BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

(ADJUDICATION ORDER NO: Order/PM/GD/2021-22/14560-14569)

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

In respect of

S. N.	Name of the entity	PAN No.
1	Dhanlakshmi Brokers Private Limited	AAECD4759L
2	Padma Impex Private Limited	AAACL4269P
3	Manju Kahndelia	ABSPK3421A
4	Comfort Intech Limited	AAACC5567H
5	Esquire Enclave Private Limited	AACCE7065J
6	Helpful Investment Advisory Private Limited	AACCH4303G
7	Jugal Chandrakant Thacker (HUF)	AAFHJ6306K
8	Vandana Sharma	AZCPS5582Q
9	Madan Lal	ADPPL4684B
10	Asha Sharma	DNWPS8199N

In the matter of Rutron International Ltd.

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (SEBI), based upon reference received from the Director of Income Tax (DIT), Delhi, conducted investigation into the Trading Activities of Certain Entities in the scrip of Rutron International Limited (hereinafter referred to as the **company/Rutron/RIL**) to ascertain any violation of the provisions of the Securities And Exchange Board of India Act, 1992 (hereinafter referred to as **SEBI Act, 1992**) and the Rules, Regulations made thereunder during the period from May 03, 2012 to November 28, 2014

(hereinafter referred to as ‘Investigation Period / IP'). During investigation, it was observed that the company had, prior to the investigation period, allotted 98,50,000 shares and 77,10,000 shares of Rs.10/- per share on preferential basis at its face value on December 05, 2011 & March 01, 2012 respectively and the said shares were under lock-in for the period of one year. Investigation observed that 10,23,62,427 shares were traded in 33,479 trades over a period of 568 trading days during the investigation period with an average daily traded volume of 1,80,215 shares. The price of the scrip opened at Rs.5.25/- on May 03, 2012, and reached a high of Rs.270/- on March 22, 2013. The scrip had recorded highest closing price of Rs. 269.70/- on September 10, 2013 and thereafter, price of scrip went down and closed at Rs.7.30/- on November 28, 2014. Pursuant to the investigation, it was observed that Dhanlakshmi Brokers Private Limited (**Noticee 1),** Padma Impex Private Limited (**Noticee 2**), Manju Khandelia (**Noticee 3),** Comfort Intech Limited (**Noticee 4),** Esquire Enclave Private Limited (**Noticee 5)**, Helpful Investment Advisory Private Limited (**Noticee 6),** Jugal Chandrakant Thacker (HUF) (**Noticee 7),** Vandana Sharma (**Noticee 8),** Madan Lal (**Noticee 9)** and Asha Sharma (**Noticee 10)** (hereinafter referred to as Noticee 1 to Noticee 10 are collectively referred to as **you / Noticees**’) contributed to the price rise of the scrip of Rutron and hence, it is alleged that Noticees violated the provision of regulations 3(a), 3(b), 3(c), 3(d) and regulations 4(1), 4(2)(a) and 4(2)(e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (**PFUTP Regulations, 2003**). Accordingly, SEBI initiated Adjudication Proceedings against the Noticee for the aforesaid violation of the provisions of PFUTP Regulations, 2003.

APPOINTMENT OF ADJUDICATING OFFICER

2. The undersigned has been appointed as the Adjudicating Officer, under section 19 r/w section 15-I of the SEBI Act, 1992 r/w rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereafter referred to as **Adjudication Rules, 1995**) to inquire into and adjudge under the provisions of section 15HA of the SEBI Act, 1992 for the alleged violations of regulations 3(a),

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

SHOW CAUSE NOTICE

3. A common Show Cause Notice dated May 04, 2018 (hereafter referred to as **SCN**) was issued to the Noticees in terms of the provisions of rule 4 of the Adjudication Rules, 1995 requiring the Noticees to show cause as to why an inquiry should not be held against it and why penalty, if any, should not be imposed on it under the provision of section 15HA of the SEBI Act, 1992. The allegations in the SCN are as follows:

   a) *Securities and Exchange Board of India (hereinafter referred to as 'SEBI') appointed the undersigned as the Adjudicating Officer under Section 15 I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as 'SEBI Act') and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules,1995 (hereinafter referred to as "Adjudication Rules") to inquire into and adjudge under the provisions of Section 15 HA of the Securities And Exchange Board of India (SEBI) Act-1992 for the alleged violation of the provisions of Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a) and 4(2)(e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 by (i) HS Tradecom Private Limited - Noticee 1 (ii) Dhanlakshmi Brokers Private Limited - Noticee 2, (iii) Padma Impex Private Limited - Noticee 3, (iv) Manju Khandelia - Noticee 4, (v) Ranisati Dealer Private Limited - Noticee 5, (vi) Ramdut Infraprojects Private Limited - Noticee 6 (vii) Astabhuja Construction Private Limited - Noticee 7, (viii) Comfort Intech Limited - Noticee 8, (ix) Esquire Enclave Private Limited - Noticee 9, (x) Helpful Investment Advisory Private Limited - Noticee 10, (xi) Jugal Chandrakant Thacker (HUF) - Noticee 11, (xii) Vandana Sharma - Noticee 12, (xiii) Madan Lal - Noticee 13, and (xiv) Asha Sharma - Noticee 14 (hereinafter referred to as Noticee 1, Noticee 2, Noticee 3 and so on so forth or collectively as you / Noticees').*

   b) *Securities and Exchange Board of India (SEBI), based upon reference received from the Director of Income Tax (DIT), Delhi, conducted investigation into the Trading Activities of Certain Entities in the scrip of Rutron International Limited (hereinafter referred to as the company/Rutron/RIL) to ascertain any violation of the provisions of the SEBI*

Act, 1992 and the Rules, Regulations made thereunder during the period from May 3, 2012 to November 28, 2014 (hereinafter referred to as 'Investigation Period / IP').

c) *During investigation it was observed that the company had, prior to the investigation period, allotted 98,50,000 shares and 77,10,000 shares of Rs.10/- per share on preferential basis at its face value on December 5, 2011 & March 1, 2012 respectively and the said shares were under lock-in for the period of one year.*

d) *Investigation observed that 10,23,62,427 shares were traded in 33,479 trades over a period of 568 trading days during the investigation period with an average daily traded volume of 1,80,215 shares. The price of the scrip opened at Rs.5.25 on May 3, 2012, and reached a high of Rs.270 on March 22, 2013. The scrip has recorded highest closing price of Rs. 269.70 on September 10, 2013 and thereafter, price of scrip went down and closed at Rs.7.30 on November 28, 2014. Trading in the scrip was suspended as surveillance measure and the scrip last traded on August 26, 2015 and closed at Rs.1.30.*

e) *From May 03, 2012 to Feb 11, 2013, there were single trades with volume of 5-10 shares were observed on all the trading days with few exceptions. Number of trades and trading volume in the scrip increased many fold on Feb 12, 2013 and afterwards. The average volume of the scrip increased to 46,192 shares per day till stock split i.e. Nov 22, 2013.*

f) *There was a stock split of existing equity shares from one equity share of Rs.10/- each into ten equity shares of Rs.1/- each w.e.f. November 22, 2013. As a result of this, the scrip opened at Rs.24.70 on November 22, 2013 as against previous day close price of Rs.243/-. Based upon the price movement in the scrip, investigation period have been divided in following three patches:*

Patch 1: Price Rise (Rs.5.25 to Rs.214.45) May 03, 2012 to Feb 11, 2013:
Patch 2: Price Rise (Rs.218.6 to 243) Feb 12, 2013 to Nov 21, 2013:
Patch 3: Price Fall (post-split): (Rs.24.45 to Rs.7.30) Nov 22, 2013 to Nov 28, 2014:

g) *Details of movement in price and volume in these patches are as under:*

Table-1:

Period2	*Dates*		*Opening*	*Closing*	*Low*	*High*	*Avg No of shares traded*
Pre-investigation Period	***03/04/2012-02/05/2012***	***Price***	***There was no trading at BSE during this period***				
		Volume					
Patch-1 (Price Rise)	***03/05/2012-11/02/2013***	***Price***	*5.25*	*214.45*	*5.25 (03/05/2012)*	*270 (22/03/2013)*	*46*
		Volume	*50*	*10*	*5 (28/06/2012 & 80 more days)*	*4020 (30/01/2013)*	
Patch-2 (Price Rise)	***12/02/2013-21/11/2013***	***Price***	*218.60*	*243.00*	*218 (13/02/2013)*	*270 (22/03/2013)*	*46191*
		Volume	*17200*	*47595*	*100 (Nov 05, 2013)*	*155050 (23/07/2013)*	
Patch-3 (Price Fall)	***22/11/2013-28/11/2014***	***Price***	*24.45*	*7.30*	*6.55 (20/06/2014)*	*24.9 (22/11/2013)*	*376781*
		Volume	*10954*	*59600*	*505 (19/02/2014)*	*3811700 (19/03/2014)*	
Post-investigation Period	***01/12/2014-31/12/2014***	***Price***	*7.30*	*7.30*	*6.98 (26/12/2014)*	*7.38 (04/12/2014)*	*7973*
		Volume	*14350*	*100*	*100 (17/12/2014 & 1 more day)*	*54800 (05/12/2014)*	

h) *During investigation it was observed that the company registered negligible profit during the years ended March 2012, March 2013 and March 2015 and even recorded loss during year ended March 2014. It was also observed that there was virtually nil impact of the three major corporate announcements made by the company during the investigation period: (i) announcement of sale of logistic business on July 23, 2012, (ii) dividend declaration on May 31, 2013 and (iii) announcement regarding sub-division of face value of each Equity Shares of the Company from Rs. 10/- to Re. 1/- each on July 2, 2013.*

i) *Investigation, based upon details available on MCA website, KYC details, off-market transaction details etc. observed that some connected entities have been trading in the scrip during investigation period. Based on above connections among several trading entities were observed and thus 99 entities were found to be part of 6 separate groups. There were 34, 25, 25, 7, 4 and 4 entities in Group-1 to Group-6 respectively. It was also observed that one of the entities i.e. Padma Impex Private Limited had multiple bank transactions with Rutron and had also received part of the proceeds of preferential allotments from the company and Padma Impex Private Limited was observed to be connected directly and indirectly to other entities. All these entities including Padma Impex Private Limited are hereinafter referred to as Group-1 entities (company connected entities). The names of the 99 entities (group wise) are as under:*

Group-1:*(I)HS Tradecom Private Limited (II) Dhanlakshmi Brokers Private Limited (III) Padma Impex Private Limited (IV) Ranisati Dealer Private Limited (V) Jugal Chandrakant Thacker HUF (VI) Manju Khandelia (VII) Comfort Intech Limited (VIII) Ramdut Infraprojects Private Limited (IX) Rasika Ravindra Sakpal (X) Syncom Formulations (India) Limited (XI) Function Financial Consultants Private Limited (XII) Esquire Enclave Private Limited (XIII) Helpful Investment Advisory Private Limited (XIV) Limestone Properties Private Limited (XV) Natural Housing Private Limited (XVI) Topwell Properties Private Limited (XVII) Kingfisher Properties Private Limited (XVIII) Pushpratan Investment Consultants Private Limited (XIX) Radison Properties Private Limited (XX) Shivkhori Construction Private Limited (XXI) Gannayak Barter Private Limited (XXII) Narayani Pratisthan Private Limited (XXIII) Intercity Builders Private Limited (XXIV) Navdurga Investment Consultants Private Limited (XXV) Nityadhara Plaza Private Limited (XXVI) Astabhuja Construction Private Limited (XXVII) Sumangalam Financial Advisory Private Limited (XXVIII) Dhanraksha Vincom Private Limited (XIX) Ridhi Vincom Private Limited (XXX) Divya Drishti Traders Pvt.Limited , (XXXI) Divya Drishti Merchants Pvt.Limited , (XXXII) Manner Distributors Private Limited, (XXXIII) Spark Commodeal Private Limited, (XXXIV) Transcend Vinimay Private Limited.*

GROUP-2:*(I) Haripriya Vinimay Private Limited, (II) Everest Commotrade Private Limited, (III) Blackberry Commotrade Private Limited, (IV) Ramanuj Dealers Private Limited, (V) Vishnupriya Business Private Limited, (VI) Raghav Suppliers Private Limited (VII) Mooncity Dealcomm Private Limited (VIII) Padmanabh Commodities Private Limited, (IX) Padmini Vyapaar Private Limited, (X) Aravali Agencies Private Limited, (XI) Madhav Distributors Private Limited, (XII) Mangalvani Exports Private Limited, (XIII) Mangalvani Trexim Private Limited, (XIV) Appear Commotrade Private Limited, (XV) Quest Heights Private Limited, (XVI) Oversure Developers Private Limited, (XVII) Glory Projects Private Limited, (XVIII) Padmakshi Investments Limited, (XIX) Dayanidhi Commercial Limited, (XX) Arch Vinimay Private Limited , (XXI) Aashna Electronics Private Limited, (XXII) Pace Tradelinks Private Limited , (XXIII) Plazma Vanijya Private Limited (XXIV) Linkstar Marketing Private Limited and (XXV) Megapix Real Estate Private Limited.*

GROUP-3:*(I) Overload Financial Advisory Private Limited, (II)Helot Properties Private Limited, (III) Dreamlight Exim Private Limited, (IV) Vishnudham Marketing Private Limited, (V) Reachsmart Construction Private Limited, (VI)Mobixa Distributors Private Limited, (VII) Muchmore Vincom Private Limited, (VIII) Sebika Commodities Private Limited, (IX) Overarching Dealers Private Limited, (X) Cheroot Vanijya Private Limited, (XI) Reachsmart Dealtrade Private Limited, (XII) Gajgamini Merchandise Private Limited, (XIII) Sidhiman Vyapaar*

Private Limited, (XIV) Dhyaneshwar Dealers Private Limited, (XV) Samudhita Dealers Private Limited, (XVI) Katyani Commodities Private Limited, (XVII) Samridhipurn Services Private Limited, (XVIII) Hanshika Dealers Private Limited, (XIX) Indrawati Nirman Private Limited, (XX) Goldensight Traders Private Limited, (XXI) Gangeshwari Traders Private Limited, (XXII) Rochak Vinimay Private Limited, (XXIII) Duari Marketing Private Limited, (XXIV) Rochi Dealcom Private Limited, and (XXV) Antaryami Traders Private Limited .

Group-4: *(I) Burlington Finance Limited ., (II) Bazigar Trading Private Limited , (III) Amrit Sales Promotion Private Limited , (IV) Manimudra Vincom Private Limited , (V) Yashodham Merchants Private Limited , (VI) Takmin Trading Private Limited and (VII) Symphony Merchant Private Limited* ***.***

Group-5: *(I) Immortal Commosale Private Limited, (II) Ladios Trading Private Limited, (III) Kesari Nandan Tie Up Private Limited, (IV) Rangan Vincom Private Limited****.***

Group-6: *(I) Rajat Share Broking Private Limited , (II) Rahul Kumar Agrawal, (III) Ramod Kumar Agrawal HUF and (IV) Rajat Financial Services Limited*

j) *It was observed during Patch 1- (Price rise - May 03, 2012 to Feb 11, 2013: 127 Days) of the investigation period that price of the scrip opened at Rs.5.25 and closed at Rs.214.45 (highest price) i.e. an increase of 3985%, with a net LTP of Rs.209.20. During this patch, out of the 127 days, there were single trades on 122 days and on 81 days, only 5 shares were traded.*

k) *The Last Traded Price or LTP analysis of the top 10 positive LTP contributing entities are as under:*

Table 2:

Buyer Name	All Trades			trades with LTP diff > 0			trades with LTP diff < 0			trades with LTP diff = 0		% of Positive LTP to Total Market Positive LTP
	Net LTP in Rs.	QTY traded	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	
Rajat Share Broking Pvt Ltd	35.96	90	15	35.96	90	15	0	0	0	0	0	**16.62**
Rajesh Pravinkumar Jasani	30.40	255	11	30.40	60	9	0	0	0	195	2	**14.05**
Bhanwarlal Babulal Suthar	26.55	145	10	26.55	145	10	0	0	0	0	0	**12.27**
Nirav Rajababu Gandhi	20.00	175	14	20.00	170	13	0	0	0	5	1	**9.24**
Khengar Purshottam Gangani	19.00	235	8	19.00	35	7	0	0	0	200	1	**8.78**
Bharat Bagri (Huf)	14.24	100	13	14.24	80	12	0	0	0	20	1	**6.58**
Shyam Kanheyalal Vyas	11.75	70	4	11.75	20	3	0	0	0	50	1	**5.43**
Sneha Goenka	8.65	45	7	8.65	45	7	0	0	0	0	0	**4.00**
Bhola Jaiswal	8.40	25	4	8.40	25	4	0	0	0	0	0	**3.88**
HS Tradecom Private Limited	7.10	1312	5	7.10	10	1	0	0	0	1302	4	**3.28**
Total (Top 10)	**182.05**	**2452**	**91**	**182.05**	**680**	**81**	**0**	**0**	**0**	**1772**	**10**	**84.13**
Remaining Market	27.25	3359	66	34.35	751	47	-7	105	1	2503	18	15.87
Grand Total	**209.20**	**5811**	**157**	**216.40**	**1431**	**128**	**-7**	**105**	**1**	**4275**	**28**	**100.00**

l) *It is observed from the above that of the top 10 positive LTP contributors, 2 entities i.e. (i) Rajat Share Broking Private Limited and (ii) H.S. Tradecom Private Limited were part of the suspected entities group. In respect of the remaining 8 entities, investigation observed that the entities have contributed to positive LTP of Rs.138.99 which was 64.23% of total market positive LTP in 65 trades. It was further observed that these entities had placed large buy orders before the sell orders at upper circuit filter price at the opening of the market. However, investigation observed that there were not enough evidence to prove the nexus amongst these entities and therefore no adverse inference were drawn with respect to their trades.*

m) *Investigation observed that during Patch-1, one entity from Group-1 and 4 entities from Group-6 have bought in the scrip and the entities belonging to Groups-2, 3, 4 and 5 have not bought in the scrip. Their group wise LTP analysis is given as under:*

Table 3:

