BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/SM/DP/2022-23/23321-23323]

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:

Sr. No.	Name of the Noticee	PAN
1.	Balram Agarwal	APUPA7878M
2.	Ashish Bansal	AJAPB2292G
3.	Naresh Kumar Bansal	AAKPB2961K

In the matter of
A.F. Enterprises Limited

FACTS OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") conducted an investigation in the scrip of A.F. Enterprises Ltd. (hereinafter referred to as "**company**") during the period of May 23, 2014 to April 29, 2015 (hereinafter referred to as "**Investigation Period**") to ascertain whether there was any violation of the provisions of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act**") and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations**") by Balram Agarwal, Ashish Bansal and Naresh Kumar Bansal (hereinafter referred to as "**Noticee No. 1 to 3, respectively and collectively as Noticees"**). It is observed that during the investigation period, price of the scrip of the company rose from Rs. 255 to a high of Rs. 648 and closed at low of Rs. 17.65.

2. The price movement of the scrip of the company at BSE Limited (hereinafter referred to as "**BSE**") during and after the investigation period is summarized under:

Period	Dates		Opening Price (volume) on first day of the period (Rs)	Closing price (volume) on last day of the period (Rs.)	Low price(volume) during the period (Rs.)	High Price(volume) during the period (Rs.)	Total no. of shares traded during the period (avg. daily vol.)
Before Investigation Period	**Feb 25, 2014 to May 22, 2014**	The scrip got listed on BSE with effect from May 23, 2014.					
During Investigation Period	**Patch-I May 23, 2014 to Feb 03, 2015 (Price rise)**	**Price**	255 (23/05/2014)	472.6 (03/02/2015)	246.7 (30/5/2014)	472.7 (03/2/2015)	11098 (693.62)
		Vol	2114 (23/05/2014)	8700 (03/02/2015)	1 (13/05/2014)	8700 (03/2/2015)	
	Patch-II Feb 4, 2015 to June 9, 2015 (Price rise)	**Price**	472.3 (04/02/2015)	446.60 (09/06/2015)	382 (28/4/2015)	648 (9/6/2015)	14,75,592 (17,995.02)
		Vol	6500 (04/02/2015)	1,29,842 (09/06/2015)	520 (23/04/2015)	1,29,842 (9/6/2015)	
	Patch-III Jun 10, 2015 to April 29, 2016 (Price fall)	**Price**	438 (10/06/2016)	17.65 (29/04/2016)	17.65 (21/4/2016)	438 (10/6/2015)	62,17,522 (31401.62)
		Vol	16505 10/06/2016)	50 (29/04/2016)	1 (09/12/2015)	267781 (28/09/2015)	
After Investigation Period	**April 30, 2016 to July 29, 2016**	**Price**	17.3 (2/5/2016)	11.18 (29/7/2016)	6.87 (7/7/2016)	17.3 (2/5/2016)	39,57,622 (63,832.61)
		Vol	155	28403	6 (24/05/2016)	276986 (24/06/2016)	

APPOINTMENT OF ADJUDICATING OFFICER

3. SEBI had appointed Ms. Geetha G. as the Adjudicating Officer under Section 15I of SEBI Act read with Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties), 1995 (hereinafter referred to as “**Rules**”), vide communique dated May 25, 2022 to enquire into and adjudge under Section 15HA of SEBI Act, the alleged violations of Section 12A(a), (b), (c) of SEBI Act read with Regulations 3(a), 3(b), 3(c) and 3(d) and 4(1), 4(2)(a) and (e) of PFUTP Regulations by Noticees. Upon transfer of Ms. Geetha G, vide communique dated September 19, 2022, Shri Amit Kapoor was appointed as the Adjudicating Officer. Subsequently, vide communique dated October 06, 2022, the undersigned was appointed as Adjudicating Officer.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. Based on the findings by SEBI, Show Cause Notice dated November 04, 2022 (hereinafter referred to as '**SCN**') was issued to the Noticees under Rule 4(1) of the Adjudication Rules to

show cause as to why an inquiry should not be held and penalty be not imposed on them under section 15HA of SEBI Act for the alleged violation of the provisions of SEBI Act and PFUTP Regulations. The SCN, *inter alia*, alleged the following:

