BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/SP/RK/2022-23/19848-19853]

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

In respect of

Noticee No.	Name of the Noticee
1.	Wakeeta Commercial Private Limited (PAN: AABCW4428J)
2.	Rishvanjas Trading Private Limited (PAN: AAGCR6348M)
3.	Dhanapati Suppliers Private Limited (PAN: AAECD2440G)
4.	Kag India Private Limited (PAN: AADCK5381Q)
5.	Sarvlok Vincom Private Limited (PAN: AARCS4563N)
6.	Kundan Mandal (PAN: BITPM7524B)

In the matter of Gokul Solutions Limited

BACKGROUND

1. Securities and Exchange Board of India (**SEBI**) carried out an investigation into the trading in the scrip of Gokul Solutions Limited (**Gokul/company**) for the period December 09, 2014 to February 23, 2018 (**investigation period or IP**) to ascertain as to whether there were any violations *inter alia* of the provisions of SEBI Act, 1992 (SEBI Act) and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (**PFUTP Regulations**) by certain entities. Wherever deemed necessary, reference has been made outside the investigation period.

2. The investigation *inter alia* revealed that the price of the scrip opened at ₹ 38 on December 09, 2014 and closed at ₹ 349 on February 23, 2018 after touching a high of ₹ 355 on August 04, 2017 and a group of connected entities were the major contributors in the price rise who had manipulated the price by trading amongst themselves and created misleading appearance. Pursuant to the investigation, it was found that the Noticees Wakeeta Commercial Private Limited **(Wakeeta/Noticee 1)**, Rishvanjas Trading Private Limited (**Rishvanjas/Noticee 2)** and Dhanapati Suppliers Private Limited (**Dhanapati/Noticee 3**) have violated the provisions of 12A(a), (b) and (c) of the SEBI Act read with regulations 3(a), (b), (c), and (d) and 4(1), 4(2) (a), (d) and (e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (**PFUTP Regulations**) and Kag India Private Limited (**Kag/Noticee 4**) has violated the provisions of 12A(a), (b) and (c) of the SEBI Act read with regulations 3(a), (b), (c), and (d) and 4(1), 4(2) (a) and (e) of PFUTP Regulations, Sarvlok Vincom Private Limited (**Sarvlok/Noticee 5**) and Kundan Mandal (**Kundan Mandal/ Noticee 6**) have violated the provisions of section 12A (a), (b) and (c) of the SEBI Act read with the provisions of regulations 3 (a), (b), (c) and (d) and 4 (1) of PFUTP Regulations.

APPOINTMENT OF ADJUDICATING OFFICER

3. The undersigned was appointed as Adjudicating Officer (**'AO'**) vide communique dated August 20, 2021 under section 19 of the SEBI Act read with sub-section (1) of section 15-I of the SEBI Act and rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as **'Adjudication Rules'**) to inquire into and adjudge under Section 15HA of the SEBI Act, the aforesaid alleged violations against the Noticees.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. A common Show Cause Notice dated October 28, 2021 (**'SCN'**), was served upon the Noticees in terms of Rule 4 of the Adjudication Rules to show cause as to why an inquiry should not be held and penalty be not imposed against the Noticees in terms of Section 15HA of the SEBI Act for the aforesaid alleged violations committed by them.

5. The facts stated and allegations levelled against the Noticees in the SCN are summarized as under:
   (a) During the investigation period, out of the total 785 trading days, the scrip was traded only for 133 days. The price of the scrip opened at ₹ 38 on December 09, 2014, and closed at ₹ 349 on February 23, 2018 after touching a high of ₹ 355 on August 04, 2017. In respect of total trading during the investigation period, the top 10 clients accounted for 83.05% of the total gross buy side volume and 77.31% of the total gross sell side volume at BSE. Gokul had made preferential allotment to various entities including two of its promoters, prior to listing of its shares. Subsequently, shares were acquired directly/indirectly by certain entities from some of the preferential allottees.
   (b) On the basis of Know Your Client (KYC) details/Unique Client Code (UCC) details, off market transaction data and details available in MCA Portal, Bank statements of top 10 buyers/ sellers and their select counterparties, a group of entities who had traded (including off market transactions) in the scrip were revealed to be connected with Gokul/its directors/promoters/other entities. This group of connected entities (suspected entities) were the major contributors in the price rise who manipulated the price by trading amongst themselves.
   (c) The suspected entities as a group had bought 10,73,200 shares (83.81% of total market volume) and sold 8,93,700 shares of Gokul (69.20% of total market volume) during the investigation period. Of these, 6 entities were only buyers while 16 entities were only sellers and 8 entities have both bought as well as sold shares of Gokul.
   (d) Sarvlok V had not traded in the scrip at exchange, however, it had transacted in off-market prior to investigation period.
   (e) The price of the scrip increased from ₹ 38 as on December 09, 2014 to a close of ₹ 349 as on February 23, 2018. The analysis of suspected entities contributing to positive LTP, their NHP trades and first trades during investigation period on BSE as buyers revealed that 13 suspected entities had contributed to a net Last traded price ("LTP") of ₹ 283.00 in 162 trades and positive LTP of ₹ 348.00 (91.82% of total market positive LTP). Out of 162 trades carried out by them, 114 trades were positive LTP contributing trades. On counterparty analysis of these 114 trades

contributing to positive LTP, investigation observed that 83 trades for 5,95,450 shares (worth of ₹ 12.54 Cr) which resulted into the LTP of ₹ 256 (70.89% of total market positive LTP) were carried out by suspected entities among themselves wherein the buy/sell order price and quantity were perfectly matched by sell/buy order price and quantity. Out of the 83 trades, buy trades of entities namely Wakeeta, Rishvanjas and Dhanpati S (Noticees 1, 2 and 3), had individually contributed significant LTP (>5%)

(f) All these 83 trades were matched/structured trades wherein the buy/sell order price and quantity were matched by sell/buy order price and quantity to get trade executed at higher price. The scrip was traded at BSE-SME-ITP platform and was highly illiquid and hence, timing of the order placement was not material. It was, therefore, alleged that Wakeeta, Rishvanjas and Dhanpati have created a misleading appearance of trading in the scrip and that they have manipulated the price of the scrip and accordingly they have violated the provisions of section 12 A (a), (b) and (c) of the SEBI Act read with regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a), (d) and (e) of PFUTP Regulations.

(g) The group of suspected entities have traded among themselves and contributed NHP of ₹ 290 through 69 trades, which is 90.30% of total NHP during the investigation period.

(h) The suspected entities had contributed to LTP of ₹ 251 which is 66.23% of total market positive LTP through 120 first trades during the investigation period.

(i) Based on the analysis of the trade log and the bank statements of the entities it was revealed that suspected entities had received funds from other suspected entities including the promoters/entities connected with promoter(s)/directors of the company on the day of transfer of fund to the brokers account or 1-2 days prior to the day of trading. There were instances wherein seller had transferred the pay-out received from the broker to the account of buyer and subsequently, the said fund was used for other buy transaction.

(j) During the investigation period, Kag had traded only in the scrip of Gokul. Kag was a connected entity with the promoter Sanjay Kumar Agarwal and it had received 2,50,000 shares of Gokul in off-market from Sarvlok V, another suspected entity in September 2014. Kag sold a total of 2,09,800 shares (16.38% of market volume) during IP and contributed to 21 match trades wherein buyers were Wakeeta and

Rishvanjas (except 1 trade) which was a significant 16.09% of market positive LTP. Thus, it was alleged that Kag received shares in off-market transactions from the entity connected to Gokul and those shares were subsequently purchased by suspected group of entities at higher price by perfectly matching the price and quantity with a premeditated modus operandi and thereby created misleading appearance of trading in the scrip and it has manipulated the price of the scrip and has therefore violated the provisions of section 12 A(a), (b) and (c) of the SEBI Act read with regulations 3(a), (b), (c), and (d) and 4(1), 4(2)(a) and (e) of PFUTP Regulations .

(k) Sarvlok V was incorporated on May 01, 2012 and opened its account with Horizon on February 22, 2013. On August 29, 2014, shares of Gokul were dematerialized by Sarvlok V. On September 04, 2014 it had transferred 2,17,500 shares and 2,50,500 shares of Gokul to Fefer group of entities and Kag respectively. Subsequently, out of 2,17,500 shares, the Fefar group sold 2,05,000 shares worth of ₹ 7.17 Cr in the market during May-Nov 2017 and Kag has sold 2,09,800 shares worth of ₹ 6.83 Cr in the market during Mar-Jul 2017 after completion of lock in period and major buyers were suspected entities. From the Delivery Instruction Slip (DIS) of said transactions by Sarvlok V, it was observed that the said DIS's were signed by its director Kundan Mandal who was one of shareholder in another suspected entity Vandana and also a common director in various suspected entities. It was therefore alleged that the said act of Sarvlok V and its director Kundan Mandal are in violation of sections 12A (a), (b) and (c) of the SEBI Act read with regulations 3 (a), (b), (c) and (d) and 4 (1) of PFUTP Regulations.

(l) The alleged violations, if established, make the Noticees liable for monetary penalty under Section 15HA of the SEBI Act.

6. The SCN to Kag India Pvt. Ltd. was delivered on November 05, 2021. As the delivery to the other Noticees through normal mode failed, therefore, delivery of SCN was attempted through affixture on February 09, 2022 to Wakeeta Commercial Pvt. Ltd. and Rishvanjas Trading Pvt. Ltd. and on February 10, 2022 to Dhanapati Suppliers Pvt. Ltd., Sarvlok Vincom Pvt. Ltd., and Kundan Mandal which again failed and consequently serving of SCN cum Hearing Notice was done through newspaper publication and the same was published on March 23, 2022 in Bartman in

Bengali, in Sanmarg in Hindi and in The Statesman in English language newspapers of Kolkata Editions.

7. Inspection of documents were sought on February 21, 2022 by Kag India Pvt. Ltd., and the documents sought by Kag India Pvt. Ltd., were delivered to it on April 12, 2022. Further, on their request, copy of SCN along with annexures thereof and copy of IR along with annexures were forwarded to Authorised Representative (AR) of Wakeeta Commercial Pvt Ltd and Rishvanjas Trading Pvt. Ltd., on May 06, 2022 and May 11, 2022 respectively. The request for inspection of document vide letters dated May 01, 2022 and April 30, 2022 by Sarvalok Vincom Pvt. Ltd. and Kundan Mandal were received by SEBI on May 19, 2022 and the inspection of document was scheduled on May 26, 2022 which was rescheduled and conducted on June 02, 2022 for both the Noticees and the personal hearing was conducted on June 30, 2022.

8. Vide various replies the Noticees submitted their reply which are summarized as under Noticee-wise.

A. KAG, vide letter dated April 25, 2022, Wakeeta and Rishvanjas vide separate letters dated May 25, 2022 submitted certain preliminary contentions as under:

(i) Copy of Communication of Order appointing Adjudication Officer is ambiguous in as much as no sufficient grounds has been specifically find any mention in the said Communication.

(ii) The SCN is bad in law as it has been issued after a period of more than 4 years from the date of last trade executed by the Noticee. With respect to this contention, the Noticees have placed reliance on the following judgements and Orders passed by the Hon'ble Supreme Court **(SC)** and Hon'ble Securities Appellate Tribunal **(SAT)**.

- *Ashok Shivpal Rupani & Ors vs SEBI (SAT Appeal Nos. 417 and 440 of 2018 decided on22/08/2019)*
- *Mr. Rakesh Kathotia & Ors. vs. SEBI (SAT Appeal No. 07 of 2016 decided on 27.05.2019)*

- *Anilkumar Nandkumar Harchandani & Ors. vs. SEBI (Appeal No. 75 of 2019), decided on 05-12-2019.*
- *Rajiv Bhanot & Ors. vs SEBI (Appeal No. 396 of 2018, Order dated 09-07-2021).*
- *Shriram Insight Share Brokers Ltd (Appeal No. 559/2020, Order dated 04-01-2022).*
- *Ashlesh Gunvantbhai Shah vs. SEBI (Appeal No.169 of 2019).*
- *Yatin Pandey HUF v/s SEBI (Appeal No. 719 of 2021).*

(iii) That the approach of the SEBI towards the Noticee is completely arbitrary because the investigation report (IR) has recorded an adverse finding against as many as 27 suspected entities including the Noticees who amongst themselves had undertaken the alleged 83 +ve LTP trades in the scrip. SEBI at completion of the Investigation, had issued Administrative Warning to as many as 18 entities who were facing similar allegation as the Noticees. On perusal of the IR, it is revealed that these 18 entities contribution into +ve LTP was less than 5% and therefore they were given Administrative Warning whereas the Noticee's contribution to +ve LTP was more than 5% and therefore made party to the SCN. Further, apart from the 18 entities who were given administrative warning, SEBI at the end of investigation has itself given Administrative Warning to 9 more entities who were facing similar types of allegations as the Noticee herein. Therefore, the Noticees also deserve a similar treatment as given to 27 entities.

B. With respect to the allegations in the SCN regarding price manipulation and creation of misleading appearance, the above three Noticees submitted as under:

(i) Kag

- That in the SCN, there is no allegation that Kag was connected to counterparties of its trades.
- That it had executed a bonafide off-market transaction with Sarvlok Vincome Private Limited. There is no allegation in the entire SCN that the said transaction was not a bonafide transactions. It has further submitted that the shares of Gokul were purchased in August, 2014 whereas Kag had sold the shares through off market transactions in

2017. Thus, there is a time gap of almost 3 years in both the off and on market transactions in the scrip.

- That Sarvlok Vincome Private Limited was not the counterparty to the purported alleged trades executed by the Noticee. The Noticee had not made any buy transaction during the period of investigation. Thus, the beneficial ownership has changed. None of the Noticee's transactions has been annulled by the Exchange.
- That the allegation of connection made in the SCN are remote and immaterial and cannot justify the alleged violation and charge against the Noticee. With respect to the allegation that the Noticee was connected with the promoter and director of the company i.e. Mr. Sanjay Kumar Agarwal as he had digitally signed the Form 23ACA as CA on 28-10-2014 for uploading P&L accounts – 2014 of Devangayam Finance Pvt Ltd, a sister concern of KAG (Muralidharan G, MD of the Kag is director of Devangayam), KAG has submitted that the connection made between Mr. Sanjay Kumar Agarwal and the Noticee is stretched and remote. Further, the purported connection relates to the year 2014 whereas the alleged trades were executed in 2017. In support of this contention, Kag has placed reliance on the orders Hon'ble SAT in the matters of Narendra Ganatra vs. SEBI (decided on 29/07/2011) and Smitaben N. Shah vs. SEBI (decided on 30/07/2010), Kaushik Rajnikant Mehta vs SEBI (decided on 05/05/2021) and Manish Suresh Joshi Vs SEBI (decided on 13/01/2020)
- That the the allegation of price manipulations is also a vague allegation and based on assumptions, presumptions, surmises and conjectures. The Noticee had purchased 2,50,000 shares way back in the year 2014 whereas he sold 2,09,800 shares in the year 2017. The Noticee purchased the shares through a bonafide off market transaction. The Noticee still holding 40,200 shares in its Demat account which remained unsold.
- That the Noticee's sell trades match with 5 counterparties. In the entire SCN as well as in the IR, no allegation of direct connection has been

made against the Noticee with these 5 counterparties to the Noticee's sell trades. Further, there is no allegation in the entire SCN that the Noticee had funded the counterparties to the Noticee's sell trades. All the trades of the Noticee had been marked delivery and the beneficial ownership of shares has been transferred to the counterparty's buyer. Therefore, the allegation of misleading appearance of trading in the scrip against the Noticee is liable to be dropped.