Buyer Name	All Trades			trades with LTP diff > 0			trades with LTP diff < 0			trades with LTP diff = 0		% of Positive LTP to Total Market Positive LTP
	Net LTP in Rs.	QTY traded	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	
HS Tradecom Pvt Ltd	7.10	1312	5	7.10	10	1	0	0	0	1302	4	3.28
Group 1	**7.10**	**1312**	**5**	**7.10**	**10**	**1**	**0**	**0**	**0**	**1302**	**4**	3.28
Rajat Share Broking Pvt Ltd	35.96	90	15	35.96	90	15	0	0	0	0	0	16.62
Rajat Financial Service Ltd	0.80	15	1	0.80	15	1	0	0	0	0	0	0.37
Rahul Kumar Agrwal	6.82	30	5	6.82	30	5	0	0	0	0	0	3.15
Ramod Kumar Agrwal HUF	1.29	200	4	1.29	200	4	0	0	0	0	0	0.60
Group 6	**44.87**	**335**	**25**	**44.87**	**335**	**25**	**0**	**0**	**0**	**0**	**0**	**20.74**
Remaining Market	157.33	4164	127	164.43	1086	102	-7	105	1	2973	24	75.98
Grand Total	**209.20**	**5811**	**157**	**216.40**	**1431**	**128**	**-7**	**105**	**1**	**4275**	**28**	**100.00**

n) *From the above it was observed that HS Tradecom has bought 1312 shares in 5 trades. Out of those 5 trades, one trade has contributed Rs.7.10 (3.28% of total positive LTP) to positive LTP for 10 shares. Further, four entities from Group-6 including Rajat Share Broking have traded during patch 1 and contributed Rs.44.87 to the positive LTP in 25 trades for 335 shares which is 20.74% of total positive LTP. Out of the 25 trades, 16 trades were for 5 shares. All the trades were first trades. All buy orders were placed before the sell orders at near upper circuit filter rate at the opening of the market.*

o) *Investigation observed that during patch 1, 5811 shares have been sold in 157 trades. It was observed that top 10 entities have sold 5561 shares which constituted 95.70% of the market volume. Further, three entities namely, Madan Lal, Vandana Sharma and Asha Sharma have altogether sold 866*

(15.57% of market Volume) shares in 116 trades (74% of total number of trades).

p) *It was observed that all these 3 sellers, Asha Sharma, Vandana Sharma and Madan Lal are connected to each other. Asha Sharma and Vandana Sharma are connected to each other on the basis of a common address which is also shared by Dhanlaxami Brokers Private Limited, an entity in Group-1. Further, Madan Lal received shares in off market from Heet P shah who is connected to one Piyush Shah on the basis of common address and Piyush Shah in turn is connected to Vandana Sharma as he has transferred shares in off market to Vandana Sharma.*

q) *It was observed that price of scrip has increased to Rs.214.45/- on Feb 11, 2013 with a net LTP of Rs.209.20 during patch 1 of the investigation period. LTP analysis has indicated that the sell trades by above three entities have contributed to Rs.201.97 (96.49% of market positive LTP) with sell of only 861 shares in 115 trades.*

r) *It was observed that almost all the sell orders were placed after the buy orders. The rate of the scrip for buy and sell orders were same and trade got executed at the time the sellers have placed the order. From the order/trade log, it has been observed that buy orders for large quantity of shares were available before placing sell order but the sellers i.e. Asha Sharma, Vandana Sharma and Madan Lal placed sell orders for small quantity (5-10 shares) despite having sufficient number of shares with them. This pattern was observed in almost all their sell trades. An illustration of the top 5 LTP contributing trades is as follows:*

Table: 4

Batch Date	Buyer Name	Seller Name	Trade Time	Buy Order time	Sell Order time	Trade Price	LTP Difference	Buy Order Price	Sell Order Price	Trade Quantity	Buy Order Disclose Volume	Sell Order Quantity
03/12/2012	Khengar P Gangani	Vandana Sharm	15:13:47.900218	09:15:00.094856	15:13:47.842791	83.65	3.95	83.65	83.65	5	500	5
06/02/2013	Rajesh P Jasani	Madan Lal	15:18:01.549114	09:15:00.204648	15:18:01.489833	202.15	3.95	202.15	202.15	5	100	5
07/02/2013	Rajesh P Jasani	Madan Lal	10:50:37.183536	09:15:00.153001	10:50:37.139985	206.15	4.00	206.15	206.15	5	100	5
08/02/2013	Shyam Kanheyalal Vyas	Madan Lal	14:39:42.884890	09:15:03.266955	14:39:42.817943	210.25	4.10	210.25	210.25	5	500	5
11/02/2013	Rajat Share Broking Pvt	Madan Lal	14:53:44.625939	09:15:00.635940	14:53:44.594635	214.45	4.20	214.45	214.45	10	100	10

s) *It is observed from the above top 5 positive LTP contributing trades that while the disclosed volume of the buy orders were large, sell orders were placed for 5/10 share, and the trades were executed. These 5 trades for smaller quantities were executed on 5 different days and contributed to significant* *positive LTP. Details of the 116 trades as mentioned in Para 15 provided in Annexure 1.*

t) *It was observed from the transaction statements as provided by depositories (NSDL/CDSL)* **(***Annexure 2***)** *that these entities were holding substantial quantity of shares (altogether 1300 shares at the beginning). Analysis of their trading and shareholding is given as under:*

Table: 5

Sl. no	Seller Name	Total No. of trades (LTP >0)	Total no. of orders (LTP>0)	No. of instances with sell order of 5 shares	No. of instances with sell order of 15 shares or less	Positive LTP contribution (Rs.)	% of positive LTP to Total Market positive LTP	No. of shares held before these trades (NSDL/ CDSL Statements)	Balance no. of shares held after LTP trades in Patch 1 (NSDL/ CDSL Statements)
1	Madan lal	44	44	35	9	122.20	56.47	400	0
2	Vandana Sharma	48	48	36	12	61.92	28.61	400	90
3	Asha Sharma	23	23	11	12	17.85	8.25	200	0

u) *From the above table it is observed that despite holding abundant quantity of shares, they released limited number of shares and matched the positive LTP contributing buy orders mostly offering shares in the range of 5 shares on a day by only one among them. Thus, it was observed from their trading pattern that they acted collectively and they were not acting as genuine sellers. Also, they had no bona fide intention to sell because inspite of sufficient buy orders with abundant quantity being available in the market, they released very small quantity of shares in each transaction and performed not more than one transaction a day.*

v) *Investigation observed that by these trades, they were instrumental in establishing a price higher than the last traded price and thus contributed to price rise in the scrip with each of their trades. In view of the repeated nature of such trades by them, the culpability in manipulating the price is established. In view of the above, it was alleged that Asha Sharma, Madan lal and Vandana Sharma have manipulated the price of scrip through their trades and violated Regulation 3 (a), (b)(c), (d) and Regulation 4(1) 4(2) (a) and (e) of SEBI (PFUTP) Regulations 2003. In view of this, proceedings under section 11B, and 11(4) read with section 11(1) of the SEBI Act, 1992.*

w) *Investigation observed that during Patch 2 (Price Rise - Feb 12, 2013 to Nov 21, 2013: 248 Days), price of the scrip opened at Rs.218.70 on February 12, 2013, and closed at Rs.243.00 on November 21, 2013 after reaching a high* *of Rs.270.00 on March 22, 2013, an increase of 11.11%, with a net LTP of Rs.24.30 and market positive LTP of Rs.318.40.*

x) *Investigation observed that Patch 2, being a price rise patch, the LTP analysis of top 10 buyers contributing to positive LTP are as under:*

Table: 6

Buyer Name	All Trades			trades with LTP diff > 0			trades with LTP diff < 0			rades with LTP diff <		% of Positive LTP to Total Market Positive LTP
	Net LTP in Rs.	QTY traded	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	
HS Tradecom Pvt Ltd.	10.30	765088	3590	90.60	34782	188	-80.30	30750	198	699556	3204	28.08
Dhanlakshmi Brokers Pvt Ltd.	4.10	607304	3016	57.85	40447	140	-53.75	23243	161	543614	2715	17.93
Padma Impex Pvt Ltd.	8.50	886110	1183	23.85	31903	53	-15.35	26370	44	827837	1086	7.39
Ajay Kumar P Maroo	6.90	20	10	10.15	14	7	-3.25	2	1	4	2	3.15
Jugal Chandrakant Thacker Huf	3.80	20000	38	9.20	5862	9	-5.40	3670	5	10468	24	2.85
Rangan Vincom Pvt Ltd.	-5.30	456909	515	7.80	28200	25	-13.10	42301	39	386408	451	2.42
Krishna Kumar	6.40	12	11	6.40	7	6	0.00	0	0	5	5	1.98
Ranisati Dealer Pvt Ltd.	0.55	699146	1333	6.15	25200	21	-5.60	15800	16	658146	1296	1.91
Gajgamini Merchandise Pvt Ltd.	-4.55	77699	127	5.45	10999	15	-10.00	5769	14	60931	98	1.69
Helot Properties Pvt Ltd	1.80	166500	144	4.95	19550	9	-3.15	8750	6	138200	129	1.53
Top 10 (Total)	**32.50**	**3678788**	**9967**	**222.40**	**196964**	**473**	**-189.90**	**156655**	**484**	**3325169**	**9010**	**68.93**
Remaining Market	-8.20	5236256	4071	96.00	266530	227	-104.20	295010	189	4674716	3655	31.06
Grand Total	**24.30**	**8915044**	**14038**	**318.40**	**463494**	**700**	**-294.10**	**451665**	**673**	**7999885**	**12665**	**100.00**

y) *The top 10 LTP contributors in the above table have contributed Rs.222.40 to positive LTP which is 68.93% of total market positive LTP in 473 trades. further, it was observed that 8 of the above 10 entities, HS Tradecom Private Limited, Dhanlakshmi Brokers Private Limited, Padma Impex Private Limited, Ranisati Dealer Private Limited, Gajgamini Merchandise Private Limited, Helot Properties Private Limited, Rangan Vincom Private Limited, and Jugal Chandrakant Thacker (HUF) were part of the suspected group of entities.*

z) *It was observed that during Patch-2 of the investigation period, Groups-6 entities have not bought in the scrip. For other 5 groups, their group wise LTP analysis is given as under:*

Table:7

Buyer Name	All Trades			trades with LTP diff > 0			trades with LTP diff < 0			rades with LTP diff < (		% of Positive LTP to Total Market Positive LTP
	Net LTP in Rs.	QTY traded	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	
HS Tradecom Private Limited	10.30	765088	3590	90.60	34782	188	-80.30	30750	198	699556	3204	28.08
Dhanlakshmi Brokers Private Limited	4.10	607304	3016	57.85	40447	140	-53.75	23243	161	543614	2715	17.93
Padma Impex Private Limited	8.50	886110	1183	23.85	31903	53	-15.35	26370	44	827837	1086	7.39
Jugal Chandrakant Thacker Huf	3.80	20000	38	9.20	5862	9	-5.40	3670	5	10468	24	2.85
Ranisati Dealer Private Limited	0.55	699146	1333	6.15	25200	21	-5.60	15800	16	658146	1296	1.91
Limestone Properties Private Limited	1.30	499500	216	2.80	38600	12	-1.50	23650	6	437250	198	0.87
Ridhi Vincom Pvt Ltd	2.15	45000	55	2.15	305	2	0.00	0	0	44695	53	0.67
Comfort Intech Limited	1.50	24500	104	1.50	400	2	0.00	0	0	24100	102	0.47
Esquire Enclave Private Limited	-6.15	300000	162	1.10	13500	5	-7.25	28505	8	257995	149	0.34
Radison Properties Private Limited	0.25	202000	125	0.85	12500	3	-0.60	4050	2	185450	120	0.26
Navdurga Investment Consultants Pvt Ltd	0.75	48000	31	0.75	1500	1	0.00	0	0	46500	30	0.23
Dhanraksha Vincom Pvt Ltd.	-2.25	59000	40	0.35	1100	2	-2.60	1550	3	56350	35	0.11
Transcend Vinimay Private Limited	0.25	61800	22	0.35	4000	2	-0.10	1000	1	56800	19	0.11
Divya Drishti Traders Pvt.Ltd	0.25	23250	4	0.25	5000	1	0.00	0	0	18250	3	0.08
Shivkhori Construction Private Limited	-2.60	335500	127	0.15	2000	1	-2.75	15500	3	318000	123	0.05
Manner Distributors Private Limited	-0.65	39250	22	0.20	3500	1	-0.85	1000	1	34750	20	0.06
Natural Housing Private Limited	0.25	70000	29	0.25	1000	1	0.00	0	0	69000	28	0.08
Other Non LTP (+) Contributing Clients (6)	-1.05	285080	123	0.00	0	0	-1.05	5600	4	279480	119	0.00
Group 1 (Total 23 Entities)	**21.25**	**4970528**	**10220**	**198.35**	**221599**	**444**	**-177.10**	**180688**	**452**	**4568241**	**9324**	**61.47**
Blackberry Commotrade Private Limited	0.20	18250	18	1.05	2155	3	-0.85	2000	1	14095	14	0.33
Dayanidhi Commercial Limited Dcl	0.35	6540	5	0.35	3000	1	0.00	0	0	3540	4	0.11
Megapix Real Estate Private Limited	0.15	23750	13	0.15	2800	1	0.00	0	0	20950	12	0.05
Pace Tradelinks Pvt Ltd	-0.50	14530	9	0.05	2000	1	-0.55	3080	1	9450	7	0.02
Other Non LTP (+) Contributing Clients (15	-1.40	83805	59	0.00	0	0	-1.40	8900	5	74905	54	0.00
Group 2 (Total 19 Entities)	**-1.20**	**146875**	**104**	**1.60**	**9955**	**6**	**-2.80**	**13980**	**7**	**122940**	**91**	**0.49**
Gajgamini Merchandise Private Limited	-4.55	77699	127	5.45	10999	15	-10.00	5769	14	60931	98	1.69
Helot Properties Pvt Ltd	1.80	166500	144	4.95	19550	9	-3.15	8750	6	138200	129	1.53
Overload Financial Advisory Pvt Ltd	2.90	92000	116	3.75	2800	3	-0.85	900	3	88300	110	1.16
Antaryamini Traders Private Limited	-0.80	62250	58	2.40	7550	7	-3.20	900	5	53800	46	0.74
Katyani Commodities Private Limited	-0.55	159760	155	2.40	6120	12	-2.95	5305	9	148335	134	0.74
Overarching Dealers Private Limited	-0.30	34270	71	1.30	8465	7	-1.60	320	3	25485	61	0.40
Vishnudham Marketing Private Limited	-0.55	74550	67	0.95	2550	4	-1.50	2500	3	69500	60	0.29
Mobixa Distributors Private Limited	-1.95	26420	26	0.65	700	2	-2.60	1515	3	24205	21	0.20
Muchmore Vincom Private Limited	-2.00	32800	33	0.50	2050	2	-2.50	150	2	30600	29	0.16
Sidhiman Vyapaar Private Limited	0.35	45200	47	0.35	7500	3	0.00	0	0	37700	44	0.11
Dreamlight Exim Private Limited	-2.40	14550	28	0.25	1000	1	-2.65	2200	3	11350	24	0.08
Group 3 (Total 11 Entities)	**-8.05**	**785999**	**872**	**22.95**	**69284**	**65**	**-31.00**	**28309**	**51**	**688406**	**756**	**7.11**
Manimudra Vincom Private Limited	0.55	27500	134	0.55	1600	2	0.00	0	0	25900	132	0.17
Other Non LTP (+) Contributing Clients (03	0.00	14000	42	0.00	0	0	0.00	0	0	14000	42	0.00
Group 4 (Total 4 Entities)	**0.55**	**41500**	**176**	**0.55**	**1600**	**2**	**0.00**	**0**	**0**	**39900**	**174**	**0.17**
Rangan Vincom Private Limited	-5.30	456909	515	7.80	28200	25	-13.10	42301	39	386408	451	2.42
Ladios Trading Private Limited	0.65	327550	300	2.50	17420	10	-1.85	10651	9	299479	281	0.78
Other Non LTP (+) Contributing Clients (02	0.00	2000	6	0.00	0	0	0.00	0	0	2000	6	0.00
Group 5 (Total 4 entities)	**-4.65**	**786459**	**821**	**10.30**	**45620**	**35**	**-14.95**	**52952**	**48**	**687887**	**738**	**3.19**
Group 6 (Total)	Not traded											
Remaining Market	16.40	2183683	1845	84.65	115436	148	-68.25	175736	115	1892511	1582	27.54
Grand Total	**24.30**	**8915044**	**14038**	**318.40**	**463494**	**700**	**-294.10**	**451665**	**673**	**7999885**	**12665**	**100.00**

aa) *From the above table, it is observed that Group-1 has contributed largest positive LTP as buyers. Among the 23 Group-1 entities which have bought in the scrip during the patch, 18 entities have contributed to positive LTP of 61.47% in 444 trades.*

bb) *Investigation also observed that out of 444 positive LTP contributing trades of Group-1, 64 trades for 14,015 shares contributed to positive LTP of Rs.16.85 (5.26% of market positive LTP). Further, 6 Group-1 entities were observed to have been trading amongst themselves. An analysis of intragroup LTP trades of Group-1 entities are given as under:*

Table: 8

Seller	Buyer	Positive LTP Contribution	% of Market Positive LTP	No of Trades	Quantity Traded
Jugal C Thacker (HUF)	HS Tradecom Private Limited	0.10	0.08	1	200
	Sub Total(A)	**0.10**	**0.08**	**1**	**200**
Manju Khandelia	Esquire Enclave Private Limited	0.25	0.01	1	2000
	HS Tradecom Private Limited	8.00	2.51	32	5765
	Dhanlakshmi Brokers Private Limited	7.70	2.41	26	5050
	Padma Impex Private Limited	0.80	0.25	4	2800
	Sub Total(B)	**16.75**	**5.18**	**63**	**15615**
	Total (A+B)	**16.85**	**5.26**	**64**	**15815**

cc) *It is observed from the above table that Group-1 entities made significant positive LTP contribution of Rs.16.85 i.e. 5.26% of market positive LTP during price-rise patch-2 of the investigation period by trading among themselves. Manju Khandelia, a Group-1 entity has sold 13,815 shares in 63 positive LTP contributing trades contributing a positive LTP of 5.18% where the buyer entities were other four Group-1 entities itself i.e. (i) HS Tradecom Private Limited (ii) Dhanlakshmi Brokers Private Limited (iii) Padma Impex Private Limited and (iv) Esquire Enclave Private Limited. It was also observed that Manju Khandelia had received 5,00,000 shares in preferential allotment from the company on Dec 05, 2011 which she sold during this patch in 2039 trades for a total value of Rs.13.36 Cr. The major buyers for her sell trades were these 4 Group-1 entities- HS Tradecom Private Limited (1,22,301 shares in 764 trades), Dhanlakshmi Brokers Private Limited (1,07,007 shares in 674 trades) Padma Impex Private Limited (35,600 shares in 76 trades) and Esquire Enclave Private Limited (2000 shares in 1 trade). Further, HS Tradecom Private Limited was also* *counterparty client for trades of Jugal Chandrakant Thacker (HUF), a Group-1 entity who sold 200 shares and contributed LTP of Rs.0.10.*

dd) Therefore, it was alleged that by such intragroup trades, these 6 Group-1 entities have manipulated the price and have thereby violated regulation 3 (a), (b), (c),(d) and regulation 4(1) 4(2) (a) and (e) of SEBI (PFUTP) Regulations 2003. Details of the above mentioned 64 trades are provided as Annexure 3.

