BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/MC/HP/2021-22/14010-14020]

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

In respect of –

1. **Pardeep Aggarwal (PAN: AADPA0496R)** having address at - F-99, Prashant Vihar, Delhi - 110085
2. **Sakshi Aggarwal (PAN: AIYPA6927C)** having address at - F-99, Prashant Vihar, Delhi - 110085
3. **Santosh Aggarwal (PAN: AAOPA2847B)** having address at - D-129, Antriksh Apartment, Rohini Sector - 14 Extn, Delhi - 110085
4. **Parmod Aggarwal (PAN: AACPA8903G)** having address at - F-99, Prashant Vihar, Delhi - 110085
5. **Mayank Aggarwal (PAN: AIYPA6730B)** having address at - D-129, Antriksh Apartment, Rohini Sector - 14 Extn, Delhi - 110085
6. **Himanshu Aggarwal (PAN: AIYPA6731A)** having address at - D-129, Antriksh Apartment, Rohini Sector - 14 Extn, Delhi - 110085
7. **Nupur Aggarwal (PAN: AIYPA6780B)** having address at - C-3/63, Rajasthali Apartment, Pitampura, Delhi - 110034
8. **Savita Aggarwal (PAN: AANPA4419N)** having address at - C-3/63, Rajasthali Apartment, Pitampura, Delhi - 110034
9. **Parveen Aggarwal HUF (PAN: AADHP2427D)** having address at - D-129, Antriksh Apartment, Rohini Sector - 14 Extn, Delhi - 110085
10. **Centillion Capital Private Limited (**Formerly known as **Pelf Finstock Limited) (PAN: AAACP3943N)** having address at - T-3, V-1 La Tropicana, Magazine Road, Khyber Pass, Civil Lines, New Delhi - 110054

11. **Parnami Capital Services Limited (**Now known as **Centillion Insurance Brokers Ltd) (PAN: AADCP8770A)** having address at - F-99, Prashant Vihar, Delhi - 110085

In the matter of PMC Fincorp Limited

BACKGROUND

1. Securities and Exchange Board of India (hereinafter be referred to as, **'SEBI'**) initiated adjudication proceedings under Section 15HA of the SEBI Act, 1992 (hereinafter referred to as **'SEBI Act'**), against Pardeep Aggarwal **(Noticee 1)**, Sakshi Aggarwal **(Noticee 2)**, Santosh Aggarwal **(Noticee 3)**, Parmod Aggarwal **(Noticee 4)**, Mayank Aggarwal **(Noticee 5)**, Himanshu Aggarwal **(Noticee 6)**, Nupur Aggarwal **(Noticee 7)**, Savita Aggarwal **(Noticee 8)**, Parveen Aggarwal HUF **(Noticee 9)**, Centillion Capital Private Limited (Formerly known as Pelf Finstock Limited) **(Noticee 10)** and Parnami Capital Services Limited (Now known as Centillion Insurance Brokers Ltd) **(Noticee 11)**, for the alleged violations of Section 12A(a),(b),(c) of SEBI Act read with Regulation 3(a),(b),(c),(d) and Regulations 4(1), 4(2) (a), (e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as **'PFUTP Regulations'**) pursuant to investigation in the scrip of PMC Fincorp Limited (**PMC/Company/Scrip**) for the period from March 29, 2012 to March 31, 2015 (**IP/investigation period**). The Noticees 1 to 11 are collectively referred to as **'Noticees/You'.**

APPOINTMENT OF ADJUDICATING OFFICER

2. SEBI appointed the undersigned as Adjudicating Officer (hereinafter referred to as “**AO**”) under Section15-I of the SEBI Act read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter be referred to as the **'Adjudication Rules'**), vide order dated June

26, 2020 to inquire into and adjudge under section 15HA of the SEBI Act, the aforesaid alleged violations against the Noticees. The appointment of the AO was communicated vide order dated June 30, 2020.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Show Cause Notice No. EAD5/MC/DPS/11978/2020 dated July 21, 2020 (hereinafter be referred to as, the "**SCN**") was served upon the Noticees under Rule 4(1) of the Adjudication Rules read with Section 15-I of the SEBI Act, to show cause as to why an inquiry should not be held and penalty not be imposed against them under Section 15HA of SEBI Act for the aforesaid alleged violations of PFUTP Regulations.

4. The allegations levelled against the Noticees in the SCN are summarized as below:

5. PMC is registered as a Public Limited Company in the State of Uttar Pradesh, Kanpur. The company was incorporated on 4th February 1985, to undertake business of Financial Services. The company is registered with Reserve Bank of India as a Non-Banking Financial Company (NBFC) and engaged in activities including Corporate and Personal Finance, Debt Syndication, Private Placement, Arranger, Distribution & Marketing of Financial Products and Dealing & Investment in Stock Market. The company offered its shares in Indian Capital Market through an IPO in the year 1988. The shares of company were listed on UP Stock Exchange Ltd (UPSE) and subsequently got listed on Bombay Stock Exchange Ltd (BSE) on March 12, 2012. As per the MCA website, Company's registered office is at B-10, VIP Colony, Civil Lines, Rampur, Uttar Pradesh.