- That out of 177 trades executed during the period of investigation, Wakeeta Commercial P Ltd was counterparty to as many as 103 trades. Thus, matching of 25 trades of Noticee herein with Wakeeta Commercial P Ltd was obvious.
- The Noticee had executed as many as 33 trades in the scrip during the period of investigation. Out of these 33 trades, 6 trades for 31,500 shares were executed at par to the LTP and 5 trades for 27500 shares were executed below the LTP. Thus, the intention of the Noticee was not to raise price but to sell the shares at the best possible price.
- The Noticee is not facing any allegation of execution of circular / synchronized / reversal of trades in the scrip. There were huge time gap between the sell orders placed by the Noticee and buy orders placed by the counterparties to the sell trades of the Noticee. It proves that there was no meeting of mind in between the buyer and seller.
- The Noticee had executed its first trade on 24-03-2017 at the rate of Rs. 283/- and the last trade on 17-07-2017 at the rate of Rs. 350/-. Therefore, the price of the scrip had increased only Rs. 76 during the period when Noticee was executing trades whereas the price of the scrip had increased with Rs. 236/- before the Noticee started executing trades in the scrip. The price of the scrip was increasing on those days also when the Noticee had not placed any order in the scrip. Thus, the allegation of contribution to positive LTP against the Noticee is totally baseless.
- That on perusal of the trade log data and price volume data it is revealed that as many as 102 trades were executed around Rs. 350/- during the period of investigation. This shows that there was huge demand in the

shares and the supply was not adequate to meet the demand and therefore the price was going up.

- With respect to the allegation of fraud, KAG has contended that the allegation of fraud cannot be sustained against the Noticee as the Noticee had not induced any person while trading in the scrip of Gokul and the necessary ingredients of fraud are totally missing. In this regard, KAG has placed reliance on the SEBI v/s Shri Kanaiyalal Baldevbhai Patel in Civil Appeal No. 2595 of 2013, Jagruti Securities Ltd. vs. SEBI, (Appeal No. 102 of 2006) and Moneygrowth Investment and Consultants Private Ltd. vs. SEBI.

C. Wakeeta and Rishvanjas vide separate letters both dated 25.05.2022 *inter alia* submitted the following:

   i. That the SCN has been issued to as many as 6 Noticees out of 31 connected entities/suspected entities and as no allegation has been made against the remaining 25 suspected entities, the chain connection amongst 31 purported suspected entities has been broken. In this connection, the Noticees have placed reliance on the order dated 05-05-2021 passed by the Hon'ble Tribunal in the matter of Kaushik Rajnikant Mehta v/s SEBI & other connected Appeals (*Appeal No. 76 of 201, relevant paragraph nos.10 and 12*), Premchand Shah and Ors. V/s SEBI dated 21-02-201, Narendra Ganatra vs. SEBI (Date of decision 29/07/2011), Smitaben N. Shah vs. SEBI (decided on 30.07.2020), Manish Suresh Joshi vs. SEBI (Date of decision 13-01-2020, Appeal No. 2 of 2020)

   ii. With respect to the allegation of price manipulation, the Noticees have contented that during the period of investigation, top 10 sell clients contributed 77.31% to the market volume. Further, additionally 15.99% to the total market volume was contributed by Fefar Group Family Members who were also found to be suspected entities during investigation, however, those entities except Kag has not been made party in the SCN.

iii. That the allegations of New High Price and First trade are arising of same trades which have been alleged as positive LTP trades and merely because some of the buy orders placed by the Noticees matched with the sell orders placed by purported suspected entities which converted into trades and further +ve LTP generated out of such few trades does not mean that those few trades become manipulative.

iv. That there is no allegation against the Noticees that they had executed any synchronized trades and/or circular trades and/or reversal of trades. In the absence of such allegation, the allegation of misleading appearance cannot be proved beyond doubt.

v. That since all buy orders of the Noticee in the scrip of the Gokul had been placed after the sell orders had been placed in the system, the question of raising the price of the scrip by the Noticee does not arise at all. In this regard, the Noticee has placed reliance on Hon'ble SAT orders on Mr. Premchand Shah & Ors vs SEBI (decided on 21-02-2011), Ketan Parekh vs SEBI decided on 14-07-2006, Jagruti Securities Limited vs SEBI (decided on 27-10-2008).

D. Sarvlok and Kundan Mandal vide letters dated 20.06.2022 submitted inter alia as under:

i. That the complete data and documents collected during the course of investigation and relied in the SCN had not been given to the Noticees.

ii. That the procedure prescribed under Rules 4 of AO Rules has not been followed while issuing the captioned SCN to the Noticee.

iii. That the alleged violation of SEBI Act and SEBI PFUTP Regulations took place way back in September, 2014 – December, 2014 whereas the SCN has been issued after 7 years later from the date of alleged violation occurred. In this connection, the Noticees have placed reliance on the following Judgments and Orders passed by the Hon'ble Supreme Court of India and Hon'ble Securities Appellate Tribunal:.

- In the Appeals filed by Mr. Ashok Shivpal Rupani & Ors decided on 22.08.2019
- Anilkumar Nandkumar Harchandani & Ors. vs. SEBI decided on 05.12.2019
- Mr. Rajiv Bhanot & Ors. vs SEBI (decided on 09-07-2021)
- Shriram Insight Share Brokers Ltd (decided on 04-01-2022)
- *Yatin Pandey HUF v/s SEBI* (decided on 24.03.2022).

iv. With respect to the allegation in the SCN that the Noticee had transferred shares to major sellers prior to investigation period and has played an important role in the fraudulent scheme of the Gokul, it has been submitted that neither had the Noticees executed a single trade on market transaction in the scrip nor such allegation has been made in the SCN and hence, the question of being part of fraudulent scheme does not arise.

v. That there is a huge time gap between the purported off market transactions in 2014 with Fefar Group and KAG India Private Limited and their selling the shares of Gokul in the market in 2017. Therefore, no allegation can be made against the Noticee that the Noticee was part of any scheme.

vi. That the SCN has been issued to as many as 6 Noticees out of 31 connected entities/suspected entities and as no allegation has been made against the remaining 25 suspected entities, the chain connection amongst 31 purported suspected entities has been broken. In this connection, the Noticees have placed reliance on the order dated 05-05-2021 passed by the Hon'ble Tribunal in the matter of Kaushik Rajnikant Mehta v/s SEBI & other connected Appeals.

vii. With respect to the off-market transactions and allegation of fraud, the Noticee have contended that its case is squarely covered under the Hon'ble SAT order dated 07-11-2019 in Appeal No. 105 of 2019 Vipul Mohan Joshi vs SEBI.

viii. Kundan Mandal has refuted and denied the allegation that being the signatory of the Demat Account and being the Director of Sarvlok, he was instrumental in transfer of shares to major sellers prior to investigation period. He has further denied the allegation that he had played an important role in the fraudulent scheme of the Gokul and was also instrumental in transfer of shares which were sold in the market.

ix. Kundan Mandal has further submitted that allegation against him in para 3.32 of the SCN are totally discriminatory and shows complete arbitrary and bias approach of investigative authority towards him as the directors/signatories of other noticees have not been made party to the SCN.

x. Kundan Mandal has further submitted that he has been made vicariously responsible for the acts of Sarvlok owing to his directorship and this allegation is squarely in the realm of a charge under Section 27 (1) of the SEBI Act which has never been alleged in the entire SCN.

E. On behalf of Dhanapati, vide response dated 05.05.2022, it has been intimated that Dhanapati has been struck off with effect from 03.02.2022.

9. The Noticees were granted with an opportunity of personal hearing. The Noticees availed the opportunity on the dates as shown under wherein the Authorised representatives (ARs) of the Noticees attended the hearing through Cisco Webex and reiterated the submissions already made.

Noticee name	**Date of personal hearing**
Kag	April 28, 2022
Wakeeta	June 24, 2022
Rishvanjas	June 24, 2022
Sarvlok	June 30, 2022
Kundan Mandal	June 30, 2022

CONSIDERATION OF ISSUES

10. I have carefully perused the allegations levelled against the Noticees in the SCN vis-a-vis the written and oral submissions made by them. Before I proceed to deal with the violations as alleged in the SCN, it is relevant to refer to the relevant provisions of SEBI Act and PFUTP Regulations which have been invoked while issuing the SCN, which read as under:

Section 12A of the SEBI ACT

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

12A. No person shall directly or indirectly—

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

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

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

REGULATIONS 3 AND 4 of the PFUTP REGUALTIONS

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

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

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

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

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

4. Prohibition of manipulative, fraudulent and unfair trade practices

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

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

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

…

(d) paying, offering or agreeing to pay or offer, directly or indirectly, to any person any money or money's worth for inducing such person for dealing in any security with the object of inflating, depressing, maintaining or causing fluctuation in the price of such security;

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

11. The issues that arise for consideration are as under:

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

ii. If yes, whether the violation, on the part of the Noticees would attract monetary penalty under Section 15HA of SEBI Act, 1992? And

iii. If yes, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in Section 15J of the SEBI Act read with Rule 5(2) of the Adjudication Rules?

12. Before moving forward, I would like to deal with the response dated 05.05.2022 received on behalf of Dhanapati Suppliers Limited (**Dhanapati/Noticee 3**) that it has been struck off from the register of Registrar of Companies (RoC). Consequently, the status of Dhanapati was verified from the website of Ministry of Corporate Affairs (MCA) and it is noted that the status is shown as "Strike Off". A print out of the records from the website of MCA in this regard has been taken on record for the purpose of the instant proceedings.

13. I note that the said Noticee has been alleged to have violated the provisions of the SEBI Act and PFUTP Regulations. I also note that Dhanapati was struck-off from the Register of Companies and dissolved with effect from 03/02/2022 in terms of the provisions of Section 248 (5) of the Companies Act, 2013 during pendency of the instant proceedings and hence, it would not be appropriate to proceed against the said Noticee for determining liability under the instant proceedings. In this regard, I would like to place reliance on the judgment of the Hon'ble Delhi High Court in the case of Commissioner of Income Tax (CIT) vs Vived Marketing Services (P) Ltd., ITA NO. 273/2009 dated September 17, 2009 wherein it was held that -*"When the Assessing Officer passed the order of assessment against the respondent*

company, it had already been dissolved and struck off the register of the Registrar of companies under Section 560 of the Companies Act. In these circumstances, the Tribunal rightly held that there could not have been any assessment order passed against the company which was not in existence as on that date in the eyes of law it had already been dissolved. We are of the opinion that the view taken by the Tribunal is perfectly valid and in accordance with law". Further the Income Tax Appellate Tribunal in the matter of M/s. Anujay Hycare Products (P) Ltd. Vs The Income Tax Officer (ITAT Delhi), observed that *"..........there could not have been any valid assessment order passed against the assessee-company which was not in existence as on the day of passing of the assessment order because it had already been dissolved. The assessment in the case of non-existing entity is thus nullity. Therefore, A.O. had no jurisdiction to pass the order against the non-existing company.......However, as on today, it is an established fact that assessee-company has already been dissolved and its name is struck-off from the Registrar of Companies……."*.

14. In view of the above, the proceedings against Dhanapati stands abated without going into the merits of the case. Should this Noticee stand revived or restored at any stage in future, a decision to initiate proceedings may be taken afresh at that stage.

15. Now, before moving forward with the merits of the case qua other Noticees, I deal with the preliminary issues raised by them which are as under:

    15.1 I note that the Noticees have contended that all the documents including the investigation report were not provided to them along with the SCN which is in violation of the principles of Natural Justice. In this regard, I note that, all the supporting documents based on which the allegations were made against the Noticees were provided in the SCN itself as annexure to the SCN. Further, all the Noticees have taken inspection of documents as discussed at para. 7 hereinabove and copy of the investigation report along with annexures was also made available to the Noticees. Therefore, I do not find merit in the contentions of the Noticees in this regard.

15.2 Another preliminary issue raised by certain Noticees is that proper procedure according to the Adjudication Rules has not been followed while issuing the SCN to them. In this regard, I note that the a common SCN dated October 28, 2021 was issued to the Noticees in terms of rule 4(1) and (2) of the Adjudication Rules wherein the facts of the case and the allegations levelled against the Noticees were stated and all supporting documents based on which the allegations were annexed to the SCN. Upon receipt of reply of the of the Noticees, in terms of sub-rule (3) of rule 4 of the Adjudication Rules, after considering the response of the Noticees, as the undersigned was of the opinion that an inquiry should be held against the Noticees, personal hearing was scheduled and all Noticees availed the opportunity of said personal hearing. Thus, the instant proceedings have been carried out as per the procedure laid down in the SEBI Adjudication Rules and I note that there is no procedural irregularity. Therefore, I do not agree with the contention of the Noticces that proper procedure according to the Adjudication Rules has not been followed while issuing the SCN.

15.3 Another preliminary issue raised by the Noticees is that the SCN has been issued with inordinate delay of 4-7 years from the date of transaction of the Noticees. I note that the Noticees have placed reliance on multiple orders passed Hon'ble Securities Appellate Tribunal (**SAT**) in this regard.

