BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/BM/UR/2022-23/19956-19972]

UNDER SECTION 15-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

S. No.	Noticee Name	PAN
1.	Ethan Constructions Private Limited.	AACCE2711P
2.	Anumita Infrastructure Private Limited	AAKCA3639A
3.	Sameer Natwarlal Shah	ATMPS5750Q
4.	Zuber Trading LLP	AABFZ3256E
5.	Roho Real Estate Private Limited	AAECR5430N
6.	Anvita Real Estate Private Limited	AAICA2157M
7.	Jabeen Tradelink Private Limited	AACCJ2408A
8.	Sanmay Trading Private Limited	AANCS8490A
9.	Indivar Traders Private Limited	AACCI1585K
10.	Sally Real Estate Pvt Ltd	AANCS8549Q
11.	Orange Mist Productions Pvt Ltd	AABCO0927C
12.	For Haritivma Infrastructure Pvt Ltd – Deepak Jambodkar	AHEPJ4926F
13.	For Black Horse Media and Entertainment Pvt Ltd – Hiralal Kailas Bhardwaj	ASRPB4946R
14.	For Black Horse Media and Entertainment Pvt Ltd – Rajesh Prakash Malgaonkar	ARZPM2415P
15.	For Abjayoni Trading Pvt Ltd – Shivsharan Narayanappa Yulidra	ACNPY1029N
16.	For Abjayoni Trading Pvt Ltd – SunilBasant Rajbhar	BFIPR6978A
17.	Sanguine Media Ltd	AAECS2217C

In the matter of Sanguine Media Limited.

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") conducted investigation in the scrip of Sanguine Media Ltd. between the period

from December 28, 2016 – February 15, 2017, to ascertain whether there was any violation of the provisions of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act**") and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**').

2. Based on the findings of the investigation, it was alleged that Ethan Constructions Pvt. Ltd. (hereinafter referred to as **Noticee 1**), Anumita Infrastructure Private Limited (hereinafter referred to as **Noticee 2**), Sameer Natwarlal Shah (hereinafter referred to as **Noticee 3**), Zuber Trading LLP (hereinafter referred to as **Noticee 4**), Roho Real Estate Pvt Ltd (hereinafter referred to as **Noticee 5**), Anvita Real Estate Pvt Ltd (hereinafter referred to as **Noticee 6),** Jabeen Trading Pvt Ltd (hereinafter referred to as **Noticee 7**), Sanmay Trading Pvt Ltd (hereinafter referred to as **Noticee 8**), Indivar Traders Pvt Ltd (hereinafter referred to as **Noticee 9**), Sally Real Estate Pvt Ltd (hereinafter referred to as **Noticee 10**), Orange Mist Productions Pvt Ltd (hereinafter referred to as **Noticee 11**), For Haritima Infrastructure Pvt Ltd – Deepak Jambodkar (hereinafter referred to as **Noticee 12**), For Black Horse Media and Entertainment Pvt Ltd – Hiralal Kailas Bhardwaj (hereinafter referred to as **Noticee 13**), For Black Horse Media and Entertainment Pvt Ltd – Rajesh Prakash Malgaonkar (hereinafter referred to as **Noticee 14**), For Abajyoni Trading Pvt Ltd – Shivsharan Narayanappa Yulidra (hereinafter referred to as **Noticee 15**), For Abajyoni Trading Pvt Ltd – Sunil Basant Rajbhar (hereinafter referred to as **Noticee 16**), Sanguine Media Ltd (hereinafter referred to as **Noticee 17**) (hereinafter collectively referred to as "Noticees") had violated Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a)(b)(c)(d), 4(1), 4 (2) (a) and 4 (2) (e) of PFUTP Regulations.

APPOINTMENT OF ADJUDICATING OFFICER

3. The undersigned was appointed as Adjudicating Officer (hereinafter referred to as "**AO"**) under Sub-section 1 of Section 15-I of SEBI Act, 1992 read with Section 19 of SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and imposing

penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') conveyed vide communique dated October 22, 2021 to inquire into and adjudge under the aforesaid alleged violations against the Noticees, and if satisfied that the Noticees are liable, impose such penalty as it deems fit in terms of Rule 5 of Adjudication Rules and Section 15HA of the SEBI Act.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. A common Show Cause Notice (hereinafter referred to as "SCN") dated March 04,2022 bearing reference no.SEBI/EAD3/BM/UR/9438, 9455, 9453, 9457, 9466, 9507, 9510,9518,9520,9523,9527,9529,9530,9531,9558,9560,9562/2022 was issued to the Noticees under 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as the '**Adjudication Rules'**) read with section 15-I of the SEBI Act to show cause as to why an inquiry should not be initiated against them and penalty if any, not be imposed upon them for the aforesaid violations alleged to have been committed by them.

5. The allegations levelled against the Noticees in the SCN are mentioned hereunder:

    a. Sanguine Media Limited, (hereinafter referred to as "**SML**")/ Noticee 17, is listed on BSE and had carried out consolidation of equity shares (i.e. Rs. 1 to Rs. 10 each) on January 19, 2017.

    b. Complaint regarding circulation of SMSs recommending the scrip of SML/ Noticee 17 was received. As per the complaint the SMSs were circulated during the period February 07, 2017 – February 15, 2017. Details regarding SMS were sought from Telecom Service Provider, however as the data sought was 23 months old, the Telecom Service Provider informed that they were required to maintain data for 12 months.

c. On perusal of UCC details, MCA database, bank statements and off-market data, it was observed that following entities were connected among themselves:

Sr. No	Name	Connection	Evidence
1	Noticee 1	i. Common director with entity at Sr. no 7 – Shri. Shyam Shankar Kadam ii. Common phone number with entity at sr. no 6 &11 i.e. 9987856960 iii. Common phone number with entity at sr. no 2, 3, 11 & 14 i.e. 9322511576	i. UCC Details ii. MCA database
2	Noticee 5	i. Entity connected to SML as the promoter of Sanguine Media Ltd – Shri Kumar Raichand Madan**, also a director in Roho Real Estate Pvt Ltd. ii. Common phone number with entity at sr. no 7. i.e. 7666581427 iii. Common phone number with entity at sr. no 4 & 7. i.e. 8080699969 iv. Common phone number with entity at sr. no 1, 3, 11 & 14 i.e. 9322511576 v. Common phone number with entity at sr. no 6, 7, 9 & 14 i.e. 9320286145.	
3	Noticee 10	i. Common address with entity at sr. no. 6 and 7 i.e. Prabodh Mansion 2nd Floor,Nandlal Jani Marg, Dana Bunder, Masjid Bunder East. ii. Common phone number with entity at sr. no 4 & 5 i.e. 9321109092 ii. Common phone number with entity at sr. no 1, 2, 11 & 14 i.e. 9322511576	
4	Noticee 6	i. Common director with entity at Sr. no 6 and 8 – Ms. Reshma Rajesh Malagavakar ii. Common director with entity at Sr. no 9 – Shri. Veenu Devidas Chougule iii. Common phone number with entity at sr. no 3 & 5 i.e. 9321109092 iv. Common phone number with entity at sr. no 10 i.e. 9224765656 v. Common phone number with entity at sr. no 2 & 7. i.e. 8080699969	
5	Abjayoni Trading Private Limited (directors – Noticee 15 & Noticee 16)	i. Common director with entity at Sr. no 7 – Noticee 16.	

Sr. No	Name	Connection	Evidence
		ii. Connected to entity at sr. no. 13 through bank transactions iii. Common phone number with entity at sr. no 3 & 4 i.e. 9321109092	
6	Black horse media And Entertainment Private limited (directors – Noticee 13 & Noticee 14)	i. Common director with entity at Sr. no 4 and 8 – Ms. Reshma Rajesh Malagavakar ii. Common address with entity at sr. no. 3 and 7 i.e. Prabodh Mansion 2nd Floor, Nandlal Jani Marg, Dana Bunder , Masjid Bunder East. iii. Common phone number with entity at sr. no 14 i.e. 9892070245 iv. Common phone number with entity at sr. no 1 &11 i.e. 9987856960 v. Common phone number with entity at sr. no 2, 7, 9 & 14 i.e. 9320286145 vi. Common phone number with entity at sr. no 9, 10, 11. i.e. 9833305292	
7	Noticee 8	i. Common director with entity at Sr. no 1 – Shri. Shyam Shankar Kadam. ii. Common director with entity at Sr. no 5 – Noticee 16. iii. Common address with entity at sr. no. 3 and 6 i.e. Prabodh Mansion 2nd Floor,Nandlal Jani Marg, Dana Bunder ,Masjid Bunder East. iv. Common phone number with entity at sr. no 2 i.e. 7666581427 v. Common phone number with entity at sr. no 2 & 4. i.e. 8080699969 vi. Common phone number with entity at sr. no 14 i.e. 9619266651 vii. Common phone number with entity at sr. no 2, 6, 9 & 14 i.e. 9320286145	
8	Haritima Infrastructure Private Limited (Director – Noticee 12)	i. Common director with entity at Sr. no 4 and 6 – Ms. Reshma Rajesh Malagavakar ii. Common phone number with entity at sr. no 11 i.e. 7506126272	
9	Noticee 11	i. Entity connected to Sangiune Media Ltd. as the promoter of Sanguine Media Ltd – Shri Kumar Raichand Madan**, also a director in Orange Mist Productions Pvt Ltd. ii. Common director with entity at Sr. no 4 – Shri. Veenu Devidas Chougule iii. Common phone number with entity at sr. no 2, 6, 7 & 14 i.e. 9320286145	

Sr. No	Name	Connection	Evidence
		iv. Common phone number with entity at sr. no 6, 10, 11. i.e. 9833305292 *** It was observed that Kumar Raichand Madan , had expired on October 08, 2016 (**Annexure** - 5)*	
10	Noticee 2	i. Common phone number with entity at sr. no 11. i.e. 9987169924 ii. Common phone number with entity at sr. no 4 i.e. 9224765656 iii. Common phone number with entity at sr. no 6, 9, 11. i.e. 9833305292	
11	Noticee 9	i. Common phone number with entity at sr. no 10 i.e. 9987169924 ii. Common phone number with entity at sr. no 12 i.e. 9029015245 iii. Common phone number with entity at sr. no 1 & 6 i.e. 9987856960 iv. Common phone number with entity at sr. no 1, 2, 3 & 14 i.e. 9322511576. v. Common phone number with entity at sr. no 6, 9, 10. i.e. 9833305292 vi. Common phone number with entity at sr. no 9 i.e. 7506126272	
12	Noticee 3	i. Common phone number with entity at sr. no 12 i.e. 9029015245	
13	Noticee 4	i. Connected to entity at sr. no. 5 through bank transactions.	Bank Statements of Abjayoni
14	Noticee 7	i. Common phone number with entity at sr. no 6 i.e. 9892070245 ii. Common phone number with entity at sr. no 7 i.e. 9619266651 iii. Common phone number with entity at sr. no 1, 2, 3 & 11 i.e. 9322511576. iv. Common phone number with entity at sr. no 2, 6, 7 & 9 i.e. 9320286145	UCC Details

d. On the basis of price movement (rise and fall) as well as corporate action with respect to consolidation of shares, the investigation period (hereinafter referred to as "**IP**") has been divided into two patches.

i. Patch 1/ pre-consolidation (28/12/2016- 18/01/2017)
ii. Patch 2/ post-consolidation (07/02/2017-15/02/2017)

The Price Volume analysis of the Pre - IP (3 months preceding to the IP), IP and Post - IP (3 months subsequent to the IP) is tabulated below:

Period	Dates		Opening Price (volume) on first day of the period (Rs)	High Price(volume) during the period (Rs.)	Low price(volume) during the period (Rs.)	Closing price (volume) on last day of the period (Rs.)	Avg. no. of (shares) traded daily during the period
Pre-Investigation	(28/09/2016 27/12/2016)	Price	0.12	0.14 28/11/2016	0.12 Multiple days	0.13	22,842
		Vol	95500	2,32,754 07/10/2016	1 26/10/2016 & 30/11/2016	2500	
Patch 1 (pre-consolidation)	28/12/2016-18/01/2017	Price	0.13	0.15 16/01/2017, 17/01/2017 & 18/01/2017	0.13 Multiple days	0.15	87,87,528
		Vol	2902566	3,57,95,360 17/01/2017	1500 02/01/2017	16819265	
Patch 2 (post-consolidation)	07/02/2017-15/02/2017	Price	1.5	1.62 14/02/2017	1.47 07/02/2017	1.56	6691620
		Vol	8490789	11347862 09/02/2017	4354415 14/02/2017	2902390	
Post-investigation	16/02/2017 – 15/05/201	Price	1.53	1.61 15/02/2017	0.77 12/05/2017 15/05/2017	0.77	332302
		Vol	342984	11775970 11/05/2017	1296 25/04/2017	2175	

e. It was observed, during the IP, the scrip opened at the price of Rs. 0.13 on December 28, 2016, it touched a high of Rs. 1.62 (post consolidation) on

February 14, 2017 and closed at Rs. 1.56 on February 15, 2017. The daily average volume before the IP was 22,842 shares. The average daily volume during the two patches were 87,87,528 shares and 66,91,620 shares respectively. The average daily volume during the post IP was 3,32,302 shares.

f. On receipt of complaints regarding SMS circulation during the IP, the IP was divided into two patch i.e. pre-SMS patch and SMS patch, and accordingly analysis of the contribution to volume by the Noticees during the IP was carried out -

Investigation Period (December 28, 2016 – February 15, 2017	
Pre-SMS patch	SMS patch
December 28, 2016 – January 18, 2017	February 07, 2017 – February 15, 2017

g. **Pre-SMS patch:**

- Volume contribution by the Noticees*: The contribution by the Noticees to the trading volume during the Pre-SMS patch of the IP is tabulated below:

  *Abjayoni Trading Private Limited through directors Noticee 15 and Noticee 16, Haritima Infrastructure Private Limited through director Noticee 12, Black Horse Media and Entertainment Ltd through directors Noticee 13 and Noticee 14 (for the sake of simplicity companies who had been struck off and whose directors are being charged are also being termed as "**Noticees**")

Clientname	Buy Traded Qty	%Buy tq	Sell Traded Qty	%Sell tq	Net Buy (% of market volume)	Net Sell (% of market volume)
Zuber Trading Llp	23045465	20.17%	7786791	6.82%	15258674 (13.33%)	-
Ethan Constructions Private Limited	15385281	13.47%	0	0.00%	15385281 (13.47%)	-
Anumita Infrastructure Private Limited	9499986	8.32%	18944163	16.58%	-	9444177 (8.26%)
Abjayoni Trading Private Limited	7452722	6.52%	0	0.00%	7452722 (6.52%)	-
Indivar Traders Private Limited	3200000	2.80%	31366443	27.46%	-	28166443 (24.66%)
Sally Real Estate Private Limited	2950100	2.58%	0	0.00%	2950100 (2.58)	-
Black Horse Media And Entertainment Private Limied	1859900	1.63%	0	0.00%	1859900 (1.63%)	-

Clientname	Buy Traded Qty	%Buy tq	Sell Traded Qty	%Sell tq	Net Buy (% of market volume)	Net Sell (% of market volume)
Haritima Infrastructure Private Limited	709327	0.62%	250770	0.22%	458557 (0.40%)	-
Orange Mist Productions Private Limited	0	0.00%	2236283	1.96%	-	2236283(1.96%)
Roho Real Estate Private Limited	0	0.00%	5505000	4.82%	-	5505000 (4.82%)
Total	**64102781**	**56.11%**	**66089450**	**57.85%**	**43365234 (37.96%)**	**45351903(39.69%)**
Market total	**114237870**	**100.00%**	**114237870**	**100.00%**	**114237870**	**114237870**

From the above table, it was observed 10 out of the 14 Noticees had bought and sold during the Pre-SMS patch. Further 4 of the Noticees traded as buyers and sellers, 4 entities traded as only buyer and 2 entities traded as only seller.