4.1. It was observed from the trade and order log that despite being highly illiquid scrip, in patch 1 of the investigation period, the price of the scrip rose from Rs. 257 on May 23, 2014 to Rs. 451 on January 20, 2015 in just 14 trade days with miniscule volume. It was further observed that the suspected entities Noticee No. 2 and 3 were found to be connected with the Director of the Company and the Promoter based on the UCC data, KYC details obtained from stock brokers and Bank statement analysis. Ms.Charu Aggarwal/ Charu Bansal, the director of the company and director of the promoter company (RMS Mosquto Private Limited), is the spouse of Noticee No.2. Noticee No. 3 is father of Noticee No.2.

4.2. Noticee No. 1, 2 and 3 were the buyers of the scrip in the patch I of the investigation period and contributed significantly to the positive Last Traded Price (LTP) in the following manner:

NAME	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of Positive LTP to Total Market Positive LTP
	Sum of LTP diff	Sum of Quantity	No of trades	Sum of LTP diff	QTY traded	No of trades	Sum of LTP diff	QTY traded	No of trades	QTY traded	No of trades	
Balram Agarwal	54.90	1211	7	54.90	111	4	0.00	0	0	1100	3	**22.67**
Ashish Bansal	23.50	105	2	23.50	105	2	0.00	0	0	0	0	**9.70**
Naresh Kumar Bansal	6.20	6	1	6.20	6	1	0.00	0	0	0	0	**2.56**

4.3. Most of the time price has increased with a single trade with very small quantity. Out of the total 7 buy trades of Noticee No. 1, 4 trades that contributed to positive LTP of Rs 54.90 (22.67% of total market positive LTP) the buy orders are placed before the sell orders at a price higher than the last traded price. The connected entities, Noticee Nos. 2 and 3, together in 3 trades contributed to positive LTP of Rs. 29.70 (12.26% of total market positive LTP), the buy orders are placed before the sell orders at a price higher than the last traded price.

4.4. It was further observed from the trade and order log that Noticee No. 1, 2 and 3 contributed significantly in the New High Price (NHP). The summary of trades by Noticee No. 1, 2 and 3 contributing to NHP during Patch-I is given in the following table:

Buyer Name	NHP contribution (in Rs.)	NHP Contribution to total NHP(in %)	No. of NHP Trades	Sum of NHP Qty.
Balram Agarwal	44.6	20.5	4	111
Ashish Bansal	23.5	10.8	2	105
Naresh Kumar Bansal	6.2	2.85	1	6
TOTAL	**74.3**	**34.15**	**7**	**222**

4.5. It was therefore, alleged from the trading patterns of Noticee No. 1, 2 and 3 that they placed buy orders at higher price than prevailing LTP in an illiquid scrip contributed to higher LTP and instrumental in artificial increase in the price of the scrip which did not have sound fundamentals. Hence, it is alleged that Noticee No. 1, 2 and 3 manipulated the price of the scrip and created a misleading appearance of trading in the scrip by such trades as explained above and thereby violated Section 12 A (a), (b), (c) of SEBI Act, Regulation 3 (a), (b), (c), (d), Regulation 4(1), 4 (2)(a) and 4 (2) (e) of PFUTP Regulations.