6. The details of the management of the company during the investigation period are as follows:-

Sl. No.	Name	Designation	Date of Appointment	Date of Cessation
1.	Pramod Gupta	Director	30-Apr-2010	Till date
2.	Raj Kumar Modi	Managing Director	27-Jan-2003	Till date
3.	Rekha Modi	Director	17-Dec-2009	Till date
4.	Vishnu Bhagwan Aggarwal	Director	30-Apr-2010	16-Dec-2018
5.	Dhirendra Kumar Gupta	Director	27-Jan-2003	16-Nov-2012

7. During IP, price of the scrip on BSE moved from Rs. 315 to Rs. 41.90 reaching a high of Rs. 880 and a low of Rs. 34.85. The closing price of the scrip at BSE as on January 22, 2020 was Rs. 0.39. The IP was divided into 5 patches as given below:

Period	Duration		Opening Price/ vol on 1st day of period(Rs.)	Closing Price/ Vol on last day of period(Rs.)	Low Price/Vol during the Period(Rs.)	High Price/Vol during the Period(Rs.)	Avg no of shares traded daily during the period
Pre-Investigation	**13/03/2012 - 28/03/2012 (*)**	**Price (in Rs.)**	**355**	**307.95**	**300.50 (28/03/2012)**	**424 (16/03/2012)**	**56064**
		Volume	**11275**	**109795**	**11275 (13/03/2012)**	**109795 (28/03/2012)**	
IP	**Patch 1 29/03/2012-06/02/2013**	**Price (in Rs.)**	**315**	**499.65**	**313.50 (29/03/2012)**	**585 (28/01/2013)**	**40619**
		Volume	**67975**	**59563**	**2810 (18/05/2012)**	**138987 (01/01/2013)**	
		Sub division of equity shares of the company in the ratio 1:2 w.e.f. 07/02/2013					
	Patch 2 07/02/2013 – 19/03/2013	**Price (in Rs.)**	**244**	**103.15**	**101 (18/03/2013)**	**269 (08/02/2013)**	**161854**
		Volume	**32331**	**1505**	**12543 (20/02/2013)**	**468416 (14/03/2013)**	
	Patch 3 20/03/2013-12/03/2014	**Price (in Rs.)**	**103**	**807.75**	**99.55 (20/03/2013)**	**848.90 (10/03/2014)**	**25353**
		Volume	**453379**	**29393**	**1 (02/04/2013)**	**524490 (21/03/2013)**	
		Issue of bonus shares in the ratio 8:10 w.e.f. 13/03/2014					
	Patch 4 13/03/2014 - 21/10/2014	**Price (in Rs.)**	**430**	**838.90**	**425 (13/03/2014)**	**880 (11/06/2014)**	**28388**
		Volume	**24266**	**25756**	**882 (30/06/2014)**	**186959 (26/03/2014)**	
		Sub division of equity shares of the company in the ratio 1:5 w.e.f. 22/10/2014					
	Patch 5 22/10/2014 - 31/03/2015	**Price (in Rs.)**	**170**	**41.90**	**34.85 (02/02/2015)**	**244.70 (27/10/2014)**	**141716**
		Volume	**110367**	**511983**	**765 (12/01/2015)**	**1064414 (30/03/2015)**	
		Price	**41.05**	**6.48**	**5.93**	**43**	**421830**

Period	Duration		Opening Price/ vol on 1st day of period(Rs.)	Closing Price/ Vol on last day of period(Rs.)	Low Price/Vol during the Period(Rs.)	High Price/Vol during the Period(Rs.)	Avg no of shares traded daily during the period
Post-Investigation	01/04/2015 - 30/06/2015	(in Rs.)			(29/06/2015)	(01/04/2015)	
		Volume	899783	481419	14996 (12/06/2015)	2027173 (16/04/2015)	

**The scrip got listed on BSE on March 12, 2012*

8. The price volume chart during the IP is as follows:-

9. The adjusted price volume chart after accounting for the stock splits during the IP is as under:-

10. Details of Top 10 buy broker and sell broker concentration on BSE during the IP are tabulated as follows:

Buy Broker Name	Total Buy Volume	%age of Trd Vol	Selling Broker Name	Total Volume	%age of Trd Vol
Integrated Master Securities Pvt.Ltd.	8041423	20.48	Integrated Master Securities Pvt.Ltd.	6039396	15.38
Fairwealth Securities Ltd.	3490327	8.89	Noticee 10	3067620	7.81
Mindex Capital Market Private Limited (Formerly known as MKN Equity Brokers Pvt. Ltd.)	3115802	7.93	SS Corporate Securities Ltd.	2599724	6.62
Smc Global Securities Ltd.	2979274	7.59	Smc Global Securities Ltd.	1683228	4.29
India Infoline Ltd.	2416219	6.15	Ncj Share & Stock Brokers Ltd.	1616085	4.12
Kumar Share Brokers Limited	1893758	4.82	Kk Securities Ltd.	1468734	3.74
The Calcutta Stock Exchange Ltd.	1151112	2.93	Alankit Assignments Ltd.	1298675	3.31
Comfort Securities Ltd.	973631	2.48	Mindex Capital Market Private Limited (Formerly known as MKN Equity Brokers Pvt. Ltd.)	1265138	3.22
Sw Capital Pvt. Ltd.	892496	2.27	India Infoline Ltd.	1021616	2.60
Ase Capital Markets Ltd.	890429	2.27	Comfort Securities Ltd.	973631	2.48
Top 10 Buy Brokers	**25844471**	**65.81**	**Top 10 Buy Brokers**	**21033847**	**53.56**
Remaining Brokers	**13429446**	**34.19**	**Remaining Brokers**	**18240070**	**46.44**
Total Traded Volume	**39273917**	**100**	**Total Traded Volume**	**39273917**	**100**

11. From the table above, it was observed that top 10 trading members contributed 65.81% of gross buy volume and contributed 53.56% of gross sell volume during IP.