- Trade among the Noticees: The data with respect to trading among the Noticees is tabulated as below:

Buyer \ Seller	ANUMITA INFRASTRUCTURE PRIVATE LIMITED	INDIVAR TRADERS PRIVATE LIMITED	ORANGE MIST PRODUCTIONS PRIVATE LIMITED	ROHO REAL ESTATE PRIVATE LIMITED	ZUBER TRADING LLP	Grand Total
ABJAYONI TRADING PRIVATE LIMITED	1745655	-	2236283	-	-	3981938
ANUMITA INFRASTRUCTURE PRIVATE LIMITED	-	2205757	-	-	1104947	3310704
BLACK HORSE MEDIA AND ENTERTAINMENT PRIVATE LIMIED	-	1676000	-	-	-	1676000
ETHAN CONSTRUCTIONS PRIVATE LIMITED	7259904	-	-	-	639711	7899615
INDIVAR TRADERS PRIVATE LIMITED	-	-	-	3005000	-	3005000
SALLY REAL ESTATE PRIVATE LIMITED	1857864	-	-	-	142136	2000000
ZUBER TRADING LLP	5802440	1085744	-	400	-	6888584
Grand Total	**16665863**	**4967501**	**2236283**	**3005400**	**1886794**	**28761841**

From the above table, it was observed that the 9 of Noticees had traded among themselves for a total quantity 2,87,61,841 shares during pre-SMS patch. The total quantity of shares traded among the group was 25.18% (i.e. 2,87,61,841/ 11,42,37,870 * 100) of the market volume of the patch. Further, from the analysis of the shares traded during the pre-investigation period i.e. 3 months period prior to pre-SMS patch, and the shares traded during pre-SMS patch, it was observed that the average trading volume during pre-SMS patch increased by 384 times as compared to average trading volume during the pre-investigation period (i.e. 87,87,528/22,842 = 384 times).

- Analysis of orders placed by Noticees: Three days during the pre-SMS patch with highest volume traded were taken for the order analysis, from the analysis of orders placed by the Noticees it was observed:

    - During the pre-SMS patch i.e. December 28, 2016 – January 18, 2017, it was observed that on three days there was significant trading in terms of volume in the scrip of SML.
    - Upon analysis of orders placed during the three days the following was observed:
        - At the start of all three days, the Noticees placed significantly large orders on both sides of the market i.e. both buy and sell.
        - On all the three days the buy order quantity by the Noticees was more than 90% of the total buy orders placed in the first hour.
        - On 10/01/2017 the sell order quantity by the Noticees was more 90% of the total sell orders placed in the first hour. Further, on 16/01/2017, the sell order quantity by the Noticees in the second hour was more than 90%.
        - On January 10, 2017, the total buy quantity by the Noticees for the entire day was 94.37% of the total buy order quantity. Further the sell order quantity for the same day was 90.47% of the total sell order quantity.

- On January 16, 2017, the total buy quantity by the Noticees for the entire day was 58.96% of the total buy order quantity. Further the sell order quantity for the same day was 67.16% of the total sell order quantity.
- On January 17, 2017, the total buy quantity by the Noticees for the entire day was 71.77% of the total buy order quantity. Further the sell order quantity for the same day was 52.83% of the total sell order quantity.

▪ It was observed that the Noticees had bought 56.11% of the total market volume and sold 57.85% of the total market volume during the pre-SMS patch

▪ It was observed that while 10 Noticees had participated in the market during pre-SMS patch, 9 Noticees i.e. (i) Abjayoni Trading Private Limited (directors Noticee 15, Noticee 16), (ii) Noticee 2, (iii) Black Horse Media and Entertainment Private Limited (Noticee 13 & Noticee 14), (iv) Noticee 1, (v) Noticee 9 (vi) Noticee 10 (vii) Noticee 4 (viii) Noticee 11 and (ix) Noticee 5 had traded among themselves, which contributed to more than 10% of market volume. Thus it was alleged that the Noticees were placing significant large orders on both sides of the market, thereby creating a misleading appearance of interest in the scrip.

h. SMS Patch:

➢ Volume contribution by the Noticees: The contribution to the volume of the shares traded during the SMS patch is tabulated below:

Client Name	Buy Traded Qty	%Buytq	Sell Traded Qty	%Sell tq	Net Buy	Net Sell
Ethan Constructions Private Limited	3032150	6.47%	8239189	17.59%	0	5207039 (11.12%)
Anumita Infrastructure Private Limited	2965757	6.33%	2145682	4.58%	820075 (1.75%)	0
Haritima Infrastructure Private Limited	1288351	2.75%	821273	1.75%	467078 (1%)	0

Client Name	Buy Traded Qty	%Buytq	Sell Traded Qty	%Sell tq	Net Buy	Net Sell
Sameer Natwarlal Shah	632048	1.35%	578664	1.24%	53384 (0.11%)	0
Zuber Trading Llp	1589608	3.39%	1576024	3.36%	13584 (0.03%)	0
Abjayoni Trading Private Limited	557933	1.19%	2660272	5.68%	0	2102339 (4.49%)
Roho Real Estate Private Limited	0	0.00%	1449500	3.09%	0	1449500 (3.39%)
Anvita Real Estate Private Limited	0	0.00%	1521946	3.25%	0	1521946 (3.25%)
Jabeen Tradelink Private Limited	0	0.00%	3876915	8.28%	0	3876915 (8.28%)
Sanmay Trading Private Limited	0	0.00%	1044043	2.23%	0	1044043 (2.23%)
Indivar Traders Private Limited	0	0.00%	283355	0.60%	0	283355 (0.60%)
Sally Real Estate Private Limited	0	0.00%	877382	1.87%	0	877382 (1.87%)
Black Horse Media And Entertainment Private Limited	0	0.00%	185990	0.40%	0	185990 (0.40%)
Total	**10065847**	**21.49%**	**27700629**	**59.14%**	**1354121 (2.89%)**	**16548509 (35.33%)**
Market total	**46841343**	**100.00%**	**46841343**	**100.00%**	**46841343**	**46841343**

From the above table, it was observed 13 out of the 14 Noticees had bought and sold during the SMS patch. Further 6 of the Noticees traded as both buyers and sellers while the remaining 7 entities traded as only sellers. The total buy volume was by the Noticees was 21.49% whereas the total sell volume was 59.14%.

- Trade among the Noticees: The data with respect to trading among the Noticees is tabulated below –

Buyer \ Seller	ABJAYONI TRADING PRIVATE LIMITED	ANUMITA INFRASTRUCTURE PRIVATE LIMITED	ETHAN CONSTRUCTIONS PRIVATE LIMITED	JABEEN TRADELINK PRIVATE LIMITED	SAMEER NATWARLAL SHAH	GRAND TOTAL
ABJAYONI TRADING PRIVATE LIMITED	-	-	-	85650	-	85650
ANUMITA INFRASTRUCTURE PRIVATE LIMITED	-	-	-	484862	40000	524862
ETHAN CONSTRUCTIONS PRIVATE LIMITED	500290	-	-	1199075	-	1699365

Buyer \ Seller	ABJAYONI TRADING PRIVATE LIMITED	ANUMITA INFRASTRUCTURE PRIVATE LIMITED	ETHAN CONSTRUCTIONS PRIVATE LIMITED	JABEEN TRADELINK PRIVATE LIMITED	SAMEER NATWARLAL SHAH	GRAND TOTAL
HARITIMA INFRASTRUCTURE PRIVATE LIMITED	-	-	-	280003	-	280003
SAMEER NATWARLAL SHAH	-	77345	91905	200000	-	369250
ZUBER TRADING LLP	-	114322	-	-	21100	135422
Grand Total	**500290**	**191667**	**91905**	**2249590**	**61100**	**3094552**

It was observed that the 7 of the Noticees had traded among themselves for a total quantity 30,94,552 shares. The total quantity of shares traded among the group was 6.60% (i.e. 3094552/46841343 * 100) of the market volume.

➢ Analysis of Order placed by the Noticees:

- During the SMS patch i.e. February 07 – February 15, 2017, it was observed that there were three days wherein there was significant trading in terms of volume in the scrip of SML.
- Upon analysis of orders placed during the three days of the SMS patch the following was observed –
  - On February 07, 2017, the total buy quantity by the Noticees for the entire day was 9.48% of the total buy order quantity. Further the sell order quantity for the same day was 48.68% of the total sell order quantity.
  - On February 08, 2017, the total buy quantity by the Noticees for the entire day was 11.10% of the total buy order quantity. Further the sell order quantity for the same day was 43.40% of the total sell order quantity.
  - On February 09, 2017, the total buy quantity by the Noticees for the entire day was 29.11% of the total buy order quantity. Further

the sell order quantity for the same day was 59.23% of the total sell order quantity.

- Thus it was alleged that the Noticees were placing significant large orders on the sell side of the market in order to exit, while on the buy side the quantity was comparatively lower. Such trading by the Noticees artificially inflated the volumes in the scrip thereby giving an impression of interest in the scrip and misleading the genuine investors in the market.

i. Role of the Company – SML/ Noticee 17.

- As per the bank statement of SML/ Noticee 17, several fund transactions were observed between, SML/ Noticee 17 and Abjayoni Trading Pvt Ltd, which is as follows:

Name	Date	Funds Received (INR)	Fund paid (INR)
Abjayoni Trading Private Limited	27/10/2016	20,00,000	-
	4/11/2016	34,00,000	-
	5/11/2016	-	12,50,000
	15/12/2016	-	50,000
	12/01/2017		25,000
	23/01/2017	46,00,000	150,000

- Upon analysis of the bank statement of Abjayoni Trading Private Limited, several bank transactions were observed with other Noticees –

Name	Date	Funds Received (INR)	Fund paid (INR)
Orange Mist Productions Private Limited	5/11/2016	-	20,00,000
	05/01/2017	-	1,66,000
	17/01/2017	-	26,00,000
	03/02/2017	-	550,000
Anumita Infrastructure Private Limited	15/11/2016	2,50,000	-
	05/12/2016	-	50,000
	15/02/2017	-	10,00,000
Sanmay Trading Private Limited	25/11/2016	30,000	-
	5/12/2016	-	50,000
	13/01/2017	-	35,000
	30/01/2017	-	2,00,029

Black Horse Media And Entertainment Private Limited	6/12/2016	-	20,00,058
Zuber Trading LLP	03/02/2017	21,00,000	1,79,000
	09/02/2017	10,00,000	-
	13/02/2017	10,00,000	-
	15/02/2017	2,00,000	-
Sameer Natwarlal Shah	31/01/2017	-	500029
	07/02/2017	-	200017
	13/02/2017	-	500029
Ethan Constructions Private Limited	02/12/2016	7,00,000	-
Sally Real Estate Private Limited	17/12/2016	5,00,000	-
	19/12/2016	15,00,000	-
	21/12/2016	4,00,000	-
	29/12/2016	1,00,000	-

- Further, during the period after the IP, it was observed that Noticee 5, had transferred Rs 50,00,000 on March 08, 2017 to SML.
- Details were sought from SML, Abjayoni and Noticee 5 regarding their fund transactions however no response was received. In view of the funding provided by the company – SML to Abjayoni Trading Pvt Ltd. during the period prior to IP as well as during the IP, and considering the fund transactions between Abjayoni Trading Pvt Ltd. the Noticees, after receipt of funds from Sanguine Media Ltd., as well as the transfer of funds by Noticee 5 to SML during the period post IP, it was alleged that the company was part of the manipulation in the scrip.

j. Struck off Companies:

- As per the MCA database, 3 companies i.e. 1) Abjayoni Trading Private Limited, 2) Haritima Infrastructure Private Limited and 3) Black Horse Media And Entertainment Private Limited, were observed to have been struck off.

- With respect to three struck off companies, since the directors were responsible for the activities of the companies, it was alleged that directors were responsible for the trades of the above companies. The details of the directors of the three struck-off companies is as under -

Sl. No.	Name of Directors (DIN)	Appointment date	Cessation Date	PAN of director	Company in Which Director
1.	Noticee 15	01-Oct-14	Strike off	ACNPY1029N	Abjayoni Trading Private Limited
2.	Noticee 16	07-Mar-12	Strike off	BFIPR6978A	Abjayoni Trading Private Limited
3.	Noticee 12	20-Jan-14	Strike off	AHEPJ4926F	Haritima Infrastructure Private Limited
4.	Noticee 13	21-Jan-15	Strike off	ASRPB4946R	Black Horse Media and Entertainment Ltd
5.	Noticee 14	17-Aug-15	Strike off	ARZPM2415P	Black Horse Media and Entertainment Ltd

k. Thus it was alleged that Noticees had violated Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a)(b)(c)(d), 4(1), 4 (2) (a) and 4 (2) (e) of PFUTP Regulations.