15.4. I have perused the contention of the Noticees and the cases cited by them. I note that the cases cited by the Noticees can be distinguishable on the facts of the instant case. In the instant case, the investigation period was determined for a longer period of almost 3 years and 2 months i.e, December 2014 to February, 2018. As the investigation pertained to price manipulation, it required collation of various types of data including trading data and other financial information and Investigating Authority (**IA**) had to exchange various communication with the company, Exchanges, other entities and Banks. Even then, the investigation was completed in a time bound manner in June 2021 and the SCN in the instant matter was issued on October 28, 2021. Along with the instant adjudication proceedings, other proceedings under section 11B of the SEBI Act has also been initiated against multiple other entities pursuant to the investigation. In this regard, I note that, Hon'ble SAT in the past has held that the reasonable period would depend on the facts and circumstances of each case and that no hard and fast rule can be laid down in this regard. Similar issue of inordinate delay was contended by the appellants in the matter of Girraj Kumar Gupta HUF vs. SEBI (Appeal No. 424 of 2019 decided August on 11, 2021), wherein the Hon'ble SAT, while not accepting the contention of the appellants on the ground of delay, held that "*………the contention of the appellants that there was inordinate delay in the initiation of the proceedings is erroneous. We find that the investigation started in the year 2015 which involved examining several entities in the order logs, trade logs, off market transactions and gathering evidence from the Stock Exchange. The show cause notice was issued in the October, 2017 and accordingly we find that there is no inordinate delay in the initiation of the proceedings. The contention raised is, thus, erroneous and cannot be accepted."* This decision of Hon'ble SAT is squarely applicable to the case in hand because of the peculiar facts involved therein, i.e, the period covered under investigation was more than 3 years and the IA had to examine several entities, the logs of trades and bank statements for a longer period, off-market transactions pertaining to 2014 etc.

15.5 Further, none of the Noticees has demonstrated during the instant proceedings as to what specific prejudice is caused to them while dealing with the allegations in the SCN. In this regard, I would like to place reliance on the observations of Hon'ble SAT in the matter of Ravi Mohan & Ors vs SEBI (Appeal No. 97 of 2014 decided on 16.12.2015) wherein it held that "b*ased on decision of this Tribunal in case of HB Stockholdings Ltd. vs. SEBI (Appeal no. 114 of 2012 decided on 27.08.2013) it is contended on behalf of the appellants that in view of the delay of more than 8 years in issuing the show cause notice, the impugned order is liable to be quashed and set aside. There is no merit in this contention, because, this Tribunal while setting aside the decision of SEBI on merits has clearly held in para 20 of the order, that delay itself may not be fatal in each and every case. Moreover, the Apex Court in case of Collector of Central Excise, New Delhi vs. Bhagsons Paint Industry (India) reported in 2003 (158) ELT 129 (S.C) has held that if there no statutory bar for adjudicating the matter beyond a particular date,* *the Tribunal cannot set aside the adjudication order merely on the ground that the adjudication order is passed after a lapse of several years from the date of issuing notice. In the Takeover Regulations, 1997 there is no time limit prescribed either for issuing show cause notice or for adjudicating the show cause notice. Therefore, argument of the appellants that in view of the delay in issuing the show cause notice the impugned order must be quashed cannot be accepted. However, we make it clear that in the absence of time limit prescribed for issuing show cause notice or for completing the adjudication proceedings, SEBI cannot arbitrarily delay the proceedings and must take all reasonable steps to initiate and complete the proceedings in accordance with law as expeditiously as possible. In the facts of present case (Appeal No. 97 of 2014) it is not in dispute that sometime in February 2013 SEBI came to know that the appellants had failed to comply with regulation 7(1A) in the year 2005 and immediately thereafter, show cause notice was issued in November 2013. Therefore, in the facts of present case, no fault can be found with SEBI in initiating proceedings against the appellants in November 2013".* Further, Hon'ble SAT in the matter of Rajendra Hukumchand Gupta. vs. SEBI (Appeal No. 482 of 2020) wherein SAT observed that*: "……as regards the issue of delay in issuing the notice we find that the appellant was not at all prejudiced by the issuing of notice on 29th October, 2020, as he could not show any inability to defend the proceeding due to any delay. The respondent SEBI was required to carry investigation and then issue notice in the case and therefore this plea cannot be sustained."* I note that in the instant matter SEBI has taken all the reasonable steps to initiate the proceedings after the completion of investigation and no prejudice has been caused to the Noticees. In view of the above, I do not find any merit in the contention of the Noticees regarding delay in issuing the SCN.

15.6 Another preliminary contention of the Noticees is that administrative warning has been issued to certain entities by the IA while AO proceedings have been initiated against the Noticees herein. In this regard, I note that, the fact that, the IA has taken a lenient view with regard to certain entities in the matter does not by itself mean that, other violations should be accorded similar treatment by the AO. Also, I note that, the gravity of the violations committed by the Noticees and the certain other entities as mentioned by them are not same, and therefore, are not comparable. In view of the same, I do not find any merit in the contention of the Noticees.

16. Now, I move on to deal with the issues on merits.

Issue No. 1: Whether the Noticees have violated the provisions of regulations 12 A (a), (b) and (c) of the SEBI Act read with regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a), (d) and (e) of PFUTP Regulations?

16.1 I note that Gokul was incorporated on July 25, 2008 as a private limited company under the name of Gokul Solutions Private Limited. Later, on August 12, 2014, it was converted to a public limited company and its name was changed to Gokul Solutions Limited. It is engaged in trading and distribution of sarees and other products. Its shares got listed at BSE-SME-ITP through direct listing on December 09, 2014. I also note that Gokul had made a preferential allotment to various entities including two of its promoters, prior to listing of its shares. Subsequently, shares were acquired directly/indirectly by certain entities from some of the preferential allottees.

16.2 I note that during the investigation period, out of the total 785 trading days, the scrip was traded only for 133 days. The price of the scrip opened at ₹ 38 on December 09, 2014, and closed at ₹ 349 on February 23, 2018 after touching a high of ₹ 355 on August 04, 2017. As shown in the table below, the Noticees namely Wakeeta (**Noticee 1**) and Rashvanjas (**Noticee 2**) were included in the top 10 buyers while Kag (**Noticee 4**) was among the top 10 sellers.

Table -1

Buy Client Name	Gross Buy Volume	% of Gross Buy to Mkt. Volume	Sell Client Name	Gross Sell Volume	% of Gross Sell to Mkt. Volume
Wakeeta Commercial Pvt Ltd	535100	41.80	**KAG India Private Limited**	209800	16.39
Vintage Breweries Pvt Ltd	98700	7.71	Aryavrat Suppliers Pvt Ltd	105200	8.22

Buy Client Name	Gross Buy Volume	% of Gross Buy to Mkt. Volume	Sell Client Name	Gross Sell Volume	% of Gross Sell to Mkt. Volume
Rishvanjas Trading Private Limited	92450	7.22	Sourav Management Private Limited	104650	8.17
Kautirya Trading Private Limited	79800	6.23	Sourav Builders Private Limited	55000	4.30
Dhanapati Suppliers Pvt Ltd	64600	5.05	Rajesh Jhunjhunwala HUF	47600	3.72
Alishan Merchants Private Limited	56900	4.44	Navin Jhunjhunwala HUF	45800	3.58
Rajesh Jhunjhunwala HUF	47600	3.72	Sonali Jhunjhunwala	43300	3.38
Navin Jhunjhunwala HUF	45800	3.58	Surendra Kumar Sharma	37500	2.93
Sonali Jhunjhunwala	43300	3.38	Arrowline Distributors Private Limited	35500	2.77
Dhanapati Vintrade Pvt Ltd	35000	2.73	Sourav Nursing Home Private Limited	32350	2.53
Top 10 Clients	10,99,250	83.05	Top 10 Clients	7,16,700	77.31
Remaining Clients	1,81,000	16.95	Remaining Clients	5,63,550	22.69
Market Volume	12,80,250	100.00	Market Volume	12,80,250	100.00

16.3 I note that on the basis of KYC/UCC details, off market transaction data of certain entities, details available on MCA Portal and bank statements of top 10 buyers/ sellers and their select counterparties, certain entities who had traded (including off market transactions) in the scrip were revealed to be connected with Gokul/its directors/promoters/other entities and were identified as 'suspected entities'. It was alleged in the SCN that this group of connected entities were the major contributors in the price rise and manipulated the price by trading amongst themselves. As mentioned above, the price of the scrip opened at ₹ 38 on December 09, 2014, and closed at ₹ 349 on February 23, 2018 after touching a high of ₹ 355 on August 04, 2017. I note that the connection among the said suspected entities including the Noticees herein are established as under:

Table -2

S No.	suspected entities	PAN	Basis of connection (Period considered for connection is Investigation period and FY in which preferential allotments were made by Gokul)
1.	Alishan Merchants Private Limited (Alishan)	AAHCA6662L	• As per UCC/KYC, S. No 1, 8, 11, 12 and 15 share common address viz. '**30, Bentinck Street, 3rd Floor, Room No. 307 West Bengal Kolkata 700001** which is also address of **Gokul**. • **Gokul** has business relationship and fund transfers with S. No. 1, 9, 10 and 14. • S. No. 1, 4, 7, 16 & 19 have common directors Kundan Mandal and Niraj K Mishra. • As per UCC/KYC, S. No 1, 7, 9 and 14 have common mobile number **9830897177.** • S. No. 1, 9 and 14 have reported its email in UCC/KYC as cm93271@gmail.com which also belongs to S. No. 12, 13 and 17 as per MCA • S. No. 1, 9, 10, 14 and 16 have common email address msanjeev707@gmail.com as per MCA • S. No 14 has fund transfers with S. No, 1, 2, 3, 4, 10, 11, 18 and **Gokul**, • S. No. 1, 4 and 20 are the shareholders of S. No 2.
2.	Arrowline Distributors Private Limited (Arrowline)	AAKCA2275L	• As per UCC/KYC, S. No 2, 3, 5 and 19 have common mobile number **9830697177** which pertains to **Chandan Mandal** who is director in S. No. 8, 11,12 and 17. As per Bank (OBC/PNB), mobile number **9830697177** pertains to S. No. 7 (Suman S). • S. No. 2, 3, 6, 18 & 20 have common directors **Avinash Bagri** and **Sanjeev K Mandal.** • S. No 6 received funds from Promoter Entity **Genuine**, S. No. 3, 4 and 5. • S. No 14 has fund transfers with S. No, 1, 2, 3, 4, 10, 11, 18 and **Gokul**. • S. No 3, 4, 12 and 17 are the shareholders of S. No 11 • S. No. 1, 4 and 20 are the shareholders of S. No 2. • As per its reply**, Gokul** hold shares of S. No. 2, 7, 16, 17 and 20.
3.	Aryavrat Suppliers Private Limited (Aryavrat)	AAKCA8624R	
4.	**Dhanapati Suppliers Private Limited (Dhanapati S)**	AAECD2440G	• S. No. 1, 4, 7, 16 & 19 have common directors **Kundan Mandal** and Niraj K Mishra • S. No 6 received funds from Promoter Entity **Genuine**, S. No. 3, 4 and 5. • S. No 13 has fund transfer with S. No. 18, 6 and 4. • S. No 14 has fund transfers with S. No, 1, 2, 3, 4, 10, 11, 18 and **Gokul**. • S. No 3, 4, 12 and 17 are the shareholders of S. No 11. • S. No. 1, 4 and 20 are the shareholders of S. No 2. • As per UCC/KYC, mobile No.**9007228372** pertains to S. no 4, 10 and 16.

S No.	suspected entities	PAN	Basis of connection (Period considered for connection is Investigation period and FY in which preferential allotments were made by Gokul)
5.	Dhanapati Vintrade Private Limited (Dhanapati V)	AAECD2444C	• As per UCC/KYC, S. No 2, 3, 5 and 19 have common mobile number **9830697177** which pertains to **Chandan Mandal** who is director in S. No. 8, 11,12 and 17. As per Bank (OBC/PNB), mobile number **9830697177** pertains to S. No. 7; S. No 6 received funds from Promoter Entity **Genuine**, S. No. 3, 4 and 5. • Dhanpati V and Glatt (S. No 5 & 6) shared same address **HMP House, 608, 4th Fairlie place, Kolkata.**
6.	Gungun Computers Private Limited (Now Glatt Ceramics Private Limited (Glatt)	AAECG9737B	• S. No. 9 has transferred 20,000 and 5900 shares to S. No. 6 (Glatt) on September 17, 2015 and October 05, 2015 to meet the pay-in obligations by Glatt. • S. No 13 has fund transfer with S. No. 18, 6 and 4. • S. No 6 received funds from Promoter Entity **Genuine**, S. No. 3, 4 and 5. • S. No. 2, 3, 6, 18 & 20 have common directors **Avinash Bagri** and **Sanjeev K Mandal.** • Dhanpati V and Glatt (S. No 5 & 6) shared same address **HMP House, 608, 4th Fairlie place, Kolkata.**
7.	Suman Stock Advisory Private Limited **(Suman S)**	AAPCS3307L	• As per UCC/KYC, S. No 1, 7, 9 and 14 have common mobile number **9830897177.** As per Bank (OBC/PNB), mobile number **9830697177** pertains to S. No. 7 which pertains to **Chandan Mandal** who is director in S. No. 8, 11,12 and 17 • **Chandan Mandal** is a director in Suman S and Sourav M (S. No. 7& 8). • Prior to IP, S. No.7 and 16 transferred funds to promoters **Genuine** and **Unity** which was utilized to get the shares of Gokul on preferential basis in June 2014. • As per its reply**, Gokul** hold shares of S. No. 2, 7, 16, 17 and 20.
8.	Sourav Management Private Limited **(Sourav M)**	AARCS4185J	• As per UCC/KYC, S. No 2, 3, 5 and 19 have common mobile number **9830697177** which pertains to **Chandan Mandal** who is director in S. No. 8, 11,12 and 17. As per Bank (OBC/PNB), mobile number **9830697177** pertains to S. No. 7. • **Chandan Mandal** is a director in Suman S and Sourav M (S. No. 7& 8). • Prior to IP, S. No.8 and 11 transferred fund to promoter **Genuine** which was utilized to get the shares of Gokul on preferential basis in June 2014.
9.	Kautirya Trading Private Limited (Kautirya T)	AAFCK3315C	• **Gokul** has business relationship and fund transfers with S. No. 1, 9, 10 and 14.

