	*Our Sell Order Price*	*LTP at our Order Time as per Annexure II to SCN*	*Impact on LTP based on our order*	*Allegation of LTP increase in respect of such orders*

18/06/2013	*20000880081850*	*Rs. 79.85*	*Rs. 80.10*	***-0.25***	*+0.75*
19/06/2013	*13000108185218*	*Rs. 79.55*	*Rs. 79.60*	***-0.05***	*+0.30*
19/06/2013	*14000142024473*	*Rs. 79.55*	*Rs. 79.60*	***-0.05***	*+0.35*
24/06/2013	*14000148077660*	*Rs.78.65*	*Rs. 78.65*	***0.00***	*+0.50*

d. <u>Praveen Kumar Agarwal:</u>

Date of trade	***Order Nos.***	***Our Sell Order Price***	***LTP at our Order Time as per Annexure II to SCN***	***Impact on LTP based on our order***	***Allegation of LTP increase in respect of such orders***
01/07/2013	*14000177732944*	*78.55*	*78.50*	***+0.05***	*+0.20*
02/07/2013	*21000111034731*	*78.50*	*78.50*	***0.00***	*+1.20*
02/07/2013	*21000111084918*	*78.50*	*78.50*	***0.00***	*+0.80*
02/07/2013	*21000111103777*	*78.50*	*78.50*	***0.00***	*+0.05*
03/07/2013	*20000114055665*	*78.30*	*78.30*	***0.00***	*+0.70*
03/07/2013	*20000114070044*	*78.30*	*78.30*	***0.00***	*+0.80*

e. <u>Praveen Kumar Agarwal (HUF):</u>

Date of trade	***Order Nos.***	***Our Sell Order Price***	***LTP at our Order Time as per Annexure II to SCN***	***Impact on LTP based on our order***	***Allegation of LTP increase in respect of such orders***
23/05/2013	*12000139288992*	*85.05*	*85.05*	***0.00***	*+0.05*
30/05/2013	*11000096265791*	*84.95*	*85.10*	***-0.15***	*+0.05*
30/05/2013	*11000096278777*	*85.00*	*85.25*	***-0.25***	*+0.25*
17/06/2013	*22000106231471*	*80.00*	*80.00*	***0.00***	*+0.05*
17/06/2013	*22000106334502*	*80.00*	*80.10*	***-0.10***	*+0.80*

From the same it appears that erroneous analysis of data has been done to level allegation against us which are contrary to facts on records and the allegation based on such flawed analysis fails. Erroneous inference has been drawn against us based on such flawed analysis.

Further to the above, the Noticees humbly submit that, in respect of their trades in the Capital Market, it is only the order placed by them that is under their control. The matching of trades is done by the anonymous order matching system based on price time priority. From the Table above, it would be apparent that the Noticees have placed orders at or below the LTP prevailing at the time of their order placements. Their sell orders have matched with various counterparties at different point of time. As is apparent from the data provided in Annexure II to the SCN, all the orders have matched with the counterparties at the noticees's ordered prices. In between two trades if some trades are executed at a price below the Noticees's ordered prices and thereafter trades matches with Noticees's ordered price, and *that too after substantial time gap, no adverse inference should be drawn against the Noticees.*

<u>Noticees not part of alleged connected entities</u>

We vehemently deny that we are part of any group or connected to the alleged connected entities as stated in Para 6.1 of the SCN. The entire grouping, in so far as we are concerned, is erroneous and Noticees have unnecessarily and unjustifiably been lumped with other unrelated and unconnected entities.

We categorically submit, that we do not have any link/ connection /nexus with any of the alleged persons/entities who have dealt in the shares of RGL (as set out in the SCN) during the Patch 2 and we had no role to play in the trading done by them. Further, we do not have any financial transactions with them.

*In the SCN we have been connected to others based on fund transfers with M/s. Esquire Enclave Pvt. Ltd. (**'Esquire'**) – Refer Para 6.4 of SCN. In this context it be noted, as also stated in our earlier replies, that Praveen Kumar Agarwal along with his wife Pinky Agarwal are director of Jupiter Brokerage Services Ltd ('**Jupiter'**) along with Shri. Ajay Agarwal, since incorporation. 'Jupiter' has acknowledged that they have received a sum of Rs. 1.20 crores from Esquire as share application money. Jupiter has further stated that they have received Share Application from "Esquire' in the past also. Jupiter had allotted 34,600 Equity shares of Face Value of Rs. 10/- each on 31/03/2012 to Esquire. Esquire is just a minority shareholder of Jupiter holding just 3% of equity shares of Jupiter. It is further submitted that Esquire did not have any nominee director on the Board of Jupiter and had never participated in any decision making process of Jupiter. Further apart from the fact that Esquire is a minority shareholder of Jupiter, Jupiter is not aware of any dealing or transactions of Esquire with any third parties and neither are they concerned or accountable for the same. They are independent entities having separate ownership and control. Further Jupiter has confirmed that they did not have any nominee on the Board of Esquire. Apart from the aforesaid transaction with Esquire it may be pointed out that Praveen Kumar Agarwal had taken a loan of Rs. 2 lacs from Esquire on 21/9/2012 and the same was repaid to Esquire on 22/7/2013 (Bank accounts in support of the transactions are enclosed in the earlier reply).*

Based on the aforesaid fund transfers, which had taken place in a particular context and also much prior to the dates of the impugned trades, our trading in the *scrip of RGL during the Patch 2 cannot be tainted with manipulation and fraud. We reiterate that based on our said tenuous relationship with Esquire, no adverse inferences can be drawn against us. In any event based on the same, the alleged actions of Esquire or the entities allegedly connected with it, cannot be fastened on us. Specifically, in the absence of any material to show that we were controlling/influencing Esquire or the entities allegedly connected with it, in any manner. We categorically submit that we had no awareness of the source of funds of Esquire or the usage of funds by it and the same was of no concern to us also. Further we are also not aware about the various fund transfers between Esquire and others, and between other host of entities as set out in pictorial presentation at Para 6.4 of the SCN.*

Clearly, the normal business relationship with Esquire has been unduly stretched in order to somehow lump us with Esquire and the entities connected with it and attribute their actions/knowledge to us. The whole case of alleged price increase is hanging on this assumption of our being allegedly connected to other entities, which is totally flawed and contrary to factual position on record. SEBI has gone by theory of "guilt by association", and attached taint to trading done by usin the scrip of RGL, which is legally untenable and unsustainable.

Strangely, despite the fact that SEBI itself has withdrawn the directions qua Esquire (through which we are alleged to be part of the connected entities) vide its Order dated 20.09.17 and also qua various similarly placed entities who had traded in the scrip of RGL during the relevant period, but we have been unfairly proceeded against. Same is also legally untenable and unsustainable. Significantly, Esquire had also traded during the relevant period in the scrip. Same is also borne out by the Order dated 19/12/2014.

Allegations regarding trading with alleged connected entities

In so far as allegation that we had traded with alleged connected entities, it may be noted that we were trading in the ordinary course wherein we were selling the shares. While selling it was none of our concern as to who the buyers are. We had sold the shares on the screen based mechanism of the exchange. Admittedly, out of total of 45,64,875 shares sold by all the Noticees, allegations of trading with the alleged connected entities is qua 219,467 shares only (Refer Table-9 at Para- 6.3 of SCN). Same itself destroys the whole allegation. Our sale trades interacting with some of the alleged connected entities was by default and not by design. By *default, since the said 16 buyer entities-part of the alleged connected entities were trading heavily in the scrip and therefore, as sellers our trades had to match with the buyers in the market. We respectfully submit that if we were trading by design, then if not all, but substantial quantum of our trading would have been at above LTP with them only, which is not the case.*

It may be appreciated that while alleging trading with connected entities, no connection with the alleged connected entities have been shown, which is critical to the whole allegation. Counter parties to the trades of the Noticees, in the impugned trades are as follows:

Noticee	***Counter parties in the Impugned Trades***
Nishit Agarwal Beneficiary Trust	*SIGNET VINIMAY PRIVATE LIMITED, DEVAKANTHA TRADING PRIVATE LIMITED, SHELTER SALES AGENCY PVT. LTD ., UDBAL MERCANTILE PRIVATE LIMITED, AMRUSHA MERCANTILE PRIVATE LTD, RUNICHA MERCHANTS PRIVATE LIMITED,*
Pinky Agarwal	*SIGNET VINIMAY PRIVATE LIMITED, DEVAKANTHA TRADING PRIVATE LIMITED, SHELTER SALES AGENCY PVT. LTD , AMRUSHA MERCANTILE PRIVATE LTD, RUNICHA MERCHANTS PRIVATE LIMITED, AMIT SINGH, APEX COMMOTRADE PRIVATE LIMITED, WINALL VINIMAY PRIVATE LIMITED, SPICE MERCHANTS PRIVATE LIMITED.*
Pratik Agarwal Beneficiary Trust	*SIGNET VINIMAY PRIVATE LIMITED, DEVAKANTHA TRADING PRIVATE LIMITED, SHELTER SALES AGENCY PVT. LTD , AMRUSHA MERCANTILE PRIVATE LTD, RUNICHA MERCHANTS PRIVATE LIMITED, AMIT SINGH, APEX COMMOTRADE PRIVATE LIMITED, WINALL VINIMAY PRIVATE LIMITED,*
Praveen Kumar Agarwal	*AMRUSHA MERCANTILE PRIVATE LTD, DEVAKANTHA TRADING PRIVATE LIMITED, SHELTER SALES AGENCY PVT. LTD., APEX COMMOTRADE PRIVATE LIMITED,*
Praveen Kumar Agarwal-HUF	*UDBAL MERCANTILE PRIVATE LIMITED, SHELTER SALES AGENCY PVT. LTD., SPICE MERCHANTS PRIVATE LIMITED, AMIT SINGH, DEVAKANTHA TRADING PRIVATE LIMITED, SANKLAP VINCOM P LTD, AMRUSHA MERCANTILE PRIVATE LTD, RUNICHA MERCHANTS PRIVATE LIMITED, APEX COMMOTRADE PRIVATE LIMITED, AVLOKAN DEALCOM PRIVATE LIMITED, WINALL VINIMAY PRIVATE LIMITED, SIGNET VINIMAY PRIVATE LIMITED*

A general sweeping allegation based on multiple-derivative connections cannot sustain legal scrutiny. While alleging trading with the alleged connected entities with a design to manipulate the price of the scrip upwards, no attempt has been made to show connection with each of the counter parties to the trades of the Noticees, which is fatal to the whole allegation.

It is reiterated that at the relevant time we were not aware of the counter parties to our trades. Admittedly, there is nothing on record to demonstrate any kind of connection or relation or concerted understanding with the alleged counter parties. Admittedly, there is no allegation of any synchronization of trades or execution of circular or reversal trades etc. Therefore, merely because some entities were our counter parties-who are alleged to be connected entities – no adverse inferences can be drawn against us.

Additionally, it may be noted that SEBI has cherry picked only those trades which were executed above LTP and wherein counter party to our transactions are any of the alleged 16 connected entities, in order to draw adverse inferences against us, which is legally untenable and unsustainable. Admittedly:

- *i. There are trades which we have executed above LTP, but SEBI has not found anything wrong with them, because (it appears) counter party to such trades are not any of the alleged connected group entities. Same only goes to show that we were trading in the ordinary course and while selling the shares at times the alleged connected entities were our counter parties and at times other persons / entities in the market were our counter parties.*
- *ii. There are 1420 trades which the alleged connected entities have executed above LTP (Refer Table 8 at Para 6.2 of SCN) out of which qua 379 (Refer Table 9 at para 6.3 of the SCN) trades adverse inference has been drawn since in some of them we were the counter parties. But SEBI has not found anything wrong with the remaining 1041 trades placed by alleged connected entities at above LTP, because (it appears) counter party to such trades are not any of the Noticees. Same only goes to show that alleged connected entities were trading in the ordinary course and while buying the shares at times the Noticees (who were sellers) were counter parties and at times other persons / entities in the market.*
- *iii. There are trades between the alleged connected entities and the Noticees which have been executed at LTP or below LTP, but SEBI has not found*

anything wrong with them, because trades are not above LTP. It may be appreciated that if the "manipulative intent" of the alleged connected entities and the Noticees were to increase the price of the scrip, there was no need for any of the trades of the alleged connected entities and the Noticees interacting at LTP or below LTP.

In light of the aforesaid, it is clear that the allegation of deliberately trading with the connected entities to increase the price is wholly misplaced and misconceived.

Allegations regarding increasing the price

In the SCN, it has been alleged that we have traded with alleged connected entities with a manipulative intent to increase the price of the scrip. The said allegation is totally belied by the data, which SEBI itself has brought on record. Same is evident from the following analysis of the data as contained in the SCN.

Without prejudice to all that has been stated at para 4 above, details of orders placed above, below and at LTP (based on trade data provided in Annexure 6 to the SCN) are as follows:

Nishit Agarwal Beneficiary Trust

	Qty	No of Trades	Price Impact (*)
Zero LTP	9,28,404	1,532	Nil
Negative LTP	216	3	-0.15
Positive LTP	71,380	128	+6.45
Total	10,00,000	1,663	+6.30

Pinky Agarwal

	Qty	No of Trades	Price Impact (*)
Zero LTP	949,971	1,508	Nil
Negative LTP	18,241	15	-1.25
Positive LTP	31,788	77	+5.00
Total	10,00,000	1,600	+3.75

Pratik Agarwal Beneficiary Trust

	Qty	No of Trades	Price Impact (*)
Zero LTP	964,078	1,245	Nil
Negative LTP	10,015	2	-0.50
Positive LTP	90,782	92	+5.35
Total	10,64,875	1,339	+4.85

Praveen Kumar Aggarwal

	Qty	No of Trades	Price Impact (*)

Zero LTP	*4,79,391*	*918*	*Nil*
Negative LTP	*-*	*-*	*-*
Positive LTP	*20,609*	*79*	*+3.95*
Total	*500,000*	*997*	*+3.95*

Praveen Kumar Agarwal-HUF

	Qty	***No of Trades***	***Price Impact (*)***
Zero LTP	*8,79,535*	*1,094*	*Nil*
Negative LTP	*50,500*	*40*	*-6.20*
Positive LTP	*69,965*	*70*	*+5.85*
Total	*10,00,000*	*1,204*	*-0.35*

(*) as alleged in the SCN and without prejudice to our observation on the same at para 4.