6. SCNs issued to Noticee 6, Noticee 9, Noticee 14 and Noticee 17 through Speed Post Acknowledgement Due ("**SPAD**") and through Digitally signed e-mail which was returned "undelivered". Further affixture was done however the service through affixture also could not be completed. Subsequently service of SCN and the date of hearing was done through newspaper publication as follows:

Noticee No.	Date of Publication	Newspapers	Date when confirmation to be sent by persons attending hearing	Date and time of hearing
Noticee 6	June 01, 2022	Hindustan Times (English), Pratahkal (Hindi), Lokmat (Marathi)	June 13, 2022	June 20, 2022 at 03:30 pm
Noticee 9	June 01, 2022	Hindustan Times (English), Pratahkal (Hindi), Lokmat (Marathi)	June 13, 2022	June 20, 2022 at 03:00 pm
Noticee 14	June 01, 2022	The Telegraph (English), Sanmarg (Hindi), Bartaman (Bengali)	June 13, 2022	June 20, 2022 at 04:00 pm
Noticee 17	June 01, 2022	The Times of India (English), Thanthi (Tamil)	June 13, 2022	June 20, 2022 at 04:30 pm

7. The details of the delivery and the mode of delivery of the SCN to the Noticee is given below:

Sr. No.	Name of Entity	SCN Delivery status Y/N	Mode of the delivery
1.	Noticee 1	Yes	E-mail*
2.	Noticee 2	Yes	E-mail
3.	Noticee 3	Yes	SPAD*
4.	Noticee 4	Yes	E-mail
5.	Noticee 5	Yes	E-mail
6.	Noticee 6	No	Newspaper Publication
7.	Noticee 7	Yes	E-mail
8.	Noticee 8	Yes	E-mail
9.	Noticee 9	Yes	Newspaper Publication
10.	Noticee 10	Yes	E-mail
11.	Noticee 11	Yes	E-mail
12.	Noticee 12	Yes	E-mail
13.	Noticee 13	Yes	E-mail
14.	Noticee 14	Yes	Newspaper Publication
15.	Noticee 15	Yes	SPAD
16.	Noticee 16	Yes	SPAD
17.	Noticee 17	Yes	Newspaper Publication

* Digitally Signed E-mail hereinafter referred to as E-mail.

** Speed post Acknowledgement Due hereinafter referred to as SPAD.

8. Therefore, from the aforesaid table, I note that the service of SCN to all the Noticees was completed and sufficient notice was given to them.

9. Pursuant to delivery of the SCN, the details of replies submitted by the Noticees are as follows:

Sr. No.	Name of Entity	Reply Sent Y/N	Date of the reply
1.	Noticee 1	Yes	July 18, 2022
2.	Noticee 2	Yes	July 15, 2022
3.	Noticee 3	Yes	August 17, 2022
4.	Noticee 4	Yes	July 16, 2022
5.	Noticee 5	Yes	July 18, 2022
6.	Noticee 6	Yes	July 14, 2022
7.	Noticee 7	Yes	July 15, 2022
8.	Noticee 8	Yes	July 19, 2022
9.	Noticee 9	Yes	July 18, 2022
10.	Noticee 10	Yes	June 13, 2022
11.	Noticee 11	Yes	July 15, 2022
12.	Noticee 12	Yes	June 14, 2022
13.	Noticee 13	Yes	June 15, 2022
14.	Noticee 14	No	N/a
15.	Noticee 15	No	N/a
16.	Noticee 16	Yes	June 15, 2022
17.	Noticee 17	Yes	July 30, 2022

10. Thereafter, Noticee 1, Noticee 2, Noticee 3, Noticee 4, Noticee 5, Noticee 7, Noticee 8, Noticee 10, Noticee 11, Noticee 12, Noticee 13, Noticee 15, Noticee 16 were in the interest of Principles of Natural Justice, given with an opportunity of personal hearing vide Hearing Notice (hereinafter referred to as "**HN**") dated June 02, 2022 on June 15, 2022. Hearing opportunities to Noticee 6, Noticee 9, Noticee 14 and Noticee 17 was given through Newspaper publication as already mentioned in table at paragraph 7 above. The status of delivery of hearing notice/s are as under:

Sr. No.	Name of Entity	HN Delivery status Y/N	Mode of the delivery	Additional information if any
1.	Noticee 1	Y	E-mail	Vide email dated June 13, 2022, Noticee 1 sought adjournment of hearing scheduled on June 15, 2022. Further, Noticee 1 sought some time to file its reply.
2.	Noticee 2	Y	E-mail	N/a
3.	Noticee 3	Y	SPAD	Vide email dated June 14, 2022, Noticee 3 sought adjournment of hearing scheduled on June 15, 2022. Further, Noticee 3 sought some time to file its reply.
4.	Noticee 4	Y	E-mail	Vide email dated June 10, 2022, Noticee 4 sought adjournment of hearing scheduled on June 15, 2022. Further, Noticee 4 sought 3 weeks extension to file its reply.
5.	Noticee 5	Y	E-mail	Vide email dated June 13, 2022, Noticee 5 sought adjournment of hearing scheduled on June 15, 2022. Further, Noticee 5 sought some time to file its reply.
6.	Noticee 7	Y	E-mail	N/a
7.	Noticee 8	Y	E-mail	Vide email dated June 13, 2022, Noticee 8 sought adjournment of hearing scheduled on June 15, 2022. Further, Noticee 8 sought some time to file its reply.
8.	Noticee 10	Y	E-mail	N/a
9.	Noticee 11	Y	E-mail	Vide email dated June 13, 2022, Noticee 11 sought adjournment of hearing scheduled on June 15, 2022. Further, Noticee 11 sought 3-4 weeks extension to file its reply.
10.	Noticee 12	Y	E-mail	N/a
11.	Noticee 13	Y	E-mail	N/a
12.	Noticee 15	Y	SPAD	N/a
13.	Noticee 16	Y	SPAD	N/a

11. Noticee 10 vide reply dated June 13, 2022 and Noticee 12 vide reply dated June 14, 2022, informed that their replies shall be taken as final and they do not seek any personal hearing in the matter.

12. In view of Public Notice of SCN cum HN in respect of Noticee 6, Noticee 9, Noticee 14, Noticee 16 and in view of waiver of hearing opportunity by Noticee 10 and Noticee 12, other 11 remaining Noticees were given opportunity of personal hearing on July 06, 2022 vide email dated July 22, 2022.

13. Since none of the 11 Noticees appeared for the aforesaid hearing scheduled on July 06, 2022, vide email dated July 06, 2022, the aforesaid 11 Noticees were informed that no further hearing shall be given, however if they wish to reply to the SCN they may reply by July 15, 2022.

14. Noticee 5 vide email dated July 16, 2022, Noticee 3 vide email dated August 08, 2022, Noticee 4 vide email dated July 15, 2022 and Noticee 8 vide email dated July 15, 2022, again sought extension to file their replies. Further Noticee 4 and Noticee 8 sought another hearing opportunity in the matter, accordingly Noticee 4 and Noticee 8 were in the principles of natural justice again given opportunity of personal hearing on July 20, 2022.

15. As can be observed, sufficient opportunities of hearings were given to the Noticees. However, Noticees (apart from Noticee 10, Noticee 12, Noticee 4 and Noticee 8) failed to appear for the hearing, despite of repeated opportunities provided to them. Due delivery of HNs' and rescheduled hearings was done, and is available on record.

16. I am of the view that the principles of natural justice have been adhered to, as the SCN and the HN were duly served upon Noticees and sufficient opportunity was granted to them to reply to the SCN and appear for the personal hearing. Considering the fact that the Noticee 14 and Noticee 15 have neither filed any reply nor have availed the opportunity of personal hearing despite service of notices upon them, I am of the view that they have nothing to submit in terms of

Rule 4(7) of the Adjudication Rules and the matter is being proceeded ex-parte in their regard on the basis of material available on record. As the Noticee 14 and Noticee 15 did not file any reply to the SCN, it can be presumed that they have admitted the charges alleged against them.

17. In this regard, it is pertinent to note that the Hon'ble SAT in the matter of **Classic Credit Ltd. vs. SEBI** (Appeal No. 68 of 2003 decided on December 08, 2006) has, inter alia, observed that:

"......the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show cause notice were admitted by them".

18. Further, the Hon'ble SAT in the matter of **Sanjay Kumar Tayal & Others vs SEBI** (Appeal No. 68 of 2013 decided on February 11, 2014), has also, inter alia, observed that*:*

"........... appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges leveled against them in the show cause notices..."

19. Additionally, the same position has been reiterated by the Hon'ble SAT in the matter of **Dave Harihar Kirtibhai vs SEBI** (Appeal No. 181 of 214 dated December 19, 2014), wherein the Hon'ble SAT observed as under*:*

"...further, it is being increasingly observed by the Tribunal that many persons/entities do not appear before SEBI (Respondent) to submit reply to SCN or, even worse, do not accept notices/letters of Respondent and when orders are passed ex-parte by Respondent, appear before Tribunal in appeal and claim non- receipt of notice and do not appear and/or submit reply to SCN but claim violation of principles of natural justice due to not being provided opportunity to reply to SCN or not provided personal hearing. This leads to unnecessary and

avoidable loss of time and resources on part of all concerned and should be eschewed, to say the least. Hence, this case is being decided on basis of material before this Tribunal..."

20. In view of the observations made by the Hon'ble SAT, I find no reason to take a different view and accordingly, I deem it appropriate to proceed against Noticee 14 and Noticee 15 ex parte, based on the material available on record.

21. Noticee 4 vide email dated June 07, 2022 and Noticee 17, vide email dated July 23 sought additional document i.e. Copy of Investigation Report. In view of judgement of Hon'ble Supreme Court in the matter of **T. Takano V/s SEBI** (Civil Appeal Nos. 487-488 of 2022), Noticee 4 and Noticee 17 were given relevant extracts of the Investigation Report.

22. Noticees 1-12 and Noticee 17 made similar submissions which are summarized below:

    a) Noticees submitted that no role has been found in the entire SCN for the purpose of sending of SMS. Further paragraph 4 of the SCN states that details regarding circulation of SMSs recommending the scrip of SML during 07.02.2017 to 15.02.2017 were sought by SEBI from the Telecom Service Provider ("**TSP**"). However, on account of delay, the TSP could not provide data which was 23 months old as the TSP is by law only required to keep only 12 months old data which renders the investigation incomplete. Further it submitted that nowhere it is alleged that they have circulated the SMS or that they received any SMS. Their trades in the scrip of Sanguine Media Limited (SML) were independent, stand-alone and based on our own analysis and research.

    b) Noticees contended that the allegations framed in the SCN relate to the trades/transactions which were executed during the period of December 28, 2016 - February 15,2017 and the SCN was issued on March 04,2022 i.e., after an inordinate delay of 5 years. Also, no explanation of any sort is given in the Show Cause Notice to justify the inordinate delay of 5 years in initiation of proceedings and issuing the SCN. In this regard Noticees relied upon the decision of Hon'ble Securities Appellate Tribunal (hereinafter referred to as "**Hon'ble SAT**") in the matter of Rajeev Bhanot & Anr. versus SEBI (Order dated 09th July, 2021 in Appeal No. 396 of 2018) which was upheld by the Hon'ble Apex Court vide order dated 08th November, 2021 in Civil Appeal No(s).6441-6443 of 2021.

c) Noticees contended that the scrip of SML was in 'T' group i.e., securities of SML were settled on a trade-to-trade basis and thus the scrip of SML was under continuous surveillance / supervision. Hence, there was no scope for manipulation in the scrip of SML and all its trades resulted into 100 percent deliveries and there was change in beneficial ownership and we met with all our settlement obligations.

Further Noticee 17 also contended that it was in "T" group and thus under continuous surveillance / supervision. Hence, there is no scope for any manipulation in its volume.

23. Further following additional submissions were made by Noticee 1-12 and 17.

a) **Noticee 1** submitted as follows:

- It denied being part of any group and denied being connected to any such group. In this regard Noticee 1 submitted as follows:

Noticee No.	Party name	Basis of connection	Remark
4	Anvita Real Estate Private Limited	No Connection established	–
5	Abjayoni Trading Private Limited	No Connection established	–

Noticee No.	Party name	Basis of connection	Remark
8	Haritima Infrastructure Private Limited	No Connection established	_
9	Orange Mist Productions Private Limited	No Connection established	_
10	Anumita Infrastructure Pvt Ltd	No Connection established	_
12	Sameer Natwarlal Shah	No Connection established	_
13	Zuber Trading LLP	No Connection established	_
7	Sanmay Trading Private Limited.	Connection established on the basis of common director.	No connection established qua the transactions.
6	Black Horse Media and Entertainment Private Limited	Connection established on the basis of common phone number	Noticee do not recollect the same and also no document is provided in this regard along with the SCN.
11	Indivar Traders Private Limited.	Connection established on the basis of common phone number	Noticee do not recollect the same and also no document is provided in this regard along with the SCN.
2	Roho Real Estate Private Limited	Connection established on the basis of common phone number	Noticee do not recollect the same and also no document is provided in this regard along with the SCN.

Noticee No.	Party name	Basis of connection	Remark
3	Sally Real Estate Private Limited	Connection established on the basis of common phone number	Noticee do not recollect the same and also no document is provided in this regard along with the SCN.
14	Jabeen Tradelink Private Limited.	Connection established on the basis of common phone number	Noticee do not recollect the same and also no document is provided in this regard along with the SCN.

- The connection shown is only on the basis of common phone number and common director is very loose and farfetched. There should be something more in order to establish the allegations under PFUTP on the basis of connection. In this regard Noticee 1 relied upon the judgement of the Hon’ble Supreme Court in the matter of Balram Garg in the Civil Appeal No. 7054 of 2021. Noticee 1 further stated that establishing connection among 14 group entities on the basis of common address and common phone number is in the violation of the principle of connection laid down by the Hon'ble SAT in its recent decision in the matter of Ashlesh Gunvantbllai Shah vs SEBI (Appeal No. 375 of 2019) whereby the Hon'ble SAT allowed the Appeal and remanded the matter back to the AO for fresh consideration on the point of connection between the Noticees, the AO passed fresh order dated May 31, 2022 and dropped the proceedings against Ashlesh Shah and other appellants. Noticee 1 further placed its reliance upon the decision Hon’ble SAT in the matter of Baldevsinh Vijaysinh Zala vs SEBI, wherein Hon’ble SAT held that establishing connection on the basis of common address and common phone number is erroneous.