ee) Investigation observed that during Patch 3 - Price Fall (Nov 22, 2013 to Nov 28, 2014: 248 Days) of the investigation period, price of the scrip opened at Rs.24.45, reached a low of Rs.6.55 and closed at Rs.7.30 i.e., a fall of 70.14% with a net LTP of Rs. -17.15 and market negative LTP of Rs.- 72.96. The LTP analysis of the top 10 LTP contributing entities is as follow:

Table: 9

Seller Name	All Trades			Trades with LTP diff > 0)			Trades with LTP diff <0)			rades with LTP diff = (		% of Negative LTP to Total Market
	Net LTP in Rs.	QTY traded	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
Padma Impex Pvt Ltd	-0.31	3231123	1789	17.17	562053	180	-17.48	1503132	215	1165938	1394	23.96
Ranisati Dealer Pvt Ltd	-1.71	7563900	1416	7.29	286588	84	-9.00	374742	94	6902570	1238	12.34
Dhanishkumar Jain	-3.70	5000000	1065	2.65	33561	30	-6.35	146481	47	4819958	988	8.70
Sunita Motilal Sinha	-0.80	5050000	1212	2.70	69047	35	-3.50	185854	37	4795099	1140	4.80
Navdurga Investment Consultants Pvt Ltd	-1.45	25425	91	1.20	4045	15	-2.65	13900	38	7480	38	3.63
Sweta Bhuwalka	-0.35	816000	169	1.35	11618	17	-1.70	7760	10	796622	142	2.33
Nityadhara PlazaPvt Ltd	-0.20	181282	217	1.49	2865	15	-1.69	6790	17	171627	185	2.32
Nirmal Kumar Malhotra	-0.81	56165	177	0.87	2616	10	-1.68	5250	15	48299	152	2.30
Rangan Vincom Pvt Ltd	-1.40	21500	72	0.10	625	1	-1.50	6650	24	14225	47	2.06
Mahaveer Choudhary	-0.60	1060000	363	0.87	81000	12	-1.47	36935	23	942065	328	2.01
Top 10 (Total)	**-11.33**	**23005395**	**6571**	**35.69**	**1054018**	**399**	**-47.02**	**2287494**	**520**	**19663883**	**5652**	**64.45**
Remaining Market	-5.82	70436077	9248	20.12	3921826	244	-25.94	3104358	327	63409893	8677	35.63
Grand Total	**-17.15**	**93441472**	**15819**	**55.81**	**4975844**	**643**	**-72.96**	**5391852**	**847**	**83073776**	**14329**	**100.00**

ff) Investigation observed that of the top 10 LTP contributors in the above table, 5 belong to Group-1 and that there was not enough evidence to prove the nexus of the remaining 5 entities.

gg) During LTP analysis of the entities contributing more than 5% of the negative LTP during patch 3 (price fall patch) of the investigation period, it was observed that one of the entity Dhanishkumar Jain (Dhanish) had contributed significantly to the negative LTP. Dhanish had sold 5,00,000 shares in 1,065 trades of which 47 trades for 1,46,481 shares have contributed to the negative LTP of Rs.6.35 which was 8.70% of total market negative LTP. It was observed that for most of the negative LTP contributing trades, sell orders were placed after the buy orders. It was also observed *that the counterparties for 42 trades contributing to negative LTP of Rs.4.50 were Group-1 entities namely Padma Impex Private Limited, Ashtbhuja Constructions Private Limited, Nityadhara Plaza Private Limited and Navdurga Investment Private Limited.*

hh) It was observed that during Patch-3 of the investigation period Group-3 and Group-6 entities did not sell in the scrip and the top LTP contributors for other 4 groups re as per the table below:

Table-10

Seller Name	All Trades			Trades with LTP diff > 0)			Trades with LTP diff <0)			Trades with LTP diff = 0		% of Negative LTP to Total Market
	Net LTP in Rs.	QTY traded	No of trades	LTP impact (t	QTY traded (trades with LTP	No of trades (trades with LTP	LTP impact(trades with LTP diff	QTY traded (trades with LTP	No of trades (trades with LTP	QTY traded (trades with LTP	No of trades (trades with LTP	
Padma Impex Private Limited	-0.31	3231123	1789	17.17	562053	180	-17.48	1503132	215	1165938	1394	23.96
Ranisati Dealer Private Limited	-1.71	7563900	1416	7.29	286588	84	-9.00	374742	94	6902570	1238	12.34
Navdurga Investment Consultants Pvt Ltd	-1.45	25425	91	1.20	4045	15	-2.65	13900	38	7480	38	3.63
Nityadhara Plaza Private Limited	-0.20	181282	217	1.49	2865	15	-1.69	6790	17	171627	185	2.32
Ramdut Infraproject Pvt Ltd	-0.37	1010740	310	0.40	95500	10	-0.77	11190	11	904050	289	1.06
Comfort Intech Limited	-0.06	245000	19	0.02	10000	1	-0.08	3000	3	232000	15	0.11
Non LTP contributers (1)	0.00	21700	5	0.00	0	0	0.00	0	0	21700	5	0.00
Group 1 (Total 7 Entities)	**-4.10**	**12279170**	**3847**	**27.57**	**961051**	**305**	**-31.67**	**1912754**	**378**	**9405365**	**3164**	**43.42**
Blackberry Commotrade Private Limited	-0.10	264500	19	0.00	0	0	-0.10	11000	2	253500	17	0.14
Dayanidhi Commercial Limited Dcl	-0.05	127400	5	0.00	0	0	-0.05	900	1	126500	4	0.07
Megapix Real Estate Private Limited	-0.04	237500	16	0.01	25000	1	-0.05	1000	1	211500	14	0.07
Non LTP contributer Clients (22) entities	0.13	1786450	89	0.13	209400	5	0.00	0	0	1577050	84	0.00
Group -2 (Total 25 Entities)	**-0.06**	**2415850**	**129**	**0.14**	**234400**	**6**	**-0.20**	**12900**	**4**	**2168550**	**119**	**0.28**
Manimudra Vincom Private Limited	-0.10	415000	10	0.00	0	0	-0.10	105000	2	310000	8	0.14
Bazigar Trading Private Limited	-0.05	165000	6	0.00	0	0	-0.05	25000	1	140000	5	0.07
Amrit Sales Promotion Pvt Limited	-0.04	245000	8	0.00	0	0	-0.04	50000	1	195000	7	0.05
Non LTP contributers (4) Entities	0.00	545000	26	0.00	0	0	0.00	0	0	545000	26	0.00
Group - 4 (Total 7 Entities)	**-0.19**	**1370000**	**50**	**0.00**	**0**	**0**	**-0.19**	**180000**	**4**	**1190000**	**46**	**0.26**
Rangan Vincom Private Limited	-1.40	21500	72	0.10	625	1	-1.50	6650	24	14225	47	2.06
Non LTP contributers (2) Entities	0.00	20000	2	0.00	0	0	0.00	0	0	20000	2	0.00
Group - 5 (Total 3 Entities)	**-1.40**	**41500**	**74**	**0.10**	**625**	**1**	**-1.50**	**6650**	**24**	**34225**	**49**	**2.06**
Remaining Market	-11.40	77334952	11719	28.00	3779768	331	-39.40	3279548	437	70275636	10951	54.06
Grand Total	**-17.15**	**93441472**	**15819**	**55.81**	**4975844**	**643**	**-72.96**	**5391852**	**847**	**83073776**	**14329**	**100.00**

ii) It was observed that Group-1 entities have contributed negative LTP of Rs.31.67 (43.43% of market negative LTP) in 378 trades. It was also observed that Group-1 entities have bought 1,22,20,879 shares and sold 1,22,79,170 shares. Out of 378 negative LTP contributing trades of Group-1, in 201 trades for 1,24,279 shares contributed negative LTP of Rs.12.74 (17.46% of market negative LTP), 6 Group-1 entities were found to be trading amongst themselves, 3 entities on the seller side and 3 entities on the buyer side. The detailed LTP analysis of intragroup trades are as follows:

Table-11

Seller PAN	Seller Name	Buyer PAN	Buyer Name	Negative LTP contr	% to mkt neg LTP	No. of trades	Qty traded
AAACL4269P	**PADMA IMPEX PRIVATE LIMITED**	AAKCA4137B	**ASTABHUJA CONSTRUCTION PRIVATE LIMITED**	-0.05	0.07	1	3
		AAFCR7839E	**RAMDUT INFRAPROJECTS PRIVATE LIMITED**	-10.06	13.79	167	48820
AADCR7368C	**RANISATI DEALER PRIVATE LIMITED**	AACCH4303G	**HELPFUL INVESTMENT ADVISORY PRIVATE LIMITED**	-0.04	0.05	1	5000
		AAKCA4137B	**ASTABHUJA CONSTRUCTION PRIVATE LIMITED**	-0.6	0.82	5	1100
		AAFCR7839E	**RAMDUT INFRAPROJECTS PRIVATE LIMITED**	-1.91	2.62	24	66356
AAACC5567H	**COMFORT INTECH LIMITED**	AAFCR7839E	**RAMDUT INFRAPROJECTS PRIVATE LIMITED**	-0.08	0.11	3	3000
	Grand Total			**-12.74**	17.46	**201**	**124279**

jj) It was observed that only Group-1 entities had negative LTP contribution through intra-group trades during this patch. As seen in table above, the Group-1 entities made significant negative LTP contribution of Rs.12.74 i.e. 17.46% of market negative LTP during price-fall patch-3 by trading among themselves. It is observed from the table above that Padma Impex Private Limited, Ranisati Dealer Private Limited, Ramdut Infraprojects Private Limited, Comfort Intech Limited, Helpful Investment Advisory Private Limited and Astabhuja Construction Private Limited deflated the price of the scrip by trading among themselves. Also, such trades by these entities gave misleading appearance of trading in the securities to the general investors. This is in violation of regulation 3 (a), (b), (c),(d) and regulation 4(1) 4(2)(a) and (e) of SEBI (PFUTP) Regulations 2003.

kk) In view of all of the above, it is alleged that the Noticees i.e. (i) HS Tradecom Private Limited - Noticee 1 (ii) Dhanlakshmi Brokers Private Limited - Noticee 2, (iii) Padma Impex Private Limited - Noticee 3, (iv) Manju Khandelia - Noticee 4, (v) Ranisati Dealer Private Limited - Noticee 5, (vi) Ramdut Infraprojects Private Limited - Noticee 6 (vii) Astabhuja Construction Private Limited - Noticee 7, (viii) Comfort Intech Limited - Noticee 8, (ix) Esquire Enclave Private Limited - Noticee 9, (x) Helpful Investment Advisory Private Limited - Noticee 10, (xi) Jugal Chandrakant Thacker (HUF) - Noticee 11, (xii) Vandana Sharma - Noticee 12, (xiii) Madan Lal - Noticee 13, and (xiv) Asha Sharma - Noticee 14 were not acting as bonafide sellers and had no bona fide intention to sell because despite sufficient buy orders being available in the market, they released very small quantity of shares in each transaction. Further, it is alleged that by these trades, they matched the price *of the prevailing buy orders which were placed at a price higher than the last traded price (LTP).*

ll) *It is therefore alleged that the Noticees by above, contributed to the price rise of the scrip of Rutron with each of their trades. In view of the repeated nature of such trades by the aforesaid Noticees, it is alleged that the culpability of the Noticees, in manipulating the price of the scrip of Rutron is established. Further from the above it is evident from the above trading pattern that the intention of the Noticees was to mark the manipulate the price of the scrip and not merely to enter into sale transactions carried out by them.*

mm) *In view of the all of the above, it is alleged that (i) HS Tradecom Private Limited - Noticee 1 (ii) Dhanlakshmi Brokers Private Limited - Noticee 2, (iii) Padma Impex Private Limited - Noticee 3, (iv) Manju Khandelia - Noticee 4, (v) Ranisati Dealer Private Limited - Noticee 5, (vi) Ramdut Infraprojects Private Limited - Noticee 6 (vii) Astabhuja Construction Private Limited - Noticee 7, (viii) Comfort Intech Limited - Noticee 8, (ix) Esquire Enclave Private Limited - Noticee 9, (x) Helpful Investment Advisory Private Limited - Noticee 10, (xi) Jugal Chandrakant Thacker (HUF) - Noticee 11, (xii) Vandana Sharma - Noticee 12, (xiii) Madan Lal - Noticee 13, and (xiv) Asha Sharma - Noticee 14 have contributed to manipulation in the price of the scrip of Rutron and created a misleading appearance of trading in the scrip by such trades as explained above.*

nn) *In view of all of the above, it is therefore alleged that the Noticees' actions have led to the violation of the provisions of Regulations 3(a), 3(b), 3(c), 3(d) and Regulation 4(1), 4(2)(a) and 4(2)(e) of SEBI (PFUTP) Regulations, 2003.*

4. I note from the material available on record that the SCN was issued to 14 entities. However, the instant order deals with 10 entities, since four (4) entities namely, HS Tradecom Private Limited, Ranisati Dealer Private Limited, Ramdut Infraprojects Limited and Astabhuja Construction Private Limited have been struck off from the list of companies by the Office of Registrar of Companies and also dissolved. As the entities were struck off, the same were dealt in separate orders. The details the entities as per the SCN vis-à-vis the instant order are as follows:

(i) HS Tradecom Private Limited - Noticee 1 as per SCN
(ii) Dhanlakshmi Brokers Private Limited - Noticee 2 as per SCN (Noticee 1 in the instant order)
(iii) Padma Impex Private Limited - Noticee 3 as per SCN (Noticee 2 in the instant order)
(iv) Manju Khandelia - Noticee 4 as per SCN (Noticee 3 in the instant order)
(v) Ranisati Dealer Private Limited - Noticee 5 as per SCN
(vi) Ramdut Infra projects Private Limited - Noticee 6 as per SCN
(vii) Astabhuja Construction Private Limited - Noticee 7 as per SCN
(viii) Comfort Intech Limited - Noticee 8 as per SCN (Noticee 4 in the instant order)
(ix) Esquire Enclave Private Limited - Noticee 9 as per SCN (Noticee 5 in the instant order)
(x) Helpful Investment Advisory Private Limited - Noticee 10 as per SCN (Noticee 6 in the instant order)
(xi) Jugal Chandrakant Thacker (HUF) - Noticee 11 as per SCN (Noticee 7 in the instant order)
(xii) Vandana Sharma - Noticee 12 as per SCN (Noticee 8 in the instant order)
(xiii) Madan Lal - Noticee 13 as per SCN (Noticee 9 in the instant order)
(xiv) Asha Sharma - Noticee 14 as per SCN (Noticee 10 in the instant order)

In view of the above, with regard to the four (4) strike off companies, as the matter dealt separately, I will deal with other ten (10) entities in the instant order.

5. It is noted from the material available on record that the SCN was served to the Noticees through speed post acknowledgement due/e-mail/Newspaper publication. Pursuant to the Newspaper publication, Noticee No. 2, 8, 9 and 10 replied to the SCN. Subsequently, in compliance with the principle of natural justice, opportunities of personal hearing was accorded to the Noticees on August 13, August 25, 2021, October 18, 2021, vide hearing notices dated August 06, 2021, September 30, 2021. Noticee Nos. 3, 4 and 7 submitted their reply to the

SCN. Noticee 2 vide letter dated August 23, 2021 informed that it was unable to access the SCN in the unserved SCN in the SEBI website and accordingly, SCN was forwarded to Noticee 2 vide e-mail dated August 25, 2021 and in this regard no reply was received from the said Noticee. Further, Noticees no. 8, 9 and 10 replied that as the matter is old, they are unable to access the records. So vide hearing notices dated September 30, 2021, SCN alongwith the Annexures forwarded to these 3 Noticees and also another opportunity of hearings was provided to these Noticees on October 18, 2021. The said hearing notices were delivered to the Noticees no. 8, 9 and 10. However, the said Noticees did not attend the hearing scheduled on October 18, 2021. From the available record, I note that Noticee nos. 3, 4 and 7 attended the hearing.

6. I note that the Noticee nos. 1, 5 and 6 have neither filed any reply to the SCN nor availed the opportunities of personal hearing despite service of notices as aforesaid. It is also a case that the charges and allegations have been levelled based upon the trades of the Noticees and supporting material had been provided in the SCN. I, therefore, in absence of response of the aforesaid Noticees presume that the allegations/charges have been admitted by the Noticees. In this regard, it is pertinent to note that the Hon'ble Securities Appellate Tribunal ('SAT') in the matter of Classic Credit Ltd. vs. SEBI (Appeal No. 68 of 2003 decided on December 08, 2006) has, inter-alia, observed that, "............ *the appellants did not file any reply to the second showcause notice. This being so, it has to be presumed that the charges alleged against them in the show cause notice were admitted by them*". It is also pertinent to note that the Hon'ble SAT in the matter of Sanjay Kumar Tayal (File Ref No.: EAD-2/SS/VS/64/111/2019-20) & Others vs SEBI (Appeal No. 68 of 2013 decided on February 11, 2014), has also, inter alia, observed that: "........... *appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges leveled against them in the show cause notices..*."

7. Noticee 2 vide letter dated August 23, 2021, Noticee 3 vide letters dated June 13, 2018, August 04, 2021 and August 16, 2021, Noticee 4 vide letters dated June 13, 2018, August 02, 2021 and August 16, 2021 and Noticee 7 vide letters dated August 03, 2021 and August 16, 2021 submitted their reply to the SCN. The submissions of the Noticees are summarized below:

<u>Reply of Noticee 2</u>

Noticee 2 submitted that its current management has taken over the company from 12.10.2015 and as the matter is very old we had no role in the same.