12. Details of top 10 buy clients and sell clients concentration on BSE during the IP are tabulated as below:

Buy Client Name	Total Buy Volume	%age of Trd Vol	Selling Client Name	Total Volume	%age of Trd Vol
Seabird Vincon Private Limited	3150159	8.02	Raghav Bahl	3455444	8.80
Economy Suppliers Private Limited	2760019	7.03	Golden Chariot Recreations Pvt Ltd	1276156	3.25
Seabird Retails Private Limited	2606958	6.64	Mukesh Dhirajlal Mahetalia	677468	1.73
Seabird Distributors Private Limited	2555220	6.51	Seabird Vincon Private Limited	601402	1.53
Embassy Sales Private Limited	2349219	5.98	Anoop Jain	600000	1.53
Famous Investment Consultants Pvt Ltd	1622494	4.13	Embassy Sales Private Limited	549734	1.40
Shivdarshan Sales Private Limited	1485972	3.78	Godavari Corporation Private Limited	510515	1.30
Rolex Vinimay Private Limited	1440312	3.67	Anoop Jain HUF	453100	1.15
Sankatmochak Tieup Private Limited	772480	1.97	Kabira Bharat Kalabhai	445004	1.13
Mukesh Dhirajlal Mahetalia	686218	1.75	Veena Jain	430665	1.10
Top 10 Buy Clients	**19429051**	**49.47**	**Top 10 Buy Clients**	**8999488**	**22.92**

Remaining Clients	**19844866**	**50.53**	**Remaining Clients**	**30947201**	**77.08**
Total Traded Volume	**39273917**	**100**	**Total Traded Volume**	**39273917**	**100**

13. It was observed from above table that top 10 buy clients contributed 49.47% of gross buy volume and top 10 sell clients contributed 22.92% of gross sell volume during IP.

14. Based on UCC details by BSE/KYC details from brokers, off-market transfers, details from MCA website and bank account statements (those who contributed more than 5% to the market LTP) of top 10 buyers/sellers and LTP contributors and the off market transfers, a group of 92 entities were found to be connected to one another on the basis of fund transfers, off market transactions, common directors, same address etc. Connections among the Noticees are depicted below:

Sr. No.	**Entity Name**	**Basis of connection**
1	Pardeep Aggarwal (Noticee 1)	Share same address viz; F-99,PARSHANT VIHAR, Delhi – 110085
2	Sakshi Aggarwal (Noticee 2)	
3	Santosh Aggarwal (Noticee 3)	
4	Mayank Aggarwal (Noticee 5)	
5	Himanshu Aggarwal (Noticee 6)	
6	Nupur Aggarwal (Noticee 7)	
7	Savita Aggarwal (Noticee 8)	
8	Parmod Aggarwal (Noticee 4)	Share same mobile no. viz; 9416132066 with Parmod Aggarwal HUF. Karta of Parmod Aggarwal HUF (share same address viz; F-99,Parshant Vihar, Delhi – 110085 with Noticees 1 to 3 and 5 to 8)
9	Parveen Aggarwal HUF (Noticee 9),	Karta of Noticee 9 is Parveen Aggarwal (share same address viz; F-99, Parshant Vihar, Delhi – 110085 with Noticees 1 to 3 and 5 to 8)
10	Centillion Capital Private Limited (Noticee 10)	Directors of Noticee 10 are Parveen Aggarwal and Noticee 1
11	Parnami Capital Services Limited (Noticee 11)	Noticee had off-market transfer with Seabird Vincon P. Ltd. Share same no. viz; 9811051610 with Noticee 8 and Vinod Aggarwal

15. **<u>Trading by the 11 Noticees during IP:</u>**

Sr. No.	Client Name	Sum of Buy Qty.	Sum of Sell Qty.	Net Trade	Gross Buy % to total buy volume	Gross Sell % to total sell volume
1	Pardeep Aggarwal (Noticee 1)	0	5000	-5000	0	0.01
2	Sakshi Aggarwal (Noticee 2)	3000	3000	0	0.01	0.01
3	Santosh Aggarwal (Noticee 3)	0	1000	-1000	0	0
4	Parmod Aggarwal (Noticee 4)	0	5000	-5000	0	0.01
5	Mayank Aggarwal (Noticee 5)	3000	3000	0	0.01	0.01
6	Himanshu Aggarwal (Noticee 6)	3000	3000	0	0.01	0.01
7	Nupur Aggarwal (Noticee 7)	3000	3000	0	0.01	0.01
8	Savita Aggarwal (Noticee 8)	0	1000	-1000	0	0
9	Parveen Aggarwal HUF (Noticee 9),	0	1000	-1000	0	0
10	Centillion Capital Private Limited (Noticee 10)	0	315000	-315000	0	0.80
11	Parnami Capital Services Limited (Noticee 11)	0	31400	-31400	0	0.08
	Total	**20000**	**1133482**	**-1113482**	**0.05**	**2.89**

16. **Patch 1 - Price Rise – 29/03/2012 to 06/02/2013:**

17. During this period, the price of the scrip opened at Rs.315, reached a high of Rs.585 and closed at Rs.499.65 i.e., a rise of 58.61%. Buy LTP analysis of the 30 connected entities during this period is tabulated below –

