BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OFINDIA

ADJUDICATION ORDER NO. EAD-7/BD/NR/2020-21/7548-7550

UNDER SECTION15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995

In respect of

1. Shreenath Finstock Pvt., Ltd., *(PAN: AABCS6025R)* A/120, Gokul Arcade Garware House, Sahar Road Vile Parle (E), Mumbai – 400057.	2. Bhavin Sureshbhai Thakkar *(PAN: AFCPT8628L)* 2B/16, Gee Bee Apartment Sai Baba Nagar Borivali (W), Mumbai – 400092.
3. Gedalia Multitrading Pvt., Ltd., *(PAN: AAFCG0456N)* 2B/16, Gee Bee Apartment Sai Baba Nagar Borivali (W), Mumbai – 400092.	

(The aforesaid entities are hereinafter referred to by their respective names/serial numbers or collectively as "the Noticees")

In the matter of Nutraplus India Ltd.,

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as **'SEBI'**) conducted an investigation in the scrip of Nutraplus India Ltd., *(hereinafter referred to as **"Nutraplus" / "Company"**) inter-alia* to ascertain any possible violation of the provisions of SEBI Act, 1992 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 *(hereafter referred to as **"PFUTP"** Regulations)* by certain connected entities during the period January 1, 2015 and July 27, 2017*(hereinafter referred to as **"Investigation Period"*** The investigation revealed that Shreenath Finstock Pvt., Ltd., (Noticee 1*),* Bhavin Sureshbhai Thakkar (Noticee 2) and Gedalia Multritrading Pvt., Ltd., (Noticee 3) who were connected to each other had increased the price of the scrip through manipulative trading pattern at The Bombay Stock Exchange (BSE) and thereby found to have violated the provisions of Section 12 A (a), (b), (c) of

SEBI Act and Regulation 3 (a), (b), (c), (d), 4 (1), (2) (a) and (e) of SEBI (PFUTP) Regulations, 2003.

APPOINTMENT OF ADJUDICATING OFFICER

2. Pursuant to investigation, SEBI initiated Adjudication Proceedings against the Noticees and appointed the undersigned as the Adjudicating Officer vide Order dated August 28, 2019 under Section 15I of the SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as **"*SEBI Adjudication Rules"***) to inquire into and adjudge under Section 15HA of the SEBI Act for the alleged violation of provisions SEBI Act and SEBI (PFUTP) Regulations.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. A common Show Cause Notice (hereinafter referred to as **"SCN"**) bearing ref. no. EAD-7/BJD/NJMR/6141/2020 dated February 14, 2020 was served on the Noticees under Rule 4 of SEBI Adjudication Rules to show cause as to why an inquiry be not held against them in terms of Rule 4 of the SEBI Adjudication Rules and penalty be not imposed under section 15HAof the SEBI Act, 1992 for the violation alleged to have been committed by them.

4. The following are facts of the case and allegations made in the SCN:

   (a) The shares of Nutraplus are listed at The Bombay Stock Exchange (BSE). During the investigation period, it was observed that there was an increase in price of the scrip during the period from January 01, 2015 to February 03, 2016. Further, from February 04, 2016 till February 23, 2017, the price of the scrip decreased and it increased again during the period from February 27, 2017 to July 27, 2017. It was also observed that there was stock split from 1 equity shares of face value of ₹10 to 2 equity shares of face value of ₹5 each on February 27, 2017 and bonus issue in the ratio of 1:10 on January 19, 2017. Considering the price and volume movement in the scrip during the IP, the entire IP has been divided into 4 patches as mentioned below:

   Patch 1: <u>January 01, 2015 to February 03, 2016 (Price rise patch) (Pre-split)</u>

   Patch 2: <u>February 04, 2016 to February 23, 2017 (Price fall patch) (Pre-split)</u>

Patch 3: <u>February 27, 2017* to March 29, 2017 (Price fall patch) (Post split)</u>
*(*February 24, 2017 to February 26, 2017 were trading holidays)*

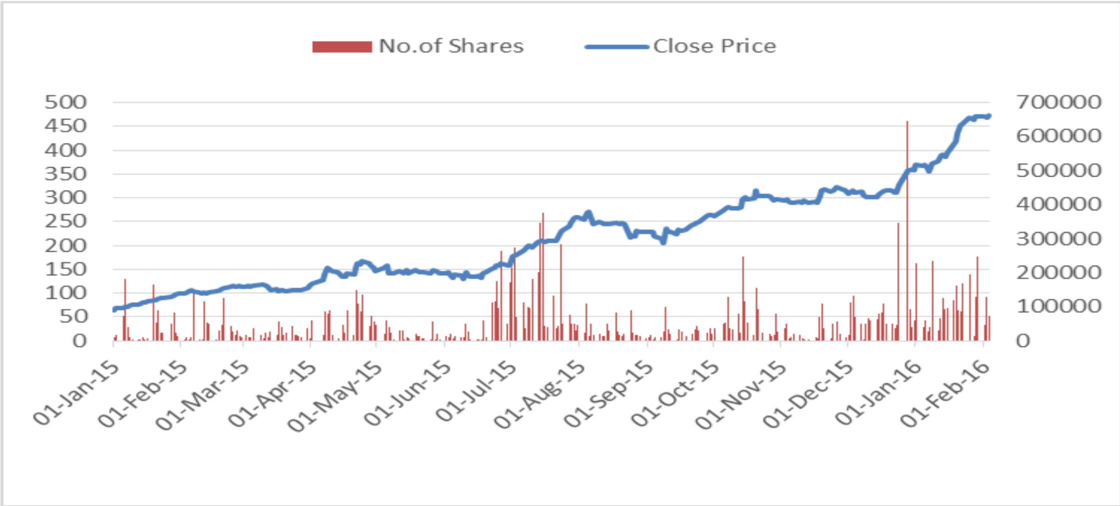
Patch 4: <u>March 30, 2017 to July 27, 2017 (Price rise patch) (Post split)</u>

(b) During the period of Patch 1 i.e., price rise patch, the price of the scrip Nutraplus opened at ₹ 64.45 on Jan 01, 2015 and rose to a high of ₹472.10 on February 03, 2016 and closed at ₹ 472.10 on February 03, 2016 with an average traded volume of 57,231 shares and total volume of 1,55,09,634 shares during the period from January 01, 2015 to February 03, 2016.The Open, High, Low, Close price of the scrip before, during and after the period of investigation are as under *(patch-wise)* are as under:

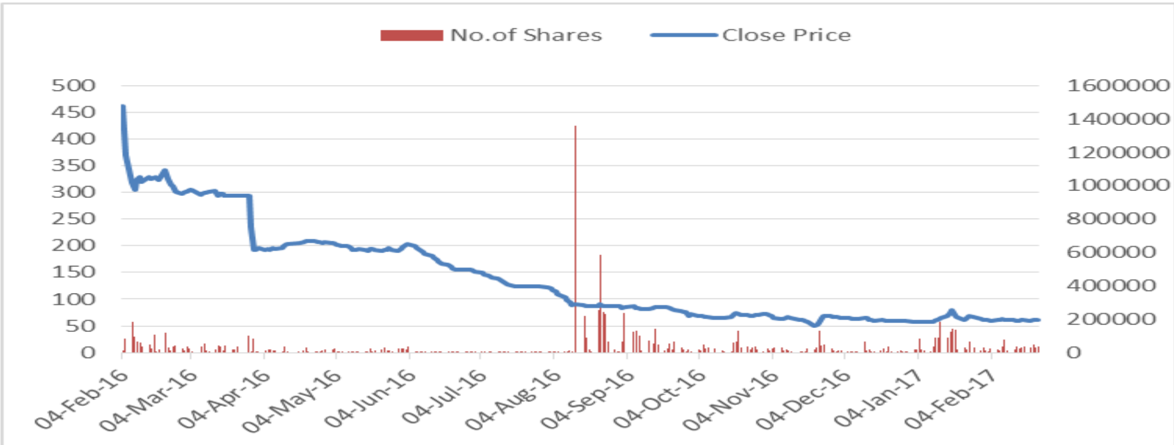
Period	Dates		Opening Price (volume) on first day of the period(₹)	Closing price (volume) on last day of the period (₹)	Low price(volume) during the period (₹)	High Price(volume) during the period (₹)	Avg. no. of (shares) traded daily during the period
Before Investigation period	**01/10/2014-31/12/2014**	**Price**	28.00	61.40	22.15 (25.11.2014)	61.40 (31.12.2014)	**31285**
		Vol	1388	186257	452 (23.10.2014)	284741 (17.12.2014)	
During Investigation Period	**01/01/2015-27/07/2017**	**Price**	64.45	36.75	19.60 (29.03.2017)	494.40 (03.02.2016)	**64613**
		Vol	10562	129531	1 (Multiple dates)	1358095 (12.08.2016)	
Patch 1	**01/01/2015-03/02/2016**	**Price**	64.45	472.10	64.45 (01.01.2015)	494.40 (03.02.2016)	**57231**
		Vol	10562	72585	618 (15.01.2015)	645468 (28.12.2015)	
Patch 2	**04/02/2016-23/02/2017**	**Price**	488.00	61.65	47.30 (22.11.2016)	488.00 (04.02.2016)	**36960**
		Vol	14857	37494	1 (Multiple dates)	1358095 (12.08.2016)	
Patch 3	**27/02/2017-29/03/2017**	**Price**	35.00	24.10	19.60 (29.03.2017)	35.00 (27.02.2017)	**101240**
		Vol	140508	359210	23488 (02.03.2017)	359210 (29.03.2017)	
Patch 4	**30/03/2017-27/07/2017**	**Price**	25.05	36.65	21.00 (31.05.2017)	40.95 (18.07.2017)	**167540**
		Vol	283380	129531	13449 (30.05.2017)	741056 (12.07.2017)	
After Investigation period	**28/07/2017-27/10/2017**	**Price**	36.50	28.40	22.80 (28.09.2017)	36.95 (09.08.2017)	**53004**
		Vol	143451	19352	5062 (19.10.2017)	198235 (13.10.2017)	

(c) The price-volume chart during the investigation period is given below.