<u>Reply of Noticee 3</u>

a) *At the outset, without prejudice to anything stated hereunder, I deny all the allegations and findings made against me in the said notice in toto, except to the extent specifically admitted by me. Nothing contained in the said notice may be deemed to be admitted by me by reason of non-traverse or otherwise, save and except what is expressly admitted herein. I deny all the statements, submissions, contentions, allegations and averments contained in the said notice that are contrary to and / or inconsistent with what is stated herein below.*
b) *It has been alleged that I am a part of the group 1 (out of a total classification of 6 Groups by SEBI as per the SCN). However, no connection has been described in the SCN or its Annexures as supplied to me vide your email dated 5/7/2021. Hence, since there is no connection given by SEBI then the entire premise of my being clubbed as part of an alleged Group 1 by itself is incorrect. Thus the SCN needs to be closed on this ground itself and no action be taken further.*
c) *As can be seen from the table No 6 Para 24 of the SCN, my name is not classified in the Top 10 LTP contributors of Patch 2. Moreover, as per the trade logs provided by your good selves for this scrip, overall in my trades totally combined, the net LTP is (-) 6.95. Out of my total 2039 trades in this scrip, 97 trades have resulted in a negative LTP impact of Rs (-) 30.95, 96 trades have resulted in positive LTP impact of Rs.24, whilst the balance 1846 trades have been at zero LTP impact. This totally negates the entire allegation against me, as it becomes clear that the trades were purely market based and there was no market manipulation as alleged.*
d) *As regards, the allegation of my contributing 5.26% of LTP i.e. Rs.16.85, as per point Table 8 para 28 and 29, I wish to state that the trades taken and specified in the SCN are only a part of the trades selectively picked up from*

the entire trades of mine to show positive LTP. The actual position for the trades for these four entities vis a vis me is given in the chart below:

	Trades Total	*Net LTPRs.*	*Trades*	*Positive LTPRs.*	*Trades*	*Negative LTP Rs.*	*Trades 0 LTP*
HS Tradecom Pvt Ltd	*764*	*-1.45*	*32*	*8.00*	*35*	*-9.45*	*697*
DhanlakshmiBrokers Pvt Ltd	*674*	*-3.10*	*26*	*7.70*	*27*	*-10.80*	*621*
Padma Impex Pvt Ltd	*75*	*-1.20*	*4*	*0.80*	*5*	*-2.00*	*66*
Esquire Enclave Pvt Ltd	*15*	*0.00*	*1*	*0.25*	*1*	*-0.25*	*13*
Total	***1528***	***-5.75***	***63***	***16.75***	***68***	***-22.50***	***1397***

e) *As is apparent from the above, the net LTP in all the above cases is either negative or zero. As such the logic for stating 5.26% positive LTP or Rs.16.75, is totally wrong and arbitrary. The chart clearly shows that only a part of my trades have been picked up for the purpose of the allegation made against me and the balance trades have been left out to portray a picture of positive LTP generated. The SCN should be closed for the same itself.*

f) *Moreover, as can be seen from your Annexure given in the SCN that the LTP difference as shown by you is varying majorly in the range of 0.05 to 0.20 which is quite normal in the market in trading terms. Further, the Buy order discloses volume and the Sell order disclose volume is also varying and as such it is clear that no intra group trading was involved. Hence, it is submitted that no adverse inference is to be drawn against us. Further, the overall LTP in all my trades combined is negative as described above.*

g) *As regards the allegation that I have manipulated the price of the scrip by engaging in intra group trading activity, it is humbly submitted that the trade was carried out by us in the normal course of business and no adverse inference ought to be drawn against us. Moreover, there is no basis given from such classification of Group, hence this allegation is bound to fail.*

h) *Further, as per your observation in para 29 that the major buyers for my trades have been 4 Group 1 entities-HS Tradecom (1,22,301 shares in 764 trades), Dhanlakshmi Brokers (1,07,007 shares in 674 trades), Padma Impex (35,600 shares in 76 trades) and Esquire Enclave Pvt. Ltd. (2000 shares in 1 trade), I am not aware of these parties and have no connection with them. The trades were all done through the exchange and I have no knowledge of the buyers. Moreover, the total of the shares as shown by you above adds up to 2,66,908 shares out of a total of 5 lac shares sold by me, which shows that the balance shares were bought by other parties in the market, which by itself negates the concept of intra group trading.*

i) *I am attaching a chart as Annexure-1 which is taken from the Annexure of SCN giving the details of positive LTP contribution of Rs.16.75. The same* *depicts that even when the shares was sold by me at the same price on various dates, the total LTP calculation has been made by addition of all such figures which is not tenable. The chart shows that Rs.13.05 has been calculated on repetitive prices of various dates. Further, as already stated and depicted in my point (6b) above, it can be seen that the positive LTP shown is totally wrong and only has taken part of my trades to come out with a figure, whilst ignoring the balance of my trades. Moreover, if the figure of Rs.13.05 is removed from the total LTP, the resultant LTP calculated as per SCN would be Rs.3.70 which is 1.15% of market Positive LTP which is too miniscule to even be considered as market manipulation..*

j) *Also, the 63 sell trades are considered as objectionable only on the ground that the aforesaid 63 trades resulted into Positive LTP. I most humbly submit that every trade either result into +ve LTP, -ve LTP or 0 LTP. Further, there is no embargo on placing an order at +ve LTP. An order place at +ve LTP may or may not result into an NHP (New High Price). Also, none of the 63 objectionable trades of mine resulted into NHP and admittedly there is no charge of NHP against me in the SCN.*

k) *The orders were based on the best five quotes available on the trading screen. The 63 objectionable trades were executed by me between 1st April, 2013 and 11th September, 2013 and were all executed in the Range of Rs.266 to Rs.269. However, there were instances when these trade got executed at a price which was higher than LTP but such price had already prevailed on the previous dates: For example: My first alleged objectionable trade (out of 63 objectionable trades) was executed on 1st April, 2013 at Rs.266.70, however, the price of Rs.269/-, Rs.268.5 and Rs.268/- had previously existed on 25.03.2013, 26.03.2013 and 28.03.2013. Therefore, I was only a price taker in most of the 63 objectionable trades. Therefore, such +ve LTPs are not NHPs and hence, will have no effect on price of the scrip. I am attaching Annexure- 2 which shows the variation in prices on two dates on which my LTP has been calculated, wherein the price was already reached earlier.*

l) *Further, I would also like to state that I have sold my shares over a period of 6 months from April to September 2013 as I normally do in my portfolio of number of shares that I am holding, so as to maximize my profitability.*

m) *That out of the total volume of 10,23,63,427 shares, the only objectionable trade is for 15,615 shares which is 0.01% of the total market volume and is exceedingly miniscule to have any impact on the price of the scrip. Moreover, as per Table, the chart shows that out of the above objectionable trade of 15615 the percentage of LTP (combined for various dates) is given below:*

LTP (Rs)	No of Shares traded	% of Trade
0.05	3920	25.10
0.10	1800	11.53
0.15	950	6.08
0.20	3200	20.49
0.25	2600	16.65
0.30	620	3.97
0.35	200	1.28
0.40	400	2.56
0.45	25	
0.50	1050	6.72
0.55	200	1.28
0.65	100	0.64
0.70	200	1.28
0.75	100	0.64
0.80	50	0.32
1.00	200	1.28
Total	**15615**	**100.00**

As can be seen the LTP upto Rs.0.20 is 63.21% of the shares sold and upto Rs.0.25 is 80% of the objectionable trade of shares. The share prices variance as given in LTP is normal in the share trade in most shares traded on the exchanges. Moreover, as per the system of the Stock Exchange, in case of any suspicious transactions, the Exchange raises an alert immediately. In my case no such alert was raised by the Exchange.

n) *The allegation of group is baseless, without any documentary evidence and devoid of any merit. The whole grouping is misleading and I have erroneously been lumped with others without any basis. There are no connections shown for such grouping and no adverse inference can be drawn against me. The allegation is totally flawed and misconceived.*

o) *As regards the allegation that I have manipulated the price of the scrip by engaging in intragroup trading activity, it has been clearly demonstrated above that that is not the actual scenario, and I humbly submitted that the trade was carried out by me in the normal course of business and no adverse inference ought to be drawn against us. Moreover, as shown above, in my case there was a net Negative LTP in totality for my trades combined.*

p) *Also, it is pertinent to mention that the counter parties to my impugned sell trades were HS Tradecom Pvt. Ltd.), Dhanlakshmi Brokers Pvt Ltd, Padma Impex Pvt Ltd and Esquire Enclave Pvt Ltd, which are although classified as part of the Group-1 entities, but there is no connection of whatsoever nature, established between me and abovementioned Noticees.*

q) *Noticee 3 cited the case law of Nishith Shah (HUF) vs. SEBI (Appeal No. 97 of 2019).*

r) *I am attaching some tables which are the detailed bifurcation of Table given in Point No 6 b) of my reply regarding the allegation of my contributing 5.26% of LTP i.e. Rs. 16.85*

<u>Trades with HS Tradecom Pvt. Ltd</u>

	Rs	*No. of Trades*	*Shares Sold*
Zero LTP	*0*	*697*	*110161*
Positive LTP	*8*	*32*	*5765*
Negative LTP	*-9.45*	*35*	*6375*
Net LTP	*-1.45*	*764*	*122301*

Trades with Dhanalaxmi Brokers Pvt Ltd.

	Rs	*No of Trades*	*Shares Sold*
Zero LTP		*621*	*97562*
Positive LTP	*7.7*	*26*	*5050*
Negative LTP	*-10.8*	*27*	*4395*
Total LTP	*-3.1*	*674*	*107007*

Trades with Padma Impex Pvt. Ltd

	Rs	*No. of Trades*	*Shares Sold*
Zero LTP		*66*	*29600*
Positive LTP	*0.8*	*4*	*2800*
Negative LTP	*-2*	*5*	*3200*
Total LTP	***-1.2***	***75***	***35600***

Trades with Esquire Enclave Pvt. Ltd.

	Rs	*No. of Trades*	*Shares Sold*
Zero LTP		*13*	*4500*
Positive LTP	*0.25*	*1*	*2000*
Negative LTP	*-0.25*	*1*	*500*
Total LTP	*0*	*15*	*7000*

s) *As can be seen from the above tables along with the Table given earlier, the allegation of successfully contributing to more than 5% of total positive LTP by trading in less than 1% of the total number of shares in incorrect and wrong.*

t) *That out of the total volume of 10,23,63,427 shares, the only objectionable trade is for 15,615 shares which is 0.01% of the total market volume and is exceedingly miniscule to have any impact on the price of the scrip. Moreover, as per Table, the chart shows that out of the above objectionable trade of 15615 the percentage of LTP (combined for various dates) is given below:*

LTP (Rs)	No of Shares Traded	No. of Trades	% of Trade
0.05	3920	13	25.10
0.10	1800	10	11.53
0.15	950	4	6.08
0.20	3200	10	20.49
0.25	2600	5	16.65
0.30	620	4	3.97
0.35	200	1	1.28
0.40	400	2	2.56
0.45	25	1	
0.50	1050	5	6.72
0.55	200	1	1.28
0.65	100	1	0.64
0.70	200	1	1.28
0.75	100	1	0.64
0.80	50	1	0.32
1.00	200	2	1.28
]	**15615**	**63**	**100.00**

u) *As can be seen the LTP up to Rs. 0.20 is 63.21% of the shares sold and up to Rs. 0.25 is 80% of the objectionable trade of shares. The share prices variance as given in LTP is normal in the share trade in most shares traded on the exchanges. Moreover, as per the system of the Stock Exchange, in case of any suspicious transactions, the Exchange raises an alert immediately. In my case no such alert was raised by the Exchange.*

v) *In reference to the Para No. 6 e) of my reply where I had referred to the Para 29 of SCN regarding major buyers for my trades, there is an error in respect of figures with Esquire Enclave Pvt. Ltd. The figures given in the SCN is 2000 shares in 1 trade but as can be seen from the Trade logs and as given in the Table above, the trades with them were 15 in number with total of 7000 shares.*

<u>Reply of Noticee 4</u>

a) *At the outset, without prejudice to anything stated hereunder, we deny all the allegations and findings made against the Company in the said notice in toto, except to the extent specifically admitted by us. Nothing contained in the said notice may be deemed to be admitted by the Company by reason of non-traverse or otherwise, save and except what is expressly admitted herein. We deny all the statements, submissions, contentions, allegations* *and averments contained in the said notice that are contrary to and / or inconsistent with what is stated herein below.*

b) *The Company has been alleged to be a part of the Group 1 (total 6 separate groups as made by SEBI as per Para 9). However there is no basis of connection as given in the SCN or its Annexures sent by your good selves through email dated 02.07.2021. As such, the SCN on this ground itself needs to be closed and dropped since no circumstances have been given which would constitute any reason to us being classified as a Group 1 entity which you would appreciate.*

c) *The Company has been alleged to have contributed a negative LTP of Rs.0.08 (0.11%) is given As regards, the allegation of contributing 0.11% of negative LTP, Para No 35, we wish to state that the same is too minor to be of any significance. Moreover, we have sold the shares in the month of July 2014, at prices which were prevailing in the market from March 2014 onwards (reference Trade Log sent by you) and we wish to clarify that the entire purchase/sale in this scrip has been done through the Stock Exchange and have been done at prevailing market prices and there was no wrong intention of ours behind the same in establishing any market prices.*

d) *It may also be noted that the LTP is at -0.06,-0.01 and- 0.01 in the three sell trades shown by you, which is very insignificant in trading terms (0.11 % to Market negative LTP of Rs 72.96 as per Table 10). Moreover, the objection is only for 3000 shares out of the total trade by CIL, which indicates that there is no objection to the balance trades.*

e) *As can be seen from the Trade Log, that on that particular date itself viz 23/7/2014, the share has traded in the range of Rs.7.05 and Rs.7.04 prior to our trade also. The details are given in the chart below.*

Buy Order Time	*CIL Order Time*	*Trade Time From*	*Trade Price*	*LTP Rs*	*Trade Quantity*	*Trade Value (Rs)*	*LTP Value Difference Rs*
		9.17.34 AM	*7.05*	*-0.05*			
		12.32.04 PM	*7.04*	*-0.01*			
		2.48.02 PM	*7.10*	*0.06*			
9.18.03 AM	*3.04.19 PM*	*3.04.37 PM ***	*7.04*	*-0.06*	*722*	*5,083*	*-43*
9.18.08 AM	*3.04.19 PM*	*3.04.37 PM***	*7.03*	*-0.01*	*1,295*	*9,104*	*-13*
9.18.11 AM	*3.04.19 PM*	*3.04.37 PM***	*7.02*	*-0.01*	*983*	*6,901*	*-10*
					3000	*21088*	*-66*

*** CIL Trades on date*

f) As can be seen from the chart above, the share traded @ Rs. 7.05, came down to Rs.7.04 then increased to Rs.7.10 and then again reduced to Rs.7.04, Rs.7.03 and Rs.7.02. Such a variation is common in any share price trading on the Stock Exchange. From the above it becomes clear that there was never any intention by CIL to manipulate the market price or rigging the market price of the scrip and the allegation is unfounded. Further, as can be seen from the chart, the buy order time was 9.18 am whilst the sell order time was 3.04.19. Hence, there was no pre planned trade nor any meeting of minds. The sale was based on availability of buyer in the market. The trades in question are approximately 0.0029% of the total shares traded in the scrip (10,23,62,427) as per your observation in para 4. As is apparent this is a figure is too small to even be considered.

g) As regards the allegation that we have manipulated the price of the scrip by engaging in intra group trading activity, it is humbly submitted that the trade was carried out by us in the normal course of business and no adverse inference ought to be drawn against us. As is clear from the chart given in para above, the total sale value of the shares traded in these three transactions are Rs 21000/- with a total negative value difference of Rs 66/- based on the negative LTP of Rs 0.08 shown for all the three transactions combined. This amount is too miniscule to warrant a SCN especially when there is no connection between CIL and the other party. On this ground also the SCN ought to be dropped.

h) Further, as per your observation that there have been 3 sell transactions wherein the buyer was one Ramdut Infraprojects Pvt. Ltd, and the allegations of intra group trading, it is submitted that the trading was carried out by us on the electronic, faceless and anonymous trading platform of the stock exchange wherein the counter party is unknown. The entire sale and purchase transactions have been done through the Stock Exchange at the prevailing market prices. Hence, it is submitted that no adverse inference is to be drawn against us. Also, as no connection has been stated between CIL and Ramdut Infraprojects Ltd. nor any other entity in the SCN, hence we cannot be considered to be a part of the alleged group. The allegation is baseless, without any documentary evidence and devoid of any merit. Just by carrying out trade with one of the entities of an alleged Group as classified by SEBI, we cannot be made a part of the entire group. The whole grouping is misleading and we have erroneously been lumped with others without any basis. Based on the alleged connections, acts of other persons/entities cannot be fastened on us or any adverse inference drawn against us. The allegation is totally flawed and misconceived.

i) Noticee cited the case laws of Nishith Shah (HUF) vs. SEBI (Appeal No. 97 of 2019) and Indivar Traders Private Limitedvs. SEBI (Appeal No. 253 of 2020) decided by the Hon'ble SAT.

j) Further an analysis of our trades with the corresponding counter party is given herein below:

		LTP Rs	*No. of Trades*	*Shares Sold*	*% of Shares Sold*
Ramdut Infraprojects Pvt. Ltd.	*Zero LTP*				
	Positive LTP				
	Negative LTP	*-0.08*	*3*	*3000*	*1%*
*Other Entities**(not part of the six groups as classified by SEBI)***	*Zero LTP*		*15*	*232000*	*95%*
	Positive LTP	*0.02*	*1*	*10000*	*4%*
	Negative LTP				
Total		***-0.06***	***19***	***245000***	***100.00%***

k) As can be seen from the above chart, the maximum trades (94.9%) are with entities which have not been classified by SEBI as part of any Group and only three trades were found objectionable by SEBI in respect of Ramdut Infraprojects. This clearly indicates that there were no manipulative trades or intention on our part for the same.

Reply of Noticee 7

a) At the outset, without prejudice to anything stated hereunder, we deny all the allegations and findings made against the HUF in the said notice in toto, except to the extent specifically admitted by us. Nothing contained in the said notice may be deemed to be admitted by the HUF by reason of non-traverse or otherwise, save and except what is expressly admitted herein. We deny all the statements, submissions, contentions, allegations and averments contained in the said notice that are contrary to and / or inconsistent with what is stated herein below.

b) As per the SCN, SEBI has classified 6 Groups. Mr. Jugal C Thacker, our Karta (hereinafter referred to as "I"/"my") has been alleged to be a part of a group named Group 1. However, neither the SCN nor its Annexures (received through your email dated 30/6/2021), provides any details of connections. Since no connections are given, there is no question of our classification as a Group 1 entity. As such, the SCN is by itself wrong and arbitrary and the same needs to be dropped and all inquiry needs to be closed and no further action of penalty can be taken.

c) The reference to the HUF for positive LTP has been made in Para number 28 table 5, wherein it has been shown that an amount of 200 shares sold by the HUF has been bought by a M/s HS Trade Com Private Limited at an LTP of Rs.0.10. In this connection please note the following:

(i) The HUF had bought a total amount of 20000 shares on the Stock Exchange through the automated trading system (which is faceless and does not divulge either the buyer or seller details at the time of trading. The shares were purchased on 18/2/2013 and 20/2/2013 and the same were sold on 22/3/2013 and 25/3/2013.