- It purchased total 1,84,17,431 shares and sold 82,39,189 shares throughout the IP and the counterparties to its trades were not Noticees except Noticee 3 to the sell trades and Noticee 7 to the buy trades.In this regard Noticee 1 relied upon the Hon'ble SAT order in the matter of Ashlesh Gunvantbllai Shah vs SEBI (Supra).

- Noticee 1 contended that the principle charge in the SCN is that during the SMS patch it along with other 13 Noticees entities were placing significant large orders on the Sell side of the market in order to exit, while on the Buy side, the quantity was comparatively lower, however the above charge is not true for Noticee 1 as his total buy volume was 1,84,17,431 and total sell volume was 82,39,189. Therefore, Noticee 1 submitted that it has not sold their entire holding.

- Noticee 1 contended that the total trade value of its buy transactions were Rs.67, 32,412.13 and Sell transactions were Rs.1, 27, 86,225.84. and it had received only 7, 00,000 from Noticee no 5.

b) **Noticee 2** submitted as follows:

- It denied being part of any group and denied being connected to any such group. In this regard Noticee 2 submitted as follows:

Noticee No.	Party Name	Basis of Information	REMARK
2	Roho Real Estate Pvt Ltd	No Connection established	-
5	Abajyoni Trading Pvt Ltd	No Connection established	-
8	Haritivma Infrastructure Pvt Ltd	No Connection established	-
12	Sameer Natwarlal Shah	No Connection established	-
13	Zuber Trading LLP	No Connection established	-

1	Ethan Construction Pvt Ltd.	Connection established on the basis of common phone number.	Noticee do not recollect the same and also no document is provided in this regard along with the SCN Not a Counter party to Noticees any of the trade
3	Sally Real Estate Pvt Ltd.	Connection established on the basis of common phone number	Noticee do not recollect the same and also no document is provided in this regard along with the SCN
4	Anvita Real Estate Pvt Ltd	Connection established on the basis of common phone number	Noticee do not recollect the same and also no document is provided in this regard along with the SCN
6	Black Horse Media and Entertainment Pvt Ltd	Connection established on the basis of common phone number	Noticee do not recollect the same and also no document is provided in this regard along with the SCN
7	Sanmay Trading Pvt Ltd	Connection established on the basis of common phone number	Noticee do not recollect the same and also no document is provided in this regard along with the SCN
9	Orange Mist Productions Pvt Ltd	Connection established on the basis of common phone number	Noticee do not recollect the same and also no document is provided in this regard along with the SCN
11	Indivar Traders Pvt Ltd	Connection established on the basis of common phone number.	Noticee do not recollect the same and also no document is provided in this regard along with the SCN
14	Jabeen Trading Pvt Ltd	Connection established on the basis of common phone number.	Noticee do not recollect the same and also no document is provided in this regard along with the SCN It's a counter party to 3 buy trades for

			2,80,003 shares of the Noticee

- The connection shown only on the basis of common phone number is very loose and farfetched. There should be something more in order to establish the allegations under PFUTP on the basis of connection. In this regard Noticee 2 relied upon the judgement of the Hon’ble Supreme Court in the matter of Balram Garg in the Civil Appeal No. 7054 of 2021. Noticee 2 further stated that establishing connection among 14 group entities on the basis of common address and common phone number is in the violation of the principle of connection laid down by the Hon'ble SAT in its recent decision in the matter of Ashlesh Gunvantbllai Shah vs SEBI (Appeal No. 375 of 2019) whereby the Hon'ble SAT allowed the Appeal and remanded the matter back to the AO for fresh consideration on the point of connection between the Noticees, the AO passed fresh order dated May 31, 2022 and dropped the proceedings against Ashlesh Shah and other appellants. Noticee 2 further placed its reliance upon the decision Hon’ble SAT in the matter of Baldevsinh Vijaysinh Zala vs SEBI, wherein Hon’ble SAT held that establishing connection on the basis of common address and common phone number is errorneous.

- It purchased total 1,24,65,743 shares and sold 2,10,89,845 shares throughout the IP and the counterparties to its trades were not connected entities except Noticee 7. In this regard Noticee 2 relied upon the Hon’ble SAT order in the matter of Ashlesh Gunvantbllai Shah vs SEBI (Supra).

- That the principle charge in the SCN is that during the SMS patch it along with other 13 connected group entities were placing significant large orders on the Sell side of the market in order to exit, while on the Buy side, the quantity was comparatively lower, however the above charge is faulty for Noticee 2 as its buy quantity was higher than its sell quantity during the SMS patch, futher it had bought as well as sold in both the Pre-SMS and

SMS patches. Therefore, Noticee 2 submitted that it cannot be said that it bought in Pre SMS patch to exit during the SMS patch.

- That the total trade value of its buy transactions were Rs. 59,77,185 and Sell transactions were Rs. 64,91,252 and it had received only 2,50,000 from Noticee no 5. Noticee 2 further submitted that it had paid back Rs. 10,50,000 and these transactions were hand loan transactions and they had no connection with the transaction in the scrip of SML.

c) **Noticee 3** submitted a follows:

- It denied being part of any group and denied being connected to any such group. In this regard Noticee 3 submitted as follows:

Noticee No	Party Name	Basis of connection	Remark
12	Sameer Natwarlal Shah	Connection established on the basis of common phone number	Noticee cannot be connected to himself.
2	Roho Realestate Private Limited.	No connection established	-
6	Black Horse Media & Entertainment Pvt. Ltd.	No connection established	-
7	Sanmay Trading Private Limited	No connection established	-
14	Jabeen Tradelink Private Limited	No connection established	-
10	Orange Mist Productions Pvt. Ltd.	No connection established	-

11	Indivar Traders Private Limited	No connection established	-
4	Anvita Real Estate Private Limited	No connection established	-
5	Abjayoni Trading Private Limited	No connection established	-
8	Haritima Infrastructure Private Limited	No connection established	-
12	Sameer Natwarlal Shah	No connection established	-
13	Zuber Trading LLP	No connection established	-
1	Ethan Constructions Pvt. Ltd.	No connection established	-
3	Sally Real Estate Pvt. Ltd.	No connection established	-
7	Sanmay Trading Private Limited	No connection established	-

- That the connection shown on the basis of common phone number with Noticee 3 himself does not establish connection of any kind. In this regard Noticee 3 relied upon the judgement of the Hon’ble Supreme Court in the matter of Balram Garg in the Civil Appeal No. 7054 of 2021. Noticee 3 further contended that other Noticees in the SCN with whom his connection is established are not counter-parties to either his Buy trades or any of his sell trades. Therefore, the very basis of forming a group is faulty and flawed. Thus, he is wrongly bunched, lumped and clubbed with the aforesaid 13 Noticees. The connection should be reflected in the trading pattern however, it is not so in the present case.In this regard Noticee 3 relied upon order of Hon'ble SAT in its recent decision in the matter of Ashlesh Gunvantbllai Shah vs SEBI (Appeal No. 375 of 2019).

- That he had purchased 6,32,048 and sold 5,78,664 shares of SML in the SMS patch however no connection is established with any of the counter-parties to either his Buy trades or our Sell trades. Thus, the volume contributed by the group cannot be slapped upon him in the absence of any connection and basis to establish group behavior. His trades in the scrip of SML was independent, standalone and based upon his own research and analysis.

- That an amount of 12,00,075/- to noticee no. 5 were hand loan transactions and had no connection with the transactions in the scrip of Sanguine.

- That he had not made any disproportionate gain or gained any unfair advantage, whether quantifiable or otherwise. Further, he submitted that no loss has been caused to any if the investor or group of inventors as a result of the alleged default.

- That the scrip of SML was in ‘T’ group i.e., securities of SML were settled on a trade-to-trade basis and thus the scrip of SML was under continuous surveillance / supervision. Hence, there was no scope for manipulation in the scrip of SML and all its trades resulted into 100 percent deliveries and there was change in beneficial ownership and we met with all our settlement obligations.

d) **Noticee 4** submitted as follows:

- It denied being part of any group and denied being connected to any such group. In this regard Noticee 4 submitted as follows:

Noticee No.	Party Name	Basis of Information	REMARK
1	Ethan Construction Pvt Ltd.	No Connection established	-
2	Roho Real Estate Pvt Ltd	No Connection established	-
3	Sally Real Estate Pvt Ltd.	No Connection established	-
4	Anvita Real Estate Pvt Ltd	No Connection established	-

5	Abjayoni Trading Pvt Ltd	Noticee's Connection is established with Abajyoni Trading Pvt Ltd. / Noticee No. 5 on the basis of fund transaction between them as provided in Annexture-6 of the SCN	Noticee and Noticee No. 5 had running account privity with Abjayoni Trading Pvt Ltd. Prior to and post the investigation period and the fund transaction as referred in the table at para 9(b) were independent with the Noticee's transactions in the scrip of SML. Not a counter-party to any of the trades of the Noticee.
6	Black Horse Media and Entertainment Pvt Ltd	No Connection established	-
7	Sanmay Trading Pvt Ltd	No Connection established	-
8	Haritivma Infrastructure Pvt Ltd	No Connection established	-
9	Orange Mist Productions Pvt Ltd	No Connection established	-
10	Anumita Infrastructure Pvt Ltd	No Connection established	-
11	Indivar Traders Pvt Ltd	No Connection established	-
12	Sameer Natwarlal Shah	No Connection established	-
13	Zuber Trading LLP	No Connection established	-
14	Jabeen Trading Pvt Ltd	No Connection established	-

- Further Noticee 4 submitted that its connection is established with only one entity i.e., Abjayoni Trading Pvt. Ltd. on the basis of fund transactions, however Abjayoni Trading Pvt. Ltd is now struck off from the Registrar of the Companies (ROC) and no longer exists.

- That as per the SCN, it had advanced an amount of Rs. 43,00,000/- to Abjayoni Trading Pvt. Ltd wherein the Noticee has overall advanced an amount of Rs. 2.5 crores and has received back 73,89,000/-. Hence, on an overall basis Noticee 4 is the one who has paid monies to Abjayoni Trading Pvt. Ltd. and not the other wise inferred in para 11 of the SCN. Noticee 4 further contended that it had running account privity with Abjayoni Trading Pvt. Ltd and it refuted that he was part of some elaborate plan wherein it received funds from Abjayoni Trading Pvt. Ltd. which, received it from SML and thereafter utilized the money for trading in the securities of SML. Noticee 4 further stated that it had traded in the scrip of SML with its own funds and the fund transactions between the Noticee 4 and Abjayoni Trading Pvt. Ltd. had nothing to do with the it's transactions in the scrip of SML. Hence the inference drawn in para 11 of the SCN, that the company SML had provided funds to Abjoyoni Trading Pvt. Ltd. and Abjayoni Trading Pvt. Ltd. had fund transactions with other connected entities is incorrect and the entire charge qua the Noticee 4 fails. In this regard Noticee 4 relied upon Hon'ble SAT order dated 18th April,2018 in the matter of Mr. Ashlesh Shah vs SEBI (Appeal No. 265 of 2017).

- That establishing connection among the 14 group entities on the basis of common address and common phone number is in violation of the principle of connection laid down by the Hon'ble SAT in its recent decision in the matter of Baldevsinh VijaySinh Zala vs SEBI. Noticee 4 further relied upon the order of Hon'ble SAT in the matter of Ashlesh Gunvantbllai Shah vs SEBI (Appeal No. 375 of 2019) whereby the Hon'ble SAT allowed the Appeal and remanded the matter back to the AO for fresh consideration on the point of connection between the Noticees, the AO passed fresh order dated May 31, 2022 and dropped the proceedings against Ashlesh Shah and other appellants.

- That the principle charge in the SCN is that during the Pre-SMS patch Noticee 4 along with other 13 connected entities placed large orders on both buy and sell side of the market, further during the SMS patch it along with other 13 connected group entities were placing significant large orders on the Sell side of the market in order to exit, while on the Buy side, the quantity was comparatively lower, however Noticee 4 contended that the aforesaid allegation in the SCN is without any logical basis as the it had bought 2,30,45,465 shares in the Pre- SMS Patch and sold only 19,10,758 shares during the SMS Patch and if it had been a part of some devious elaborate plan, it would have sold its entire Buy quantity of 2,30,45,465 shares during the SMS patch and not only 19,10,758 shares. In this regard it relied upon the order of Hon'ble SAT in the matter of Ashlesh Gunvantbhai Shah vs SEBI (Supra).

- That no connection established with any of the counter-parties to either its Buy trades or its Sell trade and the only entity with whom the connection of the Noticee No. 13 is established in the SCN- Abjayoni Trading Pvt. Ltd. is not a counter-party to any of the trades of the Noticee 4 in both the Pre-SMS and SMS patch. Therefore, the very basis of forming a group is faulty and flawed. In this regard it relied upon the order of Hon'ble SAT in the matter of Nishith M. Shah HUF v. SEBI (Appeal No. 97 of 2019).

e) **Noticee 5** submitted as follows:

- It denied being part of any group and denied being connected to any such group. In this regard Noticee 5 submitted as follows:

Noticee No.	Party Name	Basis of Information	REMARK
5	Abajyoni Trading Pvt Ltd	No Connection established	-
8	Haritivma Infrastructure Pvt Ltd	No Connection established	-
10	Anumita Infrastructure Pvt Ltd	No Connection established	-
12	Sameer Natwarlal Shah	No Connection established	-

13	Zuber Trading LLP	No Connection established	-
1	Ethan Construction Pvt Ltd.	Connection established on the basis of common phone number.	Noticee do not recollect the same and also no document is provided in this regard along with the SCN
3	Sally Real Estate Private Ltd.	Connection established on the basis of common phone number.	-Do-
4	Anvita Real Estate Pvt Ltd	Connection established on the basis of common phone number.	-Do-
7	Sanmay Trading Pvt Ltd	Connection established on the basis of common director	-Do-
6	Black Horse Media and Entertainment Pvt Ltd	Connection established on the basis of common phone number	-Do-
9	Orange Mist Productions Pvt Ltd	Connection established on the basis of common phone number	-Do-
11	Indivar Traders Pvt Ltd	Connection established on the basis of common phone number	-Do-
14	Jabeen Trading Pvt Ltd	Connection established on the basis of common phone number	-Do-

- That the connection shown on the basis of common phone number is very loose and farfetched and there should be something more in order to establish the allegations under PFUTP on the basis of connection. In this regard Noticee 5 relied upon the judgement of the Hon'ble Supreme Court in the matter of Balram Garg in the Civil Appeal No. 7054 of 2021. Noticee 5 also stated that establishing connection among the 14 group entities on the basis of common address and common phone number is in violation of connection laid down by Hon'ble SAT in its recent decision in the matter of Ashlesh Gunvantbllai Shah vs SEBI (Appeal No. 375 of 2019).