S No.	suspected entities	PAN	Basis of connection (Period considered for connection is Investigation period and FY in which preferential allotments were made by Gokul)
			• S. No. 9 has transferred 20,000 and 5900 shares to S. No. 6 (Glatt) on September 17, 2015 and October 05, 2015 to meet the pay-in obligations by Glatt. • As per UCC/KYC, S. No 1, 7, 9 and 14 have common mobile number **9830897177.** • S. No. 1, 9 and 14 have reported its email in UCC/KYC as cm93271@gmail.com which also belongs to S. No. 12, 13 and 17 as per MCA • S. No. 1, 9, 10, 14 and 16 have common email address msanjeev707@gmail.com as per MCA
10.	**Rishvanjas Trading Private Limited (Rishvanjas)**	AAGCR6348M	• **Gokul** has business relationship and fund transfers with S. No. 1, 9, 10 and 14. • S. No. 1, 9, 10, 14 and 16 have common email address msanjeev707@gmail.com as per MCA • S. No 14 has fund transfers with S. No, 1, 2, 3, 4, 10, 11, 18 and **Gokul**, • As per UCC/KYC, **9007228372** pertains to S. no 4, 10 and 16.
11.	Sourav Builders Private Limited (Sourav B)	AARCS4184K	• As per UCC/KYC, S. No 2, 3, 5 and 19 have common mobile number **9830697177** which pertains to **Chandan Mandal** who is director in S. No. 8, 11,12 and 17. As per Bank (OBC/PNB), mobile number **9830697177** pertains to S. No. 7. • S. No 14 has fund transfers with S. No, 1, 2, 3, 4, 10, 11, 18 and **Gokul**, • S. No 3, 4, 12 and 17 are the shareholders of S. No 11
12.	Sourav Nursing Home Private Limited (Sourav N)	AARCS4552R	• As per UCC/KYC, S. No 2, 3, 5 and 19 have common mobile number **9830697177** which pertains to **Chandan Mandal** who is director in S. No. 8, 11,12 and 17. As per Bank (OBC/PNB), mobile number **9830697177** pertains to S. No. 7. • S. No. 1, 9 and 14 have reported its email in UCC/KYC cm93271@gmail.com which also belongs to S. No. 12, 13 and 17 as per MCA • S. No 3, 4, 12 and 17 are the shareholders of S. No 11
13.	Vintage Breweries Private Limited (Vintage)	AAECV2870L	• As per UCC/KYC, S. No 2, 3, 5 and 19 have common mobile number **9830697177** which pertains to **Chandan Mandal** who is director in S. No. 8, 11,12 and 17. As per Bank (OBC/PNB), **9830697177** pertains to S. No. 7. • S. No. 1, 9 and 14 have reported its email in UCC/KYC as cm93271@gmail.com which also belongs to S. No. 12, 13 and 17 as per MCA • S. No 13 has fund transfer with S. No. 18, 6 and 4.

S No.	suspected entities	PAN	Basis of connection (Period considered for connection is Investigation period and FY in which preferential allotments were made by Gokul)
			• As per UCC/KYC, S. No 13, 16 and 18 have same address; **Room No B3, 29a Weston Street 2nd Floor Kolkata**
14.	**Wakeeta Commercial Private Limited (Wakeeta)**	AABCW4428J	• **Gokul** has business relationship and fund transfers with S. No. 1, 9, 10 and 14. • As per UCC/KYC, S. No 1, 7, 9 and 14 have common mobile number **9830897177.** • S. No. 1, 9 and 14 have reported its email in UCC/KYC as cm93271@gmail.com which also belongs to S. No. 12, 13 and 17 as per MCA • S. No. 1, 9, 10, 14 and 16 have common email address msanjeev707@gmail.com as per MCA. • S. No 14 has fund transfers with S. No, 1, 2, 3, 4, 10, 11, 18 and **Gokul**, • Sanjay Kumar Agarwal has fund transfer with Wakeeta which was used to pay buying obligation by Wakeeta in the scrip. • As per UCC/KYC, S. No 10 and 14 shared same address **HMP House, 601, 4th Fairlie place, Kolkata.**
15.	Goodtime Advisory Private Limited (Goodtime)	AAFCG5233M	• As per UCC/KYC, S. No 1, 8, 11, 12 and 15 share common address viz. '**30, Bentinck Street, 3rd Floor, Room No. 307 West Bengal Kolkata 700001** which is also address of **Gokul**.
16.	Suman Infocom Private Limited (Suman I)	AAPCS4903E	• S. No. 1, 9, 10, 14 and 16 have common email address msanjeev707@gmail.com as per MCA. • Prior to IP, S. No.7 and 16 transferred funds to promoters **Genuine** and **Unity** which was utilized to get the shares of Gokul on preferential basis in June 2014. • As per its reply**, Gokul** hold shares of S. No. 2, 7, 16, 17 and 20. • As per UCC/KYC, **9007228372** pertains to S. no 4, 10 and 16. • As per UCC/KYC, S. No 13, 16 and 18 have same address; Room No B3, 29a Weston Street 2nd Floor Kolkata
17.	Khandeshwar Vinimay Private Limited (Khandeshwar)	AAECK5890P	• As per UCC/KYC, S. No 2, 3, 5 and 19 have common mobile number **9830697177** which pertains to **Chandan Mandal** who is director in S. No. 8, 11,12 and 17. • S. No. 1, 9 and 14 have reported its email in UCC/KYC as cm93271@gmail.com which also belongs to S. No. 12, 13 and 17 as per MCA • S. No 3, 4, 12 and 17 are the shareholders of S. No 11 • As per its reply**, Gokul** hold shares of S. No. 2, 7, 16, 17 and 20.

S No.	suspected entities	PAN	Basis of connection (Period considered for connection is Investigation period and FY in which preferential allotments were made by Gokul)
18.	Bluerose Dealcom Private Limited (Bluerose)	AAFCB4480R	• S. No. 2, 3, 6, 18 & 20 have common directors **Avinash Bagri** and **Sanjeev K Mandal.** • S. No 18 and 19 received funds from Promoter Unity • S. No 18 has transferred ₹70.50Lakh to Gokul Consultants Private Limited ***("Gokul C")*** wherein **Sanjay Kumar Agarwal** and O P Agrawal ware the promoters/directors during the IP and still hold 100% shareholding. • S. No 13 has fund transfer with S. No. **18**, **6** and **4**. • S. No 14 has fund transfers with S. No, 1, 2, 3, 4, 10, 11, 18 and **Gokul**. • As per UCC/KYC, S. No 13, 16 and 18 have same address; Room No **B3, 29a Weston Street 2nd Floor Kolkata**
19.	Sarvlok Vincom Private Limited **(Sarvlok V)**	AARCS4563N	• As per UCC/KYC, S. No 2, 3, 5 and 19 have common mobile number **9830697177** which pertains to **Chandan Mandal** who is director in S. No. 8, 11,12 and 17. As per Bank (OBC/PNB), mobile number **9830697177** pertains to S. No. 7. • Fefar group [i.e. entities at S. No **21**-**28** in this table which have common address and emails IDs] • have received shares from Sarvlok V (S, No **19**) • KAG India has received 250,000 shares from Sarvlok V (S, No **19**).
20.	Metrocity Supplier Private Limited (Metrocity)	AAHCM2162R	• S. No. 2, 3, 6, 18 & 20 have common directors **Avinash Bagri** and **Sanjeev K Mandal.** • S.No. 1, 4 and 20 are the shareholders of S. No 2. • As per its reply**, Gokul** hold shares of S. No. 2, 7, 16, 17 and 20 as on March 31, 2018.
21.	Manharlal Shivlal Fefar (Maharlal) (Fefar group)	AJEPP0043K	• **Fefar Group:** S. No **21**-**28** have common address, email. • Fefar group have received shares from Sarvlok V (S, No **19**) • S. No 18 transferred ₹25 Lakh to Manharlal in March 2018 and ₹1.01Cr in Mar 2017. He became a director in S. No 18 (Bluerose) from September 2019.
22.	Pritiben Amritlal Fefar (Fefar group**)**	AAWPF0300Q	
23.	Seemaben Mahendrabhai Fefar (Fefar group)	AAZPF5703C	
24.	Trambaklal Shivlal Fefar (Fefar group)	ACNPP7803K	
25.	Jashvanti Trambaklal Fefar (Fefar group)	AAQPF4902J	

S No.	suspected entities	PAN	Basis of connection (Period considered for connection is Investigation period and FY in which preferential allotments were made by Gokul)
26.	Mahendra Trambaklal Fefar (Fefar group)	AAJPF1952B	
27.	Amrutlal Shivabhai Fefar (Fefar group)	AJEPP0042J	
28.	Manoj Trambakbhai Fefar (Fefar group)	AAQPF4901M	
29.	**KAG India Private Limited (KAG)**	AADCK5381Q	• KAG has received 250,000 shares from Sarvlok V (S, No. 19) prior to listing of shares of Gokul • **Sanjay** Kumar Agarwal has digitally signed the Form 23ACA as CA on Oct 28, 2014 for uploading P&L accounts -2014 of Devangayam Finance P Ltd, a sister concern of KAG. (Muralidharan G, MD of Kag is director of Devangayam) • KAG had received ₹8.20 Cr from Bholenath Merchant P Ltd during IP. As per financial statement 2017, Bholenath holds 13.61% share of KAG. Bholenath received ₹3.12 crore from Gokul during Feb 2015 to Dec 2016
30.	Ankitaben R Sapariya	DCCPS1285N	• Ankitaben R Sapariya and Kirtiben N Sapariya share common address and received shares in off-market from S. No 12 (**Sourav N).** • Ankitaben R Sapariya has off market transactions with S.No. 4 (**Dhanpati S).**
31.	Kirtiben N Sapariya	BCWPS6280B	

16.4 The table below shows the summary of trades by the connected entities. I note that Sarvlok V (Sl no. 19 in Table 2) had not traded in the scrip of Gokul at Exchange. It had transacted in off-market prior to listing of shares.

Table – 3

S No.	Client Name	Buy			Sell		
		Gr. Buy	Gr. Buy (₹ Lakh)	Gr. Buy % to total Mkt Vol	Gr. Sell	Gr. Sell (₹ Lakh)	Gr. Sell % to total Mkt Vol
1.	Wakeeta	535100	**1754.51**	**41.8**	4500	10.08	0.35
2.	Vintage	98700	90.34	**7.71**	0	0	0
3.	Rishvanjas	92450	**246.38**	**7.22**	14300	30.13	1.12
4.	Kautirya T	79800	60.8	**6.23**	9000	10.08	0.7
5.	Dhanapati S	64600	65.24	**5.05**	0	0	0
6.	Alishan	56900	40.68	4.44	0	0	0

S No.	Client Name	Buy			Sell		
		Gr. Buy	Gr. Buy (₹ Lakh)	Gr. Buy % to total Mkt Vol	Gr. Sell	Gr. Sell (₹ Lakh)	Gr. Sell % to total Mkt Vol
7.	Dhanapati V	35000	**122.24**	2.73	0	0	0
8.	Glatt	31000	20.66	2.42	25400	30.22	1.98
9.	Sourav N	24800	74.9	1.94	32350	60.21	2.53
10.	Sourav M	11500	40.34	0.9	104650	91.00	**8.17**
11.	Goodtime	15300	12.55	1.19	7250	10.51	0
12.	Bluerose	14750	20.05	1.15	0	0	0
13.	Suman I	8300	10.04	0.64	0	0	0
14.	KAG India	0	0	0	209800	**683.41**	**16.38**
15.	Aryavrat	0	0	0	105200	50.81	**8.22**
16.	Sourav B	0	0	0	55000	30.57	4.3
17.	Arrowline	0	0	0	35500	40.34	2.77
18.	Jashvanti Trambaklal Fefar	0	0	0	30000	**104.40**	2.34
19.	Manharlal Shivlal Fefar	0	0	0	30000	**105.80**	2.34
20.	Pritiben Amritlal Fefar	0	0	0	30000	**105.35**	2.34
21.	Seemaben Mahendrabhai Fefar	0	0	0	30000	**105.70**	2.34
22.	Manoj Trambaklal Fefar	0	0	0	30000	**104.20**	2.34
23.	Mahendra T Fefar	0	0	0	30000	**104.55**	2.34
24.	Metrocity	0	0	0	24950	35.04	1.95
25.	Khandeshwar	0	0	0	20800	11.02	1.62
26.	Trambaklal Shivlal Fefar	0	0	0	20000	70.40	1.56
27.	Suman S	0	0	0	15000	10.50	1.17
28.	Ankitaben R Sapariya	5000	17.3	0.39	15000	52.60	1.17
29.	Kirtiben N Sapariya	0	0	0	10000	34.75	0.78
30.	Amrutlal Shivabhai Fefar	0	0	0	5000	17.45	0.39
		10,73,200	**2576.03**	**83.81**	**8,93,700**	**1909.12**	**69.2**

16.5 I note that the connected entities (except Sarvlok V) as a group had bought 10,73,200 shares (83.81% of total market volume) and sold 8,93,700 shares of Gokul (69.20% of total market volume) during the investigation period. Of these, 6 entities were only buyers while 16 entities were only sellers and 8 entities have both bought as well as sold shares of Gokul.

16.6 As mentioned above, the price of the scrip increased from ₹ 38 as on December 09, 2014 to a close of ₹ 349 as on February 23, 2018. I note that since there was rise in price during the investigation period, trades of entities on the buy side were analyzed. The analysis of suspected entities contributing to positive LTP, their NHP trades and first trades during investigation period on BSE as buyers is discussed as under:

Table -4

	All Trades			trades with LTP diff > 0			trades with LTP diff < 0			trades with LTP diff =0		% of Positive
Buyer Name	Net LTP (in Rs.)	Total QTY	No of trades	LTP impact in Rs.	QTY traded	No of trades	LTP impact in Rs.	QTY traded	No of trades	QTY traded	No of trades	LTP to Total Market Positive LTP
Wakeeta Commercial P Ltd	141.00	535100	103	190.00	352600	68	-49.00	121000	23	61500	12	50.13
Rishvanjas Trading P Ltd	60.00	92450	16	65.00	81650	13	-5.00	10800	3	0	0	17.15
Dhanapati Suppliers P Ltd	25.00	64600	6	25.00	64600	6	0.00	0	0	0	0	6.60
Vintage Breweries Pvt. Ltd.	14.00	98700	8	16.00	94700	7	-2.00	4000	1	0	0	4.22
Alishan Merchants P Ltd	13.00	56900	4	13.00	56900	4	0.00	0	0	0	0	3.43
Blue Rose Dealcom P Ltd	12.00	14750	2	12.00	14750	2	0.00	0	0	0	0	3.17
Sourav Nursing Home P Ltd	9.00	24800	5	10.00	15550	3	-1.00	5000	1	4250	1	2.64
Kautirya Trading P Ltd	8.00	79800	4	8.00	79800	4	0.00	0	0	0	0	2.11
Gungun Computers P Ltd	3.00	31000	2	3.00	31000	2	0.00	0	0	0	0	0.79
Goodtime Advisory Pvt ltd	1.00	15300	1	1.00	15300	1	0.00	0	0	0	0	0.26
Suman Infocom Pvt. Ltd.	2.00	8300	1	2.00	8300	1	0.00	0	0	0	0	0.53
Sourav Management P Ltd	-2.00	11500	3	1.00	3500	1	-3.00	8000	2	0	0	0.26
Dhanapati Vintrade P Ltd	-3.00	35000	7	2.00	9800	2	-5.00	15700	3	9500	2	0.53
Suspected entities	**283.00**	**1068200**	**162**	**348.00**	**828450**	**114**	**-65.00**	**164500**	**33**	**75250**	**15**	**91.82**
Remaining Clients	28.00	212050	15	31.00	170050	11	-3.00	5000	1	10000	2	8.18
Total	**311.00**	**1280250**	**177**	**379.00**	**998500**	**125**	**-68.00**	**169500**	**34**	**85250**	**17**	**100.00**

16.7The suspected entities, as mentioned in the table above, had contributed to a net Last traded price ("LTP") of ₹ 283.00 in 162 trades and positive LTP of ₹ 348.00 (91.82% of total market positive LTP). Out of 162 trades carried out by them, 114 trades were positive LTP contributing trades.