From the aforesaid it is clear that:

- *i. Total 42,01,379 shares have been traded (vide 6,297 number of trades) at LTP.*
- *ii. Total 78,972 shares have been traded (vide 60 number of trades) at below LTP.*
- *iii. Only 2,84,524 shares have been traded (vide 446 number of trades) at above LTP.*

Based on 376 trades involving mere 2,19,467 shares at above LTP, serious allegation of increasing the price has been levelled which is totally unjustified and unwarranted. We respectfully submit that, while levelling sweeping allegation of increasing the price, our total trading during the relevant period, when admittedly, substantial number of trades are at market price has not be viewed holistically. Further, it has not been appreciated that we were Sellers and as Sellers it is quite normal to expect a higher price for sales. Therefore, if the Seller places orders at prices above LTP same would be quite normal. Fraud or manipulation cannot be read into such behavior. On the contrary of a Seller starts placing orders at a price below LTP, same would be abnormal.

Significantly, it may be noted that, if a person wants to increase the price, definitely his majority trades will not be at market price or below the market price, as in the instant case. Our trading behavior is totally incompatible with the allegations of increasing the price. Further, we are not connected to the other connected entities. Admittedly, there is nothing on record to demonstrate any kind of connection or relation or concerted understanding with them and there is also no allegation of *any synchronization of trades or execution of circular or reversal trades etc. Therefore, lumping us with the said entities in order to draw adverse inferences by consolidating their trades and LTP, is totally unfair and unjustified.*

Thus our trading during Patch 2 was bonafide and above board and not with manipulative intent to increase the price of the scrip as alleged.

Additionally, we may point out that similarly placed preferential allottees who had also sold the shares during Patch 2 (at above LTP) have been let off and we have been singled out for and lumped with unconnected entities based on totally stretched connections with the counter parties.

Allegations regarding misleading appearance of trading

The allegation regarding creating misleading appearance of trading is totally unfounded and misplaced in the facts and circumstances of the case. Admittedly all our trades (which were sale transactions) were delivery based, as opposed to square off trading. Further there is no allegation that the trades were in the nature of synchronized/circular/ reversal trades. In the absence of any such allegation, the charge of creating misleading appearance of trading cannot survive and sustain.

It is reiterated that we had traded in the scrip of RGL during the Patch 2 in the ordinary course dehors sinister intent or design and our trading is not violative of any of the provisions SEBI PFUTP Regulations.

Case Laws

Noticee cited observations of the Hon'ble SAT in the matter of Smitaben N. Shah vs. SEBI (SAT Order dated 30.07.2010 Appeal No. 37 of 2010), Mr. Babubhai Desai vs SEBI (SAT Order dated 15.02.2016, Appeal No. 81 of 2014), HB Stockholdings Limited vs SEBI (SAT Order dated 27.08.2013 Appeal No. 114 of 2012) and **SPJ Stock Brokers Pvt Ltd v. SEBI** (Order dated September 4, 2013).

Fact that appellant had stated that while carrying out jobbing transactions some transactions carried out by appellant could have been matching, it cannot be inferred that trades effected by appellant were manipulated. In a screen based trading executed at stock exchanges, it is possible that some persons forming a group in connivance with each other may execute trades in a scrip with a view to create artificial volume in the scrip. ***However, if there is no direct or circumstantial evidence which is brought on record to suggest that appellant***

was connected to that group or connived with that group, it would not be proper to hold appellant to be guilty of violating PFUTP Regulations / Broker Regulations merely because trades between that group and appellant were found to be synchronized*."*

It is reiterated that the serious and grave allegations of indulging in fraudulent, manipulative and unfair trade practices as levelled in the SCN, are totally unfounded and unsubstantiated and completely contrary to factual position on record and based on erroneous analysis of our trade data. Further, the same are product of mere surmises and conjectures. Tenuous relationships have been absurdly and unduly stretched in order to connect us to other entities. Trading data has been analyzed following a blinkered approach, selectively analyzing the cherry picked trades, completely ignoring and overlooking the total trading carried out by us during the relevant period, in order to arrive at predetermined/ preconceived conclusions, which is legally untenable and unsustainable.

Hon'ble WTM vide order dated 29/08/2019 in the captioned matter.

We submit that based on investigations conducted by SEBI in the matter, three proceedings were initiated against us viz. (i) Proceedings under sec 11B by the Whole Time Member SEBI; (ii) Proceedings under section 15-I before the Adjudicating Officer; (iii) Proceedings under section 24 before the Criminal Court. All the three proceedings arose from single investigation and were based on identical facts and identical allegations.

In so far as section 11 B proceedings are concerned, the Whole Time Member has passed Order dated 29.8.19 exonerating us of all the allegations (which ware identical to the allegations in the current Adjudication Proceedings) and has inter alia recorded with regard to allegations as follows:

"87.As observed above, ***the violation of sections 12(a),(b) and (c) of the SEBI Act, 1992 read with regulations 3(a),(b),(c),(d) and 4(1), 4(2)(a) & (e) of SEBI (PFUTP) Regulations, 2003 have not been established in the present case on the basis of the facts and circumstances brought out in the SCN*** *as against 24 Noticees i.e. Amrusha Mercantile Pvt. Ltd, Devakantha Trading Pvt. Ltd, Udbal Mercantile Pvt. Ltd., Shelter Sales Agency Pvt. Ltd., Amit Singh, Runicha Merchants Pvt Ltd, Spice Merchants Pvt. Ltd., Apex Commotrade Pvt. Ltd., Winall Vinimay Pvt. Ltd., Signet Vinimay Pvt. Ltd. Sanklap Vincom Pvt. Ltd., Pyramid Trading & Finance Ltd., SKM Travels Pvt. Ltd., Vibgyor Financial Service Pvt. Ltd.,*

Bazigar Trading Pvt. Ltd., Avlokan Dealcom Pvt. Ltd. ***__Nishit Agarwal Beneficiary Trust, Praveen Kumar Agarwal HUF, Pinky Agarwal, Praveen Kumar Agarwal, Pratik Agarwal Beneficiary Trust__,*** *Dhanleela Investments & Trading Company Ltd., Pine Animation Ltd. and Daga Infocom Pvt. Ltd. In view thereof,* ***no directions need to be issued against*** *these 24 entities."*

A copy of the said order is annexed hereto as ***Annexure 1***

Further, in so far as section 24 proceedings are concerned, SEBI has in light of the Whole Time Members Order dated 29.8.19, withdrawn the criminal prosecution initiated against us. Copy of the Hon'ble Court Order dated 18.12.19 is annexed hereto as ***Annexure 2****.*

In the circumstances, we submit that, since the current adjudication proceedings are arising from the same investigation and are based on identical facts and allegations, and the Whole Time Member has already exonerated us , it would be in the interest of justice and fair play and also in order to avoid multiplicity of proceedings arising out of identical set of facts, the adjudication proceedings be also dropped against us.

__Adjudication Proceedings barred by principle of res judicata__

*The Noticees humbly submit that the present proceedings are barred by the principle of res judicata in as much as the allegations of the SCN against the Noticees in relation to the very facts have already been determined and dismissed by the Whole Time Member of SEBI ("WTM") vide order dated 29/08/2019. Hon'ble WTM has conclusively ruled in favour of the Noticees and observed that "****the violation of sections 12(a), (b) and (c) of the SEBI Act, 1992 read with regulations 3(a),(b),(c),(d) and 4(1), 4(2)(a) & (e) of SEBI (PFUTP) Regulations, 2003 __have not been established in the present case__ on the basis of the facts and circumstances brought out in the SCN.*** *Hon'ble WTM has arrived at the finding in respect of the same investigation involving identical facts and allegations. We understand that this ruling of the learned WTM has not been challenged and has therefore attained finality.*

In support of this submission the Noticees are relying upon the judgment of the Hon'ble Supreme Court in the case of Ishwar Dutt V. Land Acquisition Collector reported in AIR 2005 SC at page 3165 where it was held that:

"Issue estoppel may arise where a particular issue forming a necessary ingredient in a cause of action has been litigated and decided and in subsequent proceedings

between the same parties involving a different cause of action to which the same issue is relevant, one of the parties seeks to reopen that issue. Here also bar is complete to relitigation but its operation can be thwarted under certain circumstances.

Noticee cited observations of the Hon'ble Supreme Court in the matter of Dadu Dayalu Mahasabha Jaipur (Trust) v. Mahant Ram Niwas reported in AIR 2008 SC at page 2187 in this regard.

It is submitted that the above judgments make it clear that since the issues in relation to the issue of alleged violation of the provisions of Regulation 3(a), (b), (c), (d), and Regulation 4(1), 4(2)(a), & (e) of the SEBI (PFUTP) Regulations, 2003 & Section 12A (a), (b) & (c) of the SEBI Act based on identical facts have conclusively been decided by the Hon'ble WTM Order dated 29/08/2019, it is now not open for SEBI to re-agitate the same issues against the Noticees in the adjudication proceedings. It is apparent therefore that further continuance of the adjudication proceedings in the matter, in the circumstances would be against public policy and the same ought to be dropped.

<u>Judicial discipline also requires that Noticees be exonerated</u>

It is trite law that judicial discipline requires that the decision of a higher authority or a coordinate bench ought to be followed by another authority.

The orders passed by an adjudicating officer are subject to review by the SEBI (acting inter alia through one of its WTM) under Section 15I of the SEBI Act. Thus, the Ld. WTM has the ability and powers to review the orders of an adjudicating officer, making the office of a Ld. WTM higher than that of a Ld. Adjudicating officer within SEBI.

Therefore, the decision of the learned WTM (who is a higher authority within SEBI vis-à-vis Adjudicating Officer) exonerating us on identical facts and which has attained finality, ought to be followed, in consonance with the principle of judicial discipline, in the present proceedings.

The Hon'ble Supreme Court has in the case of Union of India and others v. Kamlakshi Finance Corporation Ltd. AIR 1992 SC 711 ruled that: "……... It cannot be too vehemently emphasised that it is of utmost importance that, in disposing of the quasi-judicial issues before them, revenue officers are bound by the decisions of the appellate authorities; The order of the Appellate Collector is binding on the Assistant Collectors working within his jurisdiction and the order of the Tribunal is binding upon the Assistant Collectors and the Appellate Collectors who function *under the jurisdiction of the Tribunal. The principles of judicial discipline require that the orders of the higher appellate authorities should be followed unreservedly by the subordinate authorities. The mere fact that the order of the appellate authority is not "acceptable" to the department - in itself an objectionable phrase - and is the subject matter of an appeal can furnish no ground for not following it unless its operation has been suspended by a competent court.…"*

Therefore, also it is submitted that the decision of the Hon'ble WTM Order ruling that there was no violation of provision of SEBI Act and PFUTP Regulations by the Noticees be respected and honoured by dropping the present proceedings following the well settled principles of judicial discipline.

4.2 <u>Pinky Agarwal</u>

The SCN was delivered to the Noticee vide SPAD as per the records. Vide email dated April 23, 2019, Noticee submitted reply to the SCN, which was along the same lines as that submitted by Nishit Agarwal Beneficiary Trust. Vide letter dated January 09, 2020, Noticee was granted opportunity of personal hearing on January 21, 2020. The aforesaid hearing notice could not be delivered via SPAD. Vide letter dated January 31, 2020, Noticee was granted another opportunity of personal hearing on February 14, 2020. The aforesaid hearing notice was delivered by hand delivery. Vide email dated February 11, 2020, Noticee/AR intimated alternate address for communication. Vide email dated February 11, 2020, copy of hearing notice and SCN was again provided to the Noticee/AR. Vide email dated February 14, 2020, Noticee/AR again submitted a copy of submission dated April 23, 2019 in the matter. Vide email dated February 19, 2020, Noticees/ AR confirmed their presence for hearing scheduled on February 20, 2020. Personal hearing in the matter was held on February 20, 2020, and the hearing minutes are on record. Vide email dated February 28, 2020, Noticee/AR made additional submission as regards the SCN, which was common to that submitted by Nishit Agarwal Beneficiary Trust.

4.3 <u>Pratik Agarwal Beneficiary Trust</u>

The SCN was delivered to the Noticee vide SPAD. Vide email dated April 23, 2019, Noticee submitted reply to the SCN, which was along same lines as submitted by Nishit Agarwal Beneficiary Trust. Vide letter dated January 09, 2020, Noticee was granted opportunity of personal hearing on January 23, 2020. The aforesaid hearing notice could not be delivered to the Noticee vide SPAD. Vide letter dated January 31, 2020, Noticee was granted opportunity of personal hearing on February 14, 2020. The aforesaid hearing notice was delivered to Noticee via hand delivery. Vide email dated February 11, 2020, Noticee/ AR intimated alternate address for communication. Vide email dated February 11, 2020, Noticee was provided copies of hearing notice dated January 31, 2020 and SCN in the matter. Vide email dated February 14, 2020, Noticee /AR submitted another copy of reply dated April 23, 2019. The personal hearing for the Noticee was held on February 20, 2020, and the hearing minutes are on record. Vide email dated February 28, 2020, Noticee/AR made additional submission in the matter as regards the SCN, which was common to that made by Nishit Agarwal Beneficiary Trust.

4.4 Praveen Kumar Agarwal

The SCN was delivered to the Noticee vide SPAD. Vide email dated April 27, 2019, Noticee submitted reply to the SCN, which was along same lines as submitted by Nishit Agarwal Beneficiary Trust. Vide hearing notice dated January 09, 2020, Noticee was granted opportunity of personal hearing on January 21, 2020. The aforesaid hearing notice could not be delivered via SPAD. Vide letter dated January 31, 2020, Noticee was granted another opportunity of personal hearing on February 14, 2020. The aforesaid hearing notice was delivered via hand delivery. Vide email dated February 11, 2020, Noticee intimated alternate address for communication. Vide email dated February 11, 2020, Noticee was provided another copy of the hearing notice dated January 31, 2020 and SCN in the matter. Vide email dated February 14, 2020, Noticee submitted another copy of submissions dated April 27, 2019 in the matter. The personal hearing for the Noticee was held on February 20, 2020, and the hearing minutes are on record. Vide email dated February 28, 2020, Noticee made additional submission in the matter, which was common to that made by Nishit Agarwal Beneficiary Trust.

4.5 Praveen Kumar Agarwal HUF

The SCN was delivered to the Noticee via SPAD. Vide email dated April 24, 2019, Noticee submitted reply to the SCN, which was along the same lines as Nishit Agarwal Beneficiary Trust. Vide letter dated January 09, 2020, Noticee was granted opportunity of personal hearing on January 21, 2020. The aforesaid hearing notice could not be delivered vide SPAD. Vide letter dated January 31, 2020, Noticee was granted opportunity of personal hearing on February 14, 2020. The aforesaid hearing notice was delivered via hand delivery. Vide email dated February 11, 2020, Noticee intimated alternate address for communication. Vide email dated February 11, 2020, Noticee was provided another copy of hearing notice and SCN in the matter. Vide email dated February 14, 2020, Noticee made further submissions as regards the SCN. The personal hearing for the Noticee was held on February 20, 2020. Vide email dated February 28, 2020, Noticee made further submissions as regards the SCN, which was common to that made by Nishit Agarwal beneficiary Trust.