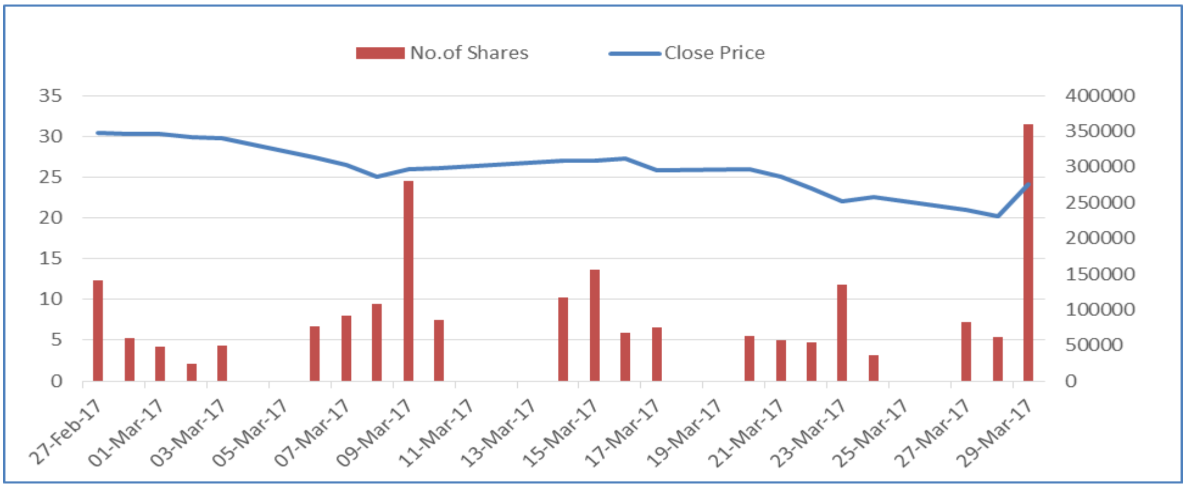
<u>Patch – 1</u>



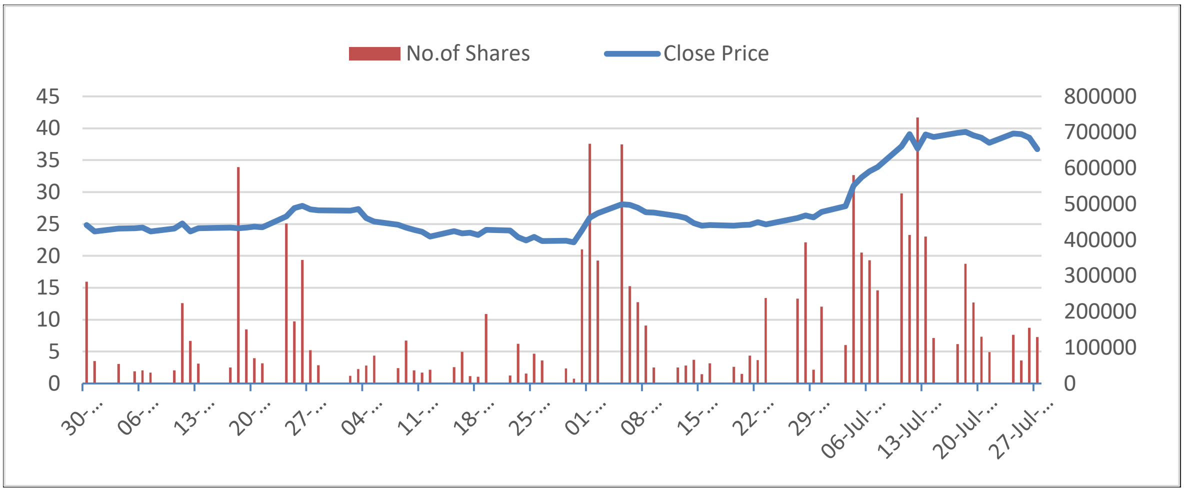
Patch – 2



Patch-3



Patch-4



(d) During the period of investigation, BSE Sensex moved from 27,485.77 points to 32,383.30 points registering an increase of 4897.53 points (17.82%). During the same period, price of the scrip in BSE moved from ₹64.45 to ₹36.75 registering a decrease of ₹27.70 (42.98%).

(e) The details of top 10 buy clients and sell clients concentration on BSE during the investigation period is tabulated as below:

Buy Client Name	Total	%age of Trd Vol	Selling Client Name	Total	%age of Trd Vol
Shreenath Finstock Private Limited	5063919	12.30	Shreenath Finstock Private Limited	5061861	12.30
Gedalia Multitrading Private Limited	2655904	6.45	Gedalia Multitrading Private Limited	2568258	6.24
Bhavin Sureshbhai Thakkar	1575644	3.83	Bhavin Sureshbhai Thakkar	1524521	3.70
JMP Securities Pvt Ltd	880126	2.14	JMP Securities Pvt Ltd	879126	2.14
ARG Management Solutions Private Limited	793685	1.93	ARG Management Solutions Private Limited	793685	1.93
CNI Research Limited	787311	1.91	CNI Research Limited	737491	1.79
Minit Ajay Jhaveri	678266	1.65	Minit Ajay Jhaveri	678268	1.65
Manoj Daga	545512	1.33	Manoj Daga	516462	1.25
BP Fintrade Private Limited	358188	0.87	BP Fintrade Private Limited	357299	0.87
Subramanian P	330255	0.80	Hitendra Sumarmal Solanki	278578	0.68
Top 10 Buy Clients	**13668810**	**33.21**	**Top 10 Selling Clients**	**13395549**	**32.55**
Remaining Clients	**27490023**	**66.79**	**Remaining Clients**	**27763284**	**67.45**
Total Traded Volume	**41158833**	**100**	**Total Traded Volume**	**41158833**	**100**

(f) It is observed from the above table that the Noticees were top 3 clients on buy side as well as on the sell side.

5. Based on the KYC/UCC data, bank transactions, off market transactions and MCA data, 11 entities were identified and found connected to each other (hereinafter referred to as "connected entities"). The list of connected entities and the basis of connection among them is tabulated herein below:

Sl. No.	PAN	Name of the entity	Connection Details
1	AABCS6025R	Shreenath Finstock Private Limited	Entities at Sl. No. 1, 2, 3, 5, 6 and 7 have common contact number 9820183838 and 28220323, common email id kishor@chamatcar.com and common address A/120 Gokul Arcade Garware House, Sahar Road, Andheri (E), Mumbai - 400057. Entities at Sl. No. 4, 6 and 7 has common contact No. 9820601834 Entities at Sl. No. 5 & 7 are director of entities at Sl. No. 1, 2 & 3. Entities at Sl. No. 4 and 8 has common email id bhavin1432@gmail.com Entities at Sl. No. 4 and 8 are directors in entity at Sl. No. 9 Entity at Sl. No. 10 is one of the Director in entity at Sl. No. 2 Entity at Sl. No. 11 is a director in one of the companies, CMI LTD along with Entity at Sl. No. 5. Entity at Sl. No. 5 was also associated with Nutraplus India Ltd as additional director from 26/09/2016 to 29/05/2017.
2	AACCC2842H	CNI Research Limited	
3	AADCC1567G	CNI Infoxchange Limited	
4	AFCPT8628L	Bhavin S Thakkar	
5	AABPO2362E	Kishor Punamchand Ostwal	
6	AACHK1341L	Kishor Punamchand Ostwal HUF	
7	AAEPO3963C	Sangita Kishor Ostwal	
8	BEFPS7477R	Amit Dattaram Shinde	
9	AAFCG0456N	Gedalia Multitrading Private Limited	
10	AAAPD9494M	Mayur Shantilal Doshi	
11	AGAPM7106P	Manoj Bishan Mittal	

6. Last Traded Price (LTP) analysis was carried out to ascertain whether any entity / entities manipulated the price of the scrip of Nutraplus from its previously traded price. It was observed that the Noticeess had significantly contributed to price rise in Patch 1 and 4 of the investigation period, the analysis of which are furnished hereunder:

Patch 1 - January 01, 2015 to February 03, 2016 (Price rise patch) (Pre-split)

(a) During the Patch-1 of Investigation period, the price of the scrip at BSE opened at ₹ 64.45(previous close ₹ 61.40), touched a high of ₹494.40 and closed at ₹ 472.10. Out of the 11 connected entities, 9 entities had traded during the patch-1 as buyers. The LTP contribution by the connected entities, on the buy side was analysed and the details are as follows:

Name of the buyer	PAN	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of positive LTP to mkt positive LTP (` 24086.60)
		Net LTP	QTY traded	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
Shreenath Finstock Private Limited	AABCS6025R	6356.9	2479160	24782	9215.9	599408	9586	-2859	776751	5513	1103001	9683	38.26
Bhavin Sureshbhai	AFCPT8628L	2901.35	520005	9594	3855	119174	3841	-953.65	156207	2096	244624	3657	16.01

Thakkar													
CNI Research Limited	AACCC2842H	55.7	645433	620	110.7	148089	222	-55	151969	108	345375	290	0.46
CNI Infoxchange Private Limited	AADCC1567G	2.1	80461	164	20.3	5139	32	-18.2	5976	26	69346	106	0.08
Kishor Punamchand Ostwal	AABPO2362E	-1.2	11000	19	1.7	255	4	-2.9	9151	8	1594	7	0.01
Kishore Punamchand Ostwal HUF	AACHK1341L	-1.3	5444	5	0	0	0	-1.3	2161	3	3283	2	0
Sangita Ostwal Ostwal	AAEPO3963C	-1.9	34704	89	13.4	8276	30	-15.3	15229	24	11199	35	0.06
Mayur Shantilal Doshi	AAAPD9494M	-8.1	1450	14	0.4	5	1	-8.5	1155	9	290	4	0
Amit Dattaram Shinde	BEFPS7477R	-27.35	65751	397	39.65	8540	62	-67	17935	90	39276	245	0.17
Total – Connected entities		**9276.2**	**3843408**	**35684**	**13257.05**	**888886**	**13778**	**-3980.85**	**1136534**	**7877**	**1817988**	**14029**	**55.04**
Remaining entities		**-8865.5**	**11666226**	**77585**	**10829.55**	**2009741**	**15572**	**-19695.05**	**3667396**	**25421**	**5989089**	**36592**	**44.96**
Total - market		**410.7**	**15509634**	**113269**	**24086.6**	**2898627**	**29350**	**-23675.9**	**4803930**	**33298**	**7807077**	**50621**	**100.00**

(b) It is observed from the above table that the connected entities have contributed ₹ 13257.05 to market positive LTP, which was 55.04 % of the market positive LTP on BSE. On analysing all their positive LTP trades during the patch, it was observed that the connected entities traded with 1563 counter parties, while contributing to cumulative positive LTP of ₹ 13257.05 through 13778 trades in 239 trading days. It is also observed that the Noticees 1 & 2 were the Top 2 LTP contributors during Patch-1 of the investigation period.