16.8 With respect to New High Price (NHP), i.e, the price which is higher than the price already established in the scrip during the period under consideration it was alleged in the SCN that the group of suspected entities had contributed NHP of ₹ 290 through 69 trades, which is 90.30% of total NHP during the investigation period. The details of such trades are shown as under:

Table- 5

Buyer Name	NHP Qty.	NHP (₹)	No. of Trades	% of NHP contribution to total NHP
Wakeeta	165500	142	30	**43.58**
Rishvanjas	72650	61	11	**19.25**
Dhanapati S	64600	25	6	**7.88**
Vintage	94700	16	7	**5.05**
Alishan	56900	13	4	4.11
Bluerose	14750	12	2	3.78
Kautirya T	79800	8	4	2.54
Sourav N	6300	7	1	2.21
Glatt	31000	3	2	0.95
Suman I	8300	2	1	0.63
Goodtime	15300	1	1	0.32
NHP Trades by Suspected	**609800**	**290**	**69**	**90.3**
Total Market NHP Trades	**806850**	**321**	**81**	**100**

16.9 With respect to the contribution of suspected entities as a group to price rise through first trades, I note that the suspected entities had contributed LTP of ₹ 251 which is 66.23% of total market positive LTP through 120 first trades during the investigation period. The details of such trades are as under:

Table- 6

Buyer Name	Traded Qty.	No. of First Trades	Net LTP (in ₹)	% of 1st Trades Qty. to Mkt. Vol.	% of First trade LTP to Mkt. positive LTP
Wakeeta	334500	65	113.00	26.15	**29.82%**
Rishvanjas	86450	15	59.00	6.76	**15.57%**
Vintage	98700	8	14.00	7.71	3.69%
Dhanapati S	64600	6	25.00	5.05	**6.60%**
Dhanapati V	25200	5	-5.00	1.97	-1.32%
Sourav N	24800	5	9.00	1.94	2.37%
Kautirya T	79800	4	8.00	6.23	2.11%
Alishan	56900	4	13.00	4.45	3.43%
Glatt	31000	2	3.00	2.42	0.79%
Bluerose	14750	2	12.00	1.15	3.17%
Sourav M	8000	2	-3.00	0.63	-0.79%
Goodtime	15300	1	1.00	1.20	0.26%
Suman I	8300	1	2.00	0.65	0.53%
Total (suspected entities)	**848300**	**120**	**251**	**66.28**	**66.23%**
Total Market	**1050350**	**133**	**279**	**82.07**	**73.61%**

16.10 As shown in Table-4 above, 13 suspected entities had contributed positive LTP of ₹ 348.00 (91.82% of total market positive LTP) in 114 trades. On counterparty analysis of these 114 trades contributing to positive LTP, I note that 83 trades for 5,95,450 shares (worth of ₹ 12.54 Cr) which resulted into the LTP of ₹ 256 (70.89% of total market positive LTP) were carried out by suspected entities among themselves wherein the buy/sell order price and quantity were perfectly matched by sell/buy order price and quantity. All these 83 trades were matched/structured trades wherein the buy/sell order price and quantity were matched by sell/buy order price and quantity to get trade executed at higher price. Summary of these 83 trades and their counterparties are given as under:

Table -7

S. No	Trade date	Counter Party (CP) Clients	Order LMTime	CP Order LMTime	Trade Time$	Order LM qty	CP Order LM qty	Order LM Rate@	CP Order LM Rate	Trade Rate	Traded Qty	LTP	% LTP of Total +mkt LTP
	Name of Buyer: WAKEETA										**283450**	**127**	**33.51**
1	31/05/2016	Sourav N	13:26:28	11:57:35	13:26:29	6050	6050	166	166	**166**	6050	7	1.85
2	03/06/2016	Metrocity	13:58:38	13:55:38	13:58:38	5500	5500	182	182	**182**	5500	8	2.11
3	27/06/2016	Sourav N	13:10:22	13:08:38	13:10:22	5100	5100	197	197	**197**	5100	3	0.79
4	05/07/2016	Sourav N	15:22:57	15:02:43	15:22:57	5000	5000	200	200	**200**	5000	3	0.79
5	22/07/2016	Metrocity	15:19:16	15:00:41	15:19:16	4950	4950	204	204	**204**	4950	4	1.06
6	27/07/2016	Arrowline	15:24:18	15:23:15	15:24:18	4850	4850	208	208	**208**	4850	4	1.06
7	20/01/2017	Rishvanjas	14:10:37	14:04:24	14:10:37	4100	4100	246	246	**246**	4100	10	2.64
8	24/01/2017	Rishvanjas	13:42:01	13:40:52	13:42:01	3900	3900	257	257	**257**	3900	11	2.9
9	27/03/2017	Kag	11:03:11	10:41:33	11:03:11	20000	20000	290	290	**290**	20000	7	1.85
10	28/03/2017	Kag	13:48:17	12:33:06	13:48:17	5000	5000	303	303	**303**	5000	1	0.26
11	29/03/2017	Kag	13:41:50	13:08:42	13:41:50	6500	6500	310	310	**310**	6500	10	2.64
12	30/03/2017	Kag	15:14:41	12:58:15	15:14:41	8500	8500	312	312	**312**	8500	1	0.26
13	31/03/2017	Kag	11:55:33	11:01:19	11:55:33	7000	7000	313	313	**313**	7000	1	0.26
14	31/03/2017	Kag	11:55:46	11:01:36	11:55:46	8000	8000	314	314	**314**	8000	1	0.26
15	22/05/2017	FG-Jashvanti	14:25:25	11:48:01	14:25:25	5000	5000	345	345	**345**	5000	1	0.26
16	22/05/2017	Kag	14:24:49	12:23:35	14:24:49	5000	5000	341	341	**341**	5000	1	0.26
17	22/05/2017	FG - Manoj	14:25:13	11:48:43	14:25:13	5000	5000	344	344	**344**	5000	3	0.79

18	26/05/2017	FG - Mahendra	14:47:34	10:56:47	14:47:34	5000	5000	345	345	345	5000	1	0.26
19	26/05/2017	FG - Manoj	14:47:24	10:56:21	14:47:24	5000	5000	344	344	344	5000	1	0.26
20	30/05/2017	Kag	14:38:16	11:11:10	14:38:16	5000	5000	344	344	344	5000	1	0.26
21	01/06/2017	FG - Manoj	13:47:48	11:49:34	13:47:48	5000	5000	345	345	345	5000	1	0.26
22	05/06/2017	Kag	12:23:31	12:11:18	12:23:31	5500	5500	349	349	**349**	5500	4	1.06
23	05/06/2017	Kag	12:44:14	12:11:36	12:44:14	4500	4500	352	352	**352**	4500	3	0.79
24	13/06/2017	FG - Manoj	13:30:16	12:11:13	13:30:16	5000	5000	349	349	349	5000	1	0.26
25	03/07/2017	Kag	09:56:33	09:21:11	09:56:33	5000	5000	347	347	347	5000	1	0.26
26	03/07/2017	Kag	09:56:40	09:21:18	09:56:40	5000	5000	348	348	348	5000	1	0.26
27	10/07/2017	Kag	15:00:26	14:48:18	15:00:26	5000	5000	349	349	349	5000	3	0.79
28	10/07/2017	Kag	15:00:32	14:48:26	15:00:32	5000	5000	350	350	350	5000	1	0.26
29	12/07/2017	Kag	15:20:21	14:04:33	15:20:21	5000	5000	350	350	350	5000	1	0.26
30	12/07/2017	FG - Mahendra	12:26:48	11:15:19	12:26:48	5000	5000	351	351	351	5000	1	0.26
31	14/07/2017	Kag	14:08:23	12:50:51	14:08:23	5000	5000	350	350	350	5000	1	0.26
32	14/07/2017	FG - Manoj	11:48:47	11:17:46	11:48:47	5000	5000	351	351	351	5000	1	0.26
33	17/07/2017	FG - Manoj	12:40:52	12:27:19	12:40:52	5000	5000	351	351	351	5000	1	0.26
34	19/07/2017	FG-Jashvanti	14:54:14	12:34:30	14:54:14	5000	5000	351	351	351	5000	3	0.79
35	19/07/2017	FG - Manhar	14:54:24	12:34:49	14:54:24	5000	5000	352	352	352	5000	1	0.26
36	21/07/2017	FG - Mahendra	15:14:38	11:53:52	15:14:38	4000	4000	351	351	351	4000	1	0.26
37	21/07/2017	FG - Manhar	15:18:52	11:54:24	15:18:52	5000	5000	352	352	352	5000	1	0.26
38	25/07/2017	FG - Manhar	13:49:05	12:38:39	13:49:05	5000	5000	353	353	353	5000	1	0.26
39	25/07/2017	FG - Manhar	13:49:13	12:38:55	13:49:13	5000	5000	354	354	354	5000	1	0.26
40	28/07/2017	FG - Manhar	13:13:06	12:50:45	13:13:06	5000	5000	352	352	352	5000	1	0.26
41	28/07/2017	FG - Manhar	14:27:40	12:51:05	14:27:40	5000	5000	353	353	353	5000	1	0.26
42	02/08/2017	FG-Shivlal	15:02:30	12:27:46	15:02:30	5000	5000	352	352	352	5000	1	0.26
43	04/08/2017	FG-Seema	15:23:17	13:48:50	15:23:17	5000	5000	355	355	355	5000	1	0.26

44	04/08/2017	FG-Shivlal	15:14:40	13:49:05	15:14:40	5000	5000	354	354	354	5000	3	0.79
45	07/08/2017	FG-Shivlal	14:52:41	12:51:30	14:52:41	5000	5000	352	352	352	5000	1	0.26
46	09/08/2017	FG-Seema	15:29:47	14:01:03	15:29:47	5000	5000	351	351	351	5000	1	0.26
47	14/08/2017	FG-Seema	15:21:25	12:30:17	15:21:25	5000	5000	353	353	353	5000	2	0.53
48	17/08/2017	FG-Pritiben	15:05:05	11:55:51	15:05:05	5000	5000	353	353	353	5000	1	0.26
49	08/11/2017	FG-Shivlal	14:59:47	11:45:00	14:59:47	5000	5000	350	350	350	5000	1	0.26
50	07/06/2017	Ankitaben R Sapariya	14:28:49	14:18:32	14:28:49	5000	5000	354	354	354	5000	3	0.79
51	22/06/2017	Kirtiben Sapariya	09:35:49	09:32:42	09:35:49	5000	5000	347	347	347	5000	2	0.53
52	23/06/2017	Ankitaben R Sapariya	09:31:07	09:18:55	09:31:07	5000	5000	349	349	349	5000	2	0.53
	Name of Buyer: RISHVANJAS										**63450**	**53**	**13.98**
53	24/05/2016	Sourav M	11:11:24	11:16:04	11:16:04	6600	6600	152	152	**152**	6600	7	1.85
54	01/06/2016	Sourav N	14:42:42	14:22:39	14:42:42	5750	5750	174	174	**174**	5750	8	2.11
55	09/06/2016	Sourav N	14:02:17	13:59:29	14:02:17	5250	5250	191	191	**191**	5250	9	2.37
56	14/06/2016	Sourav N	15:10:28	14:58:42	15:10:28	5200	5200	194	194	**194**	5200	3	0.79
57	09/08/2016	Arrow line	14:58:42	14:52:39	14:58:42	4650	4650	216	216	**216**	4650	4	1.06
58	24/03/2017	Kag	10:55:15	10:31:43	10:55:15	15000	15000	283	283	**283**	15000	9	2.37
59	28/03/2017	Kag	13:41:56	12:32:23	13:41:56	7500	7500	301	301	**301**	7500	11	2.9
60	28/03/2017	Kag	13:42:21	12:32:46	13:42:21	6000	6000	302	302	**302**	6000	1	0.26
61	30/03/2017	Kag	13:58:41	12:58:00	13:58:41	7500	7500	311	311	**311**	7500	1	0.26
	Name of Buyer: DHANAPATI S										**64600**	**25**	**6.60**
62	12/08/2015	Sourav M	15:00:51	15:02:30	15:02:30	11000	11000	91	91	**91**	11000	4	1.06
63	14/08/2015	Sourav M	14:27:42	14:31:20	14:31:20	11000	10600	95	95	**95**	10600	4	1.06
64	18/08/2015	Arrow line	14:51:51	15:06:08	15:06:08	10200	10200	99	99	**99**	10200	4	1.06
65	31/08/2015	Metro city	14:55:06	14:58:01	14:58:02	14500	14500	103	103	**103**	14500	4	1.06
66	08/09/2015	Sourav M	15:28:17	15:28:14	15:28:17	9300	9300	108	108	**108**	9300	5	1.32
67	09/09/2015	Kautirya	14:57:00	14:55:47	14:57:00	9000	9000	112	112	**112**	9000	4	1.06