Sr. No.	Buyer Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of +ve LTP to Total Market +ve LTP
		Sum of LTP diff	Sum of QTY	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
1	Seabird Vincon Pvt Ltd	307.75	1407307	17488	663.65	100267	960	-355.90	82729	536	1224311	15992	14.69
2	Economy Suppliers Pvt Ltd	233.90	1323665	13195	480.35	91559	733	-246.45	66319	360	1165787	12102	10.64
3	Embassy Sales Private Limited	127.05	915079	11639	620.95	71541	776	-493.90	47543	492	795995	10371	13.75
4	Seabird Retails Pvt Ltd	103.70	1126453	15525	683.80	84712	965	-580.10	90119	744	951622	13816	15.14
5	Seabird Distributors Pvt Ltd	72.55	956200	14105	432.50	45371	618	-359.95	61232	507	849597	12980	9.58
6	Mindex Capital Market Private Limited	0.40	536	10	0.40	61	1	0	0	0	475	9	0.01
7	Suresh Kumar Aggarwal	0	8	1	0	0	0	0	0	0	8	1	0
8	Krishan Kumar Aggarwal	0	9	2	0	0	0	0	0	0	9	2	0
9	Nitin Aggarwal HUF	0	8	1	0	0	0	0	0	0	8	1	0

10	Nitin Aggarwal	0	8	2	0	0	0	0	0	0	8	2	0
11	Manoj Kumar Aggarwal	0	7	1	0	0	0	0	0	0	7	1	0
12	Kusum Lata Aggarwal	0	8	1	0	0	0	0	0	0	8	1	0
13	Suchita Aggarwal	0	7	1	0	0	0	0	0	0	7	1	0
14	Meena Aggarwal	0	9	1	0	0	0	0	0	0	9	1	0
15	Dhirendra Kumar Gupta	0	2	1	0	0	0	0	0	0	2	1	0
16	Kiran Aggarwal	0	8	1	0	0	0	0	0	0	8	1	0
17	Dhirendra Kumar Gupta and Sons HUF	-1.95	2002	8	0	0	0	-1.95	500	1	1502	7	0
18	M K N Commodity Brokers Private Limited	-4.30	181857	4242	201.50	12093	281	-205.80	30211	329	139553	3632	4.46
19	Anita Gupta	-4.50	5525	35	1	25	1	-5.50	3015	12	2485	22	0.02
20	Sulekha Gupta	-4.75	1900	19	0.50	5	1	-5.25	1001	6	894	12	0.01
21	Mohan Lal Jain HUF	-5.40	2000	1	0	0	0	-5.40	2000	1	0	0	0
22	Radhu Developers Pvt Ltd	-6.90	60700	218	1.80	3698	4	-8.70	4985	25	52017	189	0.04
23	S K Aggarwal HUF	-12.60	15783	201	3.45	580	10	-16.05	1973	22	13230	169	0.08
24	K K Aggarwal HUF	-12.75	5339	64	1.50	71	2	-14.25	1605	12	3663	50	0.03
25	J M S Financial Services Ltd.	-13.85	206459	4634	161.60	9217	242	-175.45	26353	275	170889	4117	3.58
26	Rakesh Kumar Gupta	-14.05	26610	213	13.65	1286	16	-27.70	9579	39	15745	158	0.30
27	Umesh Goyal	-32.70	11293	260	13.35	985	22	-46.05	1160	24	9148	214	0.30
28	Golden Chariot Recreations Private Limited	-35.25	667616	3416	151.50	50186	219	-186.75	99630	358	517800	2839	3.35
29	Mudit Jain HUF	-49.95	34213	342	6.60	2312	20	-56.55	6006	68	25895	254	0.14
30	M K Aggarwal HUF	-51.35	14345	223	7.50	510	12	-58.85	2600	35	11235	176	0.17
Total of connected entities having Net +ve LTP contribution		**845.35**	**5729240**	**71962**	**2881.65**	**393511**	**4053**	**-2036.30**	**347942**	**2639**	**4987787**	**65270**	**63.81**
Total of connected entities		**595.05**	**6964956**	**85850**	**3445.60**	**474479**	**4883**	**-2850.55**	**538560**	**3846**	**5951917**	**77121**	**76.29**
Total of Mkt		**178**	**8773718**	**99367**	**4516.20**	**709694**	**6019**	**-4338.20**	**760944**	**5329**	**7303080**	**88019**	**100**

18. The connected entities contributed Rs.3445.60 (76.29% of the market +ve LTP) to the market +ve LTP.

19. The connected entities listed at Sr. No. 1 to 6, having net +ve LTP contribution, contributed Rs.2881.65 (63.81% of the market +ve LTP) to the market +ve LTP. It was also observed that the net LTP contribution by entities listed at Sr. No. 1 to 6 was Rs. 845.35 whereas the net LTP contribution of the market was Rs. 178.