(c) It is also observed from the above that the Noticee 1 contributed positive LTP of ₹ 9215.90 which is 38.26% to total market positive LTP and the Noticee 2 contributed positive LTP of ₹ 3,855 which is 16.01% to total market positive LTP, during the Patch 1.

(d) The trading pattern of Shreenath Finstock Pvt., Ltd., (Noticee 1) during the Patch -1 was further analysed and the following was observed;

No. of shares traded	**No. of trades**	**No. of shares bought**	**Buy order quantity range**	**Available Sell order quantity range**	**+ve LTP Contribution**	**% to Market +ve LTP**
1	4497	4497	1	1-12000	5694.85	23.64
1	306	306	2-10000	1-1000	161.40	0.67
2-10	1330	7775	2-11000	2-6500	1226.05	5.09
11 & above	3453	586830	11-12000	11-15000	2133.60	8.86

(e) Based on the trading analysis of the Noticee as tabulated above, it is observed that the Noticee 1 contributed ₹ 5694.85 to positive LTP which is 23.64% of total market positive LTP during patch-1 by placing buy orders of 1 share each on 4497 instances. The trading pattern of the Noticees shows that its intention was not to buy shares but to increase the price

through contributing to positive LTP by repeatedly placing the buy orders of 1 share each.

(f) The trading pattern of Bhavin Sureshbhai Thakkar (Noticee 2) during the Patch-1 was further analysed and the following was observed:

No. of shares traded	No. of trades	No. of shares bought	Buy order qty range	Available Sell order qty range	+ve LTP Contribution	% to Market +ve LTP
1	2446	2446	1	1-12000	2737.10	11.36
1	57	57	2-4001	1-5000	42.45	0.18
2-10	657	4316	2-5000	2-10000	669.90	2.78
11 & above	681	112355	11-10001	11-10000	405.55	1.68

(g) Based on the trading analysis, it is observed that the Noticee 2 contributed ₹ 2737.10 to positive LTP which is 11.36% of total market positive LTP during patch-1 by placing buy orders of 1 share each on 2446 instances. The trading pattern of the Noticee 2 shows that its intention was not to buy shares but to increase the price through contributing to positive LTP by repeatedly placing the buy orders of 1 share each.

<u>Patch 4 - March 30, 2017 to July 27, 2017 (Price rise patch) (Post-split)</u>

(h) During the Patch-4 of the Investigation period, the price of the scrip Nutraplus at BSE opened at ₹ 25.05 (previous close ₹ 24.10), touched a high of ₹ 40.95 and closed at ₹36.65. Out of the 11 connected entities, 6 entities had traded during the patch-4 as buyers. The LTP contribution by connected entities, on the buy side was analysed and the details of which are as follows:

Name of the buyer	PAN	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of positive LTP to mkt positive LTP (₹ 12.55)
		Net LTP	QTY traded	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
Shreenath Finstock Private Limited	AABCS6025R	315.35	2232962	6244	521.85	345213	2599	-206.5	777960	1402	1109789	2243	36.25
Gedalia Multitrading Private Limited	AAFCG0456N	264.15	1822033	5259	491.7	286187	2129	-227.55	520952	1290	1014894	1840	34.15
Bhavin Sureshbhai Thakkar	AFCPT8628L	46.8	80933	678	62.1	3197	330	-15.3	29636	158	48100	190	4.31
Amit Dattaram Shinde	BEFPS7477R	3.7	135161	217	13.35	2458	50	-9.65	38293	54	94410	113	0.93
CNI Research Limited	AACCC2842H	0	118000	9	0.2	12500	1	-0.2	31050	3	74450	5	0.01
CNI Infoxchange Private Limited	AADCC1567G	-0.6	55556	11	0.05	15107	1	-0.65	14856	3	25593	7	0.00

Total – Connected entities		629.4	4444645	12418	1089.25	664662	5110	-459.85	1412747	2910	2367236	4398	75.66
Remaining entities		-616.85	9293702	18142	350.45	883316	2303	-967.3	2752491	5259	5657895	10580	24.34
Total - market		12.55	13738347	30560	1439.7	1547978	7413	-1427.15	4165238	8169	8025131	14978	100.00

(i) It is observed from the above table that the connected entities have contributed ₹ 1089.25 to market positive LTP, which was 75.66% of the market positive LTP on BSE. It was observed that the Noticee 1 and 3 i.e., Shreenath Finstock Private Ltd., and Gedalia Multritrading Private Ltd., had contributed more than 5% to positive LTP. Hence, the trade log analysis for the said entities was carried out separately and the details of which are given hereunder;

(j) It is observed that during the Patch-4 of investigation period the Noticee 1 (Shreenath Finstock Pvt., Ltd.,) contributed ₹ 521.85 which is 36.25 % to total market positive LTP during the patch 4. The trading pattern of the Noticee 1 during the Patch - 4 was further analysed and the following was observed;

No. of shares traded	No. of trades	No. of shares bought	Buy order qty range	Available Sell order qty range	+ve LTP Contribution	% to Market +ve LTP
1	1765	1765	1	1-62000	392.00	27.23
1	6	6	100-1000	1	0.75	0.05
2-10	63	392	2-2000	2-5000	11.2	0.78
11 & above	765	343050	12-31080	15-48000	117.90	8.19

(k) Based on the trading analysis, it is observed from the above table that the Noticee 1 contributed ₹ 392.00 to positive LTP i.e. 27.23% of total market positive LTP during patch-4 by placing buy orders of 1 share each on 1765 instances. The trading pattern of the Noticee 1 shows that its intention was not to buy shares but to increase the price through contributing to positive LTP by repeatedly placing the buy orders of 1 share each.

(l) It is also observed that during the Patch-4 of investigation period the Noticee 3 (Gedalia Multritrading Pvt., Ltd.,) contributed ₹ 491.70 positive LTP which was 34.15% to total market positive LTP during the Patch 4. The trading pattern of the Noticee 3 was further analysed and the following was observed;

No of shares traded	No of trades	No of shares bought	Buy order qty range	Available Sell order qty range	+ve LTP Contribution	% to Market +ve LTP
1	872	872	1	1-60713	228.10	15.84

1	9	9	3-22429	1-201	1.10	0.08
2-10	375	3350	2-30000	2-65000	93.45	6.49
11 & above	873	281956	12-50000	15-62000	169.05	11.74

(m) Based on the trading analysis, it is observed that the Notice 3 contributed ₹228.10 to positive LTP i.e. 15.84% of total market positive LTP during patch-4 by placing buy orders of 1 share each on 872 instances. The trading pattern of the Noticee 3 shows that its intention was not to buy shares but to increase the price through contributing to positive LTP by repeatedly placing the buy orders of 1 share each.

(n) From the above trading pattern of the Noticees, it was alleged that the Noticees indulged in an act which created false or misleading appearance of trading in the securities market and amounted to manipulation of the price of Nutraplus.

NEW HIGH PRICE (NHP) ANALYSIS

7. An analysis of NHP was carried out to ascertain whether any entity/entities created new high price in a manipulative manner over previous high price in the scrip. During patch 1, the price of the scrip moved from ₹ 64.45 to a high of ₹ 494.40 i.e. an increase of ₹ 429.95 (667.11%).

(a) It was observed that out of 11 connected entities, only 3 connected entities had contributed to NHP during patch-1, the details of which are tabulated below: -

Entity Name	PAN	BSE						
		NHP Diff (₹)	% of NHP Diff to total Mkt NHP Diff	Traded Qty	No. of Trades	Entity's Net LTP Contribution	Entity's +ve LTP Contribution	% of positive LTP contributed by entity to Total Market positive LTP
Shreenath Finstock Private Limited	AABCS6025R	114.3	26.58	12662	149	6356.9	9215.9	38.26
Bhavin Sureshbhai Thakkar	AFCPT8628L	76.2	17.72	1924	96	2901.35	3855	16.01
CNI Research Limited	AACCC2842H	1.9	0.44	1691	8	55.7	110.7	0.46
Total- Connected entities		**192.4**	**44.75**	**16277**	**253**	**9313.95**	**13181.6**	**54.73**
Total – Remaining entities		**237.55**	**55.25**	**49062**	**404**	**-8903.25**	**10905**	**45.27**
Total - Market		**429.95**	**100.00**	**65339**	**657**	**410.7**	**24086.6**	**100.00**

(b) It is observed from the above that only 3 connected entities had contributed ₹192.40 to NHP which was 44.75% of total NHP during the patch-1. Out of the 3 connected entities, 2 connected entities contributed more than 5% to NHP i.e., Noticee 1 (Shreenath Finstock Private Ltd.,)

who had contributed 38.26% of total market positive LTP during the patch and Bhavin Sureshbhai Thakkar (Noticee 2) had contributed 16.01% of total market positive LTP during the patch.

(c) As stated at pre-paragraphs, the Noticees 1 & 2 had contributed to significant positive LTP during patch-1 by repeatedly placing the buy orders of 1 share each. Further, the Noticees 1 & 2 had contributed to NHP of ₹ 49.20 (11.44% of total market NHP during the patch) and ₹ 22.80 (5.30% of total market NHP during the patch) by placing buy order of 1 share each on 26 instances and 37 instances respectively, which resulted in significant contribution to NHP. Thus, the NHP analysis of Noticees 1 & 2 further corroborates the allegation that the trading behaviour of the Noticees 1 & 2 amounts to manipulation of price of the scrip Nutraplus.