4.6 <u>Apex Commotrade Pvt Ltd</u>

The SCN was delivered to the Noticee vide SPAD as per the records. Vide letter dated January 09, 2020 and email dated January 10, 2020, Noticee was granted opportunity of personal hearing on January 22, 2020. The aforesaid hearing notice was delivered via SPAD as per the records. Vide letter dated January 24, 2020 and email dated January 29, 2020, Noticee was granted another opportunity of personal hearing on February 10, 2020. The aforesaid hearing notice was delivered via SPAD as per the records. No reply was received from the Noticee as regards the SCN. Further, Noticee also did not avail of the opportunity of hearing.

4.7 <u>Bazigar Trading Pvt Ltd</u>

The SCN could not be delivered to the Noticee via SPAD and hand delivery/ affixture. Thereafter, copy of SCN was forwarded to the Noticee on alternate address along with letter dated May 30, 2019, which was duly delivered via SPAD. Vide letter dated July 06, 2019, Noticee submitted reply to the SCN. Extracts of the reply are as follows:

At the outset, we deny all the allegations levelled against us in the Notice. It is submitted that, we do not accept or admit anything stated in the Notice except where the same is expressly admitted in this reply. Nothing stated therein shall be deemed to be admitted by us merely on account of non-traverse and unless the same is specifically admitted by us herein. Our reply to the Notice is as follows.

It is denied that, we have violated Sections 12A(a), (b) and (c) of the SEBI Act read with Regulations 3 (a), (b), (c), (d), 4(1), 4(2)(a) and (e) of PFUTP Regulations as alleged.

The allegations in the Notice proceed on specious extraneous grounds disregarding the material circumstances. All the allegations are unsubstantiated, unjustified, unwarranted and contrary to the factual position on record. The findings smack of predetermined mind to penalize us under some pretext or the other, overlooking the obvious that defines the case.

<u>Preliminary Submissions</u>

Charges in the Notice are based on trading done by us in the scrip of Radford Global Limited ("RGL"/ "Company") during the period from February 27, 2012 to March 24, 2014 ("Investigation Period") wherein it has been alleged that we have indulged with a manipulative intent to increase the scrip price and hence violated the Sections 12(a), (b) and (c) of the SEBI Act read with Regulations 3(a),(b),(c),(d) and 4(1), 4(2)(a) and (e) of the PFUTP Regulations.

It is submitted that the allegations in the Notice, make no case for any proceedings against us. Charges in the Notice are based on the assumption that we are part of "Group Entities". There is nothing in the SCN to suggest that we had any role to play in the trading done by various entities/individuals in the scrip of Radford. It may be noted that we had purchased the shares of Radford by using our own fund. It is reiterated that no borrowings were made from the entities belonging to Radford or from their promoters. Further, post the sale of shares, the pay outs received were deployed by us for our own business and the same were not transferred to any other business or entity/entities including the entities belonging to Radford & to their promoters/ directors.

The allegations in the SCN are based on our alleged connection viz. Amrit Sales Promotion Pvt Ltd, Blue Circle Services Ltd, Burlington Finance Ltd and Symphony Merchants Pvt. Ltd. Surprisingly, SEBI in its order dated September 20, 2017 has revoked the directions issued vide interim order (December 19, 2014) qua Amrit Sales Promotion Pvt Ltd, Burlington Finance Ltd. and Symphony Merchants Pvt Ltd. However, the directions qua us continue to operate as on date.

Further, it may be noted that the allegation of contribution to positive LTP is based on 1 stray trade (which happened in ordinary course of trading). While drawing adverse inference SEBI has failed to consider our total trading during the relevant period.)

<u>Background Facts</u>

The relevant facts are set out herein below:

(i) We are a Company incorporated under the provisions of Companies Act, 1956 having our Registered Office at Office No. 20, 12th Floor, Building No.3, Navjivan Commercial, Premises Co-Op Society Ltd, Dr. D.B. Marg, Lamington Road, Mumbai- 400 008. We are an investment and Financial Company primarily engaged in the trading of securities in secondary and primary market. We are registered with Reserve Bank of India as a Non-Banking Financial Company (NBFC) vide Registration No.B- 05.01959. Since inception we have been carrying on the business of trading in the securities market with fairness and in accordance with the provision of law.

(ii) Our trading activity in the securities market is huge. We are carrying on the trading activities in the market with due diligence, fairness and in compliance with the provisions of law. We have never defaulted in meeting our payment or delivery obligations to the brokers or the Exchange.

Noticee cited details of trading done in the scrip of Radford in the IP.

(iii) As on date we are not holding any shares of Radford. We may point out that at the relevant time i.e. during Patch 1 and Patch 2 we had done trading in various other scrips, details of the same are annexed as Annexures "A". While trading in the scrip of Radford we were trading independently without acting in concert with anybody. We were not aware of the counter parties to our trades. All the shares were bought or sold by us at the then prevalent market prices through the screen based mechanism of stock exchange, wherein we were not aware of the counter parties to our trades.

(iv) Significantly, prior to commencement our trading in the scrip the scrip price was in upward mode and had increased from Rs 3.20 to Rs. 241.35. The time at which we entered into the market to buy this stock, the charts were showing bullish signals based upon technical data (which includes price rise along with traded volumes). The pricing and daily volume of the scrip was good enough to suggest that further rise was around the corner. The scrip was considered among others as one of the technically sound on the charts. Further, at the relevant time, market was also abuzz with rumours of a potential takeover by a big corporate house by a high profile group which already had investments in the Company. Our decision to buy shares of Radford was primarily and majorly influenced by the past price movement of the scrip, the consistent profit made by the Company during the

rumours floating in the market about potential takeover by corporate house and also the technical analysis of the scrip which was also suggesting similar signals.

(v) On December 19, 2014 SEBI passed Ex parte Order ("Ex Parte Order") against various persons/entities, including us, pending inquiry/investigation and passing of final order in the matter, restraining us from accessing the securities market and buying, selling or dealing in securities, either directly or indirectly, in any manner, till further directions. In the said Ex Parte Order, it was alleged that we along with others have acted in a fraudulent manner and have violated the provisions of PFUTP Regulations and SEBI Act.

(vi) In response to the said Ex Parte Order we had inter alia vide our various letters including our letters June 17, 2015 dated February 19, 2015 filed a detailed reply inter alia refuting the allegations leveled in the said Ex Parte Order. Subsequently, on August 26, 2016 a confirmatory order was passed inter alia confirming the directions issued vie the Ex-parte order.

(vii) Thereafter, SEBI passed an Order dated September 20, 2017 wherein certain entities were exonerated by SEBI. Insofar as we are concerned there was no exoneration and the direction passed by the Ex-parte Order continued to operate. We crave leave to refer to relay on the said Orders as when produced.

(viii) On perusal of the Notice, it appears that the said Notice has been issued post completion of investigation by SEBI. Strangely, the detailed submissions made by us in our various replies to SEBI have been completely ignored and overlooked and again the same allegations have been reiterated in the Notice. Clearly, our submissions have not been appreciated in proper perspective and the preconceived notions have dominated the entire allegations in the Notice. We submit that the submissions made by us in the said replies be read as part and parcel of this reply. In the subsequent Paras we will demonstrate the hollowness and falsity of the allegations leveled against us.

In the said Notice adverse inferences qua us have been drawn based on the alleged conduct of others and by clubbing us with other persons/entities. The said clubbing with others (which are branded as "Group Entities" as set out in Para 6.1 of the Notice) has resulted in distorted conclusions against us. The entire grouping is erroneous and misleading and we have erroneously been lumped with others. Unrelated and unconnected entities have been grouped together based on mere surmises and conjectures to draw adverse inferences without any basis. Normal *relationships have been unduly stretched in order to somehow bunch us with other entities and attribute their actions/knowledge to us, which is legally untenable and unsustainable. Based on the alleged connections, acts of other persons/entities cannot be fastened on to us or any adverse inference drawn against us. Since the grouping is erroneous, the whole edifice of the Notice collapses.*

<u>Parawise comments</u>

Our Parawise reply to the Notice is as follows:

With regard to observations in Paras 1 to 1.3 of the Notice, it is submitted that the observations in the said Para are a matter of record. Further, it is denied that, we have violated Sections 12A(a), (b) and (c) of the SEBI Act read with Regulations 3 (a), (b), (c), (d),4(1), 4(2)(a) and (e) of PFUTP Regulations.

With regard to Para 2 of the Notice, it is submitted that the observations in said Para are a matter of record. Therefore, we have no comments to offer.

With regard to Para 3 of the Notice, it is submitted that the observations pertaining to the investigation carried out by SEBI are a matter of record. However, we were not aware of the investigations conducted by SEBI. At no point of time, SEBI sought any information from us during the course of investigation. Had our explanation been sought during the course of investigations, the occasion for issuance of SCN would not have arisen.

With regard to observations in Paras 4 & 4.1 of the Notice, it is submitted that the price/volume movement of the scrip of the Company during the period from Patch 1 Patch 2 & Patch 3 is a matter of record. Significantly, at the relevant when the price rise was happening, no concerns were raised by stock exchange or SEBI.

Patch 1: Price rise before stock split (February 27, 2012 to January 28, 2013)

With regard to observations in Paras 5 to 5.6 of the Notice, it is submitted that details pertaining to the trading activities in the scrip of RGL during Patch 1 of Investigation Period by various Noticees is a matter of record. We had not traded in the scrip during Patch 1. As far as our trading is concerned we had only traded in the scrip during the Patch 2 (i.e. January 29, 2013 to July 23, 2013). Further, none of the entities had traded in the scrip at our behest or on our behalf.

<u>Patch 2: Price rise post-split (January 29, 2103 to July 23, 2013) &Alleged Connections</u>

With regard to observations in Para 6 & 6.1 of the Notice, it is submitted that there is no such "Group Entities" as alleged. The whole grouping is misleading and we have erroneously been lumped with others without any basis. Based on the alleged connections acts of other persons/entities cannot be fastened on us or any adverse inference drawn against us. In so far as purported connections as set out in Table 7, at Sn 7, the following be noted:

i.) In so far as funds transaction of Amrit Sales Promotion Pvt Ltd with various entities viz. Blue Circle Services Ltd, Burlington Finance Limited and Symphony Merchants Pvt Ltd is concerned, we may point out that nothing turns on the same. A sweeping allegation of some fund transaction has been made but no particulars or supporting material has been brought on record to substantiate the same. Based on the various fund transfer between other entities no adverse inference can be drawn against us. It may be noted that we had purchased the shares of Radford by using our own fund and no borrowings were made from the aforesaid entities. In any event there is no allegation of fund transfer qua us in the Notice.

ii.) In so far as Hanuman Mal Tater being the common director in Amrit Sales Promotion Pvt Ltd, Burlington Finance and Bazigar Trading Pvt Ltd is concerned, it may be noted that nothing turns on the basis of the same. Though Hanuman Mal Tater is the common director, but all the entities have acted independently. We had no role to play in the management and affairs (including trading) of other entities and vice versa. Here it may be noted that during the relevant time Hanuman Mal Tater was director in various other companies including our company. Therefore, based on the same no adverse inferences can be drawn against us. In any event, SEBI in its order dated September 20, 2017 has revoked the directions issued vide interim order qua Amrit Sales Promotion Pvt Ltd, Burlington Finance Ltd. and Bazigar Trading Pvt Ltd. Therefore, no adverse inference can be drawn against us based on the aforesaid observation.

iii.) In so far as Panna Lal Maloo being the common director in Amrit Sales Promotion Pvt. Ltd, Manimudra Vincom Pvt. Ltd. and Symphony Merchants Pvt. Ltd. is concerned, it may be noted that on the basis of the same no adverse inference can be drawn against us. We had no role to play in the management and affairs (including trading) of the aforesaid entities and vice versa. Therefore, based on the conduct of others no adverse inferences can be drawn against us.

iv.) In so far as fund transfer with Blue Circle Services Ltd with Pine Animation Ltd *and Amrit Sales Promotion Pvt Ltd is concerned, it may be noted that we are not aware of the same. There is nothing on record to suggest that the said alleged fund transfers were our behest or on our behalf. Therefore, based on the same no adverse inference can be drawn against us. We had no role to play in the management and affairs (including trading) of the aforesaid entities and vice versa. It is reiterated that we had purchased the shares of Radford by using our own fund and no borrowings were made from the aforesaid entities. In any event there is no allegation of fund transfer qua us in the Notice. Therefore, based on the conduct of others no adverse inferences can be drawn against us.*

It is submitted that the said connection has nothing to do with the trading done by us In the scrip of Radford. In the absence of the same no adverse inference of us being part of connected group entities can be drawn and the alleged actions of other persons/entities cannot be fastened on to us.

Noticee cited observations made by the Hon'ble SAT in the matter of Mr Babubhai Desai vs SEBI and HB Stockholdings Ltd vs SEBI in this regard.

With regard to observation in Para 6.2 of the Notice, it is submitted that the details of the price movement of the scrip is a matter of record. Further, we are not aware about the other entities as set out in the said Para who traded in the scrip of the company during the period Patch -2. Further it is submitted that in the SCN, we have been alleged to have contributed to positive LTP. The said allegation is belied by the data, which SEBI itself has brought on record in the said Para. Same is evident from the following analysis of the data as contained in the SCN.

Noticee cited details of trading as mentioned in the SCN.

(i) From the aforesaid it is clear that, save and except 1 trade, balance 11 trades were purchased at Zero LTP. It is submitted that based on 1 stray trade at above LTP, serious allegation of increasing the price has been leveled which is totally unjustified and unwarranted.

(ii) We respectfully submit that, while leveling sweeping allegation of increasing the price, our total trading during the relevant period has not be viewed holistically. Admittedly, all the trades except are at market price save and except one trade (which happened in ordinary course of trading.)

(iii) Significantly, it may be noted that, if an entity wants to increase the price, definitely its majority trades will not be at market price, as in the instant case. Our trading behavior is totally incompatible with the allegations of increasing the price.

(iv) That the alleged 1 trade above LTP had only an impact of Rs. 0.05 in the price of the scrip which is exceedingly insignificant to have any impact on volume or price of the scrip.