(ii) The objection has been raised for a total of 200 shares out of total volume of 40000 shares done by the HUF (buy + sell) which is 0.5% of its own total volume. Further, when considering the total volume in this scrip as given in the SCN- 10,23,62,427, the percentage is too miniscule to be even considered (0.0002%). This also indicated that the balance purchase and sale volume of the HUF is not considered objectionable (99.5% of our trade).

(iii) Further, the objection is in respect of 200 shares is based on the intragroup trade of alleged Group 1 entities. As there is neither connection established nor any details of any connection given for such alleged clubbing of Group1, the same is not a tenable observation.

(iv) The Karta does not know the entity HS Tradecom Pvt Ltd in any manner and has no connection with them whatsoever.

(v) As per the trade log provided, the objectionable sell trade order was placed at 13:55:44 IST and the trade got executed when the counter-party Buyer placed his buy order later at 14:26:21 IST. Thus, the very fact that there was a substantial time difference of about 30 minutes between sell order and buy order as reflected in order logs / trade logs, show that there was no prior meeting of minds and the trading was system driven and technical in nature and of no consequence to the HUF or the counter party.

(vi) The trade timings for various trades given as per the trade log provided by you for the date in question i.e. 22/3/2021 is given below.

Trade Time from	*Trade Price*	*LTP*	
9.22.15 AM	*265*	*1.00*	
10.28.16 AM	*265.2*	*0.20*	
10.29.17 AM	*265.35*	*0.15*	
10.50.11 AM	*265.4*	*0.05*	
11.43.01 AM	*265.00*	*-0.40*	
12.25.48 PM	*265.85*	*0.85*	
12.40.13 PM	*265.00*	*-0.85*	
01.34.33 PM	*265.00*	*0.00*	*A*

2.25.06 PM	*264.90*	*-0.10*	
2.26.21 PM	*265.00*	*0.10*	*B*
2.27.16 PM	*265.10*	*0.10*	
2.35.20 PM	*266.50*	*1.40*	
2.35.52 PM	*267.50*	*1.00*	
2.57.24 PM	*268.00*	*0.50*	
2.57.32 PM	*269.00*	*1.00*	
2.57.32 PM	*269.75*	*0.75*	
2.57.41 PM	*269.95*	*0.20*	
2.58.59 PM	*270.00*	*0.05*	
3.11.37 PM	*269.00*	*-1.00*	

The trades by the HUF took place in two slots i.e between 1.34.33 PM and 1.55.44 PM at a price of Rs.265 and again at 2.26.21 PM @ Rs.265 marked A and B (trade of 200 shares with LTP of Rs 0.10in this trade) respectively. As can be seen that the price varied from a opening of Rs.265, came to a low of 264.9 increased to Rs. 270 and closed at Rs.269 during the course of the day. As such it is clear that the LTP is as per market trading conditions and no wrong intention of the HUF for the same.

The value difference of the positive LTP of Rs.0.10 as alleged in the above transaction is Rs 20/- in totality against a trade value of Rs.53000/- and it is surprising that a SCN has been issued for such a paltry amount especially when there is no connection between the trading parties.

g) *Also, the single sell trade is considered as objectionable only on the ground that the aforesaid trade resulted into Positive LTP. We most humbly submit that every trade either result into +ve LTP, -ve LTP or 0 LTP. Further, there is no embargo on placing an order at +ve LTP. An order place at +ve LTP may or may not result into an NHP (New High Price). Also, this trade of ours did not result into NHP and admittedly there is no charge of NHP against me in the SCN.*

d) *Noticee cited the case laws of Nishith Shah (HUF) vs. SEBI (Appeal No. 97 of 2019) and Indivar Traders Private Limited vs. SEBI (Appeal No. 253 of 2020) decided by the Hon'ble SAT.*

e) *Further, as per your observation, there has been sale of 200 shares of the above scrip to an entity called M/S H S Tradecom Private Ltd.(Noticee 1). It is submitted that no relation has been established between the HUF and M/s. HS Tradecom Private Limited, except that a sale of 200 shares of HUF have matched with the buy transactions of M/s. HS Tradecom Private Limited. It is further submitted that the trading was carried out by us on the electronic, faceless and anonymous trading platform of the stock exchange wherein the counter party is unknown.*

f) *As regards the allegations of intra group trading, it is submitted that the trading was carried out by us on the electronic, faceless and anonymous trading platform of the stock exchange wherein the counter party is unknown. The entire sale and purchase transactions have been done through the Stock Exchange at the prevailing market prices. Hence, it is submitted that no adverse inference is to be drawn against us. Moreover, the shares mentioned by you were 1% of our total sales.*

g) *As regards the allegation that we have manipulated the price of the scrip by engaging in intragroup trading activity, it is humbly submitted that the trade was carried out by us in the normal course of business and no adverse inference ought to be drawn against us.*

h) *In view of the above submissions, we humbly deny that we have violated Regulation 3(a), (b), (c), (d) and Regulation 4(1), 4(2), (a) and (c) of SEBI (PFUTP) Regulations 2003.*

i) *As such, we hope that the matter is resolved to your satisfaction, hence, we request your goodself to drop the showcause against us and no direction may be issued against us in Terms of Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules 1995 read with Section 15 I of The SEBI Act, 1992 and no penalty should be imposed on us under Section 15 HA of the SEBI Act. Further, I may be granted an opportunity of personal hearing.*

j) *I thank you for the patient hearing given on 13/8/2021 and all the courtesies extended. I am submitting some further points which are to be taken along with the reply submitted by me dated 4/8/2021 sent vide email dated 04/8/2021.*

k) *Given below is the bifurcation of trades done by the HUF on the buying as well as selling side*

Trades Sell Side Done by Jugal Chandrakant Thacker HUF

		LTP Rs	*No. of Trades*	*Shares sold*	*% of Shares Sold*
HS Tradecom Pvt Ltd	*zero LTP*		*9*	*6560*	*33%*
	Positive LTP	*0.1*	*1*	*200*	*1%*
Dhanalaxmi Brokers Pvt. Ltd	*zero LTP*		*2*	*340*	*2%*
Other Entities(NOT a part of 6 groups classified by SEBI)	*Zero LTP*		*9*	*12900*	*65%*
Total		*0.1*	*21*	*20000*	*100%*

Trades Buy side done by Jugal Chandrakant Thacker HUF

		LTP Rs	*No. of Trades*	*Shares Bought*	*% of Shares Bought*
Other Entities(not a part of 6 groups as classified by SEBI)	*Zero LTP*		*24*	*10468*	*52%*
	Positive LTP	*9.2*	*9*	*5862*	*29%*
	Negative LTP	*-5.4*	*5*	*3670*	*18%*
Total		*3.8*	*38*	*20000*	*100%*

l) *As is clear from the above Tables, on the buy side all the trades is done with entities which are not part of any group as classified by SEBI. On the sell side too 65% of the trades were with entities not classified in any Group. Further 33% of the trades were done with HS Tradecom at Zero LTP and 2% of trade with Dhanalaxmi Brokers at Zero LTP too. The above data clearly shows that there was no intention to manipulate market prices nor do the trades indicate the same. The above are normal trades as happens in the share market.*

Reply of Noticee 8

Noticee 8 replied that, since this is an old matter and she does not have any records for the same any more, does not know anybody and requested to close the matter.

Reply of Noticee 9

Noticee 9 replied that he is not aware of the reason why this SCN issued to me, since he does not know the person in this matter. Since this is an old matter and he does not have any records for the same any more, requested to drop the proceedings.

Reply of Noticee 10

Noticee 10 replied that she is not aware of this matter and does not know anybody who is related in this matter. Since the matter is over 7 years old, she is not having any record relating to this matter, requested to drop the matter.

CONSIDERATION OF ISSUES AND FINDINGS:

8. I have taken into consideration the facts and circumstances of the case, replies of the Noticees and the material available on record, the issues that arise for consideration in the present case are:
   - **(a) Whether the Noticees violated the provisions of regulations 3(a), 3(b), 3(c), 3(d) and regulations 4(1), 4(2)(a) and 4(2)(e) of PFUTP Regulations, 2003?**
   - **(b) Does the violations, if any, on the part of the Noticees would attract monetary penalty under section 15HA of the SEBI Act, 1992?**
   - **(c) If so, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors mentioned in section 15J of SEBI Act, 1992?**

9. Before moving forward, it is pertinent to refer to the relevant provisions of PFUTP Regulations, 2003 which read as under:

> ***PFUTP Regulations, 2003:***
> ***3. Prohibition of certain dealings in securities***
> ***No person shall directly or indirectly—***
> *(a) buy, sell or otherwise deal in securities in a fraudulent manner;*
> *(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;*
> *(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;*
> *(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.*
>
> ***4. Prohibition of manipulative, fraudulent and unfair trade practices***
> *(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.*

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

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

…

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

Issue (a): Whether the Noticees violated the provisions of regulations 3(a), 3(b), 3(c), 3(d) and regulations 4(1), 4(2)(a) and 4(2)(e) of PFUTP Regulations, 2003?

(a) The SCN has alleged that the all the Noticees were part of a set of connected group entities and the said inter se connection was based on common addresses, common shareholder-ship, financial transactions, common directorship and common address of directors, etc. It is also alleged that the Noticees have contributed to manipulation in the price of the scrip of Rutron and created a misleading appearance of trading in the scrip.

(b) From the available record, I note that, a separate and parallel proceeding was initiated against the Noticees under the provisions of section 11(1), 11(4) and 11B of the SEBI Act, 1992 under the same facts and in this regard, Whole Time Member of SEBI passed an order dated February 15, 2021 against the entities as alleged in the SCN. It is noted from the WTM order that the alleged connection among the entities have been established. It is noted that Ranisati Dealer Private Limited is a shareholder in Padma Impex Private Limited (Noticee no. 2) and there are financial transactions between Ranisati Dealer Private Limited and Jugal Chandrakant Thacker (Noticee no. 7). I also note that Noticee no. 2 is connected to the Company in terms of bank transactions with the Company. Similarly, certain Noticees were connected to each other on the basis of fund transactions with common entities. For instance, HS Tradecom Private Ltd. (HS Tradecom), Dhanalakshmi Brokers Private Limited (Noticee 1) and Noticee 2 had financial transaction with a common entity viz. Keshav Madhav Enterprise. Similarly, Noticee no. 2 and Ranisati Dealer Private Limited (Ranisati) are connected on the basis of financial transaction with a common entity viz: Manmade Fibres Pvt. Ltd. With regard to connection on the basis of common Directors, I note that one Bhavna Manish Tivadi (DIN-07227596) was a Common Director in Noticee nos. 2 and Nticee no. 4. Similarly, Noticee nos. 5 and 6 have a common Director namely, Debi Prasad (DIN-6528550). On the basis of common addresses, I note that Noticee no. 8 shares a common address i.e. “18, Chandra Nagar, Gopalpura, Jaipur, Rajasthan”, with Noticee no. 1. Similarly, as per the UCC details available on record, I note that Noticee nos. 2 and Ramdut Infraprojects Private Limited (Ramdut) share common address "34a, Metcalfe, St 4th Floor, R N 4f, Kolkata, 32, 85, 700013". Further, Directors of Noticee nos. 1 and HS Tradecom shared common address. I further, note that Madan Lal (Noticee no. 9) received physical shares in off market from one Heet P shah who is connected to one Mr. Piyush Shah on the basis of common address and Mr. Piyush Shah in turn is connected to Vandana Sharma (Noticee no. 8) as he has transferred physical shares in off market to Noticee no. 8 as well. Therefore, Noticee no. 8 and 9 are connected with each other through purchase of shares in off market mode from the entities having common address. As mentioned in the SCN, the connection amongst the Noticees has been alleged based on the analysis of the KYC/ UCC details, details on the MCA website, off-market transfers and bank account statements of each of the Noticees. In fact, I find that the analysis of the aforesaid details has imputed connection amongst a larger set of connected group entities (referred to as “Group-1 entities” in the SCN), out of which 14 entities have been made part of the instant proceedings apparently due to their inter se close nexus coupled with their trading in a concerted manner. Some of these Noticees are directly connected to each other based on common directorship, common address, fund transactions, off-market transactions, etc., while the remaining Noticees share connections amongst themselves by virtue of being connected to other connected group entities as referred to above, who have not been proceeded with in the instant proceedings. Be that as it may, the common factors for imputing connection amongst the Noticees, either directly or through the other connected group entities, are observed to be based on certain undisputable facts such as sharing of common directors, common address, fund transactions, off-market transactions, etc.

(c) In this regard, it is to be noted that the relationship/connections amongst various entities has been sought to be established on the basis of inter-play of a multiplicity of factors such as common address, fund transfers, securities transactions, common directors, etc. Further, the allegation of interconnectedness is required to be evaluated taking into account the totality of the facts & circumstances, which indicate such interconnectedness as highlighted above, besides considering various other factors such as the background of the Company, the liquidity/illiquidity of the scrip, trading behavior, trading pattern and other conduct exhibited by the entities who traded in the said scrip etc. Considering the aforesaid and the fact that these entities are found to be connected to each other and almost all of their trades have been entered with the connected entities and from their unusual trading pattern in the scrip of the Company, it cannot be stated with confidence that the trades executed by them were mere coincidences without there being any commonality between the Noticees and their trading pattern do not in the scrip of Rutron do not suggest for abnormality. In view of the above and in absence of any material contrary to the allegations, I find that it can be reasonably concluded that the Noticees are connected amongst themselves.

(d) With regard to the acts of the Noticees 8, 9 and 10 of indulging in manipulative trades by contributing to positive as well as negative LTP in the scrip of Rutron, repeatedly during different patches of the Investigation period, it has been alleged in the SCN that the said Noticees have executed artificial and manipulative sell trades in the scrip of Rutron during Patch-1 of the Investigation Period. The details of such trades executed by these 3 Noticees and their impact on the LTP of price of scrip of Rutron are tabulated below:

Table: Trading by the *3 Noticees* during Patch-1

LTP analysis in Patch-1														
Notice Name	**All trades**			**(+ve) LTP**			**(-ve) LTP**			**(0)LTP**		**% of Negative LTP to Net Market Negative LTP**	**% of Negative LTP to Total Market Negative LTP**
	LTP impact	**No of trades**	**QTY traded**	**LTP impact**	**No of trades**	**QTY traded**	**LTP impact**	**No of trades**	**QTY traded**	**No of trades**	**QTY traded**		
Madan lal	122.20	44	265	122.2	44	265	0	0	0	0	0	58.413	56.4695
Vandana Sharma	61.92	49	400	61.92	48	395	0	0	0	1	5	29.59847	28.61368
Asha Sharma	17.85	23	201	17.85	23	201	0	0	0	0	0	8.532505	8.248614
Total of *3 Noticees*	201.97	116	866	201.97	115	861	0	0	0	1	5	**96.49**	**93.33**
Market Total	209.20	157	5811	216.40	128	1431	**-7**	**105**	1	28	4275	**100**	**100**

(e) From the above table, it is noted that during the Patch-1 period, the aforesaid 3 Noticees have cumulatively executed 116 trades and out of these 116 trades, through 115 trades executed by them, they have contributed a total amount of positive LTP of ₹201.97 which is 96.49% of the net market positive LTP of ₹209.20 and 93.33% of the total market positive LTP of ₹216.40, as witnessed in the trading of the scrip of Rutron during the said period. I also observe from the above table that such net positive LTP of ₹201.97 was contributed by the above noted group of 3 Noticees by way of trading in only 861 shares, which is just 14.81% of the total shares traded (5811 shares) in the scrip of Rutron during the Patch-1 of the Investigation Period. The aforesaid trading volumes wherein group of 3 Noticees have contributed to more than 96% of net positive market LTP by executing less than 15% of the total trades in the scrip of Rutron during the said period, raises strong suspicion about the intent behind adopting the peculiar the trading pattern as adopted by the 3 Noticees.

(f) I further observe from the trade logs that each of those 115 positive LTP contributing trades was the 'first trade' executed on the respective trading days.