- That it had only sold share in the scrip of SML during the Pre-SMS patch and SMS patch and it had not bought any shares during the Pre-SMS patch and SMS patch and the that total trade value of its sell transactions were Rs. 30,41,970/-. It had sold 69,54,500 shares of SML in the both Pre-SMS patch and SMS patch and thus the volume contributed by the group cannot be slapped against it in absence of any connection and basis to establish group behavior. Its trades in the scrip of SML was independent, standalone and based upon his own research and analysis.

- That fund transfer of Rs. 50,00,000 to SML was an independent and private transaction between SML and Noticee 5.

- That the aforesaid charge is faulty and incorrect as it had only sold shares during both Pre-SMS patch and SMS patch and had not bought any shares in both the patches, Thus it cannot be said that it bought in Pre-SMS patch to exit during the SMS patch.

f) **Noticee 6** submitted as follows:

- It denied being part of any group and denied being connected to any such group. In this regard Noticee 6 submitted as follows:

Noticee No.	Party Name	Basis of Information	REMARK
6	Black Horse Media and Entertainment Pvt Ltd	Connection established on the basis of common director	Off no consequence to our trading pattern
8	Haritivma Infrastructure Pvt Ltd	Connection established on the basis of common director	Off no consequence to our trading pattern
9	Orange Mist Productions Pvt Ltd	Connection established on the basis of common director	Off no consequence to our trading pattern
3	Sally Real Estate Pvt Ltd.	Connection established on the basis of common phone number	We do not have any recollection of this number
5	Abajyoni Trading Pvt Ltd	Connection established on the basis of common phone number	We do not have any recollection of this number
10	Anumita Infrastructure Pvt Ltd	Connection established on the basis of common phone number	We do not have any recollection of this number
2	Roho Real Estate Pvt Ltd	Connection established on the basis of common phone number	We do not have any recollection of this number
7	Sanmay Trading Pvt Ltd	Connection established on the basis of common phone number	We do not have any recollection of this number

- That the connection shown on the basis of common phone number and common directorship is very loose and farfetched and of no consequence to its trading pattern and does not satisfy the critarea of meeting of minds. Noticee 6 also stated that establishing connection among the 14 group entities on the basis of common director and common phone number is in violation of connection laid down by Hon'ble SAT in its recent decision in the matter of Ashlesh Gunvantbllai Shah vs SEBI (Appeal No. 375 of 2019).

- That it had not traded in the scrip of SML during the Pre-SMS period and had sold the shares of SML during the SMS period and the total trade value of its sell transactions was Rs. 24,23,296.84/-. It had sold 1521946 shares of SML throughout the Investigation Period and the Noticees with whom its connection is established are not counter-party to any of its sell trades and thus the group volume cannot be attributed to it.

- That the theory in the SCN that "it along with 13 other Noticees were placing significant large orders on buy and sell side of the market during the Pre-SMS period and during SMS period Noticees were placing large orders on the sell side of the market in order to exit while on the buy side, the quantity was comparatively lower", is devoid of merit in its case as it had only sold shares during the SMS time frame and had not executed a single transaction during the Pre-SMS period.

g) **Noticee 7** submitted as follows:

- It denied being part of any group and denied being connected to any such group. In this regard Noticee 7 submitted as follows:

Noticee No.	Party Name	Basis of Information	REMARK
1	Ethan Construction Pvt Ltd.	Connection established on the basis of common phone number.	Noticee do not recollect the same and also no document is provide in this regard along with the SCN
2	Roho Real Estate Pvt Ltd	Connection established on the basis of common phone number	Noticee do not recollect the same and

			also no document is provide in this regard along with the SCN Not a counter party to the sell trades of the Noticee
3	Sally Real Estate Pvt Ltd.	Connection established on the basis of common phone number	-do-
6	Black Horse Media and Entertainment Pvt Ltd	Connection established on the basis of common phone number	-do-
7	Sanmay Trading Pvt Ltd	Connection established on the basis of common phone number	-do-
11	Indivar Traders Pvt Ltd	Connection established on the basis of common phone number.	-do-
9	Orange Mist Productions Pvt Ltd	Connection established on the basis of common phone number	-do-
4	Anvita Real Estate Pvt Ltd	No Connection established	-
5	Abajyoni Trading Pvt Ltd	No Connection established	-
8	Haritivma Infrastructure Pvt Ltd	No Connection established	-
10	Anumita Infrastructure Pvt Ltd	No Connection established	-
12	Sameer Natwarlal Shah	No Connection established	-
13	Zuber Trading LLP	No Connection established	-

- That the connection shown on the basis of common phone number is very loose and farfetched. Noticee 7 also stated that establishing connection among the 14 group entities on the basis of common address and common phone number is in violation of connection laid down by Hon’ble SAT in its recent decision in the matter of Ashlesh Gunvantbhai Shah vs SEBI (Appeal No. 375 of 2019). Noticee 7 also relied upon the judgement of Hon'ble Supreme Court in the Civil Appeal No. 7054 of 2021 in the matter of Balram Garg.

- That he had not traded in the scrip of SML during the Pre-SMS period and had sold the shares of SML during the SMS period and the total trade value of its sell transactions during the SMS patch was Rs. 59,53,168/-.

- That the other Noticees with whom its connection is established are not counterparties to any of its sell trades except Ethan Constructions Pvt. Ltd., therefore the very basis of forming a group is faulty and flawed.

h) **Noticee 8** submitted

- That its connection is established with Noticee Nos.1, 2, 3, 4, 5, 6, 9 and 14 on the basis of common address, common phone number and common directors. The aforesaid criteria adopted by the AO to establish connection and give the color of group behavior is remote, far-fetched and of no significance to the trading pattern of the Noticee especially since none of the remaining notices in the SCN are counter-parties to any of the sell trades of the Noticee No.8.

- That there was failure in establishing connection. In this regard Noticee 8 relied upon the judgement of **Ashlesh Gunvantbhai Shah vs SEBI and Baldevsinh Vijaysinh Zala vs SEBI**. Noticee 8 further submitted as follows:

Noticee No.	Party Name	Basis of Information	REMARK
1	Ethan Construction Pvt Ltd.	Shayam Shankar Kadam is common director in the Noticee and Ethan Construction Pvt Ltd.	Connection established through common director is not of any consequence to the transaction of the Noticee in the scrip of SML.
2	Roho Real Estate Pvt Ltd	Connection established on the basis of common phone number (7666581427, 8080699969, 9320286145)	No documentary evidence is adduced to verify the same. Hence cannot comment as not able to recollect
3	Sally Real Estate Pvt Ltd.	Noticee and Sally Real Estate Pvt Ltd. Has common address:	Noticee had vacated the said premises on

		Prabodh Mansion, 2nd Flor, Nandlal Jani Marg, Danabunder, Mazjid Bunder (East)	19th August, 2022 whereas the investigation period is Dec 2016-Feb2017
4	Anvita Real Estate Pvt Ltd	Connection established on the basis of common phone number (8080699969)	No documentary evidence is adduced to verify the same. Hence cannot comment as not able to recollect
5	Abajyoni Trading Pvt Ltd	Sunil Basant Rajbhar is Common director in the Noticee and Abajyoni Trading Pvt Ltd	Connection established through common director is not of any consequqnce to the transaction of the Noticee in the scrip of SML.
6	Black Horse Media and Entertainment Pvt Ltd	Noticee and Sally Real Estate Pvt Ltd. Has common address: *Prabodh Mansion, 2nd Flor, Nandlal Jani Marg, Danabunder, Mazjid Bunder (East)* Connection established on the basis of common phone number (9320286145)	Noticee had vacated the said premises on 19th August, 2022 whereas the investigation period is Dec 2016-Feb2017
7	Sanmay Trading Pvt Ltd	No Connection established	-
8	Haritivma Infrastructure Pvt Ltd	No Connection established	-
9	Orange Mist Productions Pvt Ltd	Connection established on the basis of common phone number (9320286145)	No documentary evidence is adduced to verify the same. Hence cannot comment as not able to recollect
10	Anumita Infrastructure Pvt Ltd	No Connection established	-
11	Indivar Traders Pvt Ltd	No Connection established	-
12	Sameer Natwarlal Shah	No Connection established	-
13	Zuber Trading LLP	No Connection established	--
14	Jabeen Trading Pvt Ltd	Connection established on the basis of common phone number. (9619266651, 9320286145)	No documentary evidence is adduced to verify the same.

			Hence cannot comment as not able to recollect

- That as per the allegation in the SCN it along with other 13 connected entities were in Pre-SMS patch placing significant large orders on both the buy and sell side of the market and later in the SMS patch it along with other 13 connected entities were placing significant large orders on the sell side of the market in order to exit, while on the buy side the quantity was comparatively lower. Noticee 8 contended the aforesaid allegation in the SCN is without any logical basis as the Noticee has not bought anything during the Pre-SMS patch or the SMS patch and it had sold only 10,44,043 shares during the SMS patch. Hence Noticee submitted that it cannot be said that the Noticee artificially inflated the volume in the scrip of SML.

- That none of the remaining 13 Noticees in the SCN are counterparties to any of the sell trades of the Noticee in the SMS patch, therefore, the very basis of forming a group is faulty and flawed. The volume contribution by the group cannot be slapped upon it in the absence of any connection and basis to establish group behavior. Noticee also submitted that the connection should be reflected in the trading pattern however, it is not so in the present case. In this regard, Noticee relied upon the judgement of Hon'ble SAT in the matter of Nishith M. Shah HUF v. SEBI

- That there is no fund movement between it and Abjayoni Trading Pvt. Ltd.

i) **Noticee 9** submitted as follows:

- It denied being part of any group and denied being connected to any such group. In this regard Noticee 9 submitted as follows:

Noticee No.	Party Name	Basis of Information	REMARK
10	Anumita Infrastructure Pvt Ltd	Connection established on the basis of common phone number	Noticee do not recollect the same and

Noticee No.	Party Name	Basis of Information	REMARK
			also no documents is provided in this regard along with the SCN
12	Sameer Natwarlal Shah	Connection established on the basis of common phone number	-Do-
1	Ethan Construction Pvt Ltd.	Connection established on the basis of common phone number	-Do-
6	Black Horse Media and Entertainment Pvt Ltd	Connection established on the basis of common phone number	-Do-
2	Roho Real Estate Pvt Ltd	Connection established on the basis of common phone number	-Do-
3	Sally Real Estate Pvt Ltd.	Connection established on the basis of common phone number	-Do-
14	Jabeen Trading Pvt Ltd	Connection established on the basis of common phone number	-Do-
9	Orange Mist Productions Pvt Ltd	Connection established on the basis of common phone number	-Do-
5	Abajyoni Trading Pvt Ltd	No Connection established	-
4	Anvita Real Estate Pvt Ltd	No Connection established	-
8	Haritivma Infrastructure Pvt Ltd	No Connection established	-
7	Sanmay Trading Pvt Ltd	No Connection established	-
12	Sameer Natwarlal Shah	No Connection established	-
13	Zuber Trading LLP	No Connection established	-

- That the connection shown on the basis of common phone number is very loose and farfetched, in this regard it relied upon the judgement of Hon'ble Supreme Court in the Civil Appeal No. 7054 of 2021 in the matter of Balram Garg. Noticee 9 also stated that establishing connection among the 14 group entities on the basis of common phone number is in violation of connection laid down by Hon’ble SAT in its recent decision in the matter of Ashlesh Gunvantbhai Shah vs SEBI (Appeal No. 375 of 2019).

- That it had purchased total 32,00,000 shares and sold 3,16,94,798 shares throughout the IP. Further it had bought 32,00,000 and sold 3,13,66,443 shares in Pre-SMS patch whereas in SMS patch Noticee had sold only

2,83,355 shares. Thus volume contributed by the group cannot be slapped upon it in the absence of any connection and basis to establish group behavior.

j) **Noticee 10** submitted as follows:

- It denied being part of any group and denied being connected to any such group. In this regard Noticee 10 submitted as follows:

Noticee No.	Party Name	Basis of Information	REMARK
1	Ethan Construction Pvt Ltd.	Connection established on the basis of common phone number.	Not a Counter party to any of the Buy and Sell trades of Sally Real Estate Pvt Ltd.
2	Roho Real Estate Pvt Ltd	Connection established on the basis of common phone number	Not a Counter party to any of the Buy and Sell trades of Sally Real Estate Pvt Ltd
4	Anvita Real Estate Pvt Ltd	Connection established on the basis of common phone number	Not a Counter party to any of the Buy and Sell trades of Sally Real Estate Pvt Ltd
5	Abajyoni Trading Pvt Ltd	Connection established on the basis of common phone number	Not a Counter party to any of the Buy and Sell trades of Sally Real Estate Pvt Ltd
6	Black Horse Media and Entertainment Pvt Ltd	Connection established on the basis of common phone number	Not a Counter party to any of the Buy and Sell trades of Sally Real Estate Pvt Ltd
7	Sanmay Trading Pvt Ltd	Connection established on the basis of common phone number	Not a Counter party to any of the Buy and Sell trades of Sally Real Estate Pvt Ltd
8	Haritivma Infrastructure Pvt Ltd	No Connection established	-
9	Orange Mist Productions Pvt Ltd	No Connection established	-
10	Anumita Infrastructure Pvt Ltd	No Connection established	-
11	Indivar Traders Pvt Ltd	Connection established on the basis of common phone number.	Not a Counter party to any of the Buy and

			Sell trades of Sally Real Estate Pvt Ltd
12	Sameer Natwarlal Shah	No Connection established	-
13	Zuber Trading LLP	No Connection established	--
14	Jabeen Trading Pvt Ltd	Connection established on the basis of common phone number.	Not a Counter party to any of the Buy and Sell trades of Sally Real Estate Pvt Ltd

- That the connection among the 14 group entities is in violation of connection laid down by Hon'ble SAT in its recent decision in the matter of Ashlesh Gunvantbhai Shah vs SEBI (Appeal No. 375 of 2019).