5. The SCN was served on the Noticees through Speed Post Acknowledgment Due (**SPAD**) and digitally signed email. Vide email dated November 30, 2022, Noticee No. 1 filed his reply and submitted the following:

   i. *I have purchased 1100 Shares in the beginning of your suggested patch i.e. 23rd May 2014 and after that I purchased only 2 Shares on 30th May 2014 and 100/- Shares on 24th June 2014. After that I purchased only 5 and 4 Shares in the month of November.*

   ii. *I had made only investment in these shares and not try to volatile the market.*

   iii. *Your honour will appreciate that in illiquid shares we can buy only at higher price due to lack of volume. With respect to illiquid shares, in some cases I made profit and in many other I lost the money. This script also, I lost the money. Me and none of my family member is not known to promoter/director and Staff of the company and I traded only based on rumour circulated in the market.*

iv. *I traded in the equity with bonafide intention and without any information. I am small investor and have a very little exposure in the equity market.*

v. *In total volume of patch 1 & 2(Price raging period) i.e.(2398+1484292) = 1486690 Shares my purchase was only 1211 Share in the beginning of this period.*

vi. *I was totally unaware of any malafide movement in the scripts.*

6. Vide letter dated November 30, 2022, Noticee No. 2 filed reply to the SCN and submitted the following:

   a) I confirm that I am the spouse of Ms Charu Aggarwal Bansal, the promoter and director of A.F. Enterprises. I am also the son of Mr Naresh Kumar Bansal.(Noticee 3). However, I am not connected in any manner whatsoever to Mr Balram Agarwal (Noticee 1) and the show cause notice also does not provide any connection whatsoever between me and Mr Balram Agarwal.

   b) With regard to the details provided in Paragraph 5 (Table therein) it can be seen that I had traded only in 105 shares (2 trades only) out of a total of 1324 shares which is a bare minimum of 7.93% of the total number of shares traded during patch I.

   c) I deny the allegation in Paragraph 6 as I have no connection whatsoever with Mr Balram Agarwal and your letter also does not contain a whisper of any connection. Given that there is no connection that exists I established, there is no logic in clubbing my trades with that of Mr Balram Agarwal and stating that I have contributed Rs.29.60 to the Last traded Price.

   d) With regard to your allegation in Paragraph 7 since the total trades are only 2 and that too for 105 shares only, they would have contributed to a new price as there are no other transactions in the market on that day. The allegation has been made by you in Paragraph 7 by clubbing my trades with that of Mr Balram Agarwal, which is not correct since I have no connection whatsoever with him.

   e) Since I have no connection whatsoever to Mr Balram Agarwal and the show cause notice shows no connection with him, clubbing my trades with him and then alleging that I have violated the provisions of Section 12A (a), (b), (c) of the SEBI Act, 1992, Regulation 3(a),(b),(c), (d), Regulation 4(1), 4(2) (a) and (e) of the PFUTP Regulations is without any basis and I totally deny the same.

7. Vide letter dated November 30, 2022, Noticee Nos. 2 filed reply to the SCN and submitted the following:
   a) With regard to your allegation in Paragraph 4 of the letter, I confirm that I am the father-in-law of Ms Charu Aggarwal Bansal, the promoter and director of A.F. Enterprises. I am also the father of Mr Ashish Bansal.(Noticee 2). However I am not connected in any manner whatsoever to Mr Balram Agarwal (Noticee 1) and the show cause notice also does not provide any connection whatsoever between me and Mr Balram Agarwal.
   b) With regard to the details provided in Paragraph 5 (Table therein) it can be seen that I had traded only in 6 shares (1 trade only) out of a total of 1324 shares which is a bare minimum of 0.45% of the total number of shares traded during patch I .
   c) I deny the allegation in Paragraph 6 as I have no connection whatsoever with Mr Balram Agarwal and your letter also does not contain a whisper of any connection. Given that there is no connection that exists I established, there is no logic in clubbing my trades with that of Mr Balram Agarwal and stating that I have contributed Rs.29.60 to the Last traded Price.
   d) With regard to your allegation in Paragraph 7 since the total trades are only 1 and that too for 6 shares only, they would have contributed to a new price as there are probably no other transactions in the market on that day. The allegation has been made by you in Paragraph 7 by clubbing my trades with that of Mr Balram Agarwal, which is not correct since I have no connection whatsoever with him.
   e) Since I have no connection whatsoever to Mr Balram Agarwal and the show cause notice shows no connection with him, clubbing my trades with him and then alleging that I have violated the provisions of Section 12A (a), (b), (c) of the SEBI Act, 1992, Regulation 3(a),(b),(c), (d), Regulation 4(1), 4(2) (a) and (e) of the PFUTP Regulations is without any basis and I totally deny the same.