NHP analysis of top 10 NHP contributors:

(d) The details of top 10 NHP contributing entities who had purchased the scrip during the patch and their contribution in the new high price established on BSE are tabulated below:

		BSE						
Entity Name	**PAN**	**NHP Diff (₹)**	**% of NHP Diff to total Mkt NHP Diff**	**Traded Qty**	**No. of Trades**	**Entity's Net LTP Contribution**	**Entity's +ve LTP Contribution**	**% of positive LTP contributed by entity to Total Market positive LTP**
Shreenath Finstock Private Limited	AABCS6025R	114.3	26.58	12662	149	6356.9	9215.9	38.26
Bhavin Sureshbhai Thakkar	AFCPT8628L	76.2	17.72	1924	96	2901.35	3855	16.00
ARG Management Solutions Private Limited	AAJCA1323Q	41.9	9.75	1478	83	2798.2	5373.8	22.31
Gajanan Enterprises	AAKFG7595A	18.55	4.31	3393	5	9.7	38.3	0.16
Shah & Shah	ACCFS7507A	17.45	4.06	2326	10	-59.75	33.25	0.14
Way2wealth Securities P Ltd	AAACW3137H	10.5	2.44	949	30	-1007.2	78.8	0.33
Ajay Chandrashekhar Doijad	AACHA5574M	9.2	2.14	500	1	11	12.1	0.05
BP Fintrade Private Limited	AAACY2372G	9.1	2.12	81	5	-122.1	76.1	0.32
Vijendra Gupta	AJWPG8978J	8	1.86	50	1	-1	8.3	0.03
BP Comtrade Pvt Ltd	AAACA3758Q	6	1.40	50	1	-5.05	17.25	0.07
Total – Top 10 entities		**311.2**	**72.38**	**23413**	**381**	**10882.05**	**18708.8**	**77.67**
Total – Remaining entities		**118.75**	**27.62**	**41926**	**276**	**-10471.35**	**5377.8**	**22.33**
Total - Market		**429.95**	**100.00**	**65339**	**657**	**410.7**	**24086.6**	**100.00**

(e) The top 10 NHP contributors during the patch-1 had contributed ₹ 311.20 to NHP which was 72.38% of total NHP during the patch. Out of the top 10 entities who contributed more than 5% to NHP, there were 2 connected entities, namely, Shreenath Finstock Private Limited and Bhavin

Sureshbhai Thakkar. The analysis for the said entities has already been carried out in para above.

8. The Company i.e., Nutraplus India Ltd., made 2 preferential allotments of shares, details of which are tabulated here:

Sl. No.	Date of Allotment	Promoter/Non-promoter	No. of shares allotted	Issue Price (₹)	No. of allottees
1	26/02/2015	Non-promoter	32,18,500	54.00	108
2	12/03/2015	Non-Promoter	13,49,848	54.00	48

(a) It was observed that out of the 156 entities who received preferential allotment, 115 entities sold shares in the market during the investigation period. Of the above, 3 entities namely, Bishan Narain Mittal HUF, Anchal Kishor Ostwal and Yogita Manoj Mittal were found to be connected to the connected entities mentioned at Para No. 5 above. Further, it was also observed that the entities sold majority of the shares post lock-in, to the Noticees namely, Shreenath Finstock Private Limited, Gedalia Multitrading Private Limited and Bhavin Sureshbhai Thakkar, who manipulated the price of the scrip during the investigation period as analysed above.

(b) The sell trades by the above-mentioned 3 preferential allottees are tabulated below.

Sl. No	Name of the Preferential Allottee	No. of shares allotted	Issue Price (in ₹)	Total Amount Paid during allotment A	Post-Split Holding(Shares Allotted)	Post-Bonus Holding (Shares Allotted) B	Adjusted Acquisition price (in₹) * C =A/B	No. of shares sold to connected entities D	Actual Sale Value of shares sold to connected entities (in ₹) E	Buy Value of the sold shares (received via preferential allotment) (in ₹) F=C*D	Profit made (in ₹) G=E-F
1.	Bishan Narain Mittal HUF	170000	54	9180000	340000	374000	24.55	43100	1573150.00	1057909.09	5,15,240.91
2.	Yogita Mittal	108000	54	5832000	216000	237600	24.55	112825	3210516.75	2769340.91	4,41,175.84
3.	Anchal Kishor Ostwal	100000	54	5400000	200000	220000	24.55	129392	3590694.05	3175985.45	4,14,708.60

** Adjustment in acquisition price made for split and bonus issue by the company during the lock-in period of shares allotted on preferential basis.*

9. From the trading pattern of the Noticees as mentioned above, it is alleged that the Noticees manipulated the price of Nutraplus scrip and created a misleading appearance of trading in the scrip. It is also alleged that the act of the Noticees were not just a coincidence and the same indicates their manipulative intent which had resulted into artificial increase in the price. Further, the manipulative act of the Noticees 1 to 3 had facilitated the three preferential allottees to off-load their shares for wrongful gains. Therefore, it was alleged that the Noticees had violated the provisions of Section 12 A (a),

(b), (c) of SEBI Act and Regulation 3 (a), (b), (c), (d), 4 (1), (2) (a) and (e) of SEBI (PFUTP) Regulations.

10. The Noticees vide their letter dated March 2, 2020 furnished their replies to the charges alleged in the SCN, which are summarized hereunder:

<u>Reply of Noticee 1 – Shreenath Finstock Pvt., Ltd.,</u>

(a) *As regards the connection amongst 11 entities, we would like to submit that there is no connection absolutely with other entities mentioned therein except Ms. SangitaOstwal and Mr. Kishore Ostwal who are directors of our company. Their trades are only 11,000 and 34,704 shares respectively which contribute to less than 1% of the total market bought of 24,79,160 shares of Nutraplus. Hence we have not contributed to the LTP in the scrip of Nutraplus.*

(b) *As per the table given in paragraph 10 of the SCN, the total number of shares purchased in the market during that period (Patch1) was 155,09,634 shares, whilst we have bought 24,79,160 shares only in the aggregate and hence could not have contributed to the LTP as alleged by you. We would like to submit that our main business is trading in shares.*

(c) *Out of total shares bought, 5,86,830 shares have been bought in the range of 11 to 12,000 shares matching the sell quantity range available. In comparison we have only bought 4497 shares in the range of 1 share when even in those occasions there were sell shares in the range of 1 – 12,000 shares available in the market.*

(d) *Being a trader in shares, we would necessarily buy shares in the quantities which are available in the market and we totally deny the intent as specified by you in Paragraph 14 while buying the shares. The allegations made by you that we bought the shares to create a false and misleading appearance of trading is without any basis and we totally deny all the allegations made by you in this paragraph.*

(e) *As regards the alleged LTP contribution in Patch 4 of the investigation period, the total number of shares purchased in the market during that period was 137,38,347 shares whilst we have bought 22,32,962 shares only in the aggregate and hence could not have contributed to the LTP as alleged by you.*

(f) *We deny that we have contributed more than 5% of LTP during Patch 4 of the investigation period as we have dealt with more than 500 counter* *parties during this period who were also scattered. This clearly indicates that we could not have contributed to the LTP.*

(g) *Paragraphs 23 and 24 states that we had purchased 1765 shares in trades for 1 share only whilst the same para also states that we had purchased 343050 shares in the range of 11 and more shares which matched the sell quantity range available of 12 to 31080 shares. Hence your allegation that there was no intention to buy shares and was only to create a false market is not true as we had more number of shares in the quantity of 11 and above. This allegation is made without any basis and we totally deny all the allegations made by you in these paragraphs.*

(h) *With regard to the allegations in Paragraphs27, 28, 29 30, 31 and 32 it is alleged that we have contributed to the New High Price in patch 1 Paragraph 30 states that we had traded on 26 occasions for a single share and this has contributed to a new high price. This allegation is baseless as Paragraph 13 clearly states that we have traded on 4503 instances for a single share and if only 26 of them have contributed to a new high price, our role would hardly be significant.*

(i) *Paragraph 34 discusses that 3 of the preferential allottees are connected to us, which is not correct and has already been rebutted by us. It is also alleged that the preferential allottees sold majority of their shares post the lock-in to us. We would like to submit that in an online system, it is difficult to know who the sellers are and as we were interested in buying the scrip, the system has merely matched the orders and we have no malafide intention in buying the scrip.*

(j) *We totally deny the allegations made in Paragraph 36 and the notice has not shown any connection between the preferential allottees and us and further to the contribution of a NHP or the LTP. The allegations are baseless and with malice. Since the allegations are baseless and without any support of facts, we request you to kindly drop all further proceedings against me.*

Reply of Noticee 2 – Bhavin Sureshbhai Thakkar

(a) *I would like to submit that there is no connection absolutely with other entities mentioned therein except that I am a director of Gedalia Multitrrading Private Ltd.,*

(b) *As per the table given in paragraph 10, the total number of shares purchased in the market during that period was 155,09,634 shares whilst*

I have bought 5,20,005 shares (3.35%) only in the aggregate and hence could not have contributed to the LTP as alleged by you.