20. From trading analysis, it was observed that the following 26 entities had traded among themselves and the details are as follows -

Sr. No.	Buyer → / Seller ↓	+LTP in Rs. Economy Suppliers Pvt Ltd	Embassy Sales Pvt Ltd	Seabird Retails Pvt Ltd	Seabird Vincon Pvt Ltd	Seabird Distributors Pvt Ltd	Total +LTP in Rs.
1	J M S Financial Services Ltd.	77.45	131.50	126.65	73.50	63	472.10
2	M K N Commodity Brokers Pvt Ltd	46.50	85.30	81.35	69.65	48.50	331.30
3	Anoop Jain	22.15	26.65	29.80	26.25	12.50	117.35
4	Anoop Jain HUF	13.05	21.55	19.75	9.70	7.95	72
5	Embassy Sales Private Limited	7.95	5.25	29.45	16.50	12.85	72
6	Rakesh Kumar Gupta	2.05	8.80	10.55	16.50	2.40	40.30
7	Mohan Lal Jain	2.80	9	3.45	5.90	9.70	30.85
8	Seabird Retails Private Limited	6.20	10.65	4.55	2.75	4.70	28.85
9	Seabird Distributors Private Limited	4.65	7.40	3.70	2.15	1.95	19.85
10	S K Aggarwal HUF	6.50	3.75	0.50	4.15	2.45	17.35
11	Seabird Vincon Private Limited	3.30	5.50	5.60	0.70	2.20	17.30
12	Centillion Capital Private Limited (Formerly Known As Pelf Finstock Ltd) (Noticee 10)	1.60	5.50	3.70	1.75	2.30	14.85
13	Economy Suppliers Private Limited	0.90	1.50	3.15	4.15	3.70	13.40
14	M K Aggarwal HUF	1.35	1.30	6.10	2.85	1.25	12.85
15	Raghav Bahl	1.80	0.25	2.05	7.25	0.75	12.10
16	Mudit Jain HUF	-	3.15	0.85	4.35	1.50	9.85
17	Umesh Goyal	0.60	4.65	1.10	0.25	1.25	7.85
18	Ritu Kapur	0.75	0.50	0.30	0.80	0.05	2.40
19	K K Securities Ltd	-	-	0.50	0.50	-	1
20	Dhirendra Kumar Gupta & Sons HUF	-	-	-	0.95	-	0.95
21	Anita Gupta	-	-	-	0.50	-	0.50
22	Mindex Capital Market Private Limited	0.35	-	-	-	-	0.35
23	Sulekha Gupta	0.05	0.30	-	-	-	0.35
24	Parmod Aggarwal (Noticee 4)	-	-	0.05	-	0.25	0.30
25	K K Aggarwal HUF	-	0.15	-	-	0.10	0.25
26	Pardeep Aggarwal (Noticee 1)	-	-	-	-	0.05	0.05
TOTAL		**200**	**332.65**	**333.15**	**251.10**	**179.40**	**1296.30**

21. From the table above, it was observed that Noticee 1, 4 and 10 along with other 23 entities traded among themselves and contributed Rs. 1296.30 (1867 trades) to the market +ve LTP, which is 28.70% of the market +ve LTP.

22. Entities at Sr. No. 1 to 26 (Sellers) namely Noticee 1, Noticee 4, Noticee 10, JMS, MKN, Anoop Jain, Anoop Jain HUF, S K Aggarwal HUF, M K Aggarwal HUF, Mindex Capital, K K Aggarwal HUF, KKSL, Economy, Embassy, Dhirendra, Mohan, Mudit HUF, Raghav, Seabird Retails, Seabird Vincon, Seabird Distributors, Anita, Umesh Goyal, Ritu, Sulekha and Rakesh had aided other five

connected entities (buyers) namely Economy, Embassy, Seabird Vincon, Seabird Retails and Seabird Distributors, by selling shares to them to increase the price of the scrip.

23. In view of the significant +ve LTP contribution by the entities by trading among themselves it was alleged that the Noticee 1, 4 and 10 along with the aforesaid 23 entities created misleading appearance of trading and manipulated the price of the scrip by contributing to the price rise and thereby violated Section 12 A(a),(b),(c) of SEBI Act read with Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of PFUTP Regulations.

24. **Patch 3 - Price Rise - 20/03/2013 to 12/03/2014:**

25. During this period, the price of the scrip opened at Rs.103, reached a high of Rs.848.90 and closed at Rs.807.75 i.e., a rise of 684.22%. Buy LTP analysis of the 40 connected entities during this period is tabulated below –