(v) Further it is reiterated that we are not connected to the other 15 entities as set out in the Table. Admittedly, there is nothing on record to demonstrate any kind of connection or relation or concerted understanding with them. Therefore, lumping us with the said entities in order to draw adverse inferences by consolidating their trades and LTP is totally unfair and unjustified.

(vi) Thus our trading during the period January 29, 2013 to July 23, 2013 was bonafide and not with manipulative intent to increase the price of the scrip as alleged.

With regard to the observations in Para 6.3 of the Notice, following be noted:

i.) It is denied that we are connected to the 15 buyers and 8 sellers as stated in the SCN. There is nothing in the Notice to demonstrate as to how we are connected to 15 buyers and 8sellers. Further, it is denied that, we along with the other specified entities contributed to the positive LTP. Based on bold and sweeping allegation no adverse inference can be drawn against us.

ii.) It is submitted that as per the trade logs provided by SEBI, there are around 9 different counter parties to our trades viz. Bimal Desai, GM Lingaraju, Heena Vinod Shah, Praveen Kumar Agarwal HUF, Neeraj Singal, Gaurav Agarwala, Renu Agarwal, Mohan Mittal, and Nishit Agarwal Beneficiary Trust.

iii.) It is submitted that at the relevant time we were not aware of the aforesaid counter parties to our trades. Admittedly, there is nothing on record to demonstrate any kind of connection or relation or concerted understanding with the alleged counter parties.

iv.) Further, out of the 9 counter parties to our trade, only two entities viz. Praveen Kumar Agarwal HUF and Nishit Agarwal Beneficiary Trust are part of the alleged "connected group entities" and with regard to the remaining 7 entities, there is no reference to their trades in the SCN.

v.) Further, out of the total shares purchased by us during the relevant time i.e. 34,500 shares in respect of only 10,500 shares to persons viz. Praveen Kumar Agarwal HUF and Nishit Agarwal Beneficiary Trust are out of the alleged "connected group entities" and in the remaining 24,000 shares 7 other entities/persons are the counter parties. Same only goes to show that we were trading in the ordinary course and while buying the shares on 2instances the *alleged "connected group entities" were our counter parties and on 7instances other persons/entities in the market were our counter parties.*

vi.) Strangely, while alleging that the counter parties to our trades were connected to us, no connection with Praveen Kumar Agarwal HUF and Nishit Agarwal Beneficiary Trust who are alleged to be part of connected group entities has been shown. In the absence of the same allegation that the counter parties were connected to the buyers cannot sustain.

vii.) Admittedly, there is no allegation of any synchronization of trades or execution of circular or reversal trades etc. Therefore, merely because some entities were our counterparties-who are alleged to be connected entities — no adverse inferences can be drawn against us.

With regard to observation in Para 6.4, we reiterate our submissions as set out earlier paras. It is submitted that we are not aware of the inter se connections among various entities. From the perusal of the pictorial presentation as set out in the Para it is evident that normal relationships have been unduly stretched in order to somehow bunch us with other entities, which is legally untenable and unsustainable.

With regard to observation in Para 6.5 of the SCN, the following is to be noted:

(i) It is denied that we along with the entities contributed to the positive LTP increase thereby contributing to the price rise in the scrip during Patch 2.

(ii) It is reiterated that we have no link/connection/nexus with the other entities as specified in the SCN and had traded independently in the scrip of the company. Further, nothing has been brought in order to connect us to other persons/ entities who had traded in the scrip during the relevant time.

(iii) Further none of the specified entities in the SCN had traded at our behest or on our behalf.

(iv) From our trading pattern also as borne out by the trade log and order log, it is clear that we do not have any connection with the counter parties to our trades in as much as there are random/multiple counter parties to our trades.

(v) Further, it is denied that our trading had resulted in false and misleading appearance of trading in the scrip as well as contributed to price rise in the scrip during Patch 2. Admittedly, all our purchase transactions were delivery based. Therefore, the issue of creating false and misleading appearance of trading cannot and does not arise.

With regard to observations in Paras 6.6 & 6.7 of the SCN, it is submitted that the said allegations do not pertain to us. Therefore, we have no comments to offer.

With regard to observations in Para 6.8 of the SCN it is submitted that we have not violated Sections 12(a), (b) and (c) of the SEBI Act read with Regulations 3(a),(b),(c),(d),4(1), 4(2) (a) and (e) of SEBI (PFUTP) Regulation, 2003 as alleged. It is submitted that the charge of violation of PFUTP Regulations is a serious charge and there has to be strong evidence for the same.

Noticee cited observations of the Hon'ble Supreme Court of India in the matters of Varanasaya Sanskrit Vishwa Vidyalaya a& Anr. V Dr. Rajkishore Tripathi and Anr, Bank of India v. Degala Surya Narayana (AIR 1999 SC 2407), M.S. Bindra V Vol (1998) 7 SCC 310, Nandakishore Prasad v. State of Bihar (1978) 3 SCC 366, Union of India v. H. C. Geol (AIR 1964 SC 364), L.D.Jaisinghani v. Naraindas N Punjabi (1976) 1 SCC 354: AIR 1976 SC 373, Razikram v. J.S.Chauhan - AIR 1975 SC 667: (1975) 4 SCC 769) and Gulabdchand V Kudilal (AIR 1966SC 1734) in this regard.

In view of the above judgements, it is submitted that in the instant case there is no evidence at all to establish the charge of violation of PFUTP Regulations against us. On the contrary data will bear out that the alleged 1 trade above LTP was accidental in nature and the same had only an impact of Rs. 0.05 in the price of the scrip. It is reiterated that a transaction would be violative of the Regulations only if it is executed with a view to manipulate the market or is executed to create false volumes resulting in upsetting the market equilibrium. And definitely not in a case like this wherein all the trades were bonafide, and the alleged one trade had above LTP occurred accidentally.

With regard to Paras 7 to 7.7 of the SCN, it is submitted that the said observations do not pertain to us. Therefore, we have no comments to offer.

With regard to the observations in Para 8.1 of the Notice, it is denied we have contravened any of the provisions of Regulations 3(a), (b), (c) and (d) and 4(1), 4(2)(a) of PFUTP Regulations as alleged. With regard to alleged violation of provisions of PFUTP Regulations following be noted:

i) It is denied that we have bought or sold or otherwise dealt in securities in a fraudulent manner as alleged.

ii) It is denied that we have used or employed, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of *the provisions of the Act or the rules or the regulations made there under as alleged.*

iii) It is denied that we have employed 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 as alleged.

iv) It is denied that we have engaged in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under as alleged.

v) It is denied that we have indulged in a fraudulent or an unfair trade practice in securities as alleged.

vi) It is denied that we have indulged in an act which creates false or misleading appearance of trading in the securities market as alleged.

In view of the foregoing submissions, it is respectfully submitted that, we have not committed any wrong and no charge has been established against us to warrant any penalty. There has been no violation of any of the provisions of the SEBI Act or PFUTP Regulations. The allegations in the Notice do not flow out of the factual position and are based on mere surmises and conjectures therefore cannot be legally sustained and therefore, it is humbly prayed that the Notice be discharged against us and no penalty be imposed on us. It is submitted that in the facts of the case no penalty under Section15HA of the SEBI Act is warranted. Further, while considering my submissions, following factors be taken into consideration:

i) That the alleged violations, if any, are not deliberate and intentional and in contumacious disregard of provisions of law;

ii) That the alleged violations have not caused any loss to any investor and have also not adversely affected the investors or the securities market in any manner. Further, it may be noted that there are no investor complaints in this regard;

iii) That as result of alleged violations we have not made any unfair gain or gained any unfair advantage;

Without prejudice to the aforesaid, following mitigating factors be also taken into consideration: -

i) Consequent to the passing of the Exparte Order, we had suffered heavily. Post passing of the said Order there was considerable downfall in the markets and the value of shares lying frozen in our demat account got reduced considerably.

ii) As stated herein before it is submitted that as a result of passing of the Exparte Order we are still undergoing the debarment in securities market (more than 4 years) and also suffered both reputationally and financially.

Vide letter dated January 09, 2020 and email dated January 10, 2020, Noticee was granted opportunity of personal hearing on January 22, 2020. Vide email dated January 20, 2020, Noticee confirmed its presence for personal hearing scheduled on January 22, 2020. Vide email dated January 22, 2020, Noticee was intimated that the personal hearing in the matter was postponed due to certain exigency. Vide letter dated January 24, 2020 and email dated January 29, 2020, Noticee was granted opportunity of personal hearing on February 10, 2020. Noticee attended personal hearing on February 10, 2020, and the hearing minutes are on record.

4.8 <u>Dhanleela Investments & Trading Company Ltd</u>

The SCN could not be delivered to the Noticee via SPAD and hand delivery/ affixture. Thereafter, copy of SCN was forwarded to alternate address of the Noticee along with letter dated May 30, 2019. The aforesaid letter was affixed at the alternate address of the Noticee. Vide letter dated January 09, 2020 and email dated January 10, 2020, Noticee was granted opportunity of personal hearing on January 17, 2020. The aforesaid hearing notice was delivered to Noticee vide email. Vide letter dated January 24, 2020 and email dated January 29, 2020, Noticee was granted another opportunity of personal hearing on February 05, 2020. The aforesaid hearing notice was delivered vide email to the Noticee. However, no communication was received from the Noticee as regards the SCN. Further, Noticee also did not avail of the opportunity of hearing.

4.9 <u>Pine Animation Ltd</u>

The SCN could not be delivered to the Noticee via SPAD. Thereafter, copy of the SCN was affixed at last known address of the Noticee. Vide letter dated January 24, 2020 and email dated January 29, 2020, Noticee was granted opportunity of personal hearing on February 05, 2020. The said hearing notice was affixed at the last known address of the Noticee. However, no communication was received from the Noticee as regards the SCN. Further, Noticee also did not avail of the opportunity of hearing.

4.10 Amit Singh

The SCN could not be delivered to the Noticee via SPAD and hand delivery/affixture. Thereafter, the SCN was served to the Noticee vide publication dated July 16, 2019. Further, hearing notice was served upon the Noticee via publication dated February 11, 2020, and opportunity of personal hearing was granted on February 14, 2020. Noticee was granted another opportunity of personal hearing on March 31, 2020 vide publication dated March 23, 2020. However, no communication was received from Noticee as regards the SCN. Noticee also did not avail of the opportunity of hearing.

4.11 Runicha Merchants Pvt Ltd

The SCN was delivered to the Noticee via SPAD. Vide letter dated January 10, 2020 and email dated January 16, 2020, Noticee was granted opportunity of personal hearing on January 24, 2020. The aforesaid Hearing Notice could not be delivered via SPAD. Vide letter dated January 31, 2020 and email dated February 04, 2020, Noticee was granted another opportunity of personal hearing on February 20, 2020. The aforesaid hearing notice could not be delivered via SPAD and hand delivery/ affixture. The hearing notice was served on Noticee vide publication dated March 23, 2020, and opportunity of personal hearing was granted on March 31, 2020. However, no communication was received from the Noticee as regards the SCN. Further, Noticee also did not avail of the opportunity of hearing.

4.12 Sankalp Vincom Pvt Ltd

The SCN could not be served on Noticee via SPAD. Thereafter, copy of SCN was forwarded to Noticee on alternate address along with letter dated May 30, 2019, which could not be delivered to the Noticee. Vide letter dated January 31, 2020 and email dated February 04, 2020, copy of SCN was again forwarded and time for submitting reply to the SCN was given. The said letter could not be delivered vide SPAD and affixture. Further, Noticee was provided the details of the SCN, and was granted opportunity of personal hearing on March 31, 2020, vide publication dated March 23, 2020. No communication was received from the Noticee as regards the SCN. Noticee also did not avail of the opportunity of hearing.

4.13 Pyramid Trading and Finance Ltd

The SCN could not be delivered to the Noticee via SPAD and hand delivery/ affixture. Thereafter, vide letter dated May 30, 2019, copy of SCN was forwarded to alternate address of the Noticee. However, said letter could not be delivered via SPAD. Vide publication dated April 09, 2021, Noticee was served the Show Cause Notice and was granted opportunity of personal hearing on April 23, 2021. Vide email dated April 23, 2021, Noticee requested for additional time for submitting reply to the SCN and also requested for adjournment of personal hearing in the matter. Vide email dated April 26, 2021, Noticee was granted time till May 15, 2021 to submit reply to the SCN, and was granted another opportunity of personal hearing on May 20, 2021. However, no reply was received from Noticee in this regard. Noticee also did not avail of the opportunity of hearing.

4.14 SKM Travels Pvt Ltd

The SCN was delivered to the Noticee via SPAD. Vide letter dated January 09, 2020 and email dated January 10, 2020, opportunity of personal hearing was granted to Noticee on January 22, 2020. The said Hearing Notice could not be delivered via SPAD. Vide letter dated January 31, 2020 and email dated February 04, 2020, another opportunity of personal hearing was granted to Noticee on February 20, 2020. The said hearing Notice could not be delivered via SPAD and hand delivery / affixture. Therefore, hearing was granted to Noticee on March 31, 2020 via publication dated March 23, 2020. However, no communication was received from Noticee as regards the SCN. Noticee also did not avail of the opportunity of hearing.

4.15 Signet Vinimay Pvt Ltd

The SCN was delivered to the Noticee via SPAD. Vide letter dated January 09, 2020 and email dated January 10, 2020, Noticee was granted opportunity of personal hearing on January 22, 2020. The said hearing notice could not be delivered via SPAD. Vide letter dated January 31, 2020 and email dated February 04, 2020, Noticee was granted opportunity of personal hearing on February 20, 2020. The said hearing notice could not be delivered by SPAD and hand delivery/ affixture. Further, hearing was granted to Noticee on March 31, 2020 via publication dated March 23, 2020. However, no communication was received from Noticee as regards the SCN. Noticee also did not avail of the opportunity of hearing.

4.16 <u>Spice Merchants Pvt Ltd</u>

The SCN could not be delivered to the Noticee vide SPAD. Thereafter, copy of SCN was forwarded to the alternate address of Noticee along with letter dated May 30, 2019. The said letter was delivered via SPAD. Vide letter dated January 10, 2020 and email dated January 16, 2020, Noticee was granted opportunity of personal hearing on January 24, 2020. The said letter was delivered to Noticee via SPAD. Vide letter dated January 31, 2020, Noticee was granted another opportunity of personal hearing on February 14, 2020. The said letter was delivered via SPAD. However, no communication was received from the Noticee as regards the SCN. Noticee also did not avail of the opportunity of hearing.