(c) *Paragraph 11 further alleges that all the connected entities have contributed to the LTP to the extent of 55.40% of the LTP and I would like to reiterate that I am not connected to any of the parties mentioned therein and hence I have not contributed to the LTP in the scrip of Nutraplus. Paragraph 12 further states that I have contributed Rs.3855 to LTP which I totally deny.*

(d) *Paragraphs15 specifically analyses my buy trades and it can be seen that from the table in Para 15 that while I have traded and bought 2446 shares by trading in one share I have also bought 112355 shares by trading in more than 11 shares on 681 occasions*

(e) *Paragraph 16 states that my intention was not to buy shares but only to manipulate prices. This allegation is baseless and with malice. Since I am a jobber and trader, I would necessarily buy shares in the quantities which are available in the market. The allegations made by you that I bought the shares to create a false and misleading appearance of trading is without any basis and Itotally deny all the allegations made by you in this paragraph.*

(f) *Paragraph 21 discusses the Last Trade Price Analysis during Patch 4. As per the table given in paragraph 21, the total number of shares purchased in the market during that period was 137,38,347 shares whilst I have bought 80,933 shares only in the aggregate and hence could not have contributed to the LTP as alleged by you.*

(g) *With regard to the allegations in Paragraphs 27, 28, 29 30, 31 and 32 it is alleged that we have contributed to the New High Price in patch 1. Paragraph 30 states that we had traded on 37 occasions for a single share and this has contributed to a new high price. This allegation is baseless as Paragraph 15 clearly states that we have traded on 2446 instances for a single share and if only 37of them has contributed to a new high price, our role would hardly be significant.*

(h) *Paragraph 34 discusses that 3 of the preferential allottees are connected to me, which is not correct and has already been rebutted by us. It is also alleged that the preferential allottees sold majority of their shares post the lock-in to us. I would like to submit that in an online system, it is difficult to know who the sellers are and as we were interested in buying the scrip, the system has merely matched the orders and I have no malafide intention in buying the scrip.*

(i) I totally deny the allegations made in Paragraph 36 and the notice has not shown any connection between the preferential allottees and us and further to the contribution of a NHP or the LTP. The allegations are baseless and with malice. Since the allegations are baseless and without any support of facts, we request you to kindly drop all further proceedings against me.

<u>Reply of Noticee 3 – Gedalia Multitrading Pvt., Ltd.,</u>

(a) We would like to submit that there is no connection absolutely with other entities mentioned therein except with Mr. BhavinThakkar who is a director in our company.

(b) As per the table given in paragraph 21, the total number of shares purchased in the market during that period was 137,38,347 shares whilst we have bought 18,22,033 shares only in the aggregate and hence could not have contributed to the LTP as alleged by you.

(c) Paragraph 22 discusses our trades during patch IV of the investigation period and states that we have contributed to the LTP on more than 5% of the occasions. We deny this allegation.

(d) Paragraph 25 discusses that we have purchased 1 share on 872 occasions while we have purchased 281956 shares on 873 occasions. Hence your allegation that there was no intention to buy shares and was only to create a false market is not true as we had more number of shares in the quantity of 11 and above. This allegation is made without any basis and we totally deny all the allegations made by you in these paragraphs.

(e) Paragraph 26 alleges we have contributed to LTP on 15.84% of the times by placing order for one share each. We would like to submit that we have purchased 281956 shares on an equal number of occasions in the range of 11 and above and hence we could not have contributed to the LTP as alleged by you. Hence your allegation that there was no intention to buy shares and was only to create a false market is not true as we had more number of shares in the quantity of 11 and above. This allegation is made without any basis and we totally deny all the allegations made by you in these paragraph.

(f) Paragraph 34 discusses that 3 of the preferential allottees are connected to us, which is not correct and has already been rebutted by us. It is also alleged that the preferential allottees sold majority of their shares post the

lock-in to us. We would like to submit that in an online system, it is difficult to know who the sellers are and as we were interested in buying the scrip, the system has merely matched the orders and we have no malafide intention in buying the scrip.

(g) *We totally deny the allegations made in Paragraph 36 and the notice has not shown any connection between the preferential allottees and us and further to the contribution of a NHP or the LTP. The allegations are baseless and with malice. Since the allegations are baseless and without any support of facts, we request you to kindly drop all further proceedings against me.*

11. In the interest of natural justice and in terms of Rule 4 (3) of SEBI Adjudication Rules, the Noticees were provided with an opportunity of personal hearing on March 17, 2020, which was communicated vide notice dated March 6, 2020. The Noticees vide letter dated March 16, 2020 authorized Ms. Shailashri Bhaskar, Practicing Company Secretary *(Authorized Representative)* to appear on their behalf before me, which was taken on record. As per the request made by the Authorized Representative, the hearing was preponed to March 16, 2020. The Authorized Representative appeared before me on March 16, 2020 and reiterated the submissions made by the Noticees vide their letters dated March 2, 2020.

CONSIDERATION OF ISSUES

12. After perusal of the material available on record, I have the following issues for consideration viz.,

    I. Whether the Noticees have violated the provisions of Section 12 A (a), (b), (c) of SEBI Act and Regulations 3 (a), 3(b), 3(c), 3 (d), 4 (1), 4 (2) (a) and 4 (2) (e) of SEBI (PFUTP) Regulations, 2003?

    II. Whether the Noticees are liable for monetary penalty under Section 15HA of the SEBI Act?

    III. If so, what quantum of monetary penalty should be imposed on the Noticees?

FINDINGS

13. On perusal of the material available on record and giving regard to the facts and circumstances of the case and submissions of the Noticees, I record my findings hereunder.

ISSUE I: Whether the Noticees have violated the provisions of Section 12 A (a), (b), (c) of SEBI Act and Regulations 3 (a), 3(b), 3(c), 3 (d), 4 (1), 4 (2) (a) and 4 (2) (e) of SEBI (PFUTP) Regulations, 2003?

14. Before moving forward, it is pertinent to refer to the relevant provisions of SEBI Act and SEBI (PFUTP Regulations), 2003 which reads as under:

Section 12 (A) (a) (b) (c) of SEBI Act

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;

Regulation 3 of SEBI (PFUTP) Regulations: - Prohibition of certain dealings in securities

3. No person shall directly or indirectly—

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

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

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

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

Regulation 4 of SEBI (PFUTP) Regulations: - 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;

15. It has been alleged that the Noticees had manipulated the price of Nutraplus scrip and created a misleading appearance of trading in the scrip and also facilitated the three preferential allottees to off-load their shares for wrongful gains. The method and the manner in which the trades were executed are the most important factors to be considered in these circumstances and the motive, thereafter, automatically falls in line.

16. I note that the shares of Nutraplus were listed at BSE during the investigation period i.e., from January 1, 2015 till July 27, 2017. I note that the Company had made various corporate announcements during the investigation period which were related to issue of warrants convertible into equity shares, issue of shares on preferential basis, conversion of warrants into equity, issue of bonus shares, stock split, appointment of directors, shifting of registered address, financial results and shareholding pattern and disclosures under SEBI (Prohibition of Insider Trading) Regulations, 1992 & 2015 and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

17. I also note that the share capital of the Company had increased from 65,95,000 shares as at the end of December 2014 quarter to 3,40,91,086 shares as at the end of March 2017 quarter. As submitted by the Company vide its letter dated January 5, 2018 the details of changes in the capital structure of the Company are tabulated hereunder:

Sl. No.	Date	Total no of equity shares (Opening Balance)	No of equity shares	Particulars	Total no of equity shares (Closing Balance)
1	26.02.2015	6595000	3218500	Allotment of equity shares on preferential basis	9813500
2	12.03.2015	9813500	1349848	Allotment of equity shares on preferential basis	11163348
3	29.05.2015	11163348	800000	Allotment of equity shares on conversion of warrants into equity shares	11963348
4	08.12.2015	11963348	289300	Allotment of equity shares on preferential basis	12252648
5	22.12.2015	12252648	63300	Allotment of equity shares on preferential basis	12315948
6	30.03.2016	12315948	355000	Allotment of equity shares on conversion of warrants into equity shares	12670948
7	12.04.2016	12670948	185000	Allotment of equity shares on conversion of warrants into equity shares	12855948
8	02.05.2016	12855948	480000	Allotment of equity shares on conversion of warrants into equity shares	13335948
9	11.08.2016	13335948	427160	Allotment of equity shares on conversion of warrants into equity shares	13763108
10	20.08.2016	13763108	472840	Allotment of equity shares on conversion of warrants into equity shares	14235948
11	25.08.2016	14235948	500000	Allotment of equity shares on conversion of warrants into equity shares	14735948
12	04.09.2016	14735948	100000	Allotment of equity shares on conversion of warrants into equity shares	14835948
13	11.09.2016	14835948	660000	Allotment of equity shares on conversion of warrants into equity shares	15495948
14	23.01.2017	15495948	1549595	Allotment of equity shares by way of bonus issue	17045543
15	27.02.2017	17045543	17045543	Stock split from face value of ₹ 10/- each to ₹ 5/- each	34091086

18. During the period of investigation, the financial performance of the Company quarter-wise from March 2015 to September 2017 is furnished hereunder:

(₹in Crores)

Description	QE March 2015	QE June 2015	QE Sept. 2015
Total income	18.46	15.29	19.45
Expenditure	16.11	12.51	15.74
Net Profit	3.26	1.51	1.47

Description	QE Dec 2015	QE March 2016	QE June 2016	QE Sept. 2016
Total income	17.77	25.36	24.49	18.90
Expenditure	14.21	21.79	26.19	17.09
Net Profit	1.71	3.23	(3.48)	0.16

Description	QE Dec 2016	QE March 2017	QE June 2017	QE Sept. 2017
Total income	24.66	23.47	15.92	24.53
Expenditure	23.75	NA	NA	23.40
Net Profit	(0.94)	(2.77)	(2.81)	0.11

19. I note from the above table that while the net profit of the Company was in the range of ₹ 1.47 crores to ₹ 3.26 crores during the period of Patch 1 (price rise) i.e., January 1, 2015 to February 3, 2016, the price of the scrip during the period rose from ₹ 64.45 to ₹ 472.10 before touching a high of ₹ 494.40 on February 3, 2016. During the period of Patch 4 (price rise) i.e., March 30, 2017 to July 27, 2017, the price of the scrip during the period rose from ₹ 25.05 to ₹ 36.65 before touching a high of ₹ 40.95 on July 18, 2017, whereas the Company incurred losses of ₹ 2.77 crores and ₹ 2.81 crores during the quarters of March 2017 and June 2017 respectively and a meagre profit of ₹ 11 lakhs as at the end of September 2017 quarter.