Sr. No.	Buyer Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of +ve LTP to Total Market +ve LTP
		Sum of LTP diff	Sum of QTY	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
1	Seabird Vincon Pvt Ltd	152.05	495123	6486	382.05	37697	330	-230	32595	245	424831	5911	4.94
2	Famous Investment Consultants Pvt Ltd	114.70	223861	2575	215.35	15716	164	-100.65	4649	94	203496	2317	2.78
3	Economy Suppliers Pvt Ltd	107.25	393055	4558	342.35	30780	283	-235.10	22355	226	339920	4049	4.43
4	Nishant Inbuild Limited	94.65	127180	1693	173.40	9180	110	-78.75	4153	89	113847	1494	2.24
5	Embassy Sales Private Limited	93.20	311330	4711	595.10	27272	309	-501.90	22282	283	261776	4119	7.69
6	Shivdarshan Sales Pvt Ltd	85.60	129836	1809	155.80	7990	126	-70.20	3526	62	118320	1621	2.01
7	Rolex Vinimay Pvt Ltd	82	162310	1924	149.25	10103	102	-67.25	5123	62	147084	1760	1.93
8	Seabird Distributors Pvt Ltd	65.35	317244	3764	220.05	22624	222	-154.70	23849	191	270771	3351	2.84
9	Seabird Retails Pvt Ltd	61.20	358503	4484	363.95	21772	277	-302.75	16016	257	320715	3950	4.70
10	Vimgi Investment Pvt Ltd	12	20000	213	19.45	975	12	-7.45	800	7	18225	194	0.25
11	Radhu Developers Pvt Ltd.	9.75	2002	12	15.75	2	2	-6	200	1	1800	9	0.20
12	Sunil Kumar Gupta HUF	0	10000	5	0	0	0	0	0	0	10000	5	0
13	Darshana Devi	0	10000	17	0	0	0	0	0	0	10000	17	0
14	Mayank Aggarwal (Noticee 5)	0	3000	1	0	0	0	0	0	0	3000	1	0
15	Nimish Aggarwal	0	3000	1	0	0	0	0	0	0	3000	1	0
16	Nupur Aggarwal (Noticee 7)	0	3000	2	0	0	0	0	0	0	3000	2	0
17	Sakshi Aggarwal (Noticee 2)	0	3000	4	0	0	0	0	0	0	3000	4	0
18	Satish Singhal	0	15000	3	0	0	0	0	0	0	15000	3	0
19	Meena Singhal	-0.05	10000	6	0	0	0	-0.05	4888	1	5112	5	0
20	Shankar Somani	-0.15	25000	17	0.10	5250	2	-0.25	13885	4	5865	11	0
21	Aarzoo Aggarwal	-0.25	3000	1	0	0	0	-0.25	3000	1	0	0	0
22	Himanshu Aggarwal (Noticee 6)	-0.75	3000	4	0	0	0	-0.75	500	1	2500	3	0
23	Veena Jain	-1.60	17036	128	6.10	688	6	-7.70	408	8	15940	114	0.08

24	Laxmi Narain Kesarwani	-2.05	8000	77	7	530	5	-9.05	210	2	7260	70	0.09
25	Anju Gupta	-2.75	56200	12	0	0	0	-2.75	36000	2	20200	10	0
26	Amitkumar Radheshyam Gupta	-3.05	558	34	4	140	4	-7.05	23	3	395	27	0.05
27	Sunil Kumar Gupta	-4.25	4700	2	0	0	0	-4.25	5	1	4695	1	0
28	K K Securities Ltd	-6	3000	6	1.40	1000	2	-7.40	500	1	1500	3	0.02
29	Umesh Goyal HUF	-6.20	850	22	0.30	20	1	-6.50	220	2	610	19	0
30	Mindex Capital Market Private Limited	-7.15	14751	292	6.10	909	5	-13.25	593	12	13249	275	0.08
31	Ashu Goyal	-7.45	5546	199	6.65	596	8	-14.10	240	13	4710	178	0.09
32	Vivek Kesarwani	-9.80	8000	69	0.05	100	1	-9.85	270	2	7630	66	0
33	S K Aggarwal HUF	-12.35	30255	406	19.35	754	11	-31.70	2125	31	27376	364	0.25
34	M K N Commodity Brokers Private Limited	-13.40	38390	796	74.60	2873	52	-88	3559	68	31958	676	0.96
35	Nitin Aggarwal HUF	-15.55	6888	77	14.50	301	6	-30.05	918	23	5669	48	0.19
36	Mudit Jain HUF	-30.55	21500	200	21.80	440	7	-52.35	4805	15	16255	178	0.28
37	Prakash Ferrous Industries Private Limited	-38.55	138161	607	28.15	6243	20	-66.70	20423	37	111495	550	0.36
38	K K Aggarwal HUF	-49.45	23204	341	19.15	675	13	-68.60	1783	25	20746	303	0.25
39	M K Aggarwal HUF	-57.80	37531	484	17.50	1010	13	-75.30	4598	49	31923	422	0.23
40	J M S Financial Services Ltd.	-87.25	58957	1482	83.80	3137	65	-171.05	4446	119	51374	1298	1.08
Total of connected entities having Net +ve LTP contribution		**877.75**	**2540444**	**32229**	**2632.50**	**184111**	**1937**	**-1754.75**	**135548**	**1517**	**2220785**	**28775**	**34.03**
Total of connected entities		**521.35**	**3101971**	**37524**	**2943.05**	**208777**	**2158**	**-2421.7**	**238947**	**1937**	**2654247**	**33429**	**38.02**
Total of Mkt		**704.75**	**6186257**	**62187**	**7735.85**	**397456**	**4203**	**-7031.10**	**464560**	**3885**	**5324241**	**54099**	**100**

26. The connected entities contributed Rs. 2943.05 (38.02% of the market +ve LTP) to the market +ve LTP.

27. The connected entities listed at Sr. No. 1 to 11, having net +ve LTP contribution, contributed Rs. 2632.50 (34.03% of the market +ve LTP) to the market +ve LTP. It was also observed that the net LTP contribution by entities from Sr. No. 1 to 11 was Rs. 877.75 whereas the net LTP contribution of the market was Rs. 704.75.