4.17 <u>Daga Infocom Pvt Ltd</u>

The SCN was delivered to the Noticee via SPAD. Noticee submitted reply to the SCN dated January 04, 2019. Extracts of the reply are as follows:

The present notice has been issued to 29 entities including the Company and therefore I shall be only dealing with the violations as alleged against the Company and the trades of the Company which have been alleged to be in violations to the above mentioned Regulations. I deny each and every statement, allegation, observation etc. made in the captioned notice and nothing stated in the captioned notice shall be deemed to be admitted by virtue of not having been specifically denied.

In the notice, I have been alleged the Company is part of an alleged group of 24connected entities (hereinafter referred to as "connected group entities") which have contributed Rs. 23.35 (7.77%) of market positive LTP during the Patch 2 i.e (29/01/2013-23/07/2013). The basis of connection is as follows:

i. Mrs. Krupa B. Mehta is the Director in the Company and also Shefali Investments Pvt. Ltd.; and

ii. The Company had fund transactions with Apex Commotrade and Apex Commotrade had fund transactions with Kingfisher Properties.

In this regard it is submitted that if Mrs. Krupa B. Mehta is a Director in some other Company as well (as per Annexure AC of the notice she is a director in 5Companies) how is that in any manner related to the present matter, no connection has been shown of Shefali Investments Pvt. Ltd. with any other entity who has been issued the present notice nor has any action of Shefali Investments Pvt. Ltd. has been shown to be violative of any SEBI Law provision. Therefore, the basis of connection of the Company with Shefali Investments Pvt. Ltd. is useless and with no meaning.

With regards the fund transaction with Apex Commotrade it is submitted that the Company had received Rs. 2,45,00,000/- (Two Crores Twenty Lakhs) loan from Apex Commotrade in 3 tranches and the same was repaid to Apex Commotrade. This was a normal financial transaction between two companies and it does not mean that the two are connected to each other and have connived to artificially increase the volume and price in the scrip of Radford. It is not the case that funds transferred by the Company were in fact transferred to Kingfisher Properties. The Company had only repaid its loan and it was upon Apex Commotrade to utilize those funds as they wished to. In any event it is submitted that if at all it is established that Apex Commotrade Pvt. Ltd. was connected to the Company, it is Apex Commotrade Pvt. Ltd. who had transferred funds to Kingfisher Properties and not the Company, therefore if any violation has to be alleged it should be against Apex Commotrade and Kingfisher Properties. It is important to note that Kingfisher Properties has not been issued a notice in the present matter and the ex-parte against it in the matter of Radford has been revoked.

Hereto annexed and marked as Annexure 1 is copy of the Ledger Account of Apex Commotrade Pvt. Ltd. along with the relevant Bank Statements of the Company.

The onus shall be on SEBI to prove as to whether the company was part of the connected group entities and also whether there was any prior meeting of minds or collusion with such entities to increase the volume and price of the scrip of Radford. However, no such exercise has been done by SEB! while issuing the present notice. In view of this it is submitted that the present proceedings against me shall be dropped based on this point only, as there is no connection of the Company with other entities as alleged in the notice and therefore in furtherance the charge of any violation of provisions of SEBI Act, 1992 and PFUTP Regulation does not stand.

Without prejudice to the above it is submitted that whether the Company is connected to any number of entities or not, the charge of violation of provisions of SEBI Act, 1992 and PFUTP Regulations should be established independently based on the trades and conduct or intention of each entity.

Noticee cited observations of the Hon'ble SAT in the matter of Premchand Shah & Ors. vs. SEBI (Date of decision 21/02/2011), Narendra Ganatra vs. SEBI (Date of decision 29/07/2011) and Smitaben N. Shah vs. SEBI (Date of decision 30/07/2010) in this regard.

At the outset it is submitted that the complete trade log and order log for the investigation period has not been provided to us. Only trade log from a selected date onwards has been given.

Notice cited trading data of RGL during Patch 2 of the IP.

The above data clearly shows that the intent of the Company was never to increase the price of the scrip, if the intent would have been to increase the price of the scrip then the Company would not have placed buy orders at a price lower than the LTP and thus contributing negative LTP. If the total impact of the trades (both buy and sell) of the Company is to be seen then it comes to Rs. -0.25.

The trades executed by the Company were genuine trades and it is submitted that there was no collusion or meeting of minds between the Company and the other alleged connected group entities for increasing the price of the scrip as alleged in the Notice. In any event as mentioned above the charge of fraud and manipulation has to be proved independently. There is no evidence or finding in the Notice that the Company was colluding with the other alleged group entities or there was a prior meeting of minds to manipulate the price of the scrip of Radford. The Notice has been issued based on mere surmises and conjectures without any iota of evidence against me based on which the Company have been alleged to have violated the said provisions of SEBI Act,1992 and PFUTP Regulations. A charge of market manipulation is a very serious violation which should be supported with higher degree of evidence.

In the Notice it is alleged that the Company is one of the 8 entities who acted as sellers when 16 entities mentioned in Table No. 7 of the Notice were buying the shares. In this regard it is submitted that as a seller the intention of any person would be to get the best possible highest price for the shares being sold by them/it. In the present case the buy order at a price higher than LTP were already pending *at the time the Sell orders were being placed by the Company. In any event it is submitted that why an entity would not sell a share at a higher price when a buyer for that high price is already available.*

It is also alleged in the Notice that entities mentioned in Table 7 and 8 of the Notice have contributed Rs. 23.35 (7.77%) to the total market positive LTP. This allegation in itself is absurd, if the price of the scrip of Radford during Patch 2increased from Rs. 49.2 to a high of Rs. 86 in which the Company had in total contributed to negative LTP then in that case the Company cannot be alleged to have increase the price of scrip of Radford as alleged in para 21 of the Notice.

It is also not a charge in the Notice that the Company has in any manner benefited from such manipulation. Without prejudice to the above, if it is held that all the alleged connected group entities were manipulating the price of the scrip then it is the preferential allottees who had benefited from such manipulation, however in the present case the order passed against the preferential allottees has been revoked by SEBI.

It is not even the case of SEBI that the Company has executed any circular or synchronized trades therefore merely based on the connection and the LTP contributed by me which is miniscule (Rs. 0.05), it cannot be alleged that the Company has violated the provisions of SEBI Act, 1992 and PFUTP Regulations. For proving a charge of PFUTP Regulation violation a stronger/higher degree of proof or evidence is required.

SEBI vide order dated 20 September, 2017 has revoked the ex-parte orders dated 19 December, 2014 and 09 November, 2015 in the matter of Radford against 82 entities. It was inter alia recorded as under:

"9, Upon completion of investigation by SEBI, investigation did not find any adverse evidence/adverse findings in respect of violation of provisions of SEBI(Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (PFUTP Regulations) in respect of following 82entities (against whom directions were issued vide the interim orders as confirmed vide the above said confirmatory orders) warranting continuation of action under Section 11B r/w 11(4) of SEBI Act. However, investigation has found adverse findings against Radford which warrants Adjudication Proceedings. …………………."

On the same ground that the no violation of any PFUTP Regulation was found against above mentioned entities, the trading of the Company cannot be alleged to be in violation of provisions of SEB! Act, 1992 and PFUTP Regulations.

Notice cited observations of the Hon'ble SAT in the matter of XSL & Industries Ltd. vs. Chairman, SEBI (Date of decision 30/09/2003), Kapil Chatrabhuj Bhuptani vs. SEBI (Date of decision 10/10/2013), HB Stock Holdings Ltd. vs. SEBI (Date of decision 27/08/2013), Jagruti Securities Ltd. vs. SEBI (Date of decision 27/10/2008) and Money growth Investment and Consultants Pvt Ltd vs SEBI in this regard.

Now dealing with the violations of the provisions of SEBI Act, 1992 and SEBI (PFUTP) Regulations, 2003 as alleged against the Company:

i. Section 12A (a) — The Company has not used or employed any manipulative or deceptive device or contrivance in contravention of the provisions of SEBI Act or the rules or the regulations made there under. As mentioned above the Company is not connected to Apex Commotrade for any alleged price manipulation and in any event connection is sufficient prove a charge of price manipulation.

ii. Section 12A (b) — The Company has not employed any device, scheme or artifice to defraud anyone nor is the charge in the notice.

iii. Section 12A (c) - The Company has not engaged in any act, practice, course of business which operated as fraud or deceit upon any person. The trades executed by the Company were completely genuine and without any intent to manipulate the price of the scrip and I have not participated in any act, practice or course of business in any manner what so ever.

iv. Regulation 3(a) PFUTP—The shares were purchased through off-market and were sold in the market and it is a settled law that off-market transactions are per se not illegal and it is also not the charge in the present notice that the shares were sold in a fraudulent manner. The selling of shares has not been alleged to be fraudulent.

v. Regulation 3(b), (c) & (d) PFUTP —- The same are a repetition ofSection12A (a), (b) & (c) of the SEBI Act, 1992.

vi. Regulation 4(1) PFUTP — The notice fails to demonstrate as to how the acts/trades of the Company were fraudulent or an unfair trade practice in securities market. The only allegation against the Company is that it acted as a seller when alleged connected group entities were buying shares of Radford at a price higher than LTP and thus contributed Rs.23.35 to the total market positive LTP.

vii. Regulation 4({2)(a) — The trades executed by the Company were delivery based transactions and it is also nowhere mentioned in the notice as to how such trades have created false or misleading appearance of trading in the scrip of Radford. —

viii. Regulation 4(2)(e) - Trades executed by the Company in fact contributed Rs. -0.25 to the LTP in the scrip of Radford when the price of the scrip increased from Rs. 49.2 to a high of Rs. 86 during that period and therefore it cannot be said that trades of the Company were with a manipulative intent to increase the price of the scrip of Radford.

Vide letter dated January 09, 2020 and email dated January 10, 2020, Noticee was granted opportunity of personal hearing on January 22, 2020. The said letter was delivered to the Noticee via SPAD. Vide email dated January 14, 2020, Noticee intimated that it had already made submissions in another proceeding to SEBI. In this regard, vide email dated January 21, 2020, it was conveyed to the Noticee that the instant proceedings were independent, and date of hearing remained as scheduled on January 22, 2020. Vide email dated January 21, 2020, it was conveyed to the Noticee that AR of Noticee could appear for hearing as scheduled on January 22, 2020. Vide email dated January 22, 2020, it was conveyed to Noticee that hearing scheduled on January 22, 2020 was postponed due to certain exigencies. Vide letter dated January 24, 2020 and email dated January 29, 2020, Noticee was granted another opportunity of personal hearing on February 10, 2020. Noticee intimated the appointment of CA Mayur Shah as Authorized Representative (AR) in the matter vide email dated February 08, 2020. The personal hearing was held on February 10, 2020. Noticee also submitted physical copy of submissions dated April 27, 2019 during the course of hearing. Extracts of the aforesaid submission are as follows:

Our Representative CA Mayur Shah attended the hearing on 16.04.2019 at 3.00 P.M. and given the time of 15 days i.e. 02.05.2019 for further submission. In this regards, we like to submit the below submission as under: -

The Company had fund transactions with Apex Commotrade and Apex Commotrade had fund transactions with Kingfisher Properties wherein It has been explained before the WTM that the Company had only repaid the payment which has been received by the company in the month of March,2012 and also copy of Bank statement & copy of ledger is already submitted before you. Further, WTM *have asked to provide any MOU or agreement between two companies. In this regards, we like to submit that Company have received the Money for the purpose of application of Tenders for Purchase of Property near Nariman Point or Navi Mumbai for more details we are enclosing Memorandum of Understanding dated 29.02.2012.*

Further, our Authorised representative (AR) discussed about the manipulative's trades by the company with the WTM. In this regards, our AR explained you the table given at point no.10 in our last submission which clearly shows the intent of the Company was never to increase the price of the scrip, if the intent would have been to increase the price of the scrip then the Company would not have placed buy orders at a price lower than the LTP and thus contributing negative LTP. If the total impact of the trades (both buy and sell) of the Company is to be seen, then it comes to Rs. -0.25. Further, I explained you that company is having a business of trading in shares & securities' and its trading in many of the securities. Further, WTM have asked to submit that Ledger of brokers for the Financial year 2012-2013 & 2013-2014. In this regard, we like to submit that the Company is having broker account at Progressive shares Brokers Private limited. We are enclosing ledger account for the Financial year 2012-2013 & 2013-14 along with transaction statement which will Clearly show that company trades' in many shares & securities.

In view of the submissions made above no-violation of any provisions of SEBI Act, 1992 and SEBI (PFUTP) Regulations, 2003 can be made out against the Company, therefore issuing any directions undersection 11(1), 11(4) and 11B of SEBI Act does not arise and it is prayed that the captioned SCN/proceedings be dropped against the Company.

4.18 <u>Winall Vinimay Pvt Ltd</u>

The SCN could not be delivered via SPAD to Noticee. The details of SCN were published vide publication dated July 16, 2019. Further, Noticee was granted opportunity of personal hearing on February 14, 2020 vide publication dated February 11, 2020. Noticee was granted another opportunity of personal hearing on March 31, 2020 vide publication dated March 23, 2020. However, no communication was received from Noticee as regards the SCN. Noticee also did not avail of the opportunity of personal hearing.