8. Vide Notice of personal hearing dated December 02, 2022, Noticees were granted to appear for the hearing on December 19, 2022. Noticee Nos. 2 and 3 appeared for the hearing and submitted the following:

   i. During the hearing, the AR *submitted that Noticees do not have any relationship with Balram Agarwal. Noticee No. 2 submitted that since no shares were available at lower price, he had put buy orders for himself and his father (Noticee No. 3 of the SCN) at a higher price. He further submitted that he liquidated his holding in the company in April 2022 and suffered a loss of approx. Rs. 13,000. He further submitted that he bought the shares in the company because his newly-wedded wife was a director in the company during the investigation period.*

9. Vide email dated December 20, 2022, Noticee Nos. 2 and 3 filed additional reply to the SCN and submitted that the intention was only to hold shares in the Company and there was no other purpose for this acquisition. Noticee No. 2 bought the shares at a price between Rs.257 and Rs.451 as the floating stock was less, no shares were available and the price was high. Since he wanted to buy the shares of the company, he bought the shares at a high price.

10. Vide Notice of personal hearing dated December 19 ,2022, Noticee No. 1 was granted final opportunity of hearing on December 28, 2022. Noticee No. 1 appeared for the hearing on December 28, 2022 and submitted that he was informed that the price of the scrip may increase. However, he sold the shares of the company at loss. He further submitted that he does not know any of the Noticees.

CONSIDERATION OF ISSUES AND EVIDENCE

11. I have carefully perused the charges levelled against the Noticees in the SCN and the material / documents available on record. In the instant matter, the following issues arise for consideration and determination:-

    I. Whether Noticee No. 1, 2 and 3 have violated Section 12 A (a), (b), (c) of SEBI Act, Regulation 3 (a), (b), (c), (d), Regulation 4(1), 4 (2)(a) and 4 (2) (e) of PFUTP Regulations?

II. **Do the violations, if any, on the part of the Noticees attract monetary penalty under section 15HA of SEBI Act?**

III. **If so, what would be the quantum of monetary penalty that can be imposed on the Noticee after taking into consideration the factors mentioned in section 15J of the SEBI Act?**

12. Before proceeding further, I would like to refer to the relevant provisions of the SAST Regulations:

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;

PFUTP REGULATIONS

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:—

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

…

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

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

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

13. From the material available on record, it is noted that it has been alleged that the Noticees artificially inflated the price of the scrip of the company and therefore misled the genuine investors in the market. I note that connection was alleged between the Noticees on the basis

of on UCC details, MCA database, bank statements and off-market data. The connection is tabulated below:

S.No.	PAN No.	NAME	BASIS OF CONNECTION
1.	AJAPB2292G	ASHISH BANSAL	• Ashish Bansal and Naresh Bansal have common Address. • Bank Statement shows Ashish Bansal has done fund transactions Naresh Kumar Bansal, Charu Aggarwal/Bansal, Director of AFEL and Director of Promoter Company • Son of Naresh Kumar Bansal and Spouse -Charu Bansal
2.	AAKPB2961K	NARESH KUMAR BANSAL	• Naresh Kumar Bansal and Ashish Bansal have common Address. E-4-62 First Floor Sector-16 Rohini. • Bank Statement Analysis shows fund movement between Naresh Kumar Bansal, Ashish Bansal. • Father of Ashish Bansal
3.	APUPA7878M	BALRAM AGARWAL	• No relation to Noticee No. 2,3 and Ms. Charu Bansal.

Since Noticee 2 had accepted that it was he who had purchased the shares in the account of Noticee 3, hence trades are clubbed together).