Trade wise order details of the aforementioned 115 trades contributing to positive LTP are tabulated below:

Table: Order details of trades executed by *Noticees no. 8 to 10* during Patch-1

Sr. No.	Trade Date	Seller Name	Buy Order Time	Sell Order Time	Time Diff Between Buy order and sell order	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	%LTP	Buy Order Quantity	Sell Order Quantity	Trade QTY
1.	06-Jun-12	VANDANA SHARMA	9:15:01	14:58:40	5:43:40	6.67	6.67	6.67	0.31	4.87	2000	50	50
2.	14-Jun-12	VANDANA SHARMA	9:15:00	13:34:18	4:19:18	7.35	7.35	7.35	0.35	5	1000	50	50
3.	29-Jun-12	VANDANA SHARMA	9:15:00	15:12:53	5:57:53	8.91	8.91	8.91	0.42	4.95	100	5	5
4.	03-Jul-12	VANDANA SHARMA	9:15:00	13:41:05	4:26:05	9.35	9.35	9.35	0.44	4.94	1000	10	10
5.	04-Jul-12	VANDANA SHARMA	9:15:00	14:05:48	4:50:48	9.81	9.81	9.81	0.46	4.92	50	5	5
6.	05-Jul-12	VANDANA SHARMA	9:15:00	13:50:27	4:35:27	10.3	10.3	10.3	0.49	4.99	500	5	5
7.	09-Jul-12	VANDANA SHARMA	9:15:00	14:14:40	4:59:40	10.81	10.81	10.81	0.51	4.95	500	5	5
8.	10-Jul-12	VANDANA SHARMA	9:15:00	9:29:20	0:14:20	11.35	11.35	11.35	0.54	5	5000	5	5
9.	11-Jul-12	VANDANA SHARMA	9:15:00	11:39:41	2:24:40	11.91	11.91	11.91	0.56	4.93	2000	5	5
10.	16-Jul-12	VANDANA SHARMA	9:15:00	14:41:22	5:26:22	12.5	12.5	12.5	0.59	4.95	400	5	5
11.	18-Jul-12	VANDANA SHARMA	9:15:00	11:02:02	1:47:02	13.12	13.12	13.12	0.62	4.96	500	10	10
12.	20-Jul-12	VANDANA SHARMA	9:15:01	14:05:10	4:50:10	14.45	14.45	14.45	0.68	4.94	2000	5	5
13.	24-Jul-12	VANDANA SHARMA	9:15:00	14:36:41	5:21:41	15.17	15.17	15.17	0.72	4.98	500	5	5
14.	25-Jul-12	VANDANA SHARMA	9:15:00	15:10:00	5:55:00	15.92	15.92	15.92	0.75	4.94	200	5	5
15.	26-Jul-12	VANDANA SHARMA	9:15:00	14:20:43	5:05:43	16.71	16.71	16.71	0.79	4.96	400	10	10
16.	27-Jul-12	VANDANA SHARMA	9:15:00	15:09:32	5:54:32	17.54	17.54	17.54	0.83	4.97	900	5	5
17.	30-Jul-12	VANDANA SHARMA	9:15:00	14:11:57	4:56:57	18.41	18.41	18.41	0.87	4.96	400	5	5
18.	01-Aug-12	VANDANA SHARMA	9:15:01	13:47:34	4:32:34	19.3	19.3	19.3	0.89	4.83	2000	5	5
19.	06-Aug-12	VANDANA SHARMA	9:16:25	14:30:46	5:14:21	20.25	20.25	20.25	0.95	4.92	2000	5	5
20.	07-Aug-12	VANDANA SHARMA	9:15:00	15:14:10	5:59:10	21.25	21.25	21.25	1	4.94	1200	5	5
21.	10-Aug-12	ASHA SHARMA	9:15:00	13:28:24	4:13:24	22.3	22.3	22.3	1.05	4.94	900	5	5
22.	16-Aug-12	ASHA SHARMA	9:15:00	13:40:35	4:25:35	22.7	22.7	22.7	0.4	1.79	400	5	5
23.	22-Aug-12	VANDANA SHARMA	9:15:00	12:42:52	3:27:52	23.6	23.6	23.6	0.45	1.94	500	5	5

Sr. No .	Trade Date	Seller Name	Buy Order Time	Sell Order Time	Time Diff Between Buy order and sell order	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	%LTP	Buy Order Quantity	Sell Order Quantity	Trade QTY
24.	27-Aug-12	ASHA SHARMA	9:15:00	14:17:29	5:02:29	24.05	24.05	24.05	0.45	1.91	1000	5	5
25.	28-Aug-12	VANDANA SHARMA	9:15:00	15:20:53	6:05:53	24.5	24.5	24.5	0.45	1.87	1100	5	5
26.	30-Aug-12	ASHA SHARMA	9:15:00	15:21:53	6:06:53	24.95	24.95	24.95	0.45	1.84	200	5	5
27.	31-Aug-12	VANDANA SHARMA	9:15:00	15:28:23	6:13:23	25.4	25.4	25.4	0.45	1.8	500	5	5
28.	03-Sep-12	ASHA SHARMA	9:15:00	14:48:40	5:33:39	25.9	25.9	25.9	0.5	1.97	2000	5	5
29.	04-Sep-12	VANDANA SHARMA	9:15:00	13:32:04	4:17:04	26.4	26.4	26.4	0.5	1.93	800	5	5
30.	05-Sep-12	ASHA SHARMA	9:15:00	15:28:19	6:13:19	26.9	26.9	26.9	0.5	1.89	500	5	5
31.	07-Sep-12	VANDANA SHARMA	9:15:01	15:25:31	6:10:30	27.4	27.4	27.4	0.5	1.86	1500	5	5
32.	10-Sep-12	ASHA SHARMA	9:15:00	13:35:31	4:20:31	27.9	27.9	27.9	0.5	1.82	200	5	5
33.	11-Sep-12	VANDANA SHARMA	9:15:00	15:29:06	6:14:06	28.45	28.45	28.45	0.55	1.97	500	5	5
34.	12-Sep-12	ASHA SHARMA	9:15:00	15:28:43	6:13:43	29	29	29	0.55	1.93	1000	5	5
35.	14-Sep-12	VANDANA SHARMA	9:15:00	14:58:37	5:43:37	29.55	29.55	29.55	0.55	1.9	1000	5	5
36.	20-Sep-12	ASHA SHARMA	9:15:00	15:14:51	5:59:51	30.1	30.1	30.1	0.55	1.86	200	15	15
37.	24-Sep-12	VANDANA SHARMA	9:15:00	13:50:55	4:35:55	30.7	30.7	30.7	0.6	1.99	1000	20	20
38.	27-Sep-12	ASHA SHARMA	9:15:00	13:06:26	3:51:26	31.3	31.3	31.3	0.6	1.95	2000	5	5
39.	03-Oct-12	ASHA SHARMA	9:15:00	13:47:34	4:32:34	31.9	31.9	31.9	0.6	1.92	500	15	15
40.	08-Oct-12	VANDANA SHARMA	9:15:00	15:25:18	6:10:18	32.5	32.5	32.5	0.6	1.88	1000	5	5
41.	09-Oct-12	ASHA SHARMA	9:15:00	15:10:35	5:55:35	33.15	33.15	33.15	0.65	2	800	10	10
42.	11-Oct-12	VANDANA SHARMA	9:15:00	13:48:39	4:33:39	33.8	33.8	33.8	0.65	1.96	500	10	10
43.	15-Oct-12	ASHA SHARMA	9:15:00	15:27:13	6:12:13	34.45	34.45	34.45	0.65	1.92	4000	10	10
44.	17-Oct-12	ASHA SHARMA	9:15:00	14:11:38	4:56:38	35.1	35.1	35.1	0.65	1.89	200	10	10
45.	18-Oct-12	VANDANA SHARMA	9:15:00	10:34:49	1:19:49	35.8	35.8	35.8	0.7	1.99	1200	15	15
46.	22-Oct-12	ASHA SHARMA	9:15:00	13:59:41	4:44:41	36.5	36.5	36.5	0.7	1.96	500	10	10
47.	23-Oct-12	ASHA SHARMA	9:15:00	11:26:33	2:11:33	37.2	37.2	37.2	0.7	1.92	500	15	15
48.	26-Oct-12	ASHA SHARMA	9:15:00	15:21:51	6:06:51	37.9	37.9	37.9	0.7	1.88	300	10	10
49.	29-Oct-12	ASHA SHARMA	9:15:00	15:25:51	6:10:51	38.65	38.65	38.65	0.75	1.98	500	15	15
50.	30-Oct-12	VANDANA SHARMA	9:15:00	11:56:13	2:41:13	39.4	39.4	39.4	0.75	1.94	900	5	5

Sr. No.	Trade Date	Seller Name	Buy Order Time	Sell Order Time	Time Diff Between Buy order and sell order	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	%LTP	Buy Order Quantity	Sell Order Quantity	Trade QTY
51.	31-Oct-12	ASHA SHARMA	9:15:00	15:19:35	6:04:35	40.15	40.15	40.15	0.75	1.9	300	10	10
52.	01-Nov-12	ASHA SHARMA	9:15:00	15:16:01	6:01:00	40.95	40.95	40.95	0.8	1.99	4000	15	15
53.	02-Nov-12	VANDANA SHARMA	9:15:00	13:52:47	4:37:47	41.75	41.75	41.75	0.8	1.95	600	10	10
54.	06-Nov-12	ASHA SHARMA	9:15:00	12:21:39	3:06:39	42.55	42.55	42.55	0.8	1.92	100	5	5
55.	08-Nov-12	ASHA SHARMA	9:15:00	14:51:34	5:36:34	44.65	44.65	44.65	2.1	4.94	2000	5	5
56.	09-Nov-12	VANDANA SHARMA	9:15:00	10:21:13	1:06:13	46.85	46.85	46.85	2.2	4.93	500	5	5
57.	12-Nov-12	VANDANA SHARMA	9:15:00	11:28:37	2:13:37	49.15	49.15	49.15	2.3	4.91	500	10	10
58.	13-Nov-12	ASHA SHARMA	15:45:01	15:51:13	0:06:12	51.6	51.6	51.6	2.45	4.98	1000	11	11
59.	16-Nov-12	VANDANA SHARMA	9:15:00	12:21:46	3:06:46	54.15	54.15	54.15	2.55	4.94	200	5	5
60.	19-Nov-12	VANDANA SHARMA	9:15:00	15:28:04	6:13:04	56.85	56.85	56.85	2.7	4.99	300	10	10
61.	21-Nov-12	VANDANA SHARMA	9:15:01	11:10:28	1:55:27	59.65	59.65	59.65	2.8	4.93	100	5	5
62.	22-Nov-12	VANDANA SHARMA	9:15:00	15:07:24	5:52:24	62.6	62.6	62.6	2.95	4.95	4900	5	5
63.	23-Nov-12	VANDANA SHARMA	9:15:00	15:21:17	6:06:17	65.7	65.7	65.7	3.1	4.95	200	10	10
64.	26-Nov-12	VANDANA SHARMA	9:15:00	14:57:54	5:42:54	68.95	68.95	68.95	3.25	4.95	200	5	5
65.	27-Nov-12	VANDANA SHARMA	9:15:00	13:27:40	4:12:40	72.35	72.35	72.35	3.4	4.93	100	5	5
66.	29-Nov-12	VANDANA SHARMA	9:15:00	13:42:12	4:27:12	75.95	75.8	75.95	3.6	4.98	300	5	5
67.	30-Nov-12	VANDANA SHARMA	9:15:00	14:16:22	5:01:22	79.7	79.7	79.7	3.75	4.94	1500	5	5
68.	03-Dec-12	VANDANA SHARMA	9:15:00	15:13:48	5:58:48	83.65	83.65	83.65	3.95	4.96	500	5	5
69.	04-Dec-12	VANDANA SHARMA	9:15:00	15:11:03	5:56:03	85.3	85.3	85.3	1.65	1.97	500	5	5
70.	05-Dec-12	VANDANA SHARMA	9:15:00	11:36:36	2:21:36	87	87	87	1.7	1.99	500	5	5
71.	06-Dec-12	VANDANA SHARMA	9:15:00	14:26:43	5:11:43	88.7	88.7	88.7	1.7	1.95	300	5	5
72.	07-Dec-12	MADAN LAL	9:15:00	12:08:59	2:53:58	90.45	90.45	90.45	1.75	1.97	200	10	10
73.	10-Dec-12	MADAN LAL	9:15:00	11:12:14	1:57:14	92.25	92.25	92.25	1.8	1.99	2500	10	10
74.	11-Dec-12	MADAN LAL	9:15:00	13:22:42	4:07:42	94.05	94.05	94.05	1.8	1.95	2000	5	5
75.	12-Dec-12	MADAN LAL	9:15:00	11:57:20	2:42:20	95.9	95.9	95.9	1.85	1.97	200	10	10
76.	13-Dec-12	MADAN LAL	9:15:00	13:54:50	4:39:49	97.8	97.8	97.8	1.9	1.98	200	5	5
77.	14-Dec-12	MADAN LAL	9:15:00	13:47:48	4:32:47	99.75	99.75	99.75	1.95	1.99	200	5	5
78.	17-Dec-12	MADAN LAL	9:15:00	13:29:30	4:14:29	101.7	101.7	101.7	1.95	1.95	100	5	5
79.	18-Dec-12	MADAN LAL	9:15:00	15:10:47	5:55:47	103.7	103.7	103.7	2	1.97	300	5	5
80.	19-Dec-12	MADAN LAL	9:15:00	15:08:58	5:53:58	105.75	105.75	105.75	2.05	1.98	200	5	5

Sr. No .	Trade Date	Seller Name	Buy Order Time	Sell Order Time	Time Diff Between Buy order and sell order	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	%LTP	Buy Order Quantity	Sell Order Quantity	Trade QTY
81.	20-Dec-12	MADAN LAL	9:15:01	11:38:46	2:23:45	107.85	107.85	107.85	2.1	1.99	50	10	10
82.	21-Dec-12	MADAN LAL	9:15:01	13:44:53	4:29:52	110	110	110	2.15	1.99	300	5	5
83.	24-Dec-12	MADAN LAL	9:15:02	14:59:29	5:44:28	112.2	112.2	112.2	2.2	2	200	5	5
84.	26-Dec-12	MADAN LAL	9:15:00	15:07:02	5:52:02	114.4	114.4	114.4	2.2	1.96	2000	5	5
85.	27-Dec-12	MADAN LAL	9:15:00	14:29:22	5:14:22	116.65	116.65	116.65	2.25	1.97	2000	10	10
86.	28-Dec-12	MADAN LAL	9:15:00	14:57:29	5:42:29	118.95	118.95	118.95	2.3	1.97	200	5	5
87.	31-Dec-12	MADAN LAL	9:15:00	12:17:03	3:02:03	121.3	121.3	121.3	2.35	1.98	1500	5	5
88.	01-Jan-13	MADAN LAL	9:15:00	15:00:29	5:45:29	123.7	123.7	123.7	2.4	1.98	500	5	5
89.	02-Jan-13	MADAN LAL	9:15:00	15:19:36	6:04:36	126.15	126.15	126.15	2.45	1.98	100	5	5
90.	03-Jan-13	MADAN LAL	9:15:01	14:24:43	5:09:43	128.65	128.65	128.65	2.5	1.98	2000	5	5
91.	04-Jan-13	MADAN LAL	9:15:00	14:12:09	4:57:09	131.2	131.2	131.2	2.55	1.98	2000	5	5
92.	07-Jan-13	MADAN LAL	9:15:00	15:11:05	5:56:05	133.8	133.8	133.8	2.6	1.98	1000	5	5
93.	08-Jan-13	MADAN LAL	9:15:01	15:05:34	5:50:34	136.45	136.45	136.45	2.65	1.98	500	5	5
94.	10-Jan-13	MADAN LAL	9:15:00	13:03:48	3:48:48	139.15	139.15	139.15	2.7	1.98	500	5	5
95.	11-Jan-13	MADAN LAL	9:15:02	15:13:58	5:58:56	141.9	141.9	141.9	2.75	1.98	100	5	5
96.	14-Jan-13	MADAN LAL	9:15:01	15:00:26	5:45:25	144.7	144.7	144.7	2.8	1.97	500	5	5
97.	15-Jan-13	MADAN LAL	9:15:00	14:25:57	5:10:57	147.55	147.55	147.55	2.85	1.97	1000	5	5
98.	16-Jan-13	MADAN LAL	9:15:00	13:18:19	4:03:18	150.5	150.5	150.5	2.95	2	500	5	5
99.	17-Jan-13	MADAN LAL	9:15:00	13:31:00	4:16:00	153.5	153.5	153.5	3	1.99	1000	5	5
100.	18-Jan-13	MADAN LAL	9:15:01	14:32:10	5:17:09	156.55	156.55	156.55	3.05	1.99	100	5	5
101.	21-Jan-13	MADAN LAL	9:15:00	15:19:28	6:04:28	159.65	159.65	159.65	3.1	1.98	100	5	5
102.	22-Jan-13	MADAN LAL	9:15:00	15:14:01	5:59:01	162.8	162.8	162.8	3.15	1.97	100	5	5
103.	23-Jan-13	MADAN LAL	9:15:01	14:15:27	5:00:27	166.05	166.05	166.05	3.25	2	100	5	5
104.	24-Jan-13	MADAN LAL	9:15:00	14:51:15	5:36:15	169.35	169.35	169.35	3.3	1.99	100	5	5
105.	25-Jan-13	MADAN LAL	9:15:00	13:23:05	4:08:05	172.7	172.7	172.7	3.35	1.98	75	5	5
106.	28-Jan-13	MADAN LAL	9:15:00	15:10:16	5:55:16	176.15	176.15	176.15	3.45	2	100	10	10
107.	29-Jan-13	MADAN LAL	9:15:00	14:51:03	5:36:02	179.65	179.65	179.65	3.5	1.99	50	5	5
108.	31-Jan-13	MADAN LAL	9:15:00	15:03:10	5:48:10	186.85	186.85	186.85	3.65	1.99	100	5	5
109.	01-Feb-13	MADAN LAL	9:15:00	13:26:29	4:11:29	190.55	190.55	190.55	3.7	1.98	100	10	10
110.	04-Feb-13	MADAN LAL	9:15:01	14:48:04	5:33:03	194.35	194.35	194.35	3.8	1.99	500	5	5
111.	05-Feb-13	MADAN LAL	9:15:01	14:32:46	5:17:45	198.2	198.2	198.2	3.85	1.98	500	10	10
112.	06-Feb-13	MADAN LAL	9:15:00	15:18:01	6:03:01	202.15	202.15	202.15	3.95	1.99	100	5	5
113.	07-Feb-13	MADAN LAL	9:15:00	10:50:37	1:35:37	206.15	206.15	206.15	4	1.98	100	5	5
114.	08-Feb-13	MADAN LAL	9:15:03	14:39:43	5:24:40	210.25	210.25	210.25	4.1	1.99	500	5	5
115.	11-Feb-13	MADAN LAL	9:15:01	14:53:45	5:38:44	214.45	214.45	214.45	4.2	2	100	10	10

(g) It is observed from the above table that in all of the 115 trades, which contributed to positive LTP in the scrip of Rutron, all the sell orders were placed by the 3 Noticees only on the above listed trading dates, while chasing the corresponding buy orders resultantly trades that got executed after the Noticees placing their sell orders, were in fact the first trade of those respective trading days. It is also observed from the details presented in the above table that out of those 115 alleged trades, trades executed by Noticee nos. 8, 9 and 10 were 48, 44 and 23 respectively and all of such trades contributed LTP to the scrip of the Company. These trades were executed only because the 3 Noticees chased those buy orders pending in the system, with their respective sell orders for miniscule quantities. In the absence of sell order of the Noticees, the pending buy order would not have been executed in the normal course of trading as all of these pending buy orders were seen to have been executed only with the sell orders of the Noticces offering small quantities of shares on those trading days. Though the buyers had placed their buy orders much ahead of the sell orders at a price higher than LTP, I note that there was no seller in the scrip on those dates available in the market with whom such buy orders could have matched on those days. I find that contention of the 3 Noticees that their sell orders should not be see with impunity, are not seen justified for the reason that the placing sell order in isolation may not be sufficient to see any abnormality in the order, however, the undisputed fact of the 3 Noticees indulged in such acts of placing sell order on continuous basis, wherein they are found to be sufficient to be held as abnormal having the potential to creating misleading appearances, in the absence of any plausible justification. It is noticed that, in all but one instances, the buy orders were placed around 9:15 am in the morning as soon as the market opened and remained pending unexecuted on the system for hours (ranging from 1 hour to more than 6 hours) together, but got matched with sell orders after hours when one of the 3 Noticees placed his /her sell order. For instance, in the above table at sr. no. 33, the buy order was placed at 09:15:00 on September 11, 2012, but the said buy order got executed after a duration of more than 6 hours (06:14:06) when a sell order was placed by Noticee no. 8 (Vandana Sharma) at a price of ₹28.45 which was ₹0.55 (1.97%) higher than LTP. Similarly, at sr. no. 34 in table above, the buy order was placed at 09:15:00 on September 12, 2012 at a price of ₹29.00, but got executed into a trade after a duration of more than 6 hours (06:13:43) when a sell order was placed by Noticee no. 10 (Asha Sharma) at a price of ₹29.00 which was ₹0.55 (1.93%) higher than LTP. It shows that for the sell orders placed by the 3 Noticees for miniscule number of shares only to match the long pending buy orders, those corresponding pending buy orders on their own would not have been able to make any manipulative impact on the price of the scrip. In fact, in absence of those sell orders for small quantities placed by the 3 Noticees, no transaction would have fructified and no LTP would have been formed. The peculiar pattern of ensuring execution of trades with minimal shares ostensibly suggests an apparent malicious intent of these Noticees to contribute to the LTP in the scrip.