28. From trading analysis, it was observed that the following 34 entities had traded among themselves and the details are as follows -

Sr. No.		+LTP in Rs.											Total +LTP in Rs.
	Buyer → / Seller ↓	Nishant Inbuild Ltd	Vimgi Investment Pvt Ltd.	Famous Investment Consultants Pvt Ltd.	Economy Suppliers Pvt Ltd.	Embassy Sales Pvt Ltd.	Radhu Developers Pvt Ltd.	Rolex Vinimay Private Limited	Seabird Retails Pvt Ltd.	Seabird Vincon Pvt Ltd.	Seabird Distributors Pvt Ltd.	Shivdarshan Sales Pvt Ltd	
1	Mindex Capital Market Private Limited	-	-	0.05	0.05	-	-	-	-	-	1	-	1.10
2	J M S Financial Services Ltd.	9.55	-	2.35	18.75	26.65	-	-	18.40	19.55	13.30	20.25	128.80
3	K K Securities Ltd	-	-	-	-	-	-	0.05	-	-	-	-	0.05
4	Nishant Inbuild Ltd	-	-	-	6.50	0.50	-	-	-	-	-	-	7
5	Centillion Capital Private Limited (Noticee 10)	2.25	-	13.40	1.15	4.65	-	6.30	8.55	11.80	4.15	4.45	56.70
6	S K Aggarwal HUF	7.20	-	-	-	6.05	-	-	5.80	2.10	0.10	4.30	25.55
7	Famous Investment Consultants Pvt Ltd	-	-	-	-	3.05	-	-	13.05	-	0.05	-	16.15
8	SS Corporate Securities Limited	-	1.70	0.85	-	2.25	-	0.65	-	-	0.05	23.70	29.20
9	Economy Suppliers Private Limited	1.60	-	2	1.10	5.30	-	1	4.75	6.80	2.70	-	25.25
10	Embassy Sales Pvt Ltd	1	-	2.30	-	-	3	-	4.50	5.35	0.50	2	18.65
11	Accolade Holdings Private Limited	-	-	-	-	1	-	-	-	-	-	-	1
12	Golden Chariot Recreations Pvt Ltd	-	-	-	0.05	0.05	-	-	0.25	-	0.10	-	0.45
13	Parnami Capital Services Limited (Noticee 11)	-	-	-	0.05	-	-	-	-	-	-	-	0.05
14	Radhu Developers Pvt Ltd.	-	8	3	-	-	-	-	2	-	-	-	13
15	Parveen Aggarwal HUF (Noticee 9)	-	-	-	-	-	-	-	0.20	-	-	-	0.20
16	Prakash Ferrous Industries Pvt Ltd	-	-	2.80	9.75	17.40	-	9.80	18.05	14.05	9.15	1.60	82.60

17	Rolex Vinimay Pvt Ltd	-	-	-	-	18.20	-	-	3.20	-	-	-	21.40
18	M K N Commodity Brokers Pvt Ltd	8.15	-	0.05	19.05	24.80	-	4	25.80	22.45	10.65	5.75	120.70
19	Nitin Aggarwal HUF	-	-	-	-	-	-	11.90	-	-	-	2	13.90
20	K K Aggarwal HUF	0.45	-	3.35	2.90	1.05	-	2.65	-	3.90	-	0.25	14.55
21	Mudit Jain HUF	-	-	7.70	-	-	-	-	18.05	-	-	-	25.75
22	M K Aggarwal HUF	0.65	-	2	4.10	0.55	-	4.25	2.30	3.90	2.95	0.40	21.10
23	Sanjay Bansal & Sons HUF	-	-	-	-	-	-	-	1	3.50	-	-	4.50
24	Raghav Bahl	-	-	9.50	3.55	2.10	-	9.55	5.25	7.40	3.05	0.05	40.45
25	Seabird Retails Pvt Ltd	6	-	1	2.55	17.90	-	-	5.15	4.25	1.15	-	38
26	Seabird Vincon Pvt Ltd	0.10	-	-	5.05	8.05	-	-	3.55	7	4.95	0.05	28.75
27	Seabird Distributors Private Limited	-	-	-	5.15	8.90	-	-	4.55	5.85	0.05	-	24.50
28	Savita Aggarwal (Noticee 8)	-	-	-	-	-	-	-	-	-	-	0.05	0.05
29	Santosh Aggarwal (Noticee 3)	-	-	-	-	-	-	-	1	-	1	-	2
30	Shivdarshan Sales Private Limited	-	-	-	-	1	-	-	-	-	-	-	1
31	Laxmi Narain Kesarwani	-	-	-	-	-	-	-	-	-	0.05	-	0.05
32	Dilip Kumar Agarwal	-	-	-	-	-	-	-	-	1	-	-	1
33	Ashu Goyal	8.70	-	-	0.45	-	-	-	1	1.50	0.85	0.30	12.80
TOTAL		**45.65**	**9.70**	**50.35**	**80.20**	**149.45**	**3**	**50.15**	**146.40**	**120.40**	**55.80**	**65.15**	**776.25**

29. From the table above, it was observed that Noticee 3, 8, 9, 10, 11 along with 29 entities traded among themselves and contributed Rs. 776.25 (633 trades) to the market +ve LTP, which is 10.58% of the market +ve LTP.

30. Entities at Sr. No. 1 to 33 (sellers) namely Mindex Capital, JMS, S K Aggarwal HUF, MKN, Nitin Aggarwal HUF, K K Aggarwal HUF, M K Aggarwal HUF, KKSL, Nishant, Noticee 10, Famous, SSCSL, Economy, Embassy, Accolade, Golden, Noticee 11, Radhu, Noticee 9, PFIPL, Rolex, Mudit HUF, Sanjay, Raghav, Seabird Retails, Seabird Vincon, Seabird Distributors, Noticee 8, Noticee 3, Shivdarshan, Laxmi, Dilip and Ashu Goyal, were alleged to have aided other 11 connected entities (buyers) namely Vimgi, Nishant, Famous, Economy,

Embassy, Radhu, Rolex, Seabird Retails, Seabird Vincon, Seabird Distributors and Shivdarshan, by selling shares to increase the price of the scrip.