14. From the trade log and the investigation report, it is noted that price of the scrip of the company opened at Rs. 255 at BSE i.e. on May 23, 2014 and touched high of Rs.472.7 and closed at Rs.472.6 on Feb 03, 2015.

15. From the analysis of trade and order log it was observed that the scrip of the company was thinly traded. Between May 23, 2014 to Feb 3, 2015, only 55 trades took place. Out of these 55 trades, 20 trades have contributed to positive LTP of Rs. 242.20 with net positive contribution to LTP of Rs. 217.70. The details are as follows:-

Trading Month	Days trades happened	No of trades	No. of shares (Qty)	Trades by Suspected entities as buyer / seller		LTP contribution
				Buyer	Seller	
May 2014	May 23	15	2114	5	15	2.00
	May 30	2	50	1	0	5.00
June 2014	June 9	1	100	1	0	7.00
	June 13	1	1	0	0	53.80
	June 24	1	100	1	0	7.20
Oct 2014	Oct 31	1	5	1	0	16.50
Nov 2014	Nov 11	1	5	1	0	17.30

	Nov 12	1	6	1	0	6.20
	Nov 14	1	4	1	0	15.10
	Nov 17	1	1	0	1	19.25
	Nov 24	1	1	0	1	15.65
Dec 2014	Dec 17	1	2	0	0	21.00
	Dec 18	3	6	0	0	-11.00
	Dec 19	1	2	0	0	0.00
Jan 2015	Jan 20	1	1	0	0	21.00
Feb 2015	Feb 3	23	8700	5	0	21.70
		55	11098	17	17	217.70

16. The orders of the Noticees alleged to have increased the LTP are as followed:

TRADE_ DATE	**CLIENT NAME**	**CP_CLIENT NAME**	**ORDER_ TIME**	**CP_ORDER _TIME**	**CP_ORD ER_LMTI ME**	**TRADE _RATE**	**ORDER_ RATE**	**CP_OR DER_ RATE**
23/05/2014	Balram Agarwal	Vishnu Kumar Bansal	9:15:34	9:41:19	9:41:19	255	255	245
23/05/2014	Balram Agarwal	Kamal Saini	9:15:34	9:16:08	9:16:08	255	255	255
23/05/2014	Balram Agarwal	Vishnu Kumar Bansal	9:29:44	9:41:19	9:41:19	255	265	245
30/05/2014	Balram Agarwal	Aamir Aamir	10:57:08	12:52:03	12:52:03	262	262	262
09/06/2014	Ashish Bansal	Chetan Rasiklal Shah	11:14:58	14:39:54	14:39:54	269	269	269
24/06/2014	Balram Agarwal	Pragati Commodity Private Limited	11:15:07	11:19:52	11:19:52	330	330	330
11/11/2014	Balram Agarwal	Ishant Agarwal	12:01:33	12:09:48	12:09:48	363.8	363	363.8
14/11/2014	Balram Agarwal	Upender Kumar	13:09:03	13:46:59	13:46:59	385.1	385.1	385.1
31/10/2014	Ashish Bansal	Upender Kumar	13:13:28	13:17:29	13:17:29	346.5	346.5	346
12/11/2014	Naresh Kumar Bansal	Upender Kumar	13:17:24	13:20:47	13:20:47	370	370	370

17. It is noted that the investigation report has not found any connection of Noticee No. 1 with the Noticee 2 & 3 and Director /Promoter of the company. From the trade log, it is further observed that one Mr. Upendra Kumar was the common counterparty to the LTP trades of the Noticees. However, Investigation has not brought any connection of the Noticees and/or the promoter/directors of the company with Mr. Upendra Kumar. Further, no connection has been found between the Noticees and their counterparties in the aforementioned trades. Also there is no connection between Noticees.

18. As already mentioned above, the scrip was thinly traded and the orders were placed by the Noticees when there were no pending sell orders. It is also observed that time difference between the buy order and sell order in the aforesaid trades is substantial which shows such trades were not pre-planned to engage into the price manipulation. I note that number of Trades executed by Noticees were in the range of 1-7 and Investigation has not brought any connection between the buyers and sellers.