(h) It has been alleged in the SCN that despite holding sizeable quantities of shares, these 3 Noticees released very small number of shares in each of their sell trades above LTP and the number of shares offered by them in their sell orders was most of the times placed in single digits. I further note from the materials available on record that all the 3 Noticees have acquired their shares through off market transaction and further, out of these 3 Noticees, the two Noticees i.e. Noticee no. 8 and Noticee no. 9 have received their shares of the Company from connected group entities with whom they were sharing the common addresses. As noted above, these 3 Noticees have executed sell trades by offering shares in small quantities on a continuous basis over a period of time. Details of the quantities of shares held by these 3 Noticees and the bifurcation of the quantities of shares offered by them in different trades are tabulated below:

Table: Bifurcation of trades of *3 Noticees* on the basis of Quantity of shares sold

Sl. No	**Seller Name**	**Total No. of trades (LTP >0)**	**Total no. of orders (LTP>0)**	**No. of instances with sell order of 5 shares**	**No. of instances with sell order of 15 shares or less**	**Positive LTP contribution (Rs.)**	**% of positive LTP to Total Market positive LTP**	**No. of shares held before these trades (NSDL/ CDSL Statements)**	**Balance no. of shares held after LTP trades in Patch 1 (NSDL/ CDSL Statements)**
1	Madan lal	44	44	35	9	122.20	56.47	400	0

2	Vandana Sharma	48	48	36	12	61.92	28.61	400	90
3	Asha Sharma	23	23	11	12	17.85	8.25	200	0
	Total		115	82	33	201.97	93.33	1000	90

(i) I note from table above that out of the 115 trades of 3 Noticees alleged to have contributed to the market positive LTP in the scrip, in 82 trades the quantities sold by these 3 Noticees were 5 shares per such trade. Therefore, in 71% of the trades, the 3 Noticees chose to release only 5 shares every time, despite the fact that large quantities of buy orders were pending on the trading platform at the same price at which the 3 Noticees desired to sell. Further, in the remaining 29% of their total trades i.e. in 33 trades, the 3 Noticees chose to release quantities of 15 or less shares every time. One can always try to explain their selling strategy by stating that the 3 Noticees were positive about the bullish trend in the scrip of Rutron, however, if this was the case, a prudent investor would rather have waited for the price of the scrip to attain a level at which selling the shares would have fetched him the maximum return. Instead, the Noticees chose to sell the shares in miniscule quantities continuously on several dates and it was predominantly because of their LTP contributing trades that the price of the scrip was witnessing an upward trend. Looking at such a strange trading pattern adopted and followed religiously by the 3 Noticees, it can be observed that there was no bona fide intention on the part of these 3 Noticees to sell their shareholdings during the Patch-1 of the Investigation Period, and rather their abnormal trading style exhibits their malafide intent behind to mark the price higher than LTP consistently and to manipulate the scrip price. The mode of trading by these 3 Noticees was thus evidently manipulative due to the fact that instead of selling a large part of their stock when demand for larger quantities was already available in the trading system at the same price at which they intended to sell, the 3 Noticees preferred to off load very small quantity of shares and on most of the time they placed their sell orders in miniscule quantities just to match the prices of the buy orders pending in the system. The sequencing of buy & sell orders and the trading pattern followed in these trades clearly show that the 3 Noticees have placed their sell orders not on business prudence but only with a view to inflate the price of the scrip. The said observations further get reinforced from the undisputed fact that these Noticees had bought the shares in an off market mode and afterwards were found to be selling those shares in miniscule quantities, despite the fact the buy orders for relatively large quantities were pending for hours and no seller came forward to sell any shares till the Noticees placed their sell orders for tiny quantities at the pending bid prices so as to execute those LTP contributing trades. No justifiable explanations have been offered to explain the rationale and logic behind such a pattern of trading adopted by the 3 Noticees. These 3 Noticees have not furnished any information as to whether they have also bought any shares of the Company in that bullish market so as to consolidate their holding of shares of the Company nor have they justified their action as to on what basis they were happy in selling shares in an upwardly rising market for the shares of the Company. The intent of the Noticees for indulging into unfair and manipulative trades further gets exposed from the fact that all the 3 Noticees have bought shares on the same day i.e. 18/05/2012 and all of them have also bought those shares through off market transactions.

(j) The investigation has noticed that the scrip of Rutron was under suspension over a long period of 12 years and the suspension was revoked in July 2011. Trading in the scrip witnessed continuous rise from ₹5.25 from May 03, 2012 and reached a level of ₹269.70 on September 10, 2013. The Company had not made any announcement during the relevant period to entice the investors to buy the scrip that too in off market transaction, when the scrip was very much available on the exchange platform. The records thus reveal a strange co-incidence in which all the 3 Noticees bought shares in off market mode and started selling almost immediately thereafter in small quantities over a long period of time continuously chasing the pending buy orders. The SCN alleges that together 3 Noticees had contributed LTP of ₹201.97, which constitutes 96.49 % of the total market LTP during the period. Details mentioned at table above further reveal that through their 44, 48, 23 trades respectively, the 3 Noticees have contributed ₹122.20,

₹61.92 and ₹17.85, which were 56.47%, 28.61% and 8.25 % of the total market positive LTP contribution made to the scrip during the relevant period. Further, the aforesaid 3 Noticees, are found to have sold almost their entire stocks through their above listed LTP contributing trades, which clearly suggest that the shares were bought in off market with an intent to cause artificial rise in the price of the scrip through their manipulative trades in small quantities over a long period of time. Further, by preferring not to respond to the allegations made in the SCN with any contrary & corroborative evidence, these 3 Noticees, have in effect refrained from controverting the charges of fraudulent trades levelled against them in the SCN.

(k) I further note that the Noticee nos. 8 and 9 were connected to each other on the basis of off-market transfers of shares with connect group entities. Though the SCN alleges that Noticee no. 10 also enjoys connection, however, from the records before me, I find no document to indicate any connection of Noticee no. 10 with other Noticees. However, notwithstanding the absence of any direct connection of Noticee no. 10 with other Noticees, the alleged LTP contributing trades executed by the Noticee no. 10 as discussed above, together with the fact of off-market acquisition of those shares of the Company by him, which were used for entering into those LTP contributing sell trades, are sufficient enough to come to a finding that the trades executed by the Noticee no. 10 contained all the ingredients to be termed as manipulative trades. Further, as stated above the Noticee no. 10 has not provided any rationale / reasoning for executing such abnormal trades on 23 times which have resulted in contributing LTP to the price of the scrip.

(l) On a further analysis of the trade data presented in the above mentioned table namely “Order details of trades executed by Noticees no. 8 to 10 during Patch 1” of this Order, it is observed all the aforementioned 115 trades executed by the 3 Noticees during the Patch-1 were executed on different trading days which means, none of the 3 Noticees who has contributed to the positive LTP of the scrip, has traded jointly with any other Noticee on the same trading day. It shows how those trades were executed on different trading days by different Noticees apparently by taking turns one after another, in a manner that exposes that the 3 Noticees have traded in the scrip under a pre decided scheme by taking individual turns on various trading days. Thus even if the records do not indicate connection of Noticee no. 10 with other Noticees contrary to the allegation in the SCN, considering the commonalities and apparent common intent displayed by the 3 Noticees in acquiring shares through off market mode, selling those shares immediately after the acquisition in small quantities by chasing the pending buy orders and none of them executing a sell order on any common day etc., essentially suggest that even in the absence of any document to suggest connection, a strong meeting of minds amongst the 3 Noticees while dealing in the shares of the Company cannot be ruled out. The meeting of minds amongst the 3 Noticees is further strengthened by the aforesaid unique trading pattern followed by the entities while executing those 115 trades wherein the 3 Noticees were taking individual turns to execute trades on different trading days over the entire period of Patch-1. The trading pattern devised and followed by the 3 Noticees apparently demonstrate that they have traded in the scrip under a pre-planned strategy to elevate the price of the scrip by continuously contributing to the LTP of the scrip through each of those trades, executed by them. Further, as pointed out earlier, despite the fact that the buyers were willing to buy higher quantities, none of the 3 Noticees sold any sizeable quantities of shares that they possessed, in a single trade. The way these 3 Noticees had been taking individual turns to place their LTP contributing sell orders on different trading days clearly smacks of a manipulative trading pattern whereby the 3 Noticees have traded in one scrip with a pre-meditated mindset for sustaining the price rise of the scrip of Rutron continuously over a long period of time. It is apparent that by way of contributing to the LTP of the scrip, turn by turn on different trading days without ever coming together to the market on any given trading day, the Noticees did not want to exhaust all their shares in a few days but rather have optionally utilized their respective possessions of the scrip of the Company in small quantities by trading one at a time and once in a day so as to inflate the price of the scrip over a long period of time. In normal business prudence, it is natural for an investor to seek a better price of the shares and the act of selling the shares at higher price by the Noticees may not be viewed as manipulative and unfair. However, I would like to rely on the observations of the Hon'ble SAT in the matter of *Kalpana Dharmesh Chheda and Ors. Vs. SEBI and Ors. (DoD: 25.02.2020),* in which the Hon'ble Tribunal had, *inter alia*, observed that "*though generally it can be stated that selling at a price higher than the LTP particularly when buy orders are available in the system cannot be considered as manipulative in itself. However, looking at the pattern of trading done by the appellants and the fact that the appellants have derived considerable financial benefit through that particular scheme or nature of trading we are of the view that the trading pattern adopted by the appellants is of a manipulative and unfair nature and would squarely fall within the ambit of the PFUTP Regulations………. This behavior cannot be justified in terms of normal rational expectations of a seller."*

(m) I further note that since the quantities sold by each of the 3 Noticees were very few, their individual contribution to the positive LTP in the scrip of Rutron was most of the times in the range of 1% to 5% in a single trade. Thus, the individual contribution to positive LTP in every trade in the scrip of Rutron was not normal to be ignored since the cumulative impact of all such individual contributions has ultimately resulted in contribution of 96.49% of positive LTP to the net positive LTP and contribution of 93.33%to the total positive LTP in the scrip of Rutron. The uncanny similarity in their approach while selling shares of the Company strongly signifies their inter se association or acting in unison when it comes to trading in the scrip of Rutron. Moreover, even on individual basis, the contributions made by the Noticees to the LTP in the scrip of Rutron were sufficient enough to distort the market mechanism and therefore, from all point of views, the alleged LTP contributing trades were seemingly executed with the sole motive of raising the price of the scrip through those manipulative trades, hence glaringly fall within the mischief of fraudulent trades. It is further noted that in the matter of Shailesh Jain v. SEBI (Appeal No. 15 of 2012, DoD: 01.05.2012), Hon'ble SAT has held that *"The appellant's role has been one of conscious indulgence in manipulation of the trade in a crude and preplanned* manner*. The very fact that the appellant has placed orders above the last traded price when sell orders were available in the market at a lower price shows the intention behind the trade."*

(n) In light of the above, I note that the 3 Noticees have failed to give any plausible reason/explanation to defend themselves against the charges levelled against them in the SCN. Further, the roles played by the 3 Noticees to artificially increase the price during the Patch-1 need to be perceived as the acts of a united group of entities which was aimed at manipulating the price of the scrip of Rutron over a period of time by cumulatively contributing to the LTP of the scrip during the Patch-1 of the Investigation Period. Therefore, in the light of the aforesaid observations of the Hon'ble SAT and after considering the trading pattern, and the manner and frequency with which such trades were executed by the 3 Noticees, I am of the view that the Noticee nos. 8, 9 and 10 were not acting as genuine market participants and had no bona fide intention to trade in the shares of Rutron. Therefore, I hold that the trading behavior of Noticees nos. 8, 9 and 10 during Patch-1 of the Investigation Period of vis-à-vis the scrip of Rutron has been conspicuously ill motivated, fraudulent and was targeted to manipulate the price of the shares of Rutron hence, is in violation of regulations 3 (a), (b), (c), (d) and 4 (1), 4(2)(a), (e) of PFUTP Regulations, 2003.

(o) Now, I will proceed with regard to the act of the HS Tradecom, Noticee nos. 1, 2, 3, 5 and 7 during Patch-2 of Investigation Period for which it has been alleged in violations of the provisions of regulation 3 (a), (b), (c), (d), 4(1) and 4(2)(a) and (e) of PFUTP Regulations, 2003. During the Patch-2 of the Investigation Period (February 12, 2013 to November 21, 2013), the price of the scrip moved from ₹218.60 to ₹243.00, thereby registering an increase of ₹24.30 (11.11%) in the price of the scrip and a total contribution of market positive LTP of ₹318.40. I note that the SCN has alleged that by executing manipulative and unfair trades, the 6 entities viz. HS Tradecom, Noticee nos. 1, 2, 3, 5 and 7 through their 64 trades had contributed to positive LTP of ₹16.85 (5.26% of total market positive LTP) in the scrip of Rutron during Patch-2 of the Investigation Period. SCN has further alleged that out of the said group of 6 entities, HS Tradecom, Noticee nos. 1, 2 and 5 were acting as buyers while Noticee nos. 3 and 7 were the sellers / counterparties to such alleged trades that contributed to positive LTP in the scrip of Rutron during Patch-2 of the Investigation Period. Therefore, the impact of such trades on the LTP of the scrip during Patch-2 of the Investigation Period needs to be examined. In this regard, details of positive LTP contribution by the trades of these Noticees during Patch-2 of Investigation Period are tabulated as below:

Table: Details of trades by the *6 entities* among themselves in *Rutron* during Patch-2

Seller	Buyer	Positive LTP Contribution	% of Mkt Positive LTP	No of Trades	Qty Traded
Jugal C Thacker (HUF) (Noticee no. 7)	HS Tradecom Pvt. Ltd.	0.1	0.08	1	200
	Sub Total(A)	**0.1**	**0.08**	**1**	**200**
Manju Khandelia (Noticee no. 3)	Esquire Enclave Pvt. Ltd.(Noticee no. 5)	0.25	0.01	1	2000
	HS Tradecom Pvt. Ltd.	8.00	2.51	32	5765
	Dhanlakshmi Brokers Pvt. Ltd. (Noticee no. 1)	7.70	2.41	26	5050
	Padma Impex Pvt. Ltd. (Noticee no. 2)	0.80	0.25	4	2800
	Sub Total(B)	**16.75**	**5.18**	**63**	**15615**
	Total (A+B)	**16.85**	**5.26**	**64**	**15815**

(p) I observe from the table above that that out of the 6 entities which have been found to be connected to each other, Noticee nos. 3 and 7 have sold the shares of Rutron at prices higher than LTP to 4 other entities viz. HS Tradecom and Noticee nos. 1, 2 and 5. In this whole scheme of mutual trades amongst themselves, these 6 Noticees by trading amongst each other in the scrip of Rutron, have acted in concert and in the process have contributed to the price rise in the scrip. Further, in the course of trading amongst each other, these 6 Noticees, have repeatedly executed trades amongst each other (64 trades) and have contributed significant to the positive LTP to the tune of ₹16.85 (5.26% of total market positive LTP). I note from the available records that by placing orders on a continuous basis, these 6 entities have ensured the rise in the scrip price of Rutron. Therefore, it appears that 6 entities were not acting as genuine buyers or sellers and had no bona fide intention to buy / sell the scrip. The positive LTP contribution made in the scrip of Rutron through their trades gives an indication that these entities were happily executing trades higher than the LTP in complete disregard for the integrity of market mechanism and were executing trades deliberately to cause price rise in the scrip of Rutron. I find that out of the above noted 6 entities, only Noticee nos. 3 and 7 have submitted their written responses while the remaining Noticees have not furnished any reply to the SCN.

(q) Moving on to the argument of Noticee no. 3 with respect to her trades executed in the scrip of Rutron, she has taken a plea that the total volume in the scrip of Rutron during the Investigation period was 10,23,62,427 shares. Therefore, Noticee's trading volume of 15,615 shares i.e. only 0.01% of the total market volume is exceedingly miniscule to attract any serious charge of fraudulent and unfair trade practice and price manipulation. It is pertinent to note here that the charge on Noticee no. 3 is of contributing to the positive LTP in the price of the scrip of Rutron during the Patch-2 of the Investigation Period and not during the entire Investigation Period as projected by the Noticee. Further, by examining the trades detailed out in the above table, I note that though the 6 Noticees together have executed 64 trades while contributing positive LTP to the tune of ₹16.85 (5.26% of total market positive LTP), Noticee no. 3 was acting as seller in 63 out of such 64 trades. Through such 63 trades, she had alone contributed ₹16.75 (5.18% of total market positive LTP) in the scrip of the Company during Patch-2 of the Investigation Period. Further, such a contribution of 5.18% of the total positive LTP was attained by her by trading in only 15615 shares which is just 0.175% of total number of shares traded (8915044) in the scrip of Rutron during Patch-2 of the Investigation Period. Such a trading pattern exhibited by the Noticee no. 3, wherein by trading in less than 1% of the total number of shares traded during the period, she alone has successfully contributed to more than 5% of total positive LTP in the scrip of Rutron during the relevant period, cannot be mere a coincidence and rather points a strong suspicious finger towards the malafide intention of the Noticee no. 3.