	Name of Buyer: ALISHAN										**56900**	**13**	**3.43**
68	27/01/2015	Aryavrat	14:45:08	14:48:13	14:48:13	18200	18200	55	55	**55**	18200	2	0.53
69	12/02/2015	Sourav M	09:15:00	15:29:31	15:29:31	15100	15100	67	67	**67**	15100	3	0.79
70	23/02/2015	Suman Stock	09:15:00	14:57:21	14:57:21	15000	15000	70	70	**70**	15000	3	0.79
71	16/09/2015	Glatt	14:52:08	14:56:42	14:56:42	8600	8600	117	117	**117**	8600	5	1.32
	Name of Buyer: VINTAGE B										**69700**	**13**	**3.43**
72	04/02/2015	Aryavrat	09:15:07	15:21:35	15:21:35	17000	17000	59	59	**59**	17000	2	0.53
73	06/02/2015	Sourav M	09:15:00	15:27:05	15:27:05	16500	16500	61	61	**61**	16500	2	0.53
74	10/02/2015	Arrowline	09:15:00	13:59:51	13:59:51	15800	15800	64	64	**64**	15800	3	0.79
75	10/08/2015	Sourav B	14:20:51	14:39:33	14:39:33	11900	11900	87	87	**87**	11900	4	1.06
76	21/09/2015	Glatt	15:22:22	15:20:27	15:22:22	8500	8500	119	119	**119**	8500	2	0.53
	Name of Buyer: BLUE ROSE										**14750**	**12**	**3.17**
77	22/04/2016	Sourav M	12:53:30	12:52:31	12:53:30	7550	7550	133	133	**133**	7550	6	1.58
78	05/05/2016	Sourav M	14:30:20	14:30:07	14:30:20	7200	7200	139	139	**139**	7200	6	1.58
	Name of Buyer: DHANAPATI V										**5000**	**1**	**0.26**
79	20/06/2017	Kag	12:31:37	10:07:39	12:31:37	5000	5000	346	346	346	5000	1	0.26
	Name Of Buyer: Glatt										**18000**	**2**	**0.53**
80	03/02/2015	Aryavrat	14:45:41	15:04:58	15:04:58	18000	18000	57	57	**57**	18000	2	0.53
	Name of Buyer: SOURAV N										**11300**	**8**	**2.11**
81	27/05/2016	Rishvanjas	14:38:55	13:48:05	14:38:55	6300	6300	159	159	**159**	6300	7	1.85
82	01/11/2017	FG-Pritiben	14:38:16	12:40:03	14:38:16	5000	5000	351	351	351	5000	1	0.26
	Name of Buyer: SUMAN I										**8300**	**2**	**0.53**
83	01/10/2015	Glatt	14:42:03	14:27:55	14:42:04	8300	8300	121	121	**121**	8300	2	0.53
	Grand Total										**595450**	**256**	**67.54**

16.11 I note that out of the 83 trades as noted in the above table, through the buy trades of Wakeeta and Rishvanjas, they had individually contributed to significant LTP (>5%). In this regard, I note that:

(i) Wakeeta had bought a total of 5,35,100 shares (through stock broker Sunglow Capital Services Ltd) in 103 trades which have contributed net LTP of ₹ 141. Out of 103 trades, 68 trades were positive LTP trades. Further, Wakeeta had undertaken a total of 52 match trades for 2,83,450 shares which have contributed positive LTP of ₹ 127 which is 33.51% of total market positive LTP. I note the same is significant as far as positive LTP is concerned. I also note that out of these 52 match trades, 23 trades were first trades and 19 trades were NHP trades.

(ii) Rishvanjas had bought a total of 92,450 shares, through stock broker Integrated Masters Securities P Ltd, in 16 trades which contributed net LTP of ₹ 60. Out of 16 trades, 13 trades were positive LTP trades. It had undertaken a total of 9 match trades for 63,450 shares which contributed positive LTP of ₹ 53 which is 13.98% of total market positive LTP. I also note that out of these 9 match trades, 7 trades were first trades and all trades were NHP trades. I note that Rishvanjas had undertaken 3 match trades as seller which had contributed LTP of ₹ 28 which is 7.38% of total market positive LTP.

(iii) I note that for all these trades, placement of the orders in both legs (by Wakeeta, Rishvanjas and connected their counterparties) were entered at perfectly matching price and quantity. I note that such a perfect match of price and quantity could not have been possible unless there was prior meeting of minds of these entities and hence the said trades are were not genuine.

16.12 Thus, I note that during the IP, the suspected entities have bought a total of 10,73,200 shares worth ₹ 25.76 crore which constituted 83.81% of total market volume. Wakeeta and Rishvanjas were the top 2 buyers on value terms i.e, gross and net purchases as shown under:

Table-8

Entity	**Broker(s)**	**Gross**		**Net**	
		Volume	**Value (₹)**	**Volume**	**Value (₹)**
Wakeeta	Sunglow	535100	175450700	530600	174442700
Rishvanjas	Integrated	92450	24637550	78150	21624950

16.13 I also note that during investigation, on the basis of the analysis of the trade log and the bank statements of the entities, it was alleged in the SCN that the suspected entities had received funds from other suspected entities including the promoters/entities connected with promoter(s)/directors of Gokul either on the day of transfer of fund to the brokers account or 1-2 days prior to the day of trading. It was also alleged that there were instances wherein the seller had transferred the pay-out received from the broker to the account of buyer and subsequently, the said fund was used for other buy transactions. Certain such instances of transactions carried out by the Noticees herein are discussed as under:

i. Transaction Date – May 24, 2016: Wakeeta purchased 6050 Shares of Gokul amounting to ₹ 10,04,300 through broker Sunglow. The counter party was Sourav N through broker BMA. Wakeeta paid ₹ 10,00,000 to Sunglow on May 30, 2016 from its bank account held with Federal bank. This amount was transferred by Rishvanjas (having account with Federal bank) on May 30, 2016. Rishvanjas itself got this fund from Alishan (having account with PNB erstwhile OBC) on May 30, 2016. The fund transferred by Alishan was itself part of funds (i.e. ₹ 2,500,000 on May 27, 2016) received by it from GHCL. Sourav N received payout of ₹ 10,00,000 from BMA on June 02, 2016 in its bank account held with PNB (erstwhile OBC). Sourav N transferred this amount to Wakeeta on June 03, 2016. The said amount was utilized by Wakeeta for making pay-in to broker Sunglow for trading in Gokul on June 03, 2016 wherein counterparty was Metrocity.

ii. Transaction Date – June 27, 2016: Wakeeta purchased 5100 Shares of Gokul amounting to ₹ 10,04,700 through broker Sunglow. The counter party was Sourav N through broker BMA. Wakeeta paid ₹ 10,00,000 to Sunglow on June 24, 2016 from its account held with Federal bank. This amount was transferred by Sanjay Kumar Agarwal (having account with HDFC bank) on June 23, 2016. Sourav N received payout of ₹ 10,03,000 from BMA on June 29, 2016 in its bank account held with PNB (erstwhile OBC). Sourav N transferred this amount to Wakeeta on July 05, 2016. The said amount was utilized by Wakeeta for making pay-in to broker Sunglow for trading in Gokul on July 05, 2016 wherein counterparty was Sourav N.

iii. Transaction Date – August 09, 2016: Rishvinjas purchased 4650 Shares of Gokul amounting to ₹ 10,04,400 through broker Integrated Master Securities Limited (Integrated). The counter party was Arrowline through broker BMA. Rishvinjas paid ₹ 10,00,000 to Integrated on August 08, 2016 from its account held with Federal bank. This amount was transferred by Dhanapati C (having account with Federal bank) on August 08, 2016. Arrowline received payout of ₹ 10,01,489.69 from BMA on August 12, 2016 in its bank account held with Federal Bank. Arrowline transferred ₹ 10,00,000 to Bluerose on August 16, 2016. The said amount was transferred by Bluerose on August 16, 2016 to Fefar Group entities.

16.14 Thus, I note that Wakeeta purchased the shares of Gokul during the period from May 2016 till November 2017. It was dealing through broker Sunglow and had purchased 5,35,100 shares having value of ₹ 17.54 crore on gross basis, while on net basis it had purchased 5,30,600 shares having value of ₹ 17.44 crore. From the bank account of Wakeeta (held with Federal Bank from where major transactions with broker was observed) for the period May 2016 till November 2017, I note that the opening balance as on May 17, 2016 was ₹ 9542, and an amount of ₹ 27.36 crore got credited to its account and it had a debit worth ₹ 27.36 crore during the period May 2016 till November, 2017. The closing balance as on November 30, 2017 was ₹ 5737.50. During this period, on 4 occasions Bank has levied minimum balance charges. I also note that out of the credit of ₹ 27.36 , ₹ 18.84 crore was received from suspected entities either on the date of payment to the broker or 1-2 days prior to the trade dates of Wakeeta. The details of such fund transfers are as under:

Table-9

Suspected entities Transferring Funds	Total fund received by Wakeeta from suspected entities on date of transfer	% of fund received to pay the buy obligation

	to broker or 1-2 days prior to it (in ₹)	
Dhanapati S	34440000	18.27%
Dhanapati V	17463500	9.27%
Alishan	10445000	5.54%
Rishvanjas	7540000	4.00%
Satyawan	6150000	3.26%
Dhanapati C	5770000	3.06%
Manjil*	3240000	1.72%
Aryavrat	2955000	1.57%
Winwood A	2500000	1.33%
Sourav N	2030000	1.08%
Sanjay Kumar Agarwal	2000000	1.06%
Other suspected entities	11115000	5.90%
Total Suspected	***105648500***	***56.06%***
Other entities	***82811140***	***43.93%***
Total	***188459640***	***100%***

16.15 I also note that out of these ₹ 18.84 crore, ₹ 17.85 crore was transferred to the broker Sunglow towards buying obligation in the scrip (including buying obligation for one other scrip).

16.16 With respect to Rishvanjas, I note that dealing through broker Integrated, purchased 92450 shares worth of ₹ 2.46 crore on gross basis during May 2016 till September 2017. From the analysis of the bank account of Rishvanjas (held with Federal Bank from where major transactions with broker was observed) for the period from May 2016 till September 2017, I note that the opening balance of the said account was as on May 17, 2016 was ₹ 9542 only. During the said period, it got credits worth ₹ 11.97 crore and debits worth ₹ 11.97 crore. The closing balance as on September 27, 2017 was ₹ 23914.65. During this period, on 5 occasions Bank has levied minimum balance charges. I note that out of this ₹ 11.97, ₹ 2.42 crore was received from suspected entities and from other entities either on the date of payment to the broker or 1-2 days prior to the trade dates of Rishvanjas in the scrip. The details of such fund transfers are as under:

Table-10

Suspected entities Transferring Funds	**Total fund received by Rishvanjas from suspected entities on date of transfer to broker or 1-2 days prior to it (in ₹)**	**% of fund received to pay the buy obligation**
Dhanapati V	4210000	17.37%
Dhanapati S	3700000	15.26%
Wakeeta	3400000	14.03%

Suspected entities Transferring Funds	Total fund received by Rishvanjas from suspected entities on date of transfer to broker or 1-2 days prior to it (in ₹)	% of fund received to pay the buy obligation
Sanjeevani	1900000	7.84%
Orange	1275000	5.26%
Satywan	1275000	5.26%
Chirag	1200000	4.95%
Dhanapari C	1000000	4.13%
Aryavrat	200000	0.83%
Total Suspected	***18160000***	***74.9***
Other entities	***6081500***	***25.1***
Total	***24241500***	***100%***

16.17 I also note that out of these ₹ 2.42 crore, ₹ 2.36 crore was transferred to the broker Integrated towards buying obligation in the scrip.

16.18 With respect to the allegation levelled against, I note that Wakeeta and Rishvanjas have filed their response dated vide separate letters dated May 25, 2022. The preliminary contentions raised by them have been dealt with in the foregoing paragraphs of this order. On merits, at the outset, I note that Wakeeta and Rishvanjas have not put forward any contentions regarding the allegation on trading in the scrip and thereby contributing to positive LTP and manipulating the price of the scrip and misleading appearance in the market or the alleged fund transfers as discussed above to meet the said buy obligations. Instead, they have contended that the SCN has been issued to as many as 6 Noticees out of 31 connected entities / suspected entities and no allegation has been as many as 25 suspected entities and hence the chain connection amongst 31 purported suspected entities has been broken as 25 purported suspected entities are not made parties to the present proceeding. In support of this contention the Noticees have placed reliance on the orders passed by Hon’ble SAT in the matter of Kaushik Rajnikant Mehta v/s SEBI & other connected Appeals, Premchand Shah and Ors. V/s SEBI, Narendra Ganatra vs. SEBI, Smitaben N. Shah vs. SEBI, Manish Suresh Joshi vs. SEBI. The Noticees have contended that present proceedings against the Noticees should be dropped as there is no connection of the Noticee with other entities as alleged in the SCN.

16.19 In this regard, I note that Gokul had made a preferential allotment to various entities including two of its promoters, prior to listing of its shares. As meniotned above, the shares of Gokul was listed on BSE-SME-ITP through direct listing on December 09, 2014. Subsequently, shares were acquired directly/indirectly by certain entities from some of the preferential allottees and the said shares were off-loaded in the market by certain entities. I also note that the price of the scrip opened at ₹ 38 on December 09, 2014, and closed at ₹ 349 on February 23, 2018 after touching a high of ₹ 355 on August 04, 2017. I note that the said price rise was the majorly contributed by the suspected and the connection among them has been established on the basis of KYC/UCC details, off market transaction data and details available in MCA Portal, fund transfers and the trading pattern among them.

16.20 As is clear from the Table 2 para. 16.3 herein above, I note that both Wakeeta and Rishvanjas had business relationship with Gokul and other suspected entities. As per the UCC/KYC/MCA details they share common mobile number(s) and email id(s) with certain other entities in the group. Both of them had fund transfers with many of the group entities including the promoter of Gokul, Sanjay Agarwal for meeting their buy obligations. Both these Noticees were also sharing common address. It is pertinent to note that Wakeeta and Rishvanjas have not denied any of these counts of connections established. Instead, it has contended that even though the connections have been established amongst 31 people, the instant SCN has been issued only against 6 entities and hence the chain of connection has been broken. I do not find any merit in this argument because, other suspected entities have been appropriately dealt by the IA depending upon their involvement in the case and gravity of violations committed by them. I have also perused the case laws cited by the Noticees in this regard and I am of the view that the said case laws can be factually distinguishable from the case in hand because in the instant case the connection has been established on multiple counts like common directorship in other connected entities, common address, email id and mobile phone. The connection among the Noticees have further been corroborated by the fund transfer among the suspected entities for meeting the pay out obligations. As discussed in para. 16.13 to 16.17 herein above during the relevant period the bank accounts of Wakeeta and Rishvanjas were having very less balance and huge amount of money was transferred to these accounts 1-2 days prior to the trades to meet their buying obligations.