- That it had purchased 29,50,100 shares and sold only 8,77,382 shares. Noticee 10 contended that if it had intention to contribute artificial volume in the scrip of SML by buying and selling among the group, it would had sold its entire buy quantity of 29,50,100 shares and not only 8,77,382 shares. Thus the volume contributed by the group cannot be slapped upon it in the absence of any connection and basis to establish group behavior.

- That the 13 Noticees in the SCN with whom its connection is established are not counterparties to either its buy trades or any of its sell trades.

k) **Noticee 11** submitted as follows:

- It denied being part of any group and denied being connected to any such group. In this regard Noticee 11 submitted as follows:

Noticee No.	Party Name	Basis of Information	REMARK
2	Roho Real Estate Pvt Ltd	Connection established on the basis of common phone number	Noticee do not recollect the same and also no document is provided in this regard along with the SCN
6	Black Horse Media and Entertainment Pvt Ltd	Connection established on the basis of common phone number	-Do-

7	Sanmay Trading Pvt Ltd	Connection established on the basis of common phone number	-Do-
14	Jabeen Trading Pvt Ltd	Connection established on the basis of common phone number.	-Do-
10	Anumita Infrastructure Pvt Ltd	Connection established on the basis of common phone number	-Do-
11	Indivar Traders Pvt Ltd	Connection established on the basis of common phone number	No Connection established qua the transactions
4	Anvita Real Estate Pvt Ltd	Connection established on the basis of common Directionship	No Connection established qua the transactions
5	Abajyoni Trading Pvt Ltd	No Connection established	-
8	Haritivma Infrastructure Pvt Ltd	No Connection established	-
12	Sameer Natwarlal Shah	No Connection established	-
13	Zuber Trading LLP	No Connection established	-
1	Ethan Construction Pvt Ltd.	No Connection established	-
3	Sally Real Estate Pvt Ltd.	No Connection established	-
7	Sanmay Trading Pvt Ltd	No Connection established	-

- That the connection shown on the basis of common phone number and directorship is very loose and farfetched, in this regard it relied upon the judgement of Hon'ble Supreme Court in the Civil Appeal No. 7054 of 2021 in the matter of Balram Garg. Noticee 11 also stated that establishing connection among the 14 group entities on the basis of common address and common phone number is in violation of connection laid down by Hon’ble SAT in its recent decision in the matter of Ashlesh Gunvantbhai Shah vs SEBI (Appeal No. 375 of 2019).

- That it had only sold shares during the Pre-SMS patch and it had not traded during the SMS patch at all and the total trade value of its sell transaction during the Pre-SMS patch was Rs. 2,90,716/-.

- That as per SCN, it had paid/advanced an amount of Rs. 53,16,000/- to Abjayoni Trading Pvt. Noticee stated that the said amount were hand loan transactions and the said transactions had no connection with the transaction in the scrip of Sanguine.

l) **Noticee 12** submitted as follows:

- It denied being part of any group and denied being connected to any such group. In this regard Noticee 12 submitted as follows:

Noticee No.	Party Name	Basis of Information	REMARK
1	Ethan Construction Pvt Ltd.	No Connection established	-
2	Roho Real Estate Pvt Ltd	No Connection established	-
3	Sally Real Estate Pvt Ltd	No Connection established	-
4	Anvita Real Estate Pvt Ltd	Connection established on the basis of common phone number	Not a Counter party to any of the Buy and Sell trades of Haritima Infrastructure Pvt Ltd.
5	Abajyoni Trading Pvt Ltd	No Connection established	-
6	Black Horse Media and Entertainment Pvt Ltd	Connection established on the basis of common phone number	Ms Reshma Rajesh Malagavakar was never a director of Black Hores Media Pvt Ltd. Not a Counter party to any of the Buy and Sell trades of Haritima Infrastructure Pvt Ltd.
7	Sanmay Trading Pvt Ltd	No Connection established	-
9	Orange Mist Productions Pvt Ltd	No Connection established	-
10	Anumita Infrastructure Pvt Ltd	No Connection established	-
11	Indivar Traders Pvt Ltd	Connection established on the basis of common phone number.	Not a Counter party to any of the Buy and Sell trades of Haritima Infrastructure Pvt Ltd.
12	Sameer Natwarlal Shah	No Connection established	-
13	Zuber Trading LLP	No Connection established	-

14	Jabeen Trading Pvt Ltd	No Connection established.	-

- That the connection among the 14 group entities on the basis of common address and common phone number is in violation of connection laid down by Hon'ble SAT in its recent decision in the matter of Ashlesh Gunvantbhai Shah vs SEBI (Appeal No. 375 of 2019) and Baldevsinh Zala vs SEBI dated August 12, 2021.

- That it had purchased total of 19,97,678 shares and sold 10,72,043 shares throughout the IP. In this regard it stated that no connection is established with any of its counterparties to its buy or sell trades. Noticee also contended that if it was its intention to contribute artificial volume in the scrip of SML by buying and selling among the group, it would had sold its buy quantity of 19,97,678 shares and not only 10,72,043 shares. Thus the volume contributed by the group cannot be slapped upon it.

m) **Noticee 17** submitted as follows:

- That there is a discrepancy between the figures provided in the para 9 (b) of the SCN and Annexure 5 of the SCN. Noticee 17 submitted that on perusal of Annexure 5 of the SCN, SML had provided Rs. 86,00,000/- to Abjayoni Trading Pvt. Ltd. and Abjayoni Trading Pvt. Ltd. had returned Rs. 21,10,000/- to SML. It further tabulated the fund transactions between SML and Abjayoni Trading Pvt. Ltd. As per Annexure 5 to the SCN:

Sr. No.	DATE	Funds received by Abjayoni Trading Pvt. Ltd. from SML	Funds paid by Abjayoni Trading Pvt. Ltd. to SML
1	06.09.2016	-	20,00,000
2	08.09.2016	5,00,000	-
3	04.11.2016	36,00,000	-

4	20.01.2017	1,00,000	1,00,000
5	23.01.2017	46,00,000	-
6	17.02.2017	-	10,000
TOTAL		**86,00,000**	**21,10,000**

- That given the discrepancy of figures w.r.t fund transactions between Abjayoni Trading Pvt. Ltd. and SML in the SCN and Annexure 5 to the SCN, the SCN ought to be dropped.

- That as per Annexure 5 of the SCN, SML had provided Rs. 86,00,000 to Abjayoni Trading Pvt. Ltd. out of which Abjayoni Trading Pvt. Ltd. had returned Rs. 21,10,000 to SML and in principle SML had provided Rs. 64, 90, 000/- to Abjayoni Trading Pvt. Ltd. Thus to say that SML provided funds to Abjayoni Trading Pvt. Ltd. is incorrect in lieu of the fact that the Buy value of the trades of other Noticee's in the SCN is for a lot more than Rs. 64,90,000/-.

- In regard to receiving an amount of Rs. 50,00,000/- from Noticee 5 it contended that the aforesaid fund transaction was in the nature of loan taken by SML from Noticee 5 and the same was returned by Noticee 17 to Noticee 5 on 22nd March, 2018. To substantiate its contention as aforementioned, Noticee 17 annexed bank statements of SML reflecting the receiving and returning of Rs. 50,00,000/-

- That it has not made any disproportionate gain or gained any unfair advantage, whether quantifiable or otherwise. Further, no loss has been made to the investors.

24. The submissions made by Noticee 13 and Noticee 16 is as follows:

- **Noticee 13** submitted that the Noticee company was struck off by ROC prior to issuance of present SCN. Further Noticee 13 submitted that SEBI

Adjudicating officer has passed several judgements stating that it would not be appropriate to determine liability against struck off company.

- **Noticee 16** contended that Abjayoni Trading Pvt. Ltd. Was struck off by ROC prior to issuance of the SCN. In this regard he submitted MCA record in this regard. Further Noticee 16 while relying upon the judgement of AO in the matter of Lilac Power Limited dated December 26th 2017, contended that it would not be appropriate to pass orders against struck off company.

CONSIDERATION OF ISSUES AND FINDINGS

25. I have carefully perused the charges levelled against Noticees in the SCN, their reply and the materials documents available on record. The issues that arise for consideration in the instant matter are:

Issue no. 1: Whether the Noticees by artificially inflating the volume in the scrip of SML have violated Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a)(b)(c)(d), 4(1), 4 (2) (a) and 4 (2) (e) of SEBI PFUTP Regulations, 2003.

Issue no. 2: Does the violations, if any, on the part of the Noticees attract monetary penalty under section 15 HA of SEBI Act?

Issue no. 3: If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in section 15J of SEBI Act?

26. Before moving forward, the relevant provisions of law allegedly violated by the Noticees and as mentioned in the SCN are reproduced below:--

SEBI Act, 1992

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;

PFFUTP Regulations

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 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 Actor the rules and the regulations made there under.*

4. (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:—*

(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*

Issue no. 1: Whether the Noticees by artificially inflating the volume in the scrip of SML have violated Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a)(b)(c)(d), 4(1), 4 (2) (a) and 4 (2) (e) of SEBI PFUTP Regulations, 2003.

27. Before proceeding with the matter on merits, I would first deal with the contention of delay in issuance of the SCN. In this regard, I observe from the records that the investigation in the scrip of SML for period December 28, 2016 – February 15, 2017 was initiated in 2018. Information was sought from company, directors etc. from 2019 onwards and reminder were also sent as information was not forthcoming. I observe that detailed analysis of trade log, order log, UCC details, and reply submitted by the entities, analysis of bank statements, issuance of summons was carried out. The investigation was completed in September 23, 2021 and the undersigned was appointed Adjudicating Officer in the matter on October 22, 202. Thereafter the SCN was issued in March 04, 2022. Considering the time taken for examination and analysis of documents from large number of entities and to complete the investigation, I do not find that there is inordinate delay in issuance of the SCN. In this regard, I am inclined to rely upon the decision of Hon'ble SAT in the matter of **Bipin R Vora vs SEBI** held that,

"As regards the plea of delay and latches and submission that the show cause notice is barred by limitation, I do not find any merit in these contentions as the time and efforts involved in an investigation though may vary from case to case, generally investigations per-se is a time consuming process which invariably involve collection, scrutiny and careful examination of voluminous records/ order-trade details of all the concerned including the exchanges/recording of statements etc. and therefore no time limit can be fixed in this regard to enable a regulator to take appropriate disciplinary action for the safeguard and improvement of the system/market".

28. I note that in **Rajendra Aggarwal. v. SEBI (Appeal No. 552/ 2019)** decided on September 17, 2021, Hon'ble SAT held that:

"On issue of delay, we find that the show cause notice was issued in the year 2013 and the trades were executed in 2009. The investigation was against a large number of entities which apparently took time and ultimately notices were issued to 35 entities. Consequently, we do not find any inordinate delay in the issuance of the show cause notice nor do we find any merit in the contention that there was an inordinate delay in the delivery of the impugned order after the last date of hearing by the AO. We are of the opinion that after the conclusion of the arguments the data of 35 entities was required to be analysed and collated which took time and, therefore, we do not see any reason to vitiate the judgment only on the ground of delay in delivering the order. In any case, such delay in the delivery of the judgment does not cause any prejudice to the appellants."

The Hon'ble SAT in the matter of **M/s Adamina Traders P. Ltd**(Appeal No. 331/2020) decided on December 15, 2021 held that

"We find that the trades in question are of the year 2013. The show cause notice was issued on September 28, 2017 by the WTM and January 18, 2018 by the AO. We do not find any evidence to hold that there was an inordinate delay in the issuance of the show cause notice. This contention is accordingly rejected."

29. In view of aforesaid Judgments, I conclude that there is no merit in the preliminary objections made by Noticees, regarding the delay in issuance of SCN in the instant proceedings.

30. Now I shall proceed to deal the matter on the merits and on the contentions raised by the Noticees.

31. I note that genesis of the matter lies in the complaints regarding circulation of SMS being forwarded to trade in the scrip of SML. In this regard, details regarding

circulation of SMSs' were sought from the TSP however as the data was more than 23 months old, data regarding circulation of SMSs could not be obtained.

32. I note that SML carried out consolidation of equity shares (i.e. Re 1 to Rs 10 each) in the month of January 2017.

33. On the basis of price movement (rise and fall) as well as corporate action with respect to consolidation of shares, the IP was divided into two patches, which is as follows:

Period	Dates		Opening Price (volume) on first day of the period (Rs)	High Price(volume) during the period (Rs.)	Low price(volume) during the period (Rs.)	Closing price (volume) on last day of the period (Rs.)	Avg. no. of (shares) traded daily during the period
Pre-Investigation	(28/09/2016 27/12/2016)	Price	0.12	0.14 28/11/2016	0.12 Multiple days	0.13	22,842
		Vol	95500	2,32,754 07/10/2016	1 26/10/2016 & 30/11/2016	2500	
Patch 1 (pre-consolidation)	28/12/2016-18/01/2017	Price	0.13	0.15 16/01/2017, 17/01/2017 & 18/01/2017	0.13 Multiple days	0.15	87,87,528
		Vol	2902566	3,57,95,360 17/01/2017	1500 02/01/2017	16819265	
Patch 2 (post-consolidation)	07/02/2017-15/02/2017	Price	1.5	1.62 14/02/2017	1.47 07/02/2017	1.56	6691620
		Vol	8490789	11347862 09/02/2017	4354415 14/02/2017	2902390	
Post-investigation	16/02/2017 – 15/05/201	Price	1.53	1.61 15/02/2017	0.77 12/05/2017 15/05/2017	0.77	332302
		Vol	342984	11775970	1296	2175	

Period	Dates		Opening Price (volume) on first day of the period (Rs)	High Price(volume) during the period (Rs.)	Low price(volume) during the period (Rs.)	Closing price (volume) on last day of the period (Rs.)	Avg. no. of (shares) traded daily during the period
				11/05/2017	25/04/2017		

From the price- volume analysis it was observed that during the IP, the scrip opened at the price of Rs. 0.13 on December 28, 2016 and it touched a high of Rs. 1.62 (post consolidation) on February 14, 2017 and closed at Rs. 1.56 on February 15, 2017. The daily average volume before the IP (three months prior) was 22,842 shares. The average daily volume during the two patches were 87,87,528 shares and 66,91,620 shares respectively. The average daily volume during the post investigation period (three months post) was 3,32,302 shares.