19. In this regard, I refer to the judgment of Hon'ble Securities Appellate Tribunal (SAT) dated January 16, 2020 in the matter of Nishith M Shah (HUF). v SEBI (Appeal No. 97 of 2019) wherein, it observed that,

"*If trading in miniscule amount leads to an increase in the price of the scrips one can presume or infer that the trading is manipulative but such trading cannot happen unilaterally. There must be evidence to show collusion between the buyer and the seller. In the instant case there is none. The principle of preponderance of probability cannot be exercised in the absence of any connection between the seller and the buyer… the charge of raising price artificially has to be established and the element of collusion between the buyer and the seller is a sine quo non... in the absence of any finding of collusion between the buyer and the seller the charge contributing to the LTP cannot be sustained".*

20. In Jagruti Securities Limited vs Securities and Exchange Board of India (Appeal No. 102 of 2006 decided on October 27, 2008) and in Vikas Ganeshmal Bengani vs Whole Time Member, SEBI (Appeal No. 225 of 2009 decided on February 25, 2010) the Tribunal held that: "*the charge of raising price artificially has to be established and the element of collusion between the buyer and the seller is a sine quo non. We are in the entire agreement with the aforesaid*

decisions and reiterate that in the absence of any finding of collusion between the buyer and the seller the charge contributing to the LTP cannot be sustained…"

21. I note that the investigation report has not brought anything on record that there was collusion between the Noticees and the counterparties of their trades which resulted in the LTP increase. I observe that there are no confluence of factors like meeting of mind or pattern of trading like synchronized, circular, reversal, self-trades brought out by the investigation. Therefore, in the absence of any evidence with respect to the same, I am constrained to give benefit of doubt to the Noticees.

22. It is observed that Noticees neither traded with each other nor gave exit to the preferential allottee. The allegation against the Noticees is that they placed buy orders at higher price than prevailing LTP in an illiquid scrip and contributed to higher LTP and instrumental in artificial increase in the price of the scrip. It is observed that the Noticees were holding those shares for a long time before liquidating them. In the process, the Noticees suffered a loss.

23. Further, reliance is placed on the order dated September 30, 2003 of Hon'ble Securities Appellate Tribunal (hereinafter referred to as "SAT") in the matter of KSL & Industries Ltd. Vs. SEBI (Appeal No. 9/2003), wherein it was held:

    "*I have carefully considered the Respondent's submissions on the charge that the Appellant had violated the provisions of regulation 4 and 6 in the light of the provisions of FUTP Regulations. But I do not find any material on record in support of the said charge. A wild allegation of market manipulation, in particular the charge of fraudulent action unsupported with convincing evidence is not to be sustained. I fully agree … that allegation of 'fraud' can not survive on mere conjectures and surmises*."

24. In the extant matter, no proceedings have been initiated against the counter parties of such trades. As the scrip of the company was illiquid, the number of trades were not very high. During the investigation period, total 55 trades for 1322 shares took place out which only 7 trades for 222 shares were of the Noticees which comes to less than 15% of the trades. In view of the foregoing and the guidance I derive from the above referred orders of Hon'ble SAT, I find that it is difficult to accept that the Noticees manipulated the price in the scrip and created

a misleading appearance of trading in the scrip for the want of establishing connection as detailed above. In view of the same, I am of the view that this is not a fit case for imposition of monetary penalty on the Noticees.

ORDER:

25. In view of my findings noted in the preceding paragraphs, I hereby dispose of the adjudication proceedings initiated against the Noticees and Show Cause Notice dated November 04, 2022 without imposition of any monetary penalty. In terms of the provisions of rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticees and also to the Securities and Exchange Board of India.

Date : January 31, 2023
Place : Mumbai

SAHIL MALIK
GENERAL MANAGER &
ADJUDICATING OFFICER