16.21 With respect to the allegation of price manipulation, I note that the Wakeeta and Rishvanjas, while generally contenting that they have not created any artificial volume in the scrip, have submitted that all their trades had been marked delivery and change of beneficial ownership has taken place. The Noticees have further contented that merely because some of the buy orders placed by them matched with the sell orders placed by purported suspected entities which converted into trades and further +ve LTP generated out of such few trades does not mean that those few trades become manipulative. The Noticees have further contended that the SCN fails to provide cogent evidences to establish collusion between them and counterparties to their trades to substantiate the allegation of manipulation. The Noticees have further contended that there is no allegation against the Noticee that they had executed any synchronized trades and/or circular trades and/or reversal of trades and in the absence of those allegations, the allegation of misleading appearance cannot be proved beyond doubt. The Noticees have further contented that since all buy orders of the Noticees in the scrip of the Gokul had been placed after the sell orders had been placed in the system, the question of raising the price of the scrip by the Noticee does not arises at all. In this regard, the Noticees have placed reliance on orders passed by Hon'ble Tribunal namely Premchand Shah & Ors vs SEBI (Order dated 21-02-2011 in Appeal No. 192 of 2010), order dated 14-07-2006 in Appeal No. 2 of 2004 passed by the Hon'ble Tribunal in the matter of Ketan Parekh vs SEBI and Jagruti Securities Limited vs SEBI (order dated 27-10-2008 in Appeal No. 102 of 2006).

16.22 With respect to the contention of the aforesaid Noticees, I note that trading by Wakeeta and Rishvanjas has individually contributed more than 5% of the market volume. The details of the transactions has already been discussed above at para. 16.10 to 16.12. I. note that during the IP, the suspected entities had bought a total of 10,73,200 shares worth ₹ 25.76 crore which constituted 83.81% of total market volume and Noticees herein ie, Wakeeta and Rishvanjas were the top 2 buyers on value terms i.e, gross and net purchases. Wakeeta had bought a total of 5,35,100 shares in 103 trades which contributed net LTP of ₹ 141. Out of 103 trades, 68 trades were positive LTP trades. Wakeeta had also undertaken a total of 52 match trades for 2,83,450 shares which have contributed positive LTP of ₹ 127 which is 33.51% of total market positive LTP. I also note that out of these 52 match trades, 23 trades were first trades and 19 trades were NHP trades. Rishvanjas had bought a total of 92,450 shares, through stock broker Integrated Masters Securities P Ltd, in 16 trades which contributed net LTP of ₹ 60. Out of 16 trades, 13 trades were positive LTP trades. It had undertaken a total of 9 match trades for 63,450 shares which contributed positive LTP of ₹ 53 which is 13.98% of total market positive LTP. I also note that out of these 9 match trades, 7 trades were first trades and all trades were NHP trades. I note that Rishvanjas had undertaken 3 match trades as seller which had contributed LTP of ₹ 28 which is 7.38% of total market positive LTP. I note that for all these trades, placement of the orders in both legs i.e, by Wakeeta, Rishvanjas on one side and connected their counterparties on the other, were entered at perfectly matching price and quantity. Such a perfect match of price and quantity could not have been possible unless there was prior meeting of minds of these entities and hence, I note that the said trades are not genuine.

16.23 In this regard, I would like to refer to the observations made by the Hon'ble SAT in its order dated March 21, 2014 in Saumil Bhavnagari Vs. SEBI which are as under: *"... but by purchasing shares at the higher price in LTP in most of the trades, the Noticee had given a wrong impression about the liquidity of the scrip in the market. It must not be forgotten that every trade establishes the price of the scrip and the Noticee's trading at higher than LTP resulted in the price of the scrip going up and were done with a view to set the price at a desired level and thereby influencing the innocent/gullible investors. By purchasing at a higher price in most of his trades, the Noticee had given the wrong impression about the price of the scrip in the market. It is an accepted state of affairs that in cases of manipulation of the volume and / or price of a particular scrip, it is usually an arduous task to obtain direct evidence. However, the analysis of the trade and order logs as undertaken hereinabove, establishes the malafied intention of the appellant".*

16.24 I find that Wakeeta, and Rishvanjas have not only acted as part of the group of suspected entities to buy the shares of Gokul and but also that the buying obligations have been met by them by getting funds transferred among themselves. From these fund transfers, as discussed in para. 16.13 to 16.17 hereinabove, a clear collusion between major buyers like Wakeeta and Rishvanjas and other suspected entities is evident for the purpose of transactions in the scrip. From the connection established, I find that that they had acted in concert with each other as well as with the promoters of the company for acting as counterparties to the major sellers. As mentioned above, the Noticees have not put forth any convincing response with respect to the allegations levelled against them. Thus, I find that Wakeeta and Rishvanjas have manipulated the price of Gokul by undertaking matched trades which led to price rise and creation misleading appearance in the market. I also find that they have not only acted as a group along with other suspected entities to buy the shares but also their buying obligations have been met by them by getting funds transferred among themselves. Therefore, I find that the Noticees 1 & 2 i.e, Wakeeta and Rishvanjas have violated the provisions of section 12A(a), (b) and (c) of the SEBI Act read with regulations 3(a), (b), (c) and (d) and 4(1), 4(2) (a), (d) and (e) of PFUTP Regulations.

16.25 With respect to Kag, I note that it was alleged in the SCN that Kag has executed matched trades and contributed to significant positive LTP. I note that it was also alleged in the SCN that the modus operandi of Kag by selling the shares received in off-market transactions from the entity connected to the company and the subsequent purchase of these shares by suspected group of entities at higher price by perfectly matching the price and quantity, would not have been possible unless there was prior meeting of minds and the modus operandi was premeditated to facilitate the sellers i.e, the preferential allottees to earn LTCG tax benefits by selling shares of Gokul at the manipulated higher prices by Kag.

16.26 In response to the said allegations, Kag has contended that there is no allegation in the SCN that the Noticee was connected to counterparties to the trades of the Noticee. It is further contended that the Noticee had no to/fro fund transactions with any of the counterparties to the trades of the Noticee. The Noticee has further contended that the Noticee had executed a bonafide off-market transaction with Sarvlok Vincome Private Limited (**Sarvlok V**) and there is no allegation in the entire SCN that the said transaction was not a bonafide transaction. The Noticee further contents that the shares of the company were purchased in August, 2014 whereas he had sold the shares through off market transactions in 2017. Thus, there is a time gap of almost 3 years in both the off and on market transactions in the scrip. Another contention of the Noticee is that the allegation of connection made in the SCN are remote and immaterial and cannot justify the alleged violation against the Noticee. The Noticee has contended that the connection made between Mr. Sanjay Kumar Agarwal and the Noticee is stretched and remote and cannot be considered as a relevant basis for arraigning it as a Noticee. Further, the purported connection relates to the year 2014 whereas the alleged trades were executed in 2017.

16.27 With respect to the allegation of price manipulation and creation of misleading appearance, it has been contended that Noticee had purchased 2,50,000 shares way back in the year 2014 whereas sold 2,09,800 shares in the year 2017. The Noticee purchased the shares of Gokul through a bonafide off market transactions. The Noticee still holding 40,200 shares in its Demat account which remained unsold. The Noticee’s sell trades matches with 5 counterparties. In the entire SCN as well as in the Investigation Report, no allegation of direct connection has been made against the Noticee with these 5 counterparties to the Noticee’s sell trades. All the trades of the Noticee had been marked delivery and the beneficial ownership of shares has been transferred to the counterparty’s buyer. Therefore, the allegation of misleading appearance of trading in the scrip against the Noticee is liable to be dropped. Kag has further contended that out of 177 trades executed during the period of investigation, Wakeeta was counterparty to as many as 103 trades. Thus, matching of 25 trades of Noticee herein with Wakeeta was obvious. The Noticee had executed as many as 33 trades in the scrip during the period of investigation. Out of these 33 trades, 6 trades for 31,500 shares were executed at par to the LTP and 5 trades for 27500 shares of the Company were executed below the LTP. Thus, the intention of the Noticee was not to raise price but to sell the shares at best possible price. Kag has further contended that the price of the scrip had started increasing from Rs. 38/- and touched a high of Rs. 274 before it had executed any trade in the scrip. The Noticee had executed its first trade on 24-03-2017 at the rate of Rs. 283/- and the last trade on 17-07-2017 at the rate of Rs. 350/-. Therefore, the price of the scrip had increased only Rs. 76 during the period when Noticee was executing trades whereas the price of the scrip had increased with Rs. 236/- before the Noticee started executing trades in the scrip.

16.28 Kag has further contended that the necessary ingredients of fraud are totally missing and has placed reliance on the judgement of the Hon'ble Supreme Court in the matter of SEBI v/s Shri Kanaiyalal Baldevbhai Patel in Civil Appeal No. 2595 of 2013. The Noticee has contended that the trades executed by the Noticee cannot be attributed as fraudulent trades as no element of fraud was exist in trades executed by the Noticee.

16.29 With respect to the aforementioned contentions of Kag, I note that during the investigation period, Kag had traded only in the scrip of Gokul. I further note that Kag had individually contributed more than 5% market volume as well as individually contributed significant LTP, i.e >5%. I note that the scrip was highly illiquid traded on BSE-SME-ITP platform with very low liquidity and hence the contention of the Noticee that it had not executed any synchronized or reversal trades is irrelevant. From Table showing connection among the suspected entities at table 2 at para 16.3 hereinabove, I note that Kag was a connected entity with the promoter of Gukul, i.e, Sanjay Kumar Agarwal as he had digitally signed the Form 23ACA as CA on 28-10-2014 for uploading P&L accounts – 2014 of Devangayam Finance Pvt Ltd, a sister concern of the Noticee (Muralidharan G, MD of the Noticee is director of Devangayam). Kag had received 2,50,000 shares of Gokul in off-market in September 2014 from Sarvlok V, another suspected entity. Out of these 2,50,000 shares, Kag sold a total of 2,09,800 shares which constituted 16.38% of market volume worth of ₹ 6.83 crore @ average rate of ₹ 325.74 during IP. Out of these, Kag sold 1,46,000 shares in 21 match trades wherein buyers were Wakeeta and Rishvanjas (except 1 trade). LTP contribution of these 21 match trades was ₹ 61 which was a significant 16.09% of market positive LTP. For all these trades, sell orders were placed by Kag at higher price than LTP which were perfectly matched by the buyers and trades got executed. Thus, I note that Kag was consistently placing orders for perfectly matching the price and quantity. I also note that such placement of orders for perfectly matching the price and quantity could not have been possible unless there was prior meeting of minds of the said Noticees. The Noticees contention that it had no connection with counter parties is irrelevant because the trades of Noticee has resulted in match trades and also resulted in positive LTP for a highly illiquid scrip like Gokul. The contention of the Noticee that there are no allegation of synchronized trades and reversal trades is also irrelevant because the scrip of Gokul was highly illiquid during the investigation period.

16.30 I note that the Noticee has relied on the observations of the Hon'ble SAT in Narendra Ganatra v. SEBI (Appeal no. 47 of 2011, decided on July 29, 2011) wherein the Hon'ble SAT observed that to establish a serious charge such as fraud, a higher degree of probability must exist. In this regard, it is pertinent to note the observations of the Hon'ble Supreme Court Kanaiyalal Baldev Bhai Patel v. SEBI [2017] 143 SCL 124 (SC) while dealing with the definition of "fraud" as provided under PFUTP Regulations, wherein it is stated that *"...The difference between inducement in criminal law and the wider meaning thereof as in the present case, is that to make inducement an offence the intention behind the representation or misrepresentation of facts must be dishonest whereas in the latter category of cases like the present the element of dishonesty need not be present or proved and established to be present. In the latter category of cases, a mere inference, rather than proof, that the person induced would not have acted in the manner that he did but for the inducement is sufficient. No element of dishonesty or bad faith in the making of the inducement would be required.... To attract the rigor of Regulations 3 and 4 of the 2003 Regulations, mens rea is not an indispensable requirement and the correct test is one of preponderance of probabilities. Merely because the operation of the aforesaid two provisions of the 2003 Regulations invite penal consequences on the defaulters, proof beyond reasonable doubt as held by this Court in Securities and Exchange Board of India Vs. Kishore*

R. Ajmera(supra) is not an indispensable requirement. The inferential conclusion from the proved and admitted facts, so long the same are reasonable and can be legitimately arrived at on a consideration of the totality of the materials, would be permissible and legally justified".