(r) Noticee no. 7 has submitted that his 200 shares trade wherein a positive LTP of ₹0.10 was contributed has been alleged in the SCN and considering the miniscule LTP amount involved and single trade, he has pleaded for leniency. I note that out of the 64 trades that have been traded by 6 Noticees, in one trade Noticee no. 7 was acting as seller and the said trade has contributed to 0.08% (₹0.10) of the total positive LTP in the scrip of Rutron during Patch-2 of the Investigation Period. I further note that in the said alleged trade, Noticee no. 7 had sold 200 shares of the Company. The contention of the Noticee no. 7 may appear authentic on the face of it, however, it is pertinent to remind here that the allegations made in the SCN are on the basis of the fact that all the 64 trades have been executed by 6 Noticees amongst each other as a connected group action in unison to manipulate the price of the scrip of the Company hence, taking the cause of the isolated trades of each of the 6 Noticee may not be the right approach while dealing with the allegations. Though the individual contribution of each of these 6 Noticees may be visibly less, but it cannot be lost sight of the fact that together in just 64 trades (0.46% of the total number of trades), these 6 Noticees were able to contribute to 5.26 % of the total market positive LTP in the scrip during the Patch-2 of the Investigation Period, which rather highlights the malafide intention of these 6 Noticees to artificially inflate the price of the scrip. Keeping in view the afore-stated non-genuine trading pattern exhibited by the all the 6 Noticees and the discussions in the foregoing paragraphs, it may be relevant here to note that Hon'ble SAT, in the matter of Ketan Parekh v. SEBI

(Appeal No. 2 of 2004) (DoD: 14.07.2006) had an occasion to deal with the propriety of non-genuine trades and held that: *"............Any transaction executed with the intention to defeat the market mechanism whether negotiated or not would be illegal. Whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism will depend upon the intention of the parties which could be inferred from the attending circumstances because direct evidence in such cases may not be available. The nature of the transaction executed, the frequency with which such transactions are undertaken, the value of the transactions, whether they involve circular trading and whether there is real change of beneficial ownership, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn".*

(s) I also note that by executing the above noted 64 trades which was constituting just 0.46% of the total number of trades (14038) executed in the scrip of Rutron during Patch-2 of the Investigation Period, the 6 Noticees have contributed 5.26% of the total market positive LTP in the said scrip. The malafide intent on the part of these 6 Noticees for marking up the price of the scrip of Rutron is further demonstrated by the peculiar trading pattern adopted and executed by the 6 Noticees in an anonymous screen based trading system wherein the buy and sell orders placed by these 6 Noticees got matched amongst themselves on a numerous occasion, which in my considered view, cannot be seen as mere coincidences of matching of orders. Instead such unusual LTP contributing trades executed amongst the connected entities strengthens the allegations made in the SCN that these trades have been deliberately executed with a fraudulent intent of manipulating the price and causing misleading appearances of trading in the scrip, thereby causing inducement to the investors at large. It is highly inconceivable that the trades of the 6 Noticees executed on an anonymous trading platform matched with their connected entities on a numerous occasions by sheer coincidence of matching of orders and not by any pre-set design keeping in view the inter se nexus that existed amongst the 6 Noticees during the relevant period. In fact, the repeated matching of such orders suggests how these 6 Noticees have deployed a strategy to defeat the objective of even an anonymous trading platform and have successfully ensured that their trades match with each other as per their pre-conceived strategy to mark up the price of the scrip of the Company. Therefore, in my considered view, the alleged trades can't by any standard be categorized as trades executed in normal course of trading in securities market.

(t) In the light of the above, the trading conduct of entities HS Tradecom, Noticee nos. 1, 2, 3, 5 and 7 was malicious intent and fraudulent motive and hence, I hold that the aforesaid entities have violated the provisions of regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) and 4(2)(e) of the PFUTP Regulations, 2003, while trading in the scrip of Rutron during Patch-2 of the Investigation period.

(u) Further, during Patch-3 of Investigation Period, it has been alleged that Noticee nos. 2, 4 and 6 and the entities namely Ranisati, Ramdut and Astabhuja have violated the provisions of regulation 3 (a), (b), (c), (d), 4(1) and 4(2)(a) and (e) of PFUTP Regulations, 2003. During the Patch-3 of the Investigation Period (November 22, 2013 to November 28, 2014), subsequent to the spilt in the share of the scrip in the ratio of 1:10, the price of the scrip opened at ₹24.45 (unadjusted price of ₹244.5), reached a low of ₹6.55 (unadjusted price of ₹65.5) and on November 28, 2014, closed at ₹7.3 (unadjusted price of ₹73), thereby witnessing a fall of 70.14% with a net negative LTP contribution of ₹17.15 (unadjusted price of ₹171.5) and total market negative LTP contribution of ₹72.96 (unadjusted price of ₹729.6).

(v) The SCN has alleged that by executing 201 manipulative and unfair trades, Noticee nos. 2, 4 and 6and the entities namely Ranisati, Ramdut and Astabhuja ("six entities" for convenience) have contributed ₹12.74 of negative LTP i.e.17.46% of total market negative LTP of ₹72.96 in the scrip of Rutron during Patch-3 of the Investigation Period. SCN has further alleged that out of the said group of six entities, Noticee nos. 2, 4 and Ranisati (hereinafter referred to as **"**seller entities") were acting as sellers / counterparties to the remaining 3 entities viz. Noticee no. 6, Ramdut and Astabhuja (hereinafter referred to as "buyer entities") who purchased the shares of the Company in those alleged 201 trades which contributed to negative LTP in the scrip of Rutron during Patch-3 of the Investigation Period. In this regard, details of negative LTP contribution by the trades executed by of the said six entities as buyers and sellers during Patch-3 of Investigation Period are tabulated below:

Table: Details of trades by the *six entities* amongst themselves in *Rutron* during Patch-3

Seller	Buyer	Negative LTP Contribution	% of Mkt Negative LTP	No of Trades	Qty Traded
Padma Impex Pvt. Ltd. (Noticee no. 2)	Astabhuja Construction Pvt. Ltd.	- 0.05	0.07	1	3
	Ramdut Infraprojects Pvt. Ltd.	**-10.06**	**13.79**	**167**	**48820**
Ranisati Dealer Pvt. Ltd	Helpful Investment Advisory Pvt. Ltd. (Noticee no. 6)	- 0.04	0.05	1	5000
	Astabhuja Construction Pvt. Ltd.	- 0.6	0.82	5	1100
	Ramdut Infraprojects Pvt. Ltd.	- 1.91	2.62	24	66356
Comfort Intech Limited (Noticee no. 4)	Ramdut Infraprojects Pvt. Ltd.	- 0.08	0.11	3	3000
	Total	- 12.74	17.46	201	124279

(w) I note from the above table that that out of the six entities which have been found to be connected, seller entities have sold the shares of Rutron at prices lower than LTP to buyer entities. In this whole scheme of mutual trades amongst themselves, these six entities by trading amongst each other in the scrip of Rutron, have acted in concert in the process contributing to the price fall in the scrip. Further, in the course of trading amongst each other, these 6 entities, have repeatedly executed trades with each other (201 trades) and have contributed significantly negative LTP to the tune of ₹12.74 (17.46% of total market negative LTP). I note from the trade logs, copies of which have been provided to the entities as annexure to the SCN, that by placing orders on a continuous basis, these six entities have ensured the fall in the scrip price of Rutron. I further note from the trade logs that while executing those alleged 201 trades amongst themselves, none of buyer entities came to the market jointly or together with any other buyer entities on any given trading day. Similarly, none of the alleged trades of the seller entities, coincided on the same trading day with the sell orders of any other seller entities, except for one trading day. A combination of roles played by the six entities by executing those alleged 201 trades amongst themselves as buyers and sellers in scrip of Rutron are presented in the table below:

Table: Date wise details of combination of buyers and sellers in 201 trades during Patch-3

Buyer / Seller	Period of Trading
Astabhuja (Buyer), Noticee no. 2 (Seller)	29-11-13
Astabhuja (Buyer), Ranisati (Seller)	06-12-13
Noticee no. 6 (Buyer), Ranisati (Seller)	07-05-14
Ramdut (Buyer), Ranisati (Seller)	04-06-14 to 19-06-14
Ramdut (Buyer), Noticee no. 2 (Seller)	20-06-14 to 22-07-14
Ramdut (Buyer), Noticee No. 2 & 4 (Seller)	23-07-14
Ramdut (Buyer), Noticee no. 2 (Seller)	24-07-14 to 24-11-14

(x) The aforesaid trading pattern of approaching the market on different trading days to contribute price fall in the scrip of Rutron has not been rebutted by any of the six entities. Therefore, it becomes clear that the six entities were not acting as genuine buyers or sellers and had no bona fide intention to buy / sell the scrip.

The negative LTP contribution made in the scrip of Rutron through their trades gives clear indications that they were executing trades lower than the LTP as if they were consciously pre-determined to cause price fall in the scrip of Rutron. It is also pertinent to note that the inter se connection observed amongst the six entities as already highlighted while dealing with the Issue 1 of this Order, furthers reinforces the malafide intention of these six entities behind engaging in such abnormal and pre-meditated trading pattern in the scrip of the Company that has caused decline in the price of the scrip.

(y) I also note that by executing those 201 trades which constituted just 1.27% of the total number of trades (15819) executed in the scrip of Rutron during Patch-3 of the Investigation Period, the six entities have contributed as much as 17.46% of the total market negative LTP in the scrip. Thus it is a matter of concern that the six entities have contributed more than 17% of the total market negative LTP contribution witnessed during the period by trading in only 124279 shares which were just 0.13% of total number of shares traded (94.44 lacs shares) in the scrip of Rutron during Patch-3 of the Investigation Period. Such a trading pattern exhibited by the six entities, wherein by trading in less than 1% of the total number of shares, the six entities have successfully contributed to more than 17% of total negative LTP in the scrip of Rutron during the relevant period, further exacerbates the suspicion about the intention of the six entities.

(z) In this context, Noticee no. 4 has argued that the alleged buy order time was 09:18 am and the alleged sell trades executed by it were placed around 3 pm, and hence, no pre-planned trade or meeting of minds in this regard. In my view such bald argument may not come to rescue of the Noticee no. 4 as the allegation in the SCN has been levelled against the Noticee primarily on the basis of its connection with the other Noticees and consequently, the corresponding counterparties / buyers to the alleged trades executed by it have also been made parties to the SCN. Further, such a peculiar trading pattern wherein a buyer places an order at the opening of the market at around 9:15 a.m., which is matched with a sell order placed by the Noticee which is also part of the connected group entities around closure of the securities market at around 3 p.m., cannot be a mere coincidence of matching of orders. Such a trading pattern, in fact, draws attention to a pre-meditated strategy to bring the LTP of the scrip down by every succeeding matched trade over a period of time. The malafide of the seller entities further becomes conspicuous from the fact that the price of the scrip of the Company, which had witnessed a phenomenal rise in recent past during the Patch-1 and 2, started showing decline so much so that the seller notice was willing to sell shares at prices lower than the LTP. Seller entities have not advanced any justification as to what development suddenly took place in the market, which prompted them to sell their shares at lower prices on a continuous basis. Such an undisputed fact coupled with the matching of their orders with the orders of the counter parities over the period on a frequent basis are sufficient to come to a conclusion that these trades were not executed by the Noticees in the normal course of trading. In a screen based trading, there cannot be a coincidence that the orders of these six entities would get matched repeatedly on several occasions on an anonymous trading platform, which in itself is sufficient evidence to hold that such matching of orders did not product of genuine trades and were executed only to manipulate the price of the scrip for reasons best known to these entities.

(aa) As observed earlier that there is no strong reasoning available on record to suggest as to why these six entities executed such trades on a regular basis in the scrip of Rutron thereby contributing a cumulative market negative LTP of ₹12.74. However, the pattern of trades adopted by these six entities negates any such universally accepted business prudence of trading in securities. The nefarious intent on the part of the six entities for pulling the price lower in the scrip of Rutron is further demonstrated by the trading pattern adopted and executed by the six entities. I further observe that the strange coincidence with which the orders placed by the entities matched with each other repeatedly on a numerous times on an anonymous screen based trading system in itself adequate to hold that these six entities have been deliberately trading in a manner to ensure that the buy & sell orders placed by them match with each other so as to distort the integrity of orderly functioning of the market mechanism hence, those unusual trades which were found to be executed amongst the connected entities in a fraudulent manner cannot be stated to have been executed in normal course of trading in securities. Moreover, keeping in view the inter se nexus amongst the six entities as revealed during the investigation, repeated execution of such inter se trades on an electronic platform suggests how these six entities have deployed a strategy to defeat the objective of even an anonymous trading platform and have successfully ensured that their orders get matched with each other as per their pre-conceived strategy to mark down the price of the scrip. Therefore, in my considered view, the alleged trades can't by any standard be categorized as trades executed in normal course of trading in securities market. In this regard, I would like to rely on the observations of Hon'ble SAT in the matter of *BP Comtrade Pvt. Ltd vs. SEBI (Appeal no. 189 of 2020, DoD: 20.11.2020):*"*A large number of sell orders were placed repeatedly on several trading dates at less than the LTP; it is illogical. Therefore, the contention of the appellants that it was following momentum trading has no meaning as by placing a large number of orders below the LTP the appellants themselves were creating a momentum….*

….When such trades are done on a large number of occasions, such as 166 times, one cannot but come to the conclusion that such trades are manipulative in nature."

(bb) In the light of the abnormal trading pattern exhibited by the s*ix* entities as discussed in detail in the preceding paragraphs, I would also like to rely on the following observations made by the Hon'ble Supreme Court of India in the case of *SEBI vs. Rakhi Trading Pvt. Ltd in Civil Appeal Nos. 1969, 3174-3177 and 3180 of 2011 (DoD- 08.02.2018): "35. Having regard to the fact that the dealings in the stock exchange are governed by the principles of fair play and transparency, one does not have to labour much on the meaning of unfair trade practices in securities. Contextually and in simple words, it means a practice* *which does not conform to the fair and transparent principles of trades in the stock market."*

(cc) In the light of the aforesaid judicial observations of the Hon'ble SAT and after considering the trading pattern and the manner and frequency with which such trades were executed by the above noted six entities, I am constrained to hold that the entities, Noticee nos. 2, 4 and 6 and the entities namely Ranisati, Ramdut and Astabhuja were not acting as genuine market participants and had no bona fide intention to trade in the shares of Rutron and hence these entities violated the aforesaid provisions of PFUTP Regulations, 2003 as alleged in SCN.

(dd) Further, with regard to the entities namely, HS Tradecom Private Limited, Ranisati Dealer Private Limited, Ramdut Infraprojects Limited and Astabhuja Construction Private Limited, it is noted that the said entities have been struck off from the list of companies by the Office of Registrar of Companies and also dissolved. As the entities were struck off, the same were dealt in separate orders.

(ee) In light of the above, it is established that the Noticees created misleading appearance of trading and manipulated the price in the scrip of Rutron by trading among themselves and thereby, violated the provisions of regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a) and 4(2)(e) of PFUTP Regulations, 2003.

Issue (b): Does the violations, if any, on the part of the Noticees would attract monetary penalty under section 15HA of the SEBI Act, 1992?

(a) It has been established in the foregoing paragraphs that Noticees have violated the provisions of regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a) and 4(2)(e) of PFUTP Regulations, 2003 and therefore, the aforesaid violations committed by the Noticees attract monetary penalty under section 15HA of the SEBI Act, 1992.

(b) In this regard, reliance is placed upon the order of the Hon'ble Supreme Court of India in the matter of Chairman, SEBI Vs Shriram Mutual Fund { [2006]5 SCC 361 } – wherein the Hon'ble Supreme Court of India 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 and hence the intention of the parties committing such violation becomes wholly irrelevant…………....*"

(c) In view of the above, I conclude that the Noticees are liable for monetary penalty under the provision of section 15HA of the SEBI Act, 1992, which reads as under during the relevant period:

The SEBI Act, 1992

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

Issue (c): If so, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors mentioned in section 15J of SEBI Act, 1992?

(a) While determining the quantum of penalty under section 15HA of the SEBI Act, 1992, it is important to consider the factors relevantly as stipulated in section 15J of the SEBI Act, 1992 which reads as under:-

Factors to be taken into account by the adjudicating officer.

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

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

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

c) *the repetitive nature of the default.*

(b) In the present matter, the material made available on record has not quantified the amount of disproportionate gain or unfair advantage made by the Noticees and also the loss suffered by the investors as a result of these Noticees' default. The consequences resulting from violations committed by the said Noticees are of grave nature and are prejudicial to the interests of investors in the securities market. If violations of this nature and magnitude are not dealt with seriously with a firm hand then investors will lose faith in the Indian Securities Market.

(c) The Hon'ble SAT, in its order dated August 02, 2019 in the matter of P G Electroplast vs SEBI, has held that the Order passed in corresponding proceedings before the Whole Time Member should be factored in while fixing the quantum of penalty. In this regard, I note that, a separate and parallel proceeding was initiated against the Noticees under the provisions of section 11(1), 11(4) and 11B of the SEBI Act, 1992 under the same facts. In the said proceedings, vide Order dated February 15, 2021, Hon'ble Whole Time Member of SEBI has inter-alia restrained all the Noticees from accessing the securities market and further prohibit them from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, for a period of six (06) months from the date of this Order.

ORDER

10. After taking into consideration the facts and circumstances of the case, material/facts on record, case laws submitted by the Noticees and also the factors mentioned in the preceding paragraphs, I, in exercise of the powers conferred upon me under section 15-I of the SEBI Act, 1992 r/w rule 5 of the Adjudication

Rules, 1995, hereby impose the following penalty on the Noticees under section 15HA of the SEBI Act, 1992, for the failure on their part to comply with the provisions of PFUTP Regulations, 2003:

Name of the Noticees	**Penalty Section**	**Penalty Amount (Rs.)**
Dhanlakshmi Brokers Private Limited	Section 15HA of the SEBI Act, 1992	5,00,000/-
Padma Impex Private Limited		5,00,000/-
Manju Kahndelia		5,00,000/-
Comfort Intech Limited		5,00,000/-
Esquire Enclave Private Limited		5,00,000/-
Helpful Investment Advisory Private Limited		5,00,000/-
Jugal Chandrakant Thacker (HUF)		5,00,000/-
Vandana Sharma		5,00,000/-
Madan Lal		5,00,000/-
Asha Sharma		5,00,000/-

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

11. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order through Demand Draft in favour of "SEBI -Penalties Remittable to Government of India", payable at Mumbai, or the online payment facility available on the website of SEBI, i.e., www.sebi.gov.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, the Noticees may contact the support at portalhelp@sebi.gov.in.

12. The Noticees shall forward said Demand Draft or the details/confirmation of penalty so paid to the Division Chief, Enforcement Department-I, DRA-V, SEBI.

The Noticees shall provide the following details while forwarding DD/payment information:

a) Name and PAN of the entity (Noticee)

b) Name of the case / matter

c) Purpose of Payment –Payment of penalty under AO proceedings

d) Bank Name and Account Number

e) Transaction Number

13. In terms of the provision of rule 6 of the Adjudication Rules, 1995, a copies of this order are being sent to the Noticees and also to SEBI.

Place: Mumbai **PRASANTA MAHAPATRA**

Date: December 24, 2021 **ADJUDICATING OFFICER**