34. It has been alleged that group of Noticees artificially inflated the volume in the scrip of SML and therefore misled the genuine investors in the market. I note that connection was alleged between the Noticees on the basis of on UCC details, MCA database, bank statements and off-market data. The connection is tabulated below:

Sr. No	Name	Connection	Evidence
1	Noticee 1	iv. Common director with entity at Sr. no 7 – Shri. Shyam Shankar Kadam v. Common phone number with entity at sr. no 6 &11 i.e. 9987856960 vi. Common phone number with entity at sr. no 2, 3, 11 & 14 i.e. 9322511576	iii. UCC Details iv. MCA database
2	Noticee 5	vi. Entity connected to SML as the promoter of Sanguine Media Ltd – Shri Kumar Raichand Madan**, also a director in Roho Real Estate Pvt Ltd. vii. Common phone number with entity at sr. no 7. i.e. 7666581427	

Sr. No	Name	Connection	Evidence
		viii. Common phone number with entity at sr. no 4 & 7. i.e. 8080699969 ix. Common phone number with entity at sr. no 1, 3, 11 & 14 i.e. 9322511576 x. Common phone number with entity at sr. no 6, 7, 9 & 14 i.e. 9320286145.	
3	Noticee 10	iv. Common address with entity at sr. no. 6 and 7 i.e. Prabodh Mansion 2nd Floor,Nandlal Jani Marg, Dana Bunder, Masjid Bunder East. v. Common phone number with entity at sr. no 4 & 5 i.e. 9321109092 vi. Common phone number with entity at sr. no 1, 2, 11 & 14 i.e. 9322511576	
4	Noticee 6	vi. Common director with entity at Sr. no 6 and 8 – Ms. Reshma Rajesh Malagavakar vii. Common director with entity at Sr. no 9 – Shri. Veenu Devidas Chougule viii. Common phone number with entity at sr. no 3 & 5 i.e. 9321109092 ix. Common phone number with entity at sr. no 10 i.e. 9224765656 x. Common phone number with entity at sr. no 2 & 7. i.e. 8080699969	
5	Abjayoni Trading Private Limited (directors – Noticee 15 & Noticee 16)	iv. Common director with entity at Sr. no 7 – Noticee 16. v. Connected to entity at sr. no. 13 through bank transactions vi. Common phone number with entity at sr. no 3 & 4 i.e. 9321109092	
6	Black horse media And Entertainment Private limited (directors – Noticee 13 & Noticee 14)	vii. Common director with entity at Sr. no 4 and 8 – Ms. Reshma Rajesh Malagavakar viii. Common address with entity at sr. no. 3 and 7 i.e. Prabodh Mansion 2nd Floor, Nandlal Jani Marg, Dana Bunder , Masjid Bunder East. ix. Common phone number with entity at sr. no 14 i.e. 9892070245 x. Common phone number with entity at sr. no 1 &11 i.e. 9987856960 xi. Common phone number with entity at sr. no 2, 7, 9 & 14 i.e. 9320286145 xii. Common phone number with entity at sr. no 9, 10, 11. i.e. 9833305292	

Sr. No	Name	Connection	Evidence
7	Noticee 8	viii. Common director with entity at Sr. no 1 – Shri. Shyam Shankar Kadam. ix. Common director with entity at Sr. no 5 – Noticee 16. x. Common address with entity at sr. no. 3 and 6 i.e. Prabodh Mansion 2nd Floor,Nandlal Jani Marg, Dana Bunder ,Masjid Bunder East. xi. Common phone number with entity at sr. no 2 i.e. 7666581427 xii. Common phone number with entity at sr. no 2 & 4. i.e. 8080699969 xiii. Common phone number with entity at sr. no 14 i.e. 9619266651 xiv. Common phone number with entity at sr. no 2, 6, 9 & 14 i.e. 9320286145	
8	Haritima Infrastructure Private Limited (Director – Noticee 12)	iii. Common director with entity at Sr. no 4 and 6 – Ms. Reshma Rajesh Malagavakar iv. Common phone number with entity at sr. no 11 i.e. 7506126272	
9	Noticee 11	v. Entity connected to Sangiune Media Ltd. as the promoter of Sanguine Media Ltd – Shri Kumar Raichand Madan**, also a director in Orange Mist Productions Pvt Ltd. vi. Common director with entity at Sr. no 4 – Shri. Veenu Devidas Chougule vii. Common phone number with entity at sr. no 2, 6, 7 & 14 i.e. 9320286145 viii. Common phone number with entity at sr. no 6, 10, 11. i.e. 9833305292 *** It was observed that Kumar Raichand Madan , had expired on October 08, 2016 (**Annexure** - 5)*	
10	Noticee 2	iv. Common phone number with entity at sr. no 11. i.e. 9987169924 v. Common phone number with entity at sr. no 4 i.e. 9224765656 vi. Common phone number with entity at sr. no 6, 9, 11. i.e. 9833305292	
11	Noticee 9	vii. Common phone number with entity at sr. no 10 i.e. 9987169924 viii. Common phone number with entity at sr. no 12 i.e. 9029015245 ix. Common phone number with entity at sr. no 1 & 6 i.e. 9987856960 x. Common phone number with entity at sr. no 1, 2, 3 & 14 i.e. 9322511576.	

Sr. No	Name	Connection	Evidence
		xi. Common phone number with entity at sr. no 6, 9, 10. i.e. 9833305292 xii. Common phone number with entity at sr. no 9 i.e. 7506126272	
12	Noticee 3	ii. Common phone number with entity at sr. no 12 i.e. 9029015245	
13	Noticee 4	iii. Connected to entity at sr. no. 5 through bank transactions.	Bank Statements of Abjayoni
14	Noticee 7	v. Common phone number with entity at sr. no 6 i.e. 9892070245 vi. Common phone number with entity at sr. no 7 i.e. 9619266651 vii. Common phone number with entity at sr. no 1, 2, 3 & 11 i.e. 9322511576. viii. Common phone number with entity at sr. no 2, 6, 7 & 9 i.e. 9320286145	UCC Details

35. I also note that several fund transactions were observed between, SML and Abjayoni Trading Pvt Ltd as had been observed from the bank statements of Noticee 17/ SML and Abjayoni Trading Pvt Ltd. The details of fund transferred/received in the bank account of SML/Noticee 17 to/by Abjayoni Trading Pvt Ltd. is as below:

Name	Date	Funds Received (INR)	Fund paid (INR)
Abjayoni Trading Private Limited	27/10/2016	20,00,000	-
	4/11/2016	34,00,000	-
	5/11/2016	-	12,50,000
	15/12/2016	-	50,000
	12/01/2017		25,000
	23/01/2017	46,00,000	150,000

I note that SML received Rs. 1,00,00,000 from Abjayoni Trading Pvt Ltd. within three months and transferred Rs. 14,75,000 to Abjayoni Trading Pvt Ltd.

36. Further it was observed that Noticee 5 has also transferred Rs. 50,00,000 on March 08, 2017 to Noticee 17/ SML.

37. Upon analysis of the bank statement of Abjayoni Trading Private Limited several bank transactions were observed with other Noticees, which is as follows:

Name	Date	Funds Received (INR)	Fund paid (INR)
Orange Mist Productions Private Limited	5/11/2016	-	20,00,000
	05/01/2017	-	1,66,000
	17/01/2017	-	26,00,000
	03/02/2017	-	550,000
Anumita Infrastructure Private Limited	15/11/2016	2,50,000	-
	05/12/2016	-	50,000
	15/02/2017	-	10,00,000
Sanmay Trading Private Limited	25/11/2016	30,000	-
	5/12/2016	-	50,000
	13/01/2017	-	35,000
	30/01/2017	-	2,00,029
Black Horse Media And Entertainment Private Limited	6/12/2016	-	20,00,058
Zuber Trading LLP	03/02/2017	21,00,000	1,79,000
	09/02/2017	10,00,000	-
	13/02/2017	10,00,000	-
	15/02/2017	2,00,000	-
Sameer Natwarlal Shah	31/01/2017	-	500029
	07/02/2017	-	200017
	13/02/2017	-	500029
Ethan Constructions Private Limited	02/12/2016	7,00,000	-
Sally Real Estate Private Limited	17/12/2016	5,00,000	-
	19/12/2016	15,00,000	-
	21/12/2016	4,00,000	-
	29/12/2016	1,00,000	-

I note that Abjayoni Trading Private Limited received Rs. 77,80,000 from the other Noticees and transferred Rs. 52,64,162 to the other Noticees.

From the above I observe the Noticees are connected to each other one way or other.

38. In view of the SMSs circulated during the IP in the scrip of SML, IP was divided into two patch i.e. pre-SMS patch and SMS patch, and accordingly analysis of the contribution to volume by the Noticees during the IP was carried out -

Investigation Period (December 28, 2016 – February 15, 2017	
Pre-SMS patch	SMS patch
December 28, 2016 – January 18, 2017	February 07, 2017 – February 15, 2017

39. **Contribution to the Volume in the scrip of SML by the Noticees:**

- **Pre-SMS period:**

Clientname	Buy Traded Qty	%Buy tq	Sell Traded Qty	%Sell tq	Net Buy (% of market volume)	Net Sell (% of market volume)
Zuber Trading Llp	23045465	20.17%	7786791	6.82%	15258674 (13.33%)	-
Ethan Constructions Private Limited	15385281	13.47%	0	0.00%	15385281 (13.47%)	-
Anumita Infrastructure Private Limited	9499986	8.32%	18944163	16.58%	-	9444177 (8.26%)
Abjayoni Trading Private Limited	7452722	6.52%	0	0.00%	7452722 (6.52%)	-
Indivar Traders Private Limited	3200000	2.80%	31366443	27.46%	-	28166443 (24.66%)
Sally Real Estate Private Limited	2950100	2.58%	0	0.00%	2950100 (2.58)	-
Black Horse Media And Entertainment Private Limied	1859900	1.63%	0	0.00%	1859900 (1.63%)	-
Haritima Infrastructure Private Limited	709327	0.62%	250770	0.22%	458557 (0.40%)	-
Orange Mist Productions Private Limited	0	0.00%	2236283	1.96%	-	2236283(1.96%)
Roho Real Estate Private Limited	0	0.00%	5505000	4.82%	-	5505000 (4.82%)
Total	**64102781**	**56.11%**	**66089450**	**57.85%**	**43365234 (37.96%)**	**45351903(39.69%)**
Market total	**114237870**	**100.00%**	**114237870**	**100.00%**	**114237870**	**114237870**

It was observed that 10 out of the 14 connected entities had bought and sold during the Pre-SMS patch. Further 4 of the Noticees traded as buyers and sellers, 4 entities traded as only buyer and 2 entities traded as only seller.

- **Trades of the Noticees during the Pre-SMS period:**

Buyer \ Seller	ANUMITA INFRASTRUCTURE PRIVATE LIMITED	INDIVAR TRADERS PRIVATE LIMITED	ORANGE MIST PRODUCTIONS PRIVATE LIMITED	ROHO REAL ESTATE PRIVATE LIMITED	ZUBER TRADING LLP	Grand Total
ABJAYONI TRADING PRIVATE LIMITED	1745655	-	2236283	-	-	3981938
ANUMITA INFRASTRUCTURE PRIVATE LIMITED	-	2205757	-	-	1104947	3310704
BLACK HORSE MEDIA AND ENTERTAINMENT PRIVATE LIMIED	-	1676000	-	-	-	1676000
ETHAN CONSTRUCTIONS PRIVATE LIMITED	7259904	-	-	-	639711	7899615
INDIVAR TRADERS PRIVATE LIMITED	-	-	-	3005000	-	3005000
SALLY REAL ESTATE PRIVATE LIMITED	1857864	-	-	-	142136	2000000
ZUBER TRADING LLP	5802440	1085744	-	400	-	6888584
Grand Total	**16665863**	**4967501**	**2236283**	**3005400**	**1886794**	**28761841**

It was observed that during the pre-SMS patch, the 9 Noticees had traded among themselves for a total quantity 2,87,61,841 shares during pre-SMS patch. The total quantity of shares traded among the group was 25.18% (i.e. 2,87,61,841/ 11,42,37,870 * 100) of the market volume of the patch.

- **Analysis of the orders placed by the Noticees during the Pre-SMS period:**

Analysis was done for three days out of the pre-SMS patch with highest volume traded as given below-

Date	Time Duration (hours)	Total No. of entities placing buy orders	Total quantity of buy orders by all entities	No. of Connected entities placing buy orders	Total quantity of buy orders by connected entities	% of buy order qty by connected entities to total order buy quantity	Total No. of entities placing sell orders	Total Quantity of Sell orders by all entities	No. of Connected entities placing sell orders	Total Quantity of Sell orders by connected entities	% of sell order qty by connected entities to total order sell quantity
10/01/2017	9:00 - 9:59	9	24790922	4	23805915	96.03	11	37030781	3	35000000	94.52
	10:00 - 10:59	6	161512	0	0	n.a.	6	815403	0	0	n.a.
	11:00 - 11:59	6	62531	0	0	n.a.	3	700000	0	0	n.a.
	12:00 - 12:59	5	159500	0	0	n.a.	2	17500	0	0	n.a.
	13:00 - 13:59	3	23500	0	0	n.a.	3	18687	0	0	n.a.
	14:00 - 14:59	6	20800	1	100	0.48	0	0	0	0	n.a.
	15:00 - 15:30	2	6500	0	0	n.a.	2	104000	0	0	n.a.
Total			**25225265**	-	**23806015**	**94.37**	-	**38686371**	-	**35000000**	**90.47**
16/01/2017	9:00 - 9:59	4	525352	3	524252	99.79	11	15148474	1	10000000	66.01
	10:00 - 10:59	11	18755943	4	18247037	97.29	8	20834709	1	20000000	95.99
	11:00 - 11:59	45	504904	1	100	0.02	5	1250101	0	0	n.a.
	12:00 - 12:59	100	4201774	0	0	n.a.	2	149429	0	0	n.a.
	13:00 - 13:59	54	1324100	0	0	n.a.	1	10000	0	0	n.a.
	14:00 - 14:59	44	689263	0	0	n.a.	4	223000	0	0	n.a.
	15:00 - 15:30	18	5834212	0	0	n.a.	11	21945776	2	10000000	45.57
Total		-	**31835548**	-	**18771389**	**58.96**	-	**59561489**	-	**40000000**	**67.16**
17/01/2017	9:00 - 9:59	42	51631737	3	48138054	93.23	16	52096970	2	29600000	56.82
	10:00 - 10:59	106	6423371	0	0	n.a.	6	798390	0	0	n.a.
	11:00 - 11:59	124	2811902	0	0	n.a.	8	357797	0	0	n.a.
	12:00 - 12:59	105	3328731	1	510903	15.35	7	4266000	1	2500000	58.60
	13:00 - 13:59	65	1420928	1	1	0.00	2	2900000	0	0	n.a.
	14:00 - 14:59	36	1677087	0	0	n.a.	6	241105	0	0	n.a.
	15:00 - 15:30	19	490600	0	0	n.a.	6	101200	0	0	n.a.
Total		-	**67784356**	-	**48648958**	**71.77**	-	**60761462**	-	**32100000**	**52.83**

- During the pre-SMS patch i.e. December 28, 2016 – January 18, 2017, it was observed that on three days there was significant trading in terms of volume in the scrip of SML.