20. The financial performance of the Company for the financial year ending March 2015, March 2016 and March 2017 are tabulated hereunder:

(₹in Crores)

	Year ended March 2015	Year ended March 2016	Year ended March 2017
Total income	65.25	77.90	91.54
Expenditure	61.85	64.26	98.15
Net Profit	(4.06)	7.93	(6.24)

21. It is noted from the above table that the Company registered net loss of ₹ 4.06 crores and ₹ 6.24 crores for the year ended March 2015 and March 2017 respectively whereas the Company reported net profit of ₹ 7.93 crores for the year ended March 2016.

22. During the period of investigation, the company made 2 preferential allotments of shares, the details of which are tabulated here:-

Sl. No.	Date of Allotment	Promoter/Non-promoter	No. of shares allotted	Issue Price ₹	No. of allottees
1	26/02/2015	Non-promoter	32,18,500	54.00	108
2	12/03/2015	Non-Promoter	13,49,848	54.00	48

23. It was observed that out of the 156 entities who received preferential allotment, 115 entities sold shares in the market during the investigation period. Of the above, 3 entities namely, Bishan Narain Mittal HUF, Anchal Kishor Ostwal and Yogita Manoj Mittal were found to be inter-se connected among themselves.

24. The investigation found that 11 entities who were connected to each other had traded in the scrip of Nutraplus during the investigation period, the basis of which was clearly brought out in the SCN, which is mentioned in Para 5 above. Further, I note that the one of the preferential allottees who sold the shares during the period of investigation viz., Anchal Kishor Ostwal, was daughter of Kishor Punamchand Ostwal, Director, Nutraplus India Ltd., who is also one of the connected entities. The Noticees contended that establishing any relation/connection between entities as mentioned in the SCN was flawed. In this regard, I note that based on KYC/UCC data, bank transactions, off- market transactions and MCA data, 11 entities were found connected to each other. Further, I note that the Noticees have not produced any satisfactory material/documents to dispute the inferences regarding their relationship / connection other than a sweeping denial. In view of the above and in view of the fact that the Noticees were found to be connected among themselves by way of common email id, mobile number, relationship, MCA records and address, I do not find any merit in the submissions made by the Noticees that they were not connected among themselves.

LTP analysis – Patch 1(Price rise) - January 01, 2015 to February 03, 2016

25. During Patch 1 of Investigation period, the price of the scrip Nutraplus at BSE opened at ₹64.45 (previous close ₹ 61.40), touched a high of ₹ 494.40 and closed at ₹ 472.10. I note that during this period, the Noticee1 executed 24,782 trades consisting of 24,79,160 shares on the buy side. Out of the 24,782 trades, the Noticee 1 has contributed to positive LTP of ₹ 9,215.90 in 9,586 trades consisting of 5,99,408 shares. The Noticee 2, during this period, executed 9,594 trades consisting of 5,20,005 shares on the buy side. Out of the 9,594 trades, the Noticee 2 has contributed to positive LTP of ₹ 3,855 in 3,841 trades consisting of 1,19,174 shares. Thus, the Noticee 1 and

Noticee 2 had contributed 38.26% and 16.01% positive LTP respectively to the market positive LTP (₹ 24,086.60)

26. Upon further analysis of LTP it was observed that the Noticee 1 contributed ₹5694.85 to positive LTP which is 23.64% of total market positive LTP during Patch 1 by placing buy orders of 1 share each on 4,497 instances. Similarly, it was also observed that the Noticee 2 contributed ₹ 2,737.10 to positive LTP which is 11.36% of total market positive LTP during Patch 1 by placing buy orders of 1 share each on 2446 instances.

27. For the purpose of illustration few of the trades of 1 share each executed by the Noticees 1 & 2, which had contributed significantly to positive LTP are tabulated hereunder:

Trades of Noticee 1 (Shreenath Finstock Pvt, Ltd.,)

Order date	Buy Order No.	Order Time	Buy Order quantity	Buy Order rate in ₹	Counterparty	Sell Order quantity	Trade time	Traded quantity	Trade price in ₹	LTP variation in ₹
07-05-2015	1430969400169041038	09:16:21	1	139.00	Laxmichand Nanji Gala	100	09:16:21	1	139.00	21.00
11-05-2015	1431315000015034027	09:17:24	1	152.70	Megha Jakhetia	250	09:17:24	1	152.70	11.60
24-08-2015	1440387000001073021	09:16:39	1	240.00	Chandrakanta Laddha	298	09:16:39	1	240.00	28.90
28-08-2015	1440732600001084062	09:17:26	1	238.00	Pawan Kumar	25	09:17:26	1	238.00	21.10
01-09-2015	1441078200001076171	09:27:06	1	232.80	Rekha Hitendra Solanki	250	09:27:06	1	232.80	10.20
09-09-2015	1441769400003085027	09:16:12	1	218.40	Rekha Hitendra Solanki	250	09:16:12	1	218.40	10.40

28. It is noted from the above table that the Noticee was found to be placing buy orders of 1 share each above LTP, which was significant, while there were more number of shares available on the sell side. The above six trades executed by the Noticee had contributed to a positive LTP of ₹103.20. The similar trading pattern was observed in the remaining 4,491 trades of 1 share each, which contributed to the positive LTP of ₹5,591.65 and wherein more number of shares were available on the sell side.

Trades of Noticee 2 (Bhavin Sureshbhai Thakkar)

Order date	Buy Order No.	Order Time	Buy Order quantity	Buy Order rate in ₹	Counterparty	Sell Order quantity	Trade time	Traded quantity	Trade price in ₹	LTP variation in ₹
21-04-2015	1429587000124057017	09:15:52	1	146.00	Sunanda Girish Kotian	100	09:15:52	1	146.00	7.90

14-05-2015	1431574200021061028	09:19:43	1	146.9	Hitendra Sumarmal Solanki	200	09:19:43	1	146.9	5.10
04-06-2015	1433388600041058026	09:17:26	1	144.8	Varun Bansal	100	09:17:26	1	144.8	5.30
28-08-2015	1440732600001084303	10:18:13	1	234.4	Rekha Hitendra Solanki	150	10:18:13	1	234.4	6.40
01-09-2015	1441078200001076028	09:15:50	1	239.8	Rekha Hitendra Solanki	250	09:15:50	1	239.8	9.80
08-10-2015	1444275000002447061	09:15:34	1	277.00	Kanu Anirudh Shah	300	09:15:34	1	277.00	8.00

29. It is noted from the above table that the Noticee was found to be placing buy orders of 1 share each above LTP, which was significant, while there were more number of shares available on the sell side. The above six trades executed by the Noticee had contributed to a positive LTP of ₹42.50. The similar trading pattern was observed in the remaining 2,440 trades of 1 share each, which contributed to the positive LTP of ₹2,694.60 and wherein more number of shares were available on the sell side.

30. I note from the trading pattern of the Noticees 1 & 2 in Patch 1 of the investigation period that the Noticees were found to be placing the buy order in 1 share each within half an hour after opening of the trading session on most of the days. It is also observed that despite sell orders being available for large quantity of shares, the Noticees were repeatedly placing buy orders in 1 share each. From this trading pattern, it is reasonably concluded that the intention of the Noticees was not to buy shares, but to execute trades at higher rate thereby contributing to positive LTP, which created false or misleading appearance of trading in the securities market and amounted to manipulation of the price of Nutraplus.

<u>LTP analysis – Patch 4 (Price rise) - March 30, 2017 to July 27, 2017</u>

31. During Patch 4 of the Investigation period, the price of the scrip Nutraplus at BSE opened at ₹ 25.05 (previous close ₹ 24.10), touched a high of ₹ 40.95 and closed at ₹ 36.65. I note that during this period, the Noticee1 executed 6,244 trades consisting of 22,32,962 shares on the buy side. Out of the 6,244 trades, the Noticee 1 has contributed to positive LTP of ₹ 521.85 in 2,599 trades consisting of 3,45,213 shares. The Noticee 3, during this period, executed 5,259 trades consisting of 18,22,033 shares on the buy

side. Out of the 5,259 trades, the Noticee 3 has contributed to positive LTP of ₹ 491.70 in 2,129 trades consisting of 2,86,187 shares. Thus, the Noticee 1 and Noticee 3 had contributed 36.25% and 34.15% positive LTP respectively to the market positive LTP (₹ 1,439.70).

32. Upon further analysis of LTP it was observed that the Noticee 1 contributed ₹392.00 to positive LTP which is 27.23% of total market positive LTP during Patch 4 by placing buy orders of 1 share each on 1,765 instances. Similarly, it was also observed that the Noticee 3 contributed ₹ 228.10 to positive LTP which is 15.84% of total market positive LTP during Patch 1 by placing buy orders of 1 share each on 872 instances.

33. For the purpose of illustration few of the trades of 1 share each executed by the Noticees 1 & 3, which had contributed significantly to positive LTP are tabulated hereunder:

Trades of Noticee 1 (Shreenath Finstock Pvt, Ltd.,)

Order date	Buy Order No.	Order Time	Buy Order quantity	Buy Order rate in ₹	Counterparty	Sell Order quantity	Trade time	Traded quantity	Trade price in ₹	LTP variation in ₹
03-03-2016	1456975800003091031	09:15:19	1	317.00	Manuj Sharma	100	09:15:19	1	317.00	35.00
11-03-2016	145766700000409406	09:16:30	1	307.00	Rajni Singh	25	09:16:30	1	307.00	11.80
15-03-2016	1458012600021079402	15:24:31	1	298.80	Hitendra Sumarmal Solanki	100	15:24:31	1	298.80	13.80
29-03-2016	1459222200004091067	09:29:36	1	289.90	Vishal Kad	40	09:26:31	1	289.90	10.80
30-05-2016	1464579000014144011	09:16:39	1	195.50	Hitendra Sumarmal Solanki	200	09:16:39	1	195.50	7.25

34. It is noted from the above table that the Noticee was found to be placing buy orders of 1 share each above LTP, which was significant, while there were more number of shares available on the sell side. The above five trades executed by the Noticee had contributed to a positive LTP of ₹78.65. The similar trading pattern was observed in the remaining 1,760 trades of 1 share each, which contributed to the positive LTP of ₹313.35 and wherein more number of shares were available on the sell side.