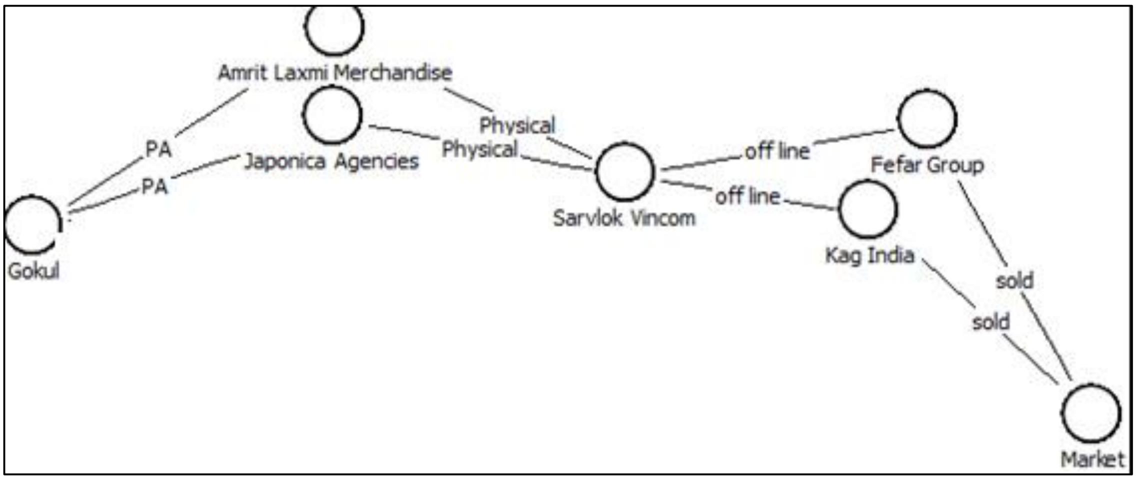
16.31 With respect to the contention of the Noticee that it has not induced anybody in the market, it is pertinent to refer to the observations of Hon'ble SAT in the matter of Pan Asia Advisors Limited vs. SEBI (decided on 25.10.2016) that *"…From the aforesaid definition (of 'fraud') it is absolutely clear that if a person by his act either directly or indirectly causes the investors in the securities market in India to believe in something which is not true and thereby induces the investors in India to deal in securities, then that person is said to have committed fraud on the investors in India. In such a case, action can be taken under the PFUTP Regulations against the person committing the fraud, irrespective of the fact any investor has actually become a victim of such fraud or not. In other words, under the PFUTP Regulations, SEBI is empowered to take action against any person if his act constitutes fraud on the securities market, even though no investor has actually become a victim of such fraud. In fact, object of framing PFUTP Regulations is to prevent fraud being committed on the investors dealing in the securities market and not to take action only after the investors have become victims of such fraud."*

16.32 Regulation 4 (2) (e) of the PFUTP Regulations states that dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves any act amounting to manipulation of the price of a security. I note that the Kag has contended that its intention was not to raise price but to sell the shares at best possible price. It has further contended that the price of the scrip had started increasing from Rs. 38/- and touched a high of Rs. 274 before it had executed any trade in the scrip and it had executed its first trade on 24-03-2017 at the rate of Rs. 283/- and the last trade on 17-07-2017 at the rate of Rs. 350/-. Therefore, the price of the scrip had increased only Rs. 76 during the period when Noticee was executing trades whereas the price of the scrip had increased with Rs. 236/- before the Noticee started executing trades in the scrip. In this regard, I note that this contention of Kag is not valid at allbecause in such a manipulated scheme of price rise by a group of suspected entities, of which Kag is a part, it is irrelevant that the Noticee sold at a comparatively lesser price during the entire price rise period. I note that it is sufficient if the investors have been directly or indirectly misled by the manipulative trading of the Noticee. Therefore, I am unable to accept the contention of the Noticee that it did not have any intention to manipulate the price of the scrip. In view of the same, I do not agree with the contentions raised by Kag and am of the view that the modus operandi of Kag, i.e selling the shares received in off-market transactions from the entity connected to the company and the subsequent purchase of these shares by the suspected group of entities at a higher price by perfectly matching the price and quantity, would not have been possible unless there was prior meeting of minds. I note that the modus operandi of Kag was premeditated to facilitate the sellers i.e, the preferential allottees to exit at a higher price. Therefore, I do not find any merit in the submissions put forth by Kag and hold that it has violated the provisions of section 12 A(a), (b) and (c) of the SEBI Act read with regulations 3(a), (b), (c), and (d) and 4(1), 4(2) (a) and (e) of PFUTP Regulations.

16.33 With respect to Sarvlok, I note that Sarvlok V received 3,00,000 shares from Japonica and 400,000 shares from Amritlaxmi on August 21, 2014, who were preferential allottees. I note that it was alleged in the SCN that Sarvlok transferred these shares to entities including Kag and the said shares were in turn sold in the market by them.

16.34 In this regard, I note that Sarvlok was incorporated on May 01, 2012 and opened its account with Horizon on February 22, 2013. On August 29, 2014, shares of Gokul were dematerialized by Sarvlok. From the demat transactions of Sarvlok V, I note that on September 04, 2014 it had transferred 2,17,500 shares and 2,50,500 shares of Gokul to Fefer group of entities and Kag respectively**.** Subsequently, out of 2,17,500 shares, the Fefar group sold 2,05,000 shares worth of ₹ 7.17 Cr in the market during May-Nov 2017 and Kag has sold 2,09,800 shares worth of ₹ 6.83 Cr in the market during Mar-Jul 2017 after completion of lock in period. I note that the major buyers for these trades were suspected entities.

16.35 Flow of securities through Sarvlok V to major sellers (Fefar group and Kag) is depicted in following diagram:



16.36 I note that Kag purchased the said 2,50,000 shares of Gokul from Sarvlok V @ ₹ 10.25 per share and a total of ₹ 25.62 Lacs was paid on Aug 28, 2014 by Kag to Sarvlok V. Out of these, Kag sold 2,09,800 (16.38% of market volume) @ average price of ₹ 325.75 per share. Most of these shares were mainly bought by Noticees namely, Wakeeta and Rishvanjas.

16.37 I note that, it was alleged in the SCN that the said off-market transaction was done with the prior meeting of minds and hence, the entire *modus operandi* was premeditated to facilitate the preferential allottees to earn LTCG tax benefits by selling shares of Gokul at the manipulated higher prices by Kag and other suspected entities. Accordingly, Sarvlok V and its director Kundan Mundal were instrumental in transfer of shares to major sellers prior to investigation period and had played an important role in the fraudulent scheme of the Gokul and were also instrumental in transfer of shares which were sold in the market and thereby manipulated the price and created misleading appearance in the market. I note that it was therefore alleged that the said act of Sarvlok V and its director Kundan Mandal are in violation of sections 12A (a), (b) and (c) of the SEBI Act read with regulations 3 (a), (b), (c) and (d) and 4 (1) of PFUTP Regulations.

16.38 In response to the allegation that Sarvlok V had transferred shares to major sellers prior to investigation period and had played an important role in the fraudulent scheme as meniotned above, Sarvlok has submitted that neither had Sarvlok executed a single trade on market in the scrip of Gokul nor such allegation has been made in the SCN and therefore, the question of being part of fraudulent scheme does not arise. It has also been contended that the purported off market transfers to Kag and other suspected entities had taken place in the year 2014 and they had sold the shares of Gokul in the market in 2017 and as there is a huge time gap in between the off market transactions executed between the Noticee and Fefar Group /Kag and shares sold in the market and hence no allegation can be made against this Noticees that they were part of any scheme. These Noticees have also taken similar contention as taken by other Noticees that as SCN has been issued only to 6 entities here, the connection made against the Noticee herein and other 26 suspected entities has been broken as the said 26 entities were not made parties to the SCN.

16.39 Kundan Mandal has contended and denied that the allegation that being the signatory of the Demat Account and being the Director of Sarvlok, he was instrumental in transfer of shares to major sellers prior to the investigation period. He has further contended that none of the directors of other Noticees herein who have been charged with serious violations than Sarvlok, has been made party to the SCN and only he has been made party. He has further contended that this allegation is squarely in the realm of a charge under Section 27 (1) of the SEBI Act which has never been alleged in the entire SCN.

16.40 I also note that with respect to the off-market transactions and allegation of fraud, these Noticees have contended that their case is squarely covered under the Hon'ble Tribunal Order dated 07-11-2019 in Appeal No. 105 of 2019 (Vipul Mohan Joshi vs SEBI) and the order of SAT in the matter of Svaraj Trading & Agencies Ltd (decided on 31-08-2018), the order in the matter of Jatin Manubhai Shah & Ors v/s Adjudicating Officer, SEBI (Appeal No. 16 of 2010, Order dated 01-03-2011) and the matter of KSL & Industries Ltd vs SEBI (Appeal No. 9 of 2003, Order dated 30-09-2003).

16.41 With respect to the contentions of the Noticees regarding off-market transactions, I note that off-market transactions are not *per se illegal* as is rightly contended by the Noticees. However, the instant case being one of price manipulation, all the transactions between all the connected entities including off-market transactions needed to be looked into so that a holistic view can be made with respect to the role of each and every entity in the entire scheme of price manipulation. Hence, the off-market transactions done by Sarvlok in 2014 cannot be seen in isolation. I note that the said off-market transactions were a trigger and link for routing shares to market which facilitated suspected entities including Noticees herein to trade among themselves and inflate the price and volume and create a misleading appearance in the market. I note that Sarvlok received the funds from the preferential allottees and the said shares were transferred to entities including Kag who in turn sold the shares in the market contributing to positive LTP as discussed in the foregoing paragraphs.

16.42 I also note that the Delivery Instruction Slip (DIS) of said transactions by Sarvlok V were signed by its director Kundan Mandal. I note that Kundan Mandal was one of shareholder in another suspected entity Vandana. I also note that apart from the directorship in Sarvlok V, Kundan Mandal was a common director in other suspected entities namely Alishan Merchants Private Limited, Dhanapati Suppliers Private Limited (Noticee 3), Suman Stock Advisory Private Limited as shown in the Table -2 at para. 16.3. He has further contended that none of the directors of other Noticees herein who have been charged with serious violations than Sarvlok, has been made party to the SCN and only he has been made party. He has further contended that this allegation is squarely in the realm of a charge under Section 27 (1) of the SEBI Act which has never been alleged in the entire SCN. As discussed above, the off-market transactions done by Sarvlok was a trigger for routing shares to market which facilitated suspected entities to plot the entire scheme of inflating the price and creation of misleading appearance in the market including Noticees herein to trade among themselves and inflate the price and volume and create a misleading appearance in the market. As noted above, Kundan Mandal was connected to the suspected entities through common directorship. He has signed the DIS for the said off-market transaction. Hence, I find that he was also a part and parcel of the said scheme. In view of the above, I do not find any merit in the submissions of Kundan Mandal in this regard. Thus, I note that Sarvlok V and its director Kundan Mundal were instrumental in transfer of shares to major sellers prior to investigation period and had played an important role in the fraudulent scheme of the Gokul and were also instrumental in transfer of shares which were sold in the market. Therefore, I am not inclined to accept the contention of the Noticees and I find that the Noticees have violated the provisions of sections 12A (a), (b) and (c) of the SEBI Act read with regulations 3 (a), (b), (c) and (d) and 4 (1) of PFUTP Regulations.

17. Thus, on the basis of the discussion above, I find that the Noticees herein are connected among themselves and other entities through various counts namely off-market transactions, common directorship in connected entities, common address, email and mobile numbers and transfer of fund for meeting the payout obligations 1-2 days prior to the trades etc. The trading pattern of the Noticees creating positive LTP and inflation price also make it clear that the Noticees were acting in concert. I also note that the shares of Gokul was trading on BSE –SME-ITP with very low liquidity. Therefore, I find that Wakeeta Commercial Private Limited and Rishvanjas Trading Private Limited have violated the provisions of 12A(a), (b) and (c) of the SEBI Act read with regulations 3(a), (b), (c), and (d) and 4(1), 4(2) (a), (d) and (e) of PFUTP Regulations, Kag India Private Limited has violated of 12A(a), (b) and (c) of the SEBI Act read with regulations 3(a), (b), (c), and (d) and 4(1), 4(2) (a) and (e) PFUTP Regulations, and Sarvlok Vincom Private Limited & Kundan Mandal have violated the provisions of section 12A (a), (b) and (c) of the SEBI Act read with the provisions of regulations 3 (a), (b), (c) and (d) and 4 (1) of PFUTP Regulations. I find that Noticees would be liable for monetary penalty under Section 15HA of the SEBI Act.

Issue No. II-Does the violation attract monetary penalty under Section 15HA of SEBI Act?

17.1I note that the Hon'ble Supreme Court of India in the matter of *SEBI v/s Shri Ram Mutual Fund [2006] 68 SCL 216(SC)* held that "In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established......".

17.2The text of Section 15HA of the SEBI Act is reproduced below:

SEBI Act

Penalty for fraudulent and unfair trade practices.15HA.

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

Issue No.III-What should be the quantum of monetary penalty?

17.3While determining the quantum of penalty under Section 15HAof the SEBI Act, it is important to consider the factors as stipulated in Section 15J of the SEBI Act, which reads as under:-

SEBI Act

Factors to be taken into account by the adjudicating officer. Section 15J –

17.4While adjudging quantum of penalty under section 15-I, the AO shall have due regard to the following factors, namely:-

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

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

(c)the repetitive nature of the default.

Explanation-For the removal of doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.

17.5 The material made available on record has not quantified the amount of disproportionate gain or unfair advantage made by the Noticees and the loss suffered by the investors as a result of the violations committed by the Noticees. However, as is established herein above, by the price manipulation and misleading appearance created by the Noticees, the general public could have been carried away by the unusual rise in the volumes and prices in the scrip of Gokul, which induced into investing in the said scrip. This kind of activity seriously affects the normal price discovery mechanism in the securities market. I note that the Noticees1, 2 and 4 were major contributors to positive LTP and price manipulation, and Noticees 5 and 6 were a link for routing shares through off-market, which facilitated the other Noticees not only to establish higher LTP in the market, but also off-load the said shares in the market and thereby creating misleading appearance of trading in the shares. I also note that Noticees 1 & 2 were also involved in transfer of funds among themselves just before and during the investigation, which cannot be overlooked considering the trading pattern of these Noticees along with the other suspected entities.

ORDER

17.6 Having considered all the facts and circumstances of the case, the material available on record, the submissions made by Noticees and also the factors mentioned in Section 15J of the SEBI Act, as enumerated above, I, in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, hereby impose penalty on the Noticees as under:

Sl No.	Name of the Noticee	Penalty
1	Wakeeta Commercial Private Limited (PAN: AABCW4428J)	Rs.10,00,000/- (Rupees Ten Lakh only)
2	Rishvanjas Trading Private Limited (PAN: AAGCR6348M)	Rs.10,00,000/- (Rupees Ten Lakh only)
3	Kag India Private Limited (PAN: AADCK5381Q)	Rs.5,00,000/- (Rupees Five Lakh only)
4	Sarvlok Vincom Private Limited (PAN: AARCS4563N)	Rs. 5,00,000/- (Rupees Five Lakh only) to be paid jointly and severally.
5	Kundan Mandal (PAN: BITPM7524B)	

17.7 I am of the view that the said penalty is commensurate with the violations committed by the Noticees.

17.8As discussed in Paragraph 14 hereinabove, the proceedings against Dhanapati Suppliers Private Limited (PAN: AAECD2440G) stands abated.

17.9 The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e., www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of AO -> PAY NOW. In case of any difficulties in payment of penalties, Noticee may contact the support at portalhelp@sebi.gov.in.

17.10 The Noticees shall forward the said demand draft or the details / confirmation of penalty so paid through e-payment to the Division Chief, Enforcement Department-I, Division of Regulatory Action-4 (EFD-1 – DRA-4) SEBI Bhavan, Plot No. C4-A,'G' Block, Bandra Kurla Complex, Mumbai -400051 and also send an email to tad@sebi.gov.in with the following details:

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

17.11 In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings under section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties of Noticees.

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

DATE: September 29, 2022
PLACE: MUMBAI

SAKKEENA PV
ADJUDICATING OFFICER