4.19 Vibgyor Financial Services Pvt Ltd

The SCN was delivered to the Noticee vide SPAD. Vide letter dated January 09, 2020 and email dated January 10, 2020, Noticee was granted opportunity of personal hearing on January 22, 2020. The said Hearing Notice was delivered vide SPAD. Vide letter dated January 24, 2020 and email dated January 29, 2020, Noticee was granted another opportunity of personal hearing on February 05, 2020. Vide email dated February 04, 2020, Notice intimated appointment of Mr Ravi Vijay Ramaiya, Mr Shardul Shah and Mr Sahebrao Buktare as ARs in the matter. Personal hearing in the matter was held on February 10, 2020 and hearing minutes are on record. Further, reply to the SCN was submitted by Noticee and received on February 11, 2020. Extracts of the reply are as follows:

- *It is pertinent to note that like the present SCN in the matter of Radford Global Ltd., our client had also received a SCN - EFD/DRA3/MC/AA/6240/1/2018 dated March 9, 2018 of WTM of SEBI in the matter of the Scrip of Radford Global Ltd. wherein our client is alleged to have violated the same section 12A(a), (b), (c) of the SEBI Act, 1992 read with Regulation 3(a), (b), (c) and (d) and 4(2)(1), 4(2)(a) and (e) of SEBI (PFUTP) Regulations, 2003. Hereto annexed and marked as EXHIBIT "A" is copy of earlier SCN - EFD /DRA3/MC/AA/6240/1/2018 dated March 9, 2018 of WTM of SEBI in the matter of the Scrip of Radford Global Ltd.*
- *Our client had filed its Reply dated June 1, 2018 to the said earlier SCN of SEBI in the matter of the Scrip of Radford Global Ltd. Hereto annexed and marked as EXHIBIT "B" is a copy of our client's Reply dated June 1, 2018 to the SCN - EFD/DRA3/MC/AA/6240/1/2018 dated March 9, 2018 of WTM of SEBI in the matter of the Scrip of Radford Global Ltd.*
- *Since the allegations in the SCN dated November 02, 2018 and March 9, 2018 are identical; our client adopts the same submission as made in relation to the SCN dated March 9, 2018.*
- *Further, after considering our said Reply dated June 1, 2018 in response to SCN dated March 9, 2018, the WTM, SEBI has passed an Order dated August 29, 2019 whereby our client (Noticee no. 18) has been exonerated. Hereto annexed and marked as Exhibit "C" is the copy of order of the Hon'ble WTM dated August 29, 2019, a,*

- *In view of the said Order of WTM, SEBI in the same Scrip of Radford Global Ltd., it would be just and fair to exonerate our client and be given clean chit.*

<u>CONSIDERATION OF ISSUES AND FINDINGS</u>

5. I have carefully examined the allegations leveled in the SCN, material available on record and submissions made by the Noticees. The issues that arise for consideration in the present case are:

   Issue (a) Whether the Noticees indulged in intra group trading, with a manipulative intent to increase the share price of RGL and, therefore, have violated the provisions of Regulation 3(a), (b), (c) and (d) and 4(1), (2) (a) and (e) of PFUTP Regulations, 2003 and Section 12A(a), (b) and (c) of the SEBI Act, 1992?

   Issue b) Whether Spice Merchants Pvt Ltd failed to make the required disclosures, and has violated provisions of Regulation 29(1) read with 29(3) of SAST Regulations, 2011 and Regulation 13(1) of PIT Regulations, 1992?

   Issue c) If yes, whether the Noticees are liable for penalty under Section 15HA and 15A(b) of the SEBI Act, 1992?

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

6. The relevant extracts of the provision of law, allegedly violated by the Noticees, are mentioned as under-

<u>SEBI Act, 1992</u>

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

12A. *No person shall directly or indirectly—*

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

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

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

<u>PFUTP Regulations, 2003</u>

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

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

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

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

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

4. Prohibition of manipulative, fraudulent and unfair trade practices

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

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely: —

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

(e) any act or omission amounting to manipulation of the price of a security;

PIT Regulations, 1992

Disclosure of interest or holding in listed companies by certain persons - Initial Disclosure

13. (1) Any person who holds more than 5% shares or voting rights in any listed company shall disclose to the company in Form A, the number of shares or voting rights held by such person, on becoming such holder, within 2 working days of: —

(a) the receipt of intimation of allotment of shares; or

(b) the acquisition of shares or voting rights, as the case may be.

SAST Regulations, 2011:

Disclosure of acquisition and disposal

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

29.(3) The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within two working days of the receipt of intimation of allotment of shares, or the acquisition of shares or voting rights in the target company to,—

(a) every stock exchange where the shares of the target company are listed; and

(b) the target company at its registered office.

Now I proceed to examine the four issues raised above.

Issue (a) Whether the Noticees indulged in intra group trading, with a manipulative intent to increase the share price of RGL and, therefore, have violated the provisions of Regulation 3(a), (b), (c) and (d) and 4(1), (2) (a) and (e) of PFUTP Regulations, 2003 and Section 12A(a), (b) and (c) of the SEBI Act, 1992?

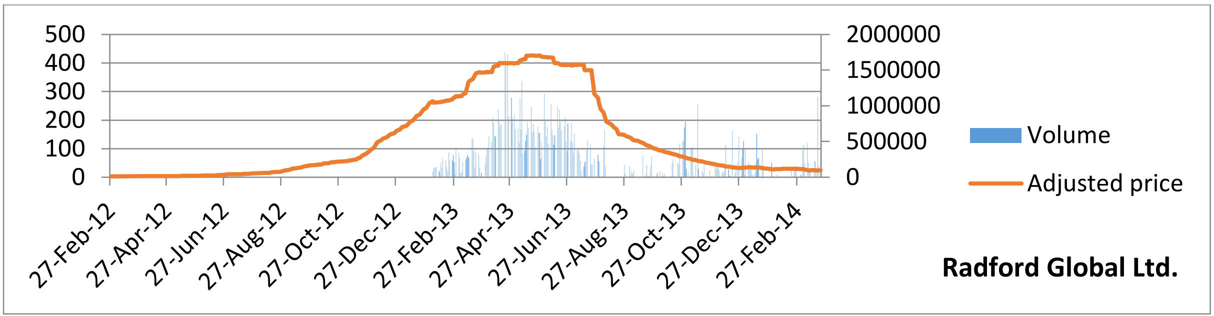
7. I note that RGL was incorporated in 1994 under the name Rosette Resorts Limited. Thereafter, its name was changed to P.S Global Ltd in the year 2011 and to Radford Global Limited in the year 2012. I note that pursuant to Interim orders by Whole Time Director, SEBI in the scrip of RGL, SEBI investigated trading in the scrip of RGL during the period February 27, 2012 to March 24, 2014. The IP has been divided into 3 patches- Patch 1 was defined for the period February 27, 2013

to January 28, 2013, Patch 2 was defined for the period January 29, 2013 to July 23, 2013 and Patch 3 was defined for the period July 24, 2013 to March 24, 2014. The details of Price Volume data for the scrip of RGL in the IP is as follows:

Table-1

Period	**Dates**		**Opening Price & Vol. on first day of the period (Rs)**	**Closing price & vol. on last day of the period (Rs.)**	**Low price & vol. (date) during the period (Rs.)**	**High price & vol. (date) during the period (Rs.)**	**Avg. no. of (shares) traded daily during the period.**
Patch 1 (Pre-Split price rise)	(27/02/2012-28/01/2013)	Price	3.2	241.35	3.2 (27/02/2012)	241.35 (28/01/2013)	98.76
		Vol	100	5	1 (1 share on 26 trading days)	4385 (10/01/2013)	
Patch 2 (Post Split price rise)	(29/01/2013-23/07/2013)	Price	49.2	75	49.2 (29/01/2013)	86 (21/05/2013)	495063
		Vol	10	180675	5 (30/01/2013)	1747580 (22/04/2013)	
Patch 3 (Post Split price fall)	24/07/2013-24/03/2014	Price	74.1	4.89	4.58 (12/03/2014)	74.1 (24/07/2013)	160285
		Vol	172685	1250817	1 (1 share each on 12/11/2013 & 13/02/2014)	1250817 (24/03/2014)	
Post investigation	25/03/2014-30/05/2014	Price	4.66	8.35	4.4 (01/04/2014)	8.67 (22/05/2014)	54582
		Vol	625	24001	10 (10 shares each on 25/04/2014 & 20/05/2014)	1050544 (27/03/2014)	

8. The adjusted price volume chart (stock split) during the IP in the scrip of RGL is as follows:



9. I note that the allegations against the Noticees pertain to Patch 2 of the IP, so that it is alleged that they were part of a group of connected entities (hereinafter referred to as ***Radford group of entities***), and that these entities indulged in intra group trading, with 16 entities acting as buyers and 8 entities acting as sellers during Patch 2 of the Investigation Period (*hereinafter referred to as **IP***). It is also alleged that such trading resulted in contribution of Rs 23.35 to positive LTP, which was 7.77% of total market positive LTP in Patch 2 in the scrip of RGL.

10. I note that out of 24 entities comprising 16 buyers and 8 sellers, Adjudication orders against five entities have been passed as per following details:

Table-2

S No	Order no	Date of order
Avlokan Dealcom Pvt Ltd	Order/KS/AE/2020-21/10152	January 22, 2021
Amrusha Mercantile Pvt Ltd	Order/KS/AS/2021-22/11549-11550	April 28, 2021
Shelter Sales Agency Pvt Ltd		
Devakantha Trading Pvt Ltd	Order/KS/AS/2021-22/11556-11557	
Udbal Mercantile Pvt Ltd		

Therefore, the matter as regards remaining 19 entities, comprising the Noticees is being dealt with in the present proceedings.

11. I note from the record that Noticees were alleged to be connected to each other and to the rest of Radford Group of entities as per following connections:

Table-3

Sr. No.	**Client Name and PAN**	**Basis of Connection**
1	Dhanleela Investments & Trading Company Ltd. (AAACR1770P)	RGL {bank account No. 0311121500 with Kotak Mahindra Bank**}**, has fund transactions with Dhanleela Investment (sr. no.1), Pyramid Trading (sr. no.2), Rander Corporation (sr.no.42).
2	Pyramid Trading and Finance Ltd. presently known as – Mishka Finance and Trading Ltd. (AAACP2548R)	1. RGL has fund transactions with Pyramid Trading (sr. no. 2). 2. Pyramid (sr.no.2) has funds transactions with Dhanleela (sr. no. 1) and Pine Animation Ltd. (sr.no. 3) (Pyramid Bank A/c.)
3	Pine Animation Ltd. (AAECM0267A)	1. Pine Animation (sr.no.3) (A/c. No. 50103075412 – Allahabad Bank) has fund transactions with Dhanleela Investment (sr. no.1), Pyramid Trading (sr. no. 2.) and Blue Circle Ltd. (sr. no. 9).
4	Amrit Sales Promotion Pvt. Ltd. (AACCA3220D)	1. Amrit Sales Promotion Pvt. Ltd. (sr. no.4) bank account no. 00060340006382, has fund transactions with Blue Circle Services Ltd. (sr. no.9), Burlington Finance Ltd. (sr.no.5) and Symphony Merchant Pvt. Ltd. (sr.no.6). 2. As per MCA database, Hanuman Mal Tater, is common Director in Amrit Sales Promotion (sr.no.4), Burlington Finance (sr.no.5) and Bazigar Trading (sr.no.7). 3. As per MCA database, Panna Lal Maloo, is common Director in Amrit Sales Promotion (sr.no.4), Manimudra Vincom (sr.no.8) and Symphony Merchant (sr.no.6).
5	Burlington Finance Ltd. (AABCB2575P)	
6	Symphony Merchant Pvt. Ltd. (AADCS5411K)	
7	Bazigar Trading Pvt. Ltd. (AABCB3052B)	
8	Manimudra Vincom Pvt. Ltd. (AADCM4316K)	
9	Blue Circle Services Ltd. (AAACB2131L)	Fund transactions with Pine Animation (sr.no.3) and Amrit Sales Promotion (sr.no.4).
10	Devatma Distributors Pvt. Ltd. (AADCD7140G)	1. Devatma Distributors (sr.no.10) and Anjali Suppliers (sr.no.11) have common director viz. Raj Kumar Dabriwal and common address viz. 2E, Cornfield Road, Ground Floor, Kolkata – 700 019. 2. From Anjali Suppliers (sr. no. 11) A/c.6611227263, with Kotak Mahindra Bank, fund transactions with Sirpur Marketing Pvt. Ltd. was observed.
11	Anjali Suppliers Pvt. Ltd. (AAJCA1784D)	

		Sirpur Marketing received Rs. 75 lakh from RGL through Scan Infrastructure Ltd on 13/02/2012.
12	Rangan Vincom Pvt. Ltd. (AAGCR1715E)	1. Rangan Vincom (sr. no. 12) transferred shares in off-market to Devatma Distributors (sr.no.10). 2. As per MCA, Rangan Vincom (sr.no.12), Ladios Trading (sr.no.14) and Avlokan Dealcom (sr.no.15) have common director viz. Debendra Das As per the MCA, Rangan Vincom (sr. no. 12) and Katyani Commodities (sr. no. 13) have common address viz, 4, N.S Road, 1st Floor, Kolkata - 700001.
13	Katyani Commodities Pvt. Ltd. (AAECK6244R)	
14	Ladios Trading Pvt. Ltd. (AACCL3868N)	
15	Avlokan Dealcom Pvt. Ltd. (AALCA1583G)	
16	Kingfisher Properties Pvt. Ltd. (AAECK3394G)	1. As per MCA, Chiranjit Mahanta, is the common director in Kingfisher Properties (sr. no.16), Topwell Properties (sr. no.17), Esquire Enclave (sr. no.18), Shivkhori Construction (sr. no.20), Limestone Properties (sr. no.21) and Natural Housing (sr. no.22). 2. From Topwell Properties Axis Bank A/c. No.911020032366261, fund transactions with Kingfisher Properties (sr.no.16), Esquire Enclave (sr. no. 18), Radison Properties (sr. no. 19), Shivkhori Construction (sr. no. 20), Limestone Properties (sr. no.21), Natural Housing, Signet Vinimay (sr.no.33) and Sanklap Vincom (sr.no.35) was observed. 3. From Kingfisher Properties Axis Bank A/c. No.911020032345837, fund transactions with Esquire Enclave sr. no. 18), Radison Properties (sr. no. 19), Shivkhori Construction (sr. no. 20), Natural Housing (sr. no. 22), Topwell Properties (sr. no.17), Apex Commotrade (sr.no.41), Runicha Merchants (sr.no.32), Spice Merchants (sr. no. 40) and Divyadrishti Merchants (sr.no.28) were observed. 4. Praveen Kumar Agarwal (sr.no.23) and Pinky Agarwal (sr.no.24) are the authorised signatory in the bank account of Nishit Agarwal Beneficiary Trust (sr.no.26), Pratik Agarwal Beneficiary Trust (sr.no.27) and Jupiter Brokerage Services Ltd. 5. Esquire Enclave (sr.no. 18) bank A/c. No.911020031723278 (Axis Bank) has fund transactions with entities at sr. no. 16, 17, 19, 20, 21, 22, 23, 29, 41 and Jupiter Brokerage Services Ltd. Pinky Agarwal and Praveen Kumar Agarwal are directors in Jupiter Brokerage Services Ltd. Jupiter Brokerage Services (Axis Bank A/c. No.911020047397153) had received Rs.1.2 crore from Esquire Enclave (sr. no.18) on 07/02/2012 and further transferred Rs.30 lakh each to (sr. no. 23), (sr. no. 24), (sr. no. 26) and (sr. no. 27), to subscribe the preferential allotment of RGL. Jupiter Brokerage Services also has fund transactions with Praveen Kumar Agarwal HUF (sr. no. 25). Thus, sr. no. 23 to sr. no. 27 are related and connected to sr. no. 18.
17	Topwell Properties Pvt. Ltd. (AADCT8403C)	
18	Esquire Enclave Pvt. Ltd. Limited (AACCE7065J)	
19	Radison Properties Pvt. Ltd. (AAFCR2818B)	
20	Shivkhori Construction Private Limited (AAPCS7850L)	
21	Limestone Properties Pvt. Ltd. (AACCL0133G)	
22	Natural Housing Pvt. Ltd. (AADCN6251G)	
23	Praveen Kumar Agarwal (ACSPA4725A)	
24	Pinky Agarwal (ACGPA7438L)	
25	Praveen Kumar Agarwal HUF (AAIHP6229C)	
26	Nishit Agarwal Beneficiary Trust (AABTN3350K)	
27	Pratik Agarwal Beneficiary Trust (AABTP7516K)	
28	Divyadrishti Merchants Pvt. Ltd. (AABCD8147K)	1. As per Divyadrishti Merchants bank A/c. no. 000605010065 with ICICI Bank, fund transactions with Divyadrishti Traders (sr. no. 29), Dhanraksha Vincom (sr. no. 30), Ridhi Vincom (sr. no. 31) and Kingfisher Properties (sr. no. 16) were observed. 2. RGL had fund transfer with to Scan Infrastructure Ltd., Scan had fund transfer with Sirpur Marketing Pvt. Ltd., Sirpur had fund transfer with Gaungour Suppliers, which in turn had fund transfer with Divyadrishti Trader Pvt Ltd. (Bank A/c of Scan, Sirpur, Gaungour. 3. Entities at sr. no. 29 and 18 have fund transaction.
29	Divyadrishti Traders Pvt. Ltd. (AABCD8146J)	
30	Dhanraksha Vincom Pvt. Ltd. (AADCD6028P)	
31	Ridhi Vincom Pvt. Ltd. (AAECR9858C)	
32	Runicha Merchants Pvt. Ltd. (AAECR0580M)	1. As per MCA database, Abhiset Basu and Pradip Dey, are the directors in Runicha Merchants (sr. no. 32), Signet Vinimay (sr. no. 33), Winall