Trades of Noticee 4 (Gedalia Multritrading Pvt, Ltd.,)

Order date	Buy Order No.	Order Time	Buy Order quantity	Buy Order rate in ₹	Counterparty	Sell Order quantity	Trade time	Traded quantity	Trade price in ₹	LTP variation in ₹
02-09-2016	1472787000002102113	09:28:31	1	77.70	Ravi Nahar	200	09:28:31	1	77.70	3.15
21-09-2016	1474428600001101090	10:55:04	1	84.50	Bhavin Sureshbhai Thakkar	2000	10:55:04	1	84.50	3.00
29-09-2016	1475119800001160228	13:11:14	1	70.90	Sonali Rathore	1000	13:11:14	1	70.90	2.80
04-10-2016	1475551800000167257	15:24:08	1	68.75	Parul Paliwal	50	15:24:08	1	68.75	2.55
10-01-2017	1484019000001120191	11:29:07	1	56.95	Jai Parkash Mittal	200	11:29:07	1	56.95	2.95

35. It is noted from the above table that the Noticee was found to be placing buy orders of 1 share each above LTP, which was significant, while there were more number of shares available on the sell side. The above five trades executed by the Noticee had contributed to a positive LTP of ₹14.45. The similar trading pattern was observed in the remaining 865 trades of 1 share each, which contributed to the positive LTP of ₹213.65 and wherein more number of shares were available on the sell side.

36. I note from the trading pattern of the Noticees 1 & 3 in Patch 4 of the investigation period that the Noticees were found to be placing the buy order in 1 share each within first hour after opening of the trading session on most of the days. It is also observed that despite sell orders being available for large quantity of shares, the Noticees were repeatedly placing buy orders in 1 share each. From this trading pattern, it is reasonably concluded that the intention of the Noticees was not to buy shares, but to execute trades at higher rate thereby contributing to positive LTP, which created false or misleading appearance of trading in the securities market and amounted to manipulation of the price of Nutraplus.

37. In this connection, I would like to refer to the observations made by the Hon'ble SAT in its order dated March 21, 2014 in Saumil Bhavnagari Vs. SEBI which are as under: *"… but by purchasing shares at the higher price in LTP in most of the trades, the Noticee had given a wrong impression about the liquidity of the scrip in the market. It must not be forgotten that every trade establishes the price of the scrip and the Noticee's trading at higher than LTP resulted in the price of the scrip going up and were done with a view to set the price at a desired level and thereby influencing the innocent/gullible investors. By purchasing at a higher price in most of his*

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

38. The pattern of trading in the present case shows that there was a well thought out plan behind placing of orders by the Noticees. The company had weak financials, which is discussed in pre-paragraph 19 & 20 above and there was no significant change in the economic fundamentals of the company during the period when the price of the scrip rose by 667.11% in Patch 1 and 63.47% in Patch 4 of the investigation period. Against this scenario, the unusual rise in the price of the scrip from ₹ 64.45 to ₹494.40 during Patch 1 and from ₹25.05 to ₹40.95 during Patch 4 of the investigation period is perplexing. Considering the trading pattern of the Noticees and the method and manner of placing the orders, I am of the view that Noticees had executed irregular trades to inflate the share price by trading in small quantities for as low as 1 share above the last traded price consistently over a period of time.

39. It is evident from the trading pattern of the Noticees that they had a common objective to manipulate the scrip of Nutraplus so as to create a misleading appearance of trading in the scrip. The trades executed by the Noticees were not done in normal course of dealing in securities and are devoid of any bonafide intentions. In this regard, I note that the Hon'ble Supreme Court in Kanaiyalal Baldev Bhai Patel v. SEBI [supra] have explained that: *"...The definition of 'fraud', which is an inclusive definition and, therefore, has to be understood to be broad and expansive, contemplates even an action or omission, as may be committed, even without any deceit if such act or omission has the effect of inducing another person to deal in securities. Certainly, the definition expands beyond what can be normally understood to be a 'fraudulent act' or a conduct amounting to 'fraud'. The emphasis is on*

the act of inducement and the scrutiny must, therefore, be on the meaning that must be attributed to the word "induce"

40. In view of the various judgements of Hon'ble Supreme Court and Hon'ble SAT and on the basis of the findings in the foregoing paragraphs, I find that the alleged trading behaviour of the Noticees by way of buying 1 share at above LTP was with an inherent motive to manipulate the price of the scrip, can't by any means be held to be trades executed by a prudent trader in the normal course of trading. I am of the opinion that no trader would buy single share with more margin, rather the trading strategy of traders would be to buy more shares with less margin. The trading behaviour of the Noticees has certainly been very unusual and apparently lacks honesty of intent of a genuine investor of securities market. Instead, the pattern of trades adopted by the Noticees to place buy orders above LTP in 1 share each, clearly establish that their trades were executed with only a manipulative design to raise the price of the said scrip in complete disregard of business prudence as no buyer in his right business wisdom would like to buy shares repeatedly at a price always above the LTP. Therefore, for the reasons recorded above, the alleged trades have to be held as abnormal, deceptive, misleading, artificial and manipulative in nature and substance, which were executed with a malicious intent to fraudulently cause rapid rise in the price of the scrip of Nutraplus against the call of market fundamentals of the scrip, financial position of the Company and against the accepted regulatory norms governing the securities market.

41. In view of the aforesaid findings and the ratio laid down by the Hon'ble SAT in the above judgement, I am not inclined to take a different view and hold that the Noticees have contributed to price rise fraudulently in the scrip of Nutraplus.

NHP analysis – Patch 1

42. During this period, the price of the scrip moved from ₹ 64.45 to a high of ₹ 494.40 i.e. an increase of ₹ 429.95 (667.11%). It is noted that while positive contribution to LTP increases the price of the scrip, NHP is the price which is

higher than the price already established in the scrip over a period which is under consideration. During this period, it was found that the Noticees 1 and 2 contributed significantly to positive LTP and the contribution these two Noticees to NHP is tabulated hereunder:

Name of the Noticee	BSE						
	NHP Diff (₹)	% of NHP Diff to total Mkt NHP Diff	Traded Quantity	No. of Trades	Net LTP Contribution	+ve LTP Contribution	% of positive LTP contributed by entity to Total Market positive LTP
Shreenath Finstock Private Limited	114.30	26.58	12662	149	6356.9	9215.9	38.26
Bhavin Sureshbhai Thakkar	76.20	17.72	1924	96	2901.35	3855	16.01

43. I note from the above table that the Noticees 1 & 2 had contributed ₹114.30 and ₹76.20 to NHP which was 26.58% and 17.72% of the total NHP (₹429.95) in 149 trades and 96 trades respectively. I also note that the Noticees 1 & 2 had contributed to NHP of ₹ 49.20 (11.44% of total market NHP) and ₹ 22.80 (5.30% of total market NHP) by placing buy order of 1 share each on 26 instances and 37 instances respectively, which resulted in significant contribution to NHP. It was concluded in the pre-paragraphs that the Noticees 1 & 2 had contributed to significant positive LTP during Patch-1 by repeatedly placing the buy orders of 1 share each, which resulted in significant contribution to NHP. Thus, the NHP analysis of the Noticees 1 & 2 further corroborates the allegation that the trading pattern of the Noticees amounts to manipulation of price of the scrip Nutraplus.

NHP analysis – Patch 4

44. During this period, the price of the scrip moved from ₹ 25.05 to a high of ₹ 40.95 i.e. an increase of ₹15.90 (63.47%). During this period, it was found that the Noticees 1 and 3 contributed significantly to positive LTP and the contribution these two Noticees to NHP is tabulated hereunder:

Name of the Noticee	BSE						
	NHP Diff (₹)	% of NHP Diff to total Mkt NHP Diff	Traded Quantity	No. of Trades	Net LTP Contribution	+ve LTP Contribution	% of positive LTP contributed by entity to Total Market positive LTP
Shreenath Finstock Private Ltd.,	3.55	22.33	3463	27	315.35	521.85	36.25
Gedalia Multitrading Private Ltd.,	3.25	20.44	7407	29	264.15	491.7	34.15

45. I note from the above table that the Noticees 1 & 3 had contributed ₹3.55 and ₹3.25 to NHP which was 22.33% and 20.44% of the total NHP (₹15.90) in 27 trades and 29 trades respectively. I also note that the Noticees 1 had contributed to NHP of ₹ 2.20 (13.44% of total market NHP) by placing buy order of 1 share each on 13 instances, which resulted in significant contribution to NHP. It was concluded in the pre-paragraphs that the Noticees 1 had contributed to significant positive LTP during Patch 4 by repeatedly placing the buy orders of 1 share each, which resulted in significant contribution to NHP. Thus, the NHP analysis of the Noticee 1 further corroborates the allegation that the trading pattern of the Noticee amounts to manipulation of price of the scrip Nutraplus.

46. The explanation of the Noticees that they dealt in shares for as little as single share on many occasions without any fraudulent intention is not satisfactory. Placing of such buy orders for single share or very small number of shares at prices significantly above the LTP when more number of shares available indicates the manipulative intent of the Noticee in artificially rigging the price of the scrip. It appears to be for the purpose of setting a new high price for each trade and the process continued over a period of time. Such irregular order placements threaten the market integrity besides interferes with the normal price discovery process of the exchange amounting to manipulation.

47. In this context I would like to refer to the order of Hon'ble Securities Appellate Tribunal (SAT) in the matter of Shri Lakhi Prasad Kheradi Vs. SEBI decided on June 21, 2018 wherein the Hon'ble SAT while addressing

the issue as to whether the entity had contributed to 9.17% of the market NHP within a span of two weeks has observed as follows:

"…Very fact that the appellant had indulged in self-trades/ LTP/ NHP without giving any justifiable reason, clearly justifies the inference drawn by the AO that the trades executed by the appellant were manipulative trades…"

PREFERENTIAL ALLOTMENT OF SHARES BY THE COMPANY

48. It was observed during the course of investigation that there were two preferential allotments made by the company on February 26, 2015 for 32,18,500 equity shares to 108 non-promoter entities and on March 12, 2015 for 13,49,848 equity shares to 48 non-promoter entities, which were under lock-in till June 15, 2016.