- Upon analysis of orders placed during the three days the following was alleged:
  - At the start of all three days, the Noticees placed significantly large orders on both sides of the market i.e. both buy and sell.
  - On all the three days the buy order quantity by the Noticees was more than 90% of the total buy orders placed in the first hour.
  - On 10/01/2017 the sell order quantity by the Noticees was more 90% of the total sell orders placed in the first hour. Further, on 16/01/2017, the sell order quantity by the Noticees in the second hour was more than 90%.
  - On January 10, 2017, the total buy quantity by the Noticees for the entire day was 94.37% of the total buy order quantity. Further the sell order quantity for the same day was 90.47% of the total sell order quantity.
  - On January 16, 2017, the total buy quantity by the Noticees for the entire day was 58.96% of the total buy order quantity. Further the sell order quantity for the same day was 67.16% of the total sell order quantity.
  - On January 17, 2017, the total buy quantity by the Noticees for the entire day was 71.77% of the total buy order quantity. Further the sell order quantity for the same day was 52.83% of the total sell order quantity.

I observe from the above analysis that 10 out of the 14 connected entities had bought and sold during the Pre-SMS patch and contributed to 56.11% of the buy quantity and 57.85% of the sell qnty. Further I observe that 9 Noticees had traded among themselves for a total quantity 2,87,61,841 shares during pre-SMS patch and contributed to 25.18%) of the market volume of the patch. I observe that the connected entities have traded among themselves substantially however no investigation has not observed any synchronized, circular or reversal pattern in their trades. No instances are there for self-trades. I also observe that no charges of LTP contribution by the connected entities has been made in the investigation report.

- **SMS period:**

Analysis was done for the trades during the SMS patch which are as given below:

Client Name	Buy Traded Qty	%Buytq	Sell Traded Qty	%Sell tq	Net Buy	Net Sell
Ethan Constructions Private Limited	3032150	6.47%	8239189	17.59%	0	5207039 (11.12%)
Anumita Infrastructure Private Limited	2965757	6.33%	2145682	4.58%	820075 (1.75%)	0
Haritima Infrastructure Private Limited	1288351	2.75%	821273	1.75%	467078 (1%)	0
Sameer Natwarlal Shah	632048	1.35%	578664	1.24%	53384 (0.11%)	0
Zuber Trading Llp	1589608	3.39%	1576024	3.36%	13584 (0.03%)	0
Abjayoni Trading Private Limited	557933	1.19%	2660272	5.68%	0	2102339 (4.49%)
Roho Real Estate Private Limited	0	0.00%	1449500	3.09%	0	1449500 (3.39%)
Anvita Real Estate Private Limited	0	0.00%	1521946	3.25%	0	1521946 (3.25%)
Jabeen Tradelink Private Limited	0	0.00%	3876915	8.28%	0	3876915 (8.28%)
Sanmay Trading Private Limited	0	0.00%	1044043	2.23%	0	1044043 (2.23%)
Indivar Traders Private Limited	0	0.00%	283355	0.60%	0	283355 (0.60%)
Sally Real Estate Private Limited	0	0.00%	877382	1.87%	0	877382 (1.87%)
Black Horse Media And Entertainment Private Limited	0	0.00%	185990	0.40%	0	185990 (0.40%)
Total	**10065847**	**21.49%**	**27700629**	**59.14%**	**1354121 (2.89%)**	**16548509 (35.33%)**
Market total	**46841343**	**100.00%**	**46841343**	**100.00%**	**46841343**	**46841343**

From the above table, it was observed that, 13 out of the 14 Noticees had bought and sold during the SMS patch. Further 6 of the Noticees traded as both buyers and sellers while the remaining 7 entities traded as only sellers. The total buy volume was by the Noticees was 21.49% whereas the total sell volume was 59.14%.

- **Further analysis was done for the trades among the Noticees during the SMS period:**

Buyer \ Seller	ABJAYONI TRADING PRIVATE LIMITED	ANUMITA INFRASTRUCTURE PRIVATE LIMITED	ETHAN CONSTRUCTIONS PRIVATE LIMITED	JABEEN TRADELINK PRIVATE LIMITED	SAMEER NATWARLAL SHAH	GRAND TOTAL
ABJAYONI TRADING PRIVATE LIMITED	-	-	-	85650	-	85650

Buyer \ Seller	ABJAYONI TRADING PRIVATE LIMITED	ANUMITA INFRASTRUCTURE PRIVATE LIMITED	ETHAN CONSTRUCTIONS PRIVATE LIMITED	JABEEN TRADELINK PRIVATE LIMITED	SAMEER NATWARLAL SHAH	GRAND TOTAL
ANUMITA INFRASTRUCTURE PRIVATE LIMITED	-	-	-	484862	40000	524862
ETHAN CONSTRUCTIONS PRIVATE LIMITED	500290	-	-	1199075	-	1699365
HARITIMA INFRASTRUCTURE PRIVATE LIMITED	-	-	-	280003	-	280003
SAMEER NATWARLAL SHAH	-	77345	91905	200000	-	369250
ZUBER TRADING LLP	-	114322	-	-	21100	135422
Grand Total	**500290**	**191667**	**91905**	**2249590**	**61100**	**3094552**

It was observed that the 7 of suspected entities had traded among themselves for a total quantity 30,94,552 shares. The total quantity of shares traded among the group was 6.60% (i.e. 3094552/46841343 * 100) of the market volume.

- **Analysis of the orders placed by the Noticees during the SMS period:**

Date	Time Duration (hours)	Total No. of entities placing buy orders	Total quantity of buy orders by all entities	No. of Connected entities placing buy orders	Total quantity of buy orders by connected entities	% of buy order qty by connected entities to total order buy quantity	Total No. of entities placing sell orders	Total Quantity of Sell orders by all entities	No. of Connected entities placing sell orders	Total Quantity of Sell orders by connected entities	% of sell order qty by connected entities to total order sell quantity
07/02/2017	9:00 - 9:59	25	1076778	1	816075	75.79	30	1383497	1	446392	32.27
	10:00 - 10:59	239	1811612	2	54188	2.99	37	1129886	4	537543	47.57
	11:00 - 11:59	353	2179405	2	25509	1.17	18	1938651	1	1500000	77.37
	12:00 - 12:59	215	1848623	2	67855	3.67	32	2523457	2	292921	11.61
	13:00 - 13:59	209	1340870	0	0	n.a.	27	1225503	1	1000000	81.60
	14:00 - 14:59	160	1372250	0	0	n.a.	26	1221273	1	1000000	81.88
	15:00 - 15:30	88	530786	0	0	n.a.	17	391070	0	0	n.a.
			10160324	**-**	**963627**	**9.48**	**-**	**9813337**	**-**	**4776856**	**48.68**

Date	Time Duration (hours)	Total No. of entities placing buy orders	Total quantity of buy orders by all entities	No. of Connected entities placing buy orders	Total quantity of buy orders by connected entities	% of buy order qty by connected entities to total order buy quantity	Total No. of entities placing sell orders	Total Quantity of Sell orders by all entities	No. of Connected entities placing sell orders	Total Quantity of Sell orders by connected entities	% of sell order qty by connected entities to total order sell quantity
08/02/2017	9:00 - 9:59	118	2190231	2	686474	31.34	42	1493068	1	100000	6.70
	10:00 - 10:59	99	346455	0	0	n.a.	33	310516	0	0	n.a.
	11:00 - 11:59	162	659139	0	0	n.a.	8	76364	0	0	n.a.
	12:00 - 12:59	172	651091	0	0	n.a.	24	1231420	2	1063372	86.35
	13:00 - 13:59	229	1793175	1	350000	19.52	18	797414	0	0	n.a.
	14:00 - 14:59	464	2641691	0	0	n.a.	42	3257746	3	2071946	63.60
	15:00 - 15:30	233	1053938	0	0	n.a.	34	325546	1	16000	4.91
			9335720	-	**1036474**	**11.10**	-	**7492074**	-	**3251318**	**43.40**
09/02/2017	9:00 - 9:59	303	4056315	3	1680982	41.44	44	3380989	3	2780284	82.23
	10:00 - 10:59	231	1616510	0	0	n.a.	35	1186313	1	800000	67.44
	11:00 - 11:59	187	3058972	2	1100000	35.96	50	8062459	4	3907000	48.46
	12:00 - 12:59	231	3030890	2	1450380	47.85	54	2814596	3	1632481	58.00
	13:00 - 13:59	221	820411	0	0	n.a.	25	2478451	3	1570000	63.35
	14:00 - 14:59	216	888664	0	0	n.a.	18	89079	0	0	0.00
	15:00 - 15:30	134	1063424	0	0	n.a.	18	73272	1	22320	30.46
Total		-	**14535186**	-	**4231362**	**29.11**	-	**18085159**	-	**10712085**	**59.23**

- During the SMS patch i.e. February 07 – February 15, 2017, it was observed that there were three days wherein there was significant trading in terms of volume in the scrip of SML.
- Upon analysis of orders placed during the three days the following was observed:
  - On February 07, 2017, the total buy quantity by the Noticees for the entire day was 9.48% of the total buy order quantity. Further the sell

order quantity for the same day was 48.68% of the total sell order quantity.

- On February 08, 2017, the total buy quantity by the Noticees for the entire day was 11.10% of the total buy order quantity. Further the sell order quantity for the same day was 43.40% of the total sell order quantity.
- On February 09, 2017, the total buy quantity by the Noticees for the entire day was 29.11% of the total buy order quantity. Further the sell order quantity for the same day was 59.23% of the total sell order quantity.

The above analysis reveals that 13 out of the 14 connected entities had bought and sold during the SMS patch and contributed to 21.49% of the buy quantity and 59.14% of the sell quantity. Further I observe that 7 Noticees had traded among themselves for a total quantity 30,94,552 shares during SMS patch and contributed to 6.60% of the market volume of the patch.

From the foregoing I observe that Noticees are connected to each other one way or the other. During the pre-sms patch 10 out of 16 connected entities bought and sold and 9 connected entities traded among themselves and contributed to 25.18% of the market volume during. While the contribution is significant as stated earlier I observe that investigation has not brought out any synchronized, circular or reversal pattern of trading. I observe that during SMS patch 13 connected entities bought and sold shares and further 7 connected entities traded among themselves and contributed to 6.60% of the market volume during this patch. I observe that the contribution of the Noticees trading among themselves during this patch is not significant. Further no pattern of synchronized, circular or reversal is also observed during investigation in this patch too.

40. I observe that there is no allegation of price manipulation. The allegation is that the trading by the connected entities have artificially inflated the volume in the scrip thereby misleading the genuine investors. I observe that there are no confluence of factors like meeting of mind or pattern of trading like synchronized,

circular, reversal, self-trades brought out by the investigation. There are no material before me to establish that the trading of the connected entities have led to creation of artificial volume. I further observe that the scrip of SML was in 'T' group and were delivery based trades.

41. Further it has been alleged that, in view of the funding provided by the company i.e. Noticee 17 to Noticee 15 & 16 prior to IP and during the IP as also transfer of funds by Noticee 15 & 16 to connected entities after receipt of funds from Noticee 17 during the IP, Noticee 17 was part of the manipulation of the scrip of SML. However I do not find any material before to establish that the Noticee 17 was part of the manipulation.

42. On account of the aforesaid observations, I find it difficult to conclude that the aforesaid trades by the Noticees 1 to Noticee 16 in the scrip of SML and the role of Noticee 17 were in violation of Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a)(b)(c)(d), 4(1), 4 (2) (a) and 4 (2) (e) of PFUTP Regulations, 2003.

43. In this regard, reliance is placed on the order of Hon'ble Securities Appellate Tribunal (hereinafter referred to as "**SAT**") in the matter of **KSL & Industries Ltd. Vs. SEBI** (Appeal No. 9/2003), wherein it was held:

"…….A wild allegation of market manipulation, in particular the charge of fraudulent action unsupported with convincing evidence is not to be sustained. ……allegation of 'fraud' cannot survive on mere conjectures and surmises."

Reliance is also made on a decision of the Supreme Court in **SEBI Vs Kanhaiya Lal Baldevbhai Patel** and others (2017) 15 SCC 1 *which in our opinion does not support the stand of the respondent in the instant case.* The Supreme Court in the said decision held that ‚fraud' is one which has the effect of inducing another in dealing in securities.

44. SAT had in the matter of **P.G Electroplast Ltd. & Ors. Vs. SEBI** in Appeal no. 281 of 2017 had held that:

"….If it is found that a party has not acted deliberately, then the authority has a discretion, to be exercised judicially, whether in a given case, after taking into consideration of all the relevant circumstances, as to whether penalty should be imposed or not…The above was precisely held by the Supreme Court in M/s. Hindustan Steel Ltd. vs. State of Orrisa, 1969 (2) SCC 627."

45. In view of the above, I do not find it to be a fit case for imposition of penalty under section 15HA of the SEBI Act.

46. In view of the above, the SCN dated March 04, 2022 is disposed of, without imposition of penalty.

47. In terms of the provisions of rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticees and also to the Securities and Exchange Board of India.

Date: September 30, 2022 **BARNALI MUKHERJEE**

Place: Mumbai **ADJUDICATING OFFICER**