33	Signet Vinimay Pvt. Ltd. (AAMCS1712Q	Vinimay (sr. no. 34), Sanklap Vincom (sr. no. 35), SKM Travels (sr. no. 36) and Scope Vyapar (sr. no. 37). 2. Winall Vinimay (sr. no. 34) (A/c.No.07920200006026 DCB Bank has fund transaction with Apex Commotrade (sr. no. 41), Spice Merchant (sr. no. 40), Signet Vinimay (sr. no. 33), Runicha Merchant (sr. no. 32), Sankalp Vincom (sr. no. 35). 3. Runicha Merchants (sr. no. 32) has fund transaction with Kingfisher Properties (sr.no.16), (sr. no. 33), and (sr. no. 35) fund transactions with Topwell Properties (sr.no.17) and Spice Merchants (sr.no.40).
34	Winall Vinimay Pvt. Ltd. (AAACW8004B)	
35	Sanklap Vincom Pvt. Ltd. (AAMCS1711P)	
36	SKM Travels Pvt. Ltd. (Now Bitter Commercial Pvt. Ltd.) (AAICS0688K)	
37	Scope Vyapar Pvt. Ltd. (Now Class Commercial Pvt. Ltd.) (AAICS6023N)	
38	Amit Singh (BABPS7447D)	Off-market transactions with Spice Merchant (sr.no.40), Scope Vyapar (sr.no.37), Sanklap Vincom (sr.no.35), Runicha Merchants (sr.no.32), Signet Vinimay (sr.no.33) in various scrips during the IP.
39	Vibgyor Financial Service Pvt Ltd (AAACV8378B)	Vibgyor Financial Service has off market transferred of shares with Scope Vyapar (sr.no.37).
40	Spice Merchants Pvt. Ltd. (AAPCS7492G)	1. Shakuntala Sah and Aman Sah are the directors in Spice Merchants (sr. no. 40) and Apex Commotrade (sr. no. 42). 2. From Apex Commotrade ICICI Bank A/c. No 62770550383, fund transactions with Runicha Merchants (sr.no.32), Signet Vinimay (sr.no.33), Sanklap Vincom (sr.no.35), Spice Merchants (sr.no.40), Daga Infocom (sr.no.43), SKM Travels (sr.no.36), Scope Vyapar (sr.no.37) and Winall Vinimay (sr.no.34) were observed. 3. Spice Merchants (Kotak Mahindra A/c. 68011001873) has fund transaction with Sanklap Vincom (sr. no. 35) and Rander Corporation (sr. no. 42).
41	Apex Commotrade Pvt. Ltd. (AAJCA4459K)	
42	Rander Corporation Ltd (AAACR3223R)	1. Rander Corporation (sr. no. 42) has fund transactions with RGL (A/c. No. 0311121500 Kotak Mahindra Bank). 2. Rander Corporation A/c. no 091113023809 (Dena Bank) has fund transactions with Mishka Finance (sr.no.2), Dhanleela Investment (sr.no.1), Pine Animation (sr.no.3) and Shefali Investments (sr.no.44).
43	Daga Infocom Pvt. Ltd. (AABCD9604P)	Krupa B. Mehta is the Director in Daga Infocom Pvt Ltd (sr. no. 43) and Shefali Investments Pvt Ltd (sr. no. 44). Daga Infocom (sr. no. 43) has fund transactions with Apex Commotrade (sr.no.41) & Apex Commotrade (sr. no. 41) has fund transaction with Kingfisher Properties (sr.no.16.)
44	Shefali Investments Pvt. Ltd. (AAECS9906Q)	
45	Devakantha Trading Pvt. Ltd. (AADCD7044B)	1. Devakantha Trading (sr. no. 45) bank A/c. No. 36040200000553 (Bank of Baroda), has fund transactions with Shelter Sales Agency (sr. no. 46), Udbal Mercantile (sr. no. 47) and Amrusha Mercantile (sr. no. 48). 2. From Shelter Sales Agency (sr. no. 46) IndusInd Bank A/c. No. 200999036626, fund transferred with Spice Merchants (sr. no.40) was observed.
46	Shelter Sales Agency Pvt. Ltd. (AASCS1797F)	
47	Udbal Mercantile Pvt. Ltd. (AABCU2648C)	
48	Amrusha Mercantile Pvt. Ltd. (AALCA0340D)	
49	Prem lata Nahar (AFAPN8764M)	Fund transfers with JMD Sound Ltd. JMD Sounds Ltd. has fund transaction with Pine Animation (sr. no. 3), and Pine Animation (sr. no. 3) has fund transaction with Dhanleela (sr. no. 1), Pyramid (sr. no. 2) and Blue Circle (sr. no. 9).

12. I note from the records that the Noticees were connected to each other by way of connections *interalia* including fund transfers, off market transfer of shares, common address and common directorship. In this regard, Noticees have *interalia* denied the connections on the following grounds:
    a) Commercial transactions between entities cannot be construed as the ground for connections
    b) Direct connections between counterparties have not been established
    c) In certain instances, the entities through which indirect connections have been established are themselves not Noticee in the SCN. For ex- Esquire Enclave

    I note that fund transactions and off market transactions between two entities are conclusive evidentiary proofs which establish direct connections between such entities. Further, in certain cases, direct connections between counterparties/ entities have not been established. However, I note that finding direct connections between entities may not be possible at all times. The indirect connections, which can be deciphered on the basis of a series of direct connections, are also acceptable as regards allegations of violation of PFUTP Regulations.

13. Further, I note that in certain instances, entities through which indirect connections have been established may themselves not be a Noticee in the matter. However, the intent of discussing the role of such entity is to merely establish the connections among the Noticees, without making allegations against them. Therefore, I dismiss the contention of Noticees in this regard, and hold that the Noticees are directly/ indirectly connected to each other.

14. I now proceed to consider the trades executed by Radford Group of entities in the Patch 2 of the IP, as regards allegations of price manipulation leveled against them. I note that the 16 buyers forming part of Radford Group of entities contributed Rs 74.85 to net increase in LTP, to Rs 116 of positive LTP increase and 38.56% of the total market positive LTP in 1420 trades for 11,83,458 shares. The details of LTP contributed by the 16 buyers are as follows:

Table-4

Name	All Trades			LTP diff > 0			LTP diff < 0			LTP diff = 0		% of Positive LTP to Total Market Positive LTP
	LTP Impact	QTY traded	No of trades	LTP Impact	QTY traded	No of trades	LTP Impact	QTY traded	No of trades	QTY traded	No of trades	
Amrusha Mercantile Pvt. Ltd.	17.30	3374465	8345	25.10	144215	311	-7.80	60465	87	3169785	7947	8.34
Devakantha Trading Pvt. Ltd.	14.70	2525591	12615	27.75	72776	334	-13.05	13023	84	2439792	12197	9.23
Udbal Mercantile Pvt. Ltd.	12.75	2905451	7173	17.65	91208	179	-4.90	39867	51	2774376	6943	5.87
Shelter Sales Agency Pvt. Ltd.	12.05	3156896	7762	20.15	120585	247	-8.10	47354	94	2988957	7421	6.70
Amit Singh	3.50	3193625	1024	5.15	204350	63	-1.65	37472	24	2951803	937	1.71
Runicha Merchants Pvt Ltd.	3.45	1584913	1175	3.90	92432	56	-0.45	6026	6	1486455	1113	1.30
Spice Merchants Pvt. Ltd.	3.10	3342475	1809	5.65	141130	72	-2.55	54216	32	3147129	1705	1.88
Apex Commotrade Pvt. Ltd.	2.55	1223735	777	2.90	46487	44	-0.35	12400	5	1164848	728	0.96
Winall Vinimay Pvt. Ltd.	1.95	2189989	1100	2.95	73572	40	-1.00	20000	9	2096417	1051	0.98
Signet Vinimay Pvt. Ltd.	1.35	903711	698	1.50	36061	25	-0.15	2348	3	865302	670	0.50
Sanklap Vincom Pvt. Ltd.	1.10	892600	233	1.40	64408	18	-0.30	18350	5	809842	210	0.47
Pyramid Trading & Finance Ltd.	0.60	648175	494	1.00	27308	15	-0.40	7100	5	613767	474	0.33
SKM Travels Pvt. Ltd.	0.25	494050	142	0.35	24635	6	-0.10	5500	2	463915	134	0.12
Vibgyor Financial Service Pvt. Ltd.	0.10	82000	12	0.10	8000	2	0.00	0	0	74000	10	0.03
Bazigar Trading Pvt. Ltd.	0.05	34500	12	0.05	2347	1	0.00	0	0	32153	11	0.02
Avlokan Dealcom Pvt. Ltd.	0.05	389706	97	0.40	33944	7	-0.35	15580	7	340182	83	0.13
Group net positive LTP	74.85	26941882	43468	116.00	1183458	1420	-41.15	339701	414	25418723	41634	38.56
Total Group Entities	24.35	37903013	56895	139.30	1377901	1612	-114.95	1743325	1278	34781787	54005	46.31
Total Market	25.80	60397726	85301	300.8	3129367	2640	-275	3024530	2009	54243829	80652	100

15. I note that out of the 1420 positive LTP trades of the 16 buyers as mentioned, in 379 trades for 2,24,612 shares, the counterparties were connected to the buyers. Therefore, it is alleged that 16 buyers and 8 sellers, being a part of the group of entities, contributed Rs 23.35 to positive LTP which was 7.77% of the total market positive LTP. The details of trading among the counterparties is as follows:

Table-5

Buyer Name	Sr. No.	Noticee no.	Seller	LTP > 0	Qty.	No. of Trades	% of mkt. positive LTP
16 Group entities mentioned in Table 8	1	1	Nishit Agarwal Beneficiary Trust	6.15	58670	122	2.04
	2	5	Praveen Kumar Agarwal HUF	5.40	56481	64	1.80
	3	2	Pinky Agarwal	3.90	24346	55	1.30
	4	4	Praveen Kumar Agarwal	3.80	18818	76	1.26
	5	3	Pratik Agarwal Beneficiary Trust	3.70	61152	59	1.23
	6	10	Dhanleela Investments & Trading Company Ltd.	0.20	100	1	0.07
	7	11	Pine Animation Ltd.	0.15	50	1	0.05
	8	20	Daga Infocom Pvt. Ltd.	0.05	4995	1	0.02
			Grand Total	**23.35**	**224612**	**379**	**7.77**

16. I note that Noticees have *interalia* contended that taken individually, they carried out trades on very few days in the IP and that individual contribution to the LTP was very small in some instances. In this regard, I note that the trading done by all the connected entities collectively holds significance as regards instant considerations, and that individual contribution may or may not be significant, but the trading done as a whole by the group is considered in establishing the alleged violation.

17. I note from the Trade Integrated Order log (hereinafter referred to as ***TIO log***) on record that out of 16 entities mentioned in Table-3, 14 entities participated in intra-group trading with 8 buyers, so that two entities, namely, SKM Travels Pvt Ltd and Vibgyor Financial Service Pvt Ltd, did not participate in trades with connected counterparties. I note that in the present proceedings, no manipulative pattern as regards trades in the scrip of RGL have been alleged, so that allegations against SKM Travels Pvt Ltd and Vibgyor Financial Service Pvt Ltd are made only on the basis of trades with unconnected counterparties. Therefore, I hold that material on record does not establish the violations as alleged against SKM Travels Pvt Ltd and Vibgyor Financial Service Pvt Ltd pertaining to the PFUTP Regulations, 2003.

18. Therefore, I note that 14 buyers and 8 sellers, including the Noticees, as a group contributed to 7.77% of the total market positive LTP. I note that such 379 connected counterparty trades were executed by them on 39 days in Patch 2 of the IP, which resulted in the aforesaid contribution to positive LTP. I note that such trades were executed among parties connected to each other, directly or indirectly, which resulted in manipulation of the price of the scrip of RGL.