49. In this regard, it is pertinent to note that preferential allotment of shares is an issue of shares by an issuer to select person or group of persons on a private placement basis unlike a public issue where funds are raised by inviting subscriptions from public in general. It is also a matter of common knowledge that a preferential allotment is made to the persons/entities on a one-to-one basis, who are acquainted/familiar with the company and/or its promoters/directors.

50. I note from the SCN that of the 156 entities who received preferential allotment, 115 entities sold the shares in the market post lock-in, which coincides with the investigation period. The SCN also alleged that the 3 entities namely Bishan Narain Mittal HUF, Anchal Kishor Ostwal and Yogita Manoj Mittal were inter-se connected among them, had sold majority of the shares post lock-in, to the Noticees. I note from the basis of connection, that one of the preferential allottees viz., Anchal Kishor Ostwal, was daughter of Kishor Punamchand Ostwal, Director, Nutraplus India Ltd., who is also one of the connected entities.

51. The sell trades by the above-mentioned 3 preferential allottees to the Noticees are tabulated hereunder:

Sl. No	Name of the Preferential Allottee	No. of shares allotted	Issue Price (in ₹)	Total Amount Paid during allotment A	Post-Split Holding(Shares Allotted)	Post-Bonus Holding (Shares Allotted) B	Adjusted Acquisition price (in₹) * C =A/B	No. of shares sold to Noticees D	Actual Sale Value of shares sold to Noticees (in ₹) E	Buy Value of the sold shares (received via preferential allotment) (in ₹) F=C*D	Profit made (in ₹) G=E-F
1.	Bishan Narain Mittal HUF	170000	54	9180000	340000	374000	24.55	43100	1573150.00	1057909.09	5,15,240.91
2.	Yogita Mittal	108000	54	5832000	216000	237600	24.55	112825	3210516.75	2769340.91	4,41,175.84
3.	Anchal Kishor Ostwal	100000	54	5400000	200000	220000	24.55	129392	3590694.05	3175985.45	4,14,708.60

** Adjustment in acquisition price made for split and bonus issue by the company during the lock-in period of shares allotted on preferential basis.*

52. I note from the above table that the Noticees by indulging in fraudulent trade practices increased the price of the scrip so as to enable the 3 preferential allottees to off-load their shares for a wrongful gain of ₹ 13,71,125.35.

53. I note from the trading pattern of the Noticees, whereby they increased the price of Nutraplus scrip artificially with a fraudulent intent and thereafter post lock-in of shares, a scheme thereby providing exit to the preferential allottees. Thus, their concerted trading in the scrip of Nutraplus not only contributed to the price rise but also squarely fit into the modus-operandi. The Noticees were part of a scheme, device and artifice wherein they manipulated the scrip price, effected price rise in the scrip and thereafter purchased part of the allotted shares from 3 preferential allottees namely, Bishan Narain Mittal HUF, Anchal Kishor Ostwal and Yogita Manoj Mittal, thereby enabling them to make wrongful gains. Thus considering the facts and circumstances of this case and their trading pattern in the scrip, I note that the Noticees misused the stock exchange mechanism for providing exit to the preferential allottees.

54. Thus, trading of these connected entities in the same scrip at same point of time and in a similar manner cannot be termed as coincidence or independent decision. In the process, their trading not only contributed to the price rise in the scrip but also signifies that they are grossly involved in the modus operandi. The basis of connections along with their trading pattern in the scrip of Nutraplus strongly indicate that they are connected to each other

and have acted in concert/ nexus for providing exit to the preferential allottees thereby misusing the securities market system. I note that that the trading pattern of the Noticees envisaged manipulation of the price of the scrip in such a manner that it facilitated certain other entities who had received shares in preferential allotment to sell such shares at exorbitantly inflated price to earn huge amounts of profits.

55. It is apparent from the trading pattern that the Noticees had bought shares at high prices, which belies any economic rationale and indicates existence of premeditated arrangement with the preferential allottees. Had the Noticees not traded/dealt in the scrip of Nutraplus during the relevant time, it would not have been possible for the preferential allottees to offload/sell in large numbers at such price in such a stock that has hardly any value.

56. The Noticees contended that they have traded on the anonymous screen based system of the stock exchanges and as such their trades cannot be regarded as having manipulative/fraudulent intent. They have further contended that they have not provided exit to the preferential allottees. In this context, I note that in the screen based trading, the manipulative or fraudulent intent can be inferred from various factors such as conduct of the party, pattern of transactions, etc. Vide its order dated July 14, 2006, in Ketan Parekh vs. SEBI (Appeal no. 2/2004), the Honble SAT has observed that: *"The nature of transactions executed, the frequency with which such transactions are undertaken, the value of the transactions, ..., the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn."*

57. I find it apt to refer to and rely on the observations made by the Hon’ble Supreme Court of India, in the case of Securities and Exchange Board of India vs. Kishore R. Ajmera (supra), wherein Hon’ble Supreme Court, while dealing with the issue of degree of proof required to prove the culpability

have observed 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.... 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...."*

58. After analysing the trading behaviour of the Noticees on the touchstone of the principles laid down in the matter of Kishore Ajmera (supra), I find that even in the absence of any evidence to show their association with Company or its directors, the very trading pattern adopted by these Noticees self explains their ill- conceived intentions and goes to further strengthen the allegation that a scheme was pre-planned to provide an exit to the preferential allottees at artificially inflated price in which the role of the aforesaid Noticees in inflating the price of Nutraplus can't be ruled out.

59. In view of the foregoing, I have no hesitation to conclude that the Noticees increased the price of the scrip through manipulative trading pattern and also facilitated the preferential allottees to off-load their shares for wrongful gains. Accordingly, I hold that the Noticees have violated the provisions of Section 12 A (a) (b) (c) of SEBI Act and Regulation 3 (a), (b), (c), (d) read with Regulation 4 (1), 4 (2) (a), and (e) of SEBI (PFUTP) Regulations, 2003.

ISSUE -II: Does the violation, if any, attract monetary penalty under Section 15HA of SEBI Act.?

60. Pursuant to detailed analysis as brought out above, it is established that the Noticees were part of a scheme, device and artifice wherein they

manipulated the scrip price, effected price rise in the scrip and thereafter purchased part of the allotted shares from 3 preferential allottees namely, Bishan Narain Mittal HUF, Anchal Kishor Ostwal and Yogita Manoj Mittal, thereby enabling them to make wrongful gains. I can clearly find that the trades of the Noticees are not trades executed in normal course of trading and investment in securities market. The Noticees have deliberately manipulated the price of the scrip and created a misleading appearance of trading in the scrip to induce innocent investors in the securities market thereby contravening the provisions of Section 12 A (a), (b), (c) of SEBI Act and Regulations 3 (a), (b), (c), (d), 4 (1), 4 (2) (a), and 4 (2) (e) of SEBI (PFUTP) Regulations, 2003. Therefore, the Noticees are liable for monetary penalty under Section 15HA of SEBI Act, the provisions of which are reproduced hereunder:

Section 15HA of SEBI Act - Penalty for fraudulent and unfair trade practices

"If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty five crore rupees or three times the amount of profits made out of such practices, whichever is higher".

ISSUE – III: If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?

61. While determining the quantum of monetary penalty under Section 15HA of SEBI Act, I have considered the factors stipulated in Section 15-J of SEBI Act, which reads as under:

Section 15J - Factors to be taken into account by the Adjudicating Officer

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.

62. The material made available on record has not quantified the amount of disproportionate gain or unfair advantage made by the Noticees and the loss suffered by the investors as a result of the Noticees' default. There is also no material made available on record to assess the amount of loss caused to investors or the amount of disproportionate gain or unfair advantage made by the Noticees as a result of default.

63. It is difficult, in cases of such nature, to quantify with mathematical precision the disproportionate gains or unfair advantage enjoyed by an entity and the consequent loss suffered by the investors. General public and normal prudent investors could have been easily carried away by such unusual change in the prices in the scrip of Nutraplus and were bound to get induced into investing in the said scrip looking at the steep rise in its price without realizing that the price rise was been artificially introduced by manipulative trades executed by the Noticees. This kind of trading behaviour seriously affects the normal price discovery mechanism in the securities market. Therefore, I am of the view that people who indulge in manipulative, fraudulent and deceptive transactions, or abet in carrying out such transactions which are fraudulent and deceptive in nature, should be suitably penalized for such acts of omissions and commissions.

ORDER

64. After taking into consideration the nature and gravity of the violations established in the preceding paragraphs and in exercise of the powers conferred upon me under Section 15-I of the SEBI Act, 1992 read with Rule 5 of the SEBI Adjudication Rules, 1995, I hereby impose the following penalties on the Noticees under Section 15HA of the SEBI Act, 1992 for

violation of the provisions of Section 12 A (a), (b), (c) of SEBI Act and Regulation 3 (a), (b), (c), (d), 4 (1), (2) (a) and (e) of SEBI (PFUTP) Regulations, 2003.

Sl. No. of the Noticee	**Name of the Noticee**	**Penalty amount in ₹ and words**
1.	Shreenath Finstock Pvt., Ltd.,	15,00,000/- (Rupees Fifteen lakhs only)
2.	Bhavin Sureshbhai Thakkar	10,00,000/- (Rupees Ten lakhs only)
3.	Gedalia Multritrading Pvt., Ltd.,	10,00,000/- (Rupees Ten lakhs only)

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

66. The Noticees shall remit / pay the said amount of penalty within 45 days from May 3, 2020 or service of this Order, whichever is later, either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, OR through online payment facility available on the SEBI website **www.sebi.gov.in** on the following path by clicking on the payment link.

ENFORCEMENT → Orders → Orders of AO → PAY NOW

67. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid through e-payment to the Division Chief, Enforcement Department-I, DRA-IV, SEBI, in the format as given in table below

Case Name	
Name of Payee	
Date of payment	
Amount Paid	
Transaction No	
Bank Details in which payment is made	
Payment is made for	Penalty

68. In the event of failure to pay the said amount of penalty within the timelines as mentioned in Para 66 of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

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

Date: 27 April 2020 **B J DILIP**
Place: Mumbai **Adjudicating Officer**