19. I note date-wise details of market volume created by connected counterparty trades from the TIO log in the table below:

Table-6

Trading Date	Volume generated by connected counterparty trades (no of shares)	Total market volume on given date (no of shares)	Market volume generated by connected counterparty trade (% vis a vis total market volume on given date)
13-Mar -2013	5395	314274	1.72%
29-Apr-2013	10000	1114165	0.90%
02-May-2013	20000	874622	2.29%
06-May-2013	12675	680453	1.86%
07-May-2013	10000	480613	2.08%
08-May-2013	18799	1107019	1.70%
09-May-2013	19150	670370	2.86%
14-May-2013	32000	511515	6.26%
15-May-2013	100	596001	0.02%
16-May-2013	12500	774464	1.61%
20-May-2013	70000	980600	7.14%
21-May-2013	40400	627050	6.44%
22-May-2013	52770	747600	7.06%
23-May-2013	26936	649231	4.15%
28-May-2013	67950	624765	10.88%
29-May-2013	94000	617750	15.22%
30-May-2013	147060	254838	57.71%
03-Jun-2013	6000	1169489	0.51%
07-Jun-2013	16153	472833	3.42%
10-Jun-2013	45000	1018274	4.42%
11-Jun-2013	20808	660231	3.15%
12-Jun-2013	6750	587828	1.15%
13-Jun-2013	77260	456570	16.92%
14-Jun-2013	183461	586725	31.27%
17-Jun-2013	286760	987148	29.05%
18-Jun-2013	225265	696485	32.34%
19-Jun-2013	233913	941311	24.85%
20-Jun-2013	138555	785103	17.65%
21-Jun-2013	98445	660140	14.91%
24-Jun-2013	157270	715398	21.98%
25-Jun-2013	231950	833435	27.83%
26-Jun-2013	94135	500535	18.81%
27-Jun-2013	142020	371490	38.23%
28-Jun-2013	116449	751802	15.49%
01-Jul-2013	55000	521549	10.55%
02-Jul-2013	263357	758656	34.71%

03-Jul-2013	99424	484346	20.53%
04-Jul-2013	4805	342058	1.40%
10-Jul-2013	5	341425	0.00%

I note that the group of entities comprising 14 buyers and 8 sellers contributed 5.20% to the total market volume generated during Patch 2 of the IP. Further, the contribution to market volume for each day taken individually by the connected counterparty trades was substantial on most of the days. I note that on 18 days out 39 days on which the Noticees traded, the volume generated by their connected counterparty trades was greater than 10% of the total market volume. For instance, the contribution to market volume on May 30, 2013 due to connected counterparty trades was as high as 57.71%. Further, during June, 2013, the impugned trades contributed to volume greater than 10% on 12 out of 17 days on which the Noticees traded, such that the contribution to the market volume ranged between 14.91% and 38.23% on such 12 days. Similarly, in July, 2013, the contribution to market volume was more than 10% on 3 out of 5 days, ranging between 10.55% and 34.71%. Apart from the above, the contribution to market volume by connected counterparty trades was less than 10% on the other days. Therefore, I note that the Radford group of entities, including the Noticees, have contributed significantly to the market volume by trading among themselves, and created false and misleading appearance of trading in the scrip.

20. I also note from Investigation Report that the average number of shares of RGL traded daily increased from 98.76 in Patch 1 to 4,95,063 in Patch 2 of the IP. I note that such rise in market volume of scrip of RGL is not substantiated by underlying changes in RGL's economic fundamentals, corporate announcements, financial reports etc as per the record. Therefore, I note that the correlation between connected counterparty trades executed by the RGL group of entities in Patch 2 of the IP, and the artificial rise in volume of shares traded in Patch 2 of IP, which points to the contribution of the Noticees in generating misleading appearance of trading, as discussed in para 20 above.

21. Noticees have *interalia* contended that the trades took place on stock exchange mechanism, which is an anonymous screen based trading platform, so that it was

impossible to know identity of the counterparties. I note that in the instant matter, the counterparties were connected to each other directly or indirectly, so that their impugned trades contributed to positive LTP in the scrip. Such trades which were repeatedly executed on various dates in Patch 2 of the IP, created misleading appearance of trading along with contributing to price manipulation. Noticees have also contended that the present proceedings are barred by the principle of res judicata, as allegations against them had already been dismissed by the Whole Time Member of SEBI vide order dated August 29, 2019. I note in this regard that instant proceedings are independent.

22. Noticees have contended that the trades among entities were not synchronized, and the gap between the buy and sell orders was considerable. Noticees have also contended that they placed orders in large sizes, which implies that manipulation of price was not an objective. However, I note that executing synchronized trades and placing orders in small sizes are not the only possible patterns to establish manipulation of price. In this present matter, execution of manipulative trades as regards scrip price among connected counterparties, along with artificial volume generation are sufficient to establish the violation of provisions of PFUTP Regulations, 2003. Further, Noticees have contended that majority of trades executed by them were at or below LTP. I note that although most of the trades executed among the Radford group of entities during Patch 2 of IP were at LTP, however, the positive LTP trades were executed by them at regular intervals during the impugned period, so that net effect of such trades was a gradual rise in the price of the scrip.

23. With regard to the above, I note that Hon'ble Supreme Court of India in the matter of SEBI vs Kishore Ajmera held that

> "*While the screen based trading system keeps the identity of the parties anonymous it will be too naive to rest the final conclusions on said basis which overlooks a meeting of minds elsewhere. Direct proof of such meeting of minds elsewhere would rarely be forthcoming. The test, in our considered view, is one of preponderance of probabilities so far as adjudication of civil liability arising out of violation of the Act or the provisions of the Regulations framed thereunder is concerned. Prosecution under Section 24 of the Act for violation*

of the provisions of any of the Regulations, of course, has to be on the basis of proof beyond reasonable doubt. ...The conclusion has to be gathered from various circumstances like that volume of the trade effected; the period of persistence in trading in the particular scrip; the particulars of the buy and sell orders, namely, the volume thereof; the proximity of time between the two and such other relevant factors"

24. Therefore, I note that in the present matter, for considering the allegations of price manipulation, the facts and circumstances as regards trading pattern need to be looked into holistically. I note that in the instant matter, material on record and inferences as brought out in the preceding paragraphs establish that the Noticees entered in intra-group trades, to manipulate price of RGL through intra-group trading in Patch 2 of the IP and to generate misleading appearance of trades in the scrip of RGL, so that the charges of violation of Sections 12(a), (b) and (c) of the SEBI Act, 1992 read with regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a) and (e) of the PFUTP Regulations, 2003 are established against the Noticees.

25. **Issue b) Whether Spice Merchants Pvt Ltd failed to make the required disclosures, and has violated provisions of Regulation 29(1) read with 29(3) of SAST Regulations, 2011 and Regulation 13(1) of PIT Regulations, 1992?**

26. It is alleged that Spice Merchants Pvt Ltd failed to make required disclosures in terms of Regulation 29(1) read with 29(3) of SAST Regulations to RGL and BSE, and in terms of Regulation 13(1) of PIT Regulations to RGL.

27. I note that the shareholding of Spice Merchants Pvt Ltd changed during the IP as per following details:

Table-7

Date	No of shares held - pre Acquisition	% of shareholding held - pre Acquisition	No of shares Acquired	No of shares held - post Acquisition	% of shareholding held - post Acquisition	Mode of acquisition	Date of disclosure to company	Date of disclosure to stock exchange	Violation of Regulation (s), if any
Spice Merchants Pvt Ltd									
03-Mar-14	3487985	4.96	50000	3537985	5.03	On-market	Nil	Nil	Regulation 13(1) of PIT Regulation & Regulation

06-Jun-14	3504186	4.98	19900	3524086	5.01	Inter Depository	Nil	Nil	29(1) read with Regulation 29(3) of SAST Regulation

28. I note that the shareholding in RGL of Spice Merchants Pvt Ltd exceeded 5% of paid-up share capital of RGL two times during the IP. I note that in terms of Regulation 29(1) read with Regulation 29(3) of the SAST Regulations, 2011, the aforesaid Noticee was required to make relevant disclosures within two working days of its shareholding crossing 5% of total paid up share capital of RGL. I note from Table-5 that Spice Merchants Pvt Ltd was required to do so twice.

29. I also note that the aforesaid acquisition of shares triggered obligation upon Spice Merchants Pvt Ltd to make disclosure under Regulation 13(1) of the PIT Regulations, 1992, which mandates a person, who holds more than 5% shares or voting rights in a listed company, to make relevant disclosure to the company within two working days of receipt of intimation of allotment of shares or acquisition of shares. Thereby, I note that Spice Merchants Pvt Ltd was obligated to make relevant disclosures to RGL under the provisions of Regulation 13(1) of the PIT Regulations, 1992 as well.

30. I note that RGL vide email dated August 14, 2017 submitted disclosures in terms of SAST Regulations, 2011 during the period February 27, 2012 to December 29, 2014, as received and filed with BSE. I note from the aforesaid email that RGL did not receive any disclosure under SAST Regulations, 2011 and PIT Regulations, 1992 with respect to the impugned transactions from Spice Merchants Pvt Ltd. I also note that BSE vide email dated August 10, 2017 to SEBI intimated that no disclosures were received from the Noticee as regards impugned transactions.

31. Therefore, I note that Spice Merchants Pvt Ltd failed to make relevant disclosures and therefore, violated the provisions of Regulation 29(1) read with 29(3) of SAST Regulations, 2011 and Regulation 13(1) of PIT Regulations, 1992.

Issue c) If yes, whether the Noticees are liable for penalty under Section 15HA and/or 15A(b) of the SEBI Act, 1992?

32. I note that allegations against Noticees except SKM Travels Pvt Ltd and Vibgyor Financial Service Pvt Ltd stand established as regards violations pertaining to the provisions of the PFUTP Regulation, 2003 and against Spice Merchants Pvt Ltd stand established as regards disclosure violations pertaining to the provisions of SAST Regulations, 2011 and PIT Regulations, 1992.

33. The Hon'ble Supreme Court of India in the matter of Chairman, SEBI vs. Shriram Mutual Fund {[2006] 5 SCC 361} held that

"*In our view, the penalty is attracted as soon as contravention of the statutory obligations as contemplated by the Act is established and, therefore, the intention of the parties committing such violation becomes immaterial ……. Hence, we are of the view that once the contravention is established, then the penalty has to follow and only the quantum of penalty is discretionary*".

34. In view of the above, I am convinced that it is a fit case to impose monetary penalty on Noticees except SKM Travels Pvt Ltd and Vibgyor Financial Service Pvt Ltd, under provisions of Section 15HA of the SEBI Act, 1992 and on Spice Merchants Pvt Ltd under the provisions of Section 15A(b) of the SEBI Act, 1992, which read as under:

Penalty for failure to furnish information, return, etc.

SEBI Act, 1992

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

(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations, he shall be liable to a penalty [2][which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees.]

Penalty for fraudulent and unfair trade practices.

15HA.If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty [3][which shall not be less than five lakh rupees but which may extend to twenty-

[2] Substituted for the words "of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less" by the Securities Laws (Amendment) Act, 2014, w.e.f. 08-09-2014

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

five crore rupees or three times the amount of profits made out of such practices, whichever is higher].

35. **Issue d) What should be the quantum of penalty that should be imposed on the Noticee(s) taking into consideration the factors mentioned in Section 15J of the SEBI Act, 1992?**

36. While determining the quantum of penalty under Section 15J of SEBI Act, 1992, it is important to consider the factors stipulated in Section 15J of SEBI Act, 1992 read with Rule 5(2) of the Adjudication Rules, 1995 which read as under: -

SEBI Act, 1992

15J While adjudging quantum of penalty under Section 15-I, the adjudicating officer shall have due regard to the following factors, namely: -

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investors as a result of the default;

(c) the repetitive nature of the default.

37. I observe, that the material available on record does not quantify any disproportionate gains or unfair advantage, if any, made by the Noticees and the losses, if any, suffered by the investors due to such violations on the part of the said Noticee. Further, material available on record does not show that the said failure is repetitive. However, Spice Merchants Pvt Ltd violated provisions of PIT Regulations, 1992 and SAST Regulations, 2011 on two occasions.

38. Therefore, taking into consideration the facts / circumstance of the case, I am of the view that Noticees except SKM Travels Pvt Ltd and Vibgyor Financial Service Pvt Ltd committed violation of provisions of Sections 12(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a) and (e) of the PFUTP Regulations, 2003 and Spice Merchants Pvt Ltd additionally committed violation of provisions of Regulation 29(1) read with 29(3) of SAST Regulations, 2011 and Regulation 13(1) of PIT Regulations, 1992.

ORDER

39. Accordingly, taking into account the aforesaid observations and in exercise of power conferred upon me under Section 15-I of the SEBI Act, 1992 read with Rule 5 of the Adjudication Rules, 1995, I hereby impose following penalty under Section 15HA and Section15A(b) of the SEBI Act, 1992 on Noticees:

S no	Noticee name	Violation and Penalty Provisions	Penalty
1	Nishit Agarwal Beneficiary Trust	Sections 12(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a) and (e) of the PFUTP Regulations, 2003	Rs 5,00,000/- (Rupees Five Lakhs Only) To be paid Jointly and severally by the Noticees at S No 1 to 17
2	Pinky Agarwal		
3	Pratik Agarwal Beneficiary Trust		
4	Praveen Kumar Agarwal		
5	Praveen Kumar Agarwal HUF		
6	Apex Commotrade Private Limited		
7	Bazigar Trading Private Limited		
8	Dhanleela Investments & Trading Company Limited		
9	Pine Animation Limited		
10	Pyramid Trading and Finance Ltd (presently known as Mishka Finance and Trading Ltd.)		
11	Runicha Merchants Private Limited		
12	Sanklap Vincom Private Limited		
13	Signet Vinimay Private Limited		
14	Winall Vinimay Private Limited		
15	Daga Infocom Private Limited		
16	Amit Singh		

17	Spice Merchants Pvt Ltd	Sections 12(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a) and (e) of the PFUTP Regulations, 2003	
		Regulation 29(1) read with 29(3) of SAST Regulations, 2011, Regulation 13(1) of PIT Regulations, 1992	Rs 2,00,000/- (Rupees Two Lakhs Only) To be paid individually by Noticee at S No 17

40. I am of the view that the said penalty is commensurate with the lapse on the part of Noticees.

41. The aforesaid Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order through Demand Draft in favor of "SEBI -Penalties Remittable to Government of India", payable at Mumbai, or the online payment facility available on the website of SEBI, i.e., www.sebi.gov.inon the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of AO ->PAY NOW. In case of any difficulties in payment of penalties, they may contact the support at portalhelp@sebi.gov.in.

42. The aforesaid Noticees shall forward said Demand Draft or the details/confirmation of penalty so paid to the Enforcement Department of SEBI (EFD1 DRA-2). They shall provide the following details while forwarding DD/payment information:
    a) Name and PAN of the entity (Noticee)
    b) Name of the case / matter
    c) Purpose of Payment –Payment of penalty under AO proceedings
    d) Bank Name and Account Number
    e) Transaction Number

43. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under Section 28A of the SEBI

Act for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties

44. In terms of Rule 6 of the Adjudication Rules, 1995, copy of this order is sent to the Noticees and also to the Securities and Exchange Board of India.

Place: Mumbai **K SARAVANAN**

Date: July 13, 2021 **ADJUDICATING OFFICER**