31. Also, aforesaid 11 connected entities (buyers), having net +ve LTP contribution, contributed Rs. 2632.50 (34.03% of the market +ve LTP) to the market +ve LTP.

32. In view of the significant +ve LTP contribution of the entities by trading among themselves it was alleged that the Noticee 3, 8, 9, 10 and 11 along with the aforesaid 29 entities i.e. Mindex Capital, JMS, S K Aggarwal HUF, MKN, Nitin Aggarwal HUF, K K Aggarwal HUF, M K Aggarwal HUF, KKSL, Nishant, Famous, SSCSL, Economy, Embassy, Accolade, Golden, Radhu, PFIPL, Rolex, Mudit HUF, Sanjay, Raghav, Seabird Retails, Seabird Vincon, Seabird Distributors, Shivdarshan, Laxmi, Dilip, Vimgi and Ashu Goyal created misleading appearance of trading and manipulated the price of the scrip by contributing to the price rise and have violated Section 12 A(a),(b),(c) of SEBI Act read with Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of PFUTP Regulations.

33. **Patch 4 - Price Rise - 13/03/2014 to 21/10/2014:**

34. During this period, the price of the scrip opened at Rs.430, reached a high of Rs.880 and closed at Rs.838.90 i.e., a rise of 95.09%. Buy LTP analysis of the 20 connected entities during this period is tabulated below –

Sr. No.	Buyer Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of +ve LTP to Total Market +ve LTP
		Sum of LTP diff	Sum of QTY	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
1	Rolex Vinimay Pvt Ltd	345.55	722974	8640	541.05	70902	334	-195.50	22240	161	629832	8145	8.99
2	Famous Investment Consultants Private Limited	208.05	820428	7532	487.95	80842	355	-279.90	30200	233	709386	6944	8.11
3	Shivdarshan Sales Pvt Ltd	122.80	782113	7655	566.55	61989	351	-443.75	42024	267	678100	7037	9.42
4	Economy Suppliers Pvt Ltd	37.10	194174	2272	209.20	19282	108	-172.10	6146	95	168746	2069	3.48
5	Nisha Amitkumar Gupta	37.05	130	22	37.05	44	4	0	0	0	86	18	0.62

6	Seabird Vincon Pvt Ltd	14.85	169912	1578	148.75	18164	106	-133.90	7067	75	144681	1397	2.47
7	Embassy Sales Private Limited	12	155060	2484	271.20	11978	138	-259.20	5858	132	137224	2214	4.51
8	Vivek Kesarwani	5.85	29420	162	6.50	1427	4	-0.65	300	2	27693	156	0.11
9	Laxmi Narain Kesarwani	5.45	43400	241	5.45	2757	13	0	0	0	40643	228	0.09
10	Nitin Aggarwal HUF	3.55	4000	53	3.60	523	6	-0.05	125	1	3352	46	0.06
11	S K Aggarwal HUF	0	1500	15	0	0	0	0	0	0	1500	15	0
12	M K Aggarwal HUF	0	2104	17	0.05	140	1	-0.05	10	1	1954	15	0
13	Ashu Goyal	0	400	13	0	0	0	0	0	0	400	13	0
14	M K N Commodity Brokers Private Limited	-0.05	963	35	1	3	1	-1.05	60	2	900	32	0.02
15	Amitkumar Radheshyam Gupta	-3	56	17	2	12	1	-5	4	1	40	15	0.03
16	Mindex Capital Market Private Limited	-10	1150	7	0.05	50	1	-10.05	500	2	600	4	0
17	J M S Financial Services Ltd.	-11.65	6152	178	15.15	200	11	-26.80	445	8	5507	159	0.25
18	Seabird Distributors Pvt Ltd	-29.90	290895	2442	148.80	22069	148	-178.70	9420	122	259406	2172	2.47
19	Seabird Retails Pvt Ltd	-142	254687	2062	155.40	21597	136	-297.40	13779	143	219311	1783	2.58
20	Nishant Inbuild Limited	-174.95	166251	1026	187.75	23435	97	-362.70	14900	173	127916	756	3.12
Total of connected entities having Net +ve LTP contribution		**792.25**	**2921611**	**30639**	**2277.30**	**267908**	**1419**	**-1485.05**	**113960**	**966**	**2539743**	**28254**	**37.85**
Total of connected entities		**420.70**	**3645769**	**36451**	**2787.50**	**335414**	**1815**	**-2366.80**	**153078**	**1418**	**3157277**	**33218**	**46.33**
Total of Mkt		**408.90**	**4173061**	**44330**	**6016.60**	**389754**	**2815**	**-5607.70**	**190800**	**2167**	**3592507**	**39348**	**100**

35. The connected entities contributed Rs. 2787.50 (46.33% of the market +ve LTP) to the market +ve LTP.

36. The connected entities listed at Sr. No. 1 to 10, having net +ve LTP contribution, contributed Rs. 2277.30 (37.85% of the market +ve LTP) to the market +ve LTP. It was also observed that the net LTP contribution by entities from Sr. No. 1 to 10 was Rs. 792.25 whereas the net LTP contribution of the market was Rs. 408.90.

37. From trading analysis, it was observed that the following 33 entities had traded among themselves and the details are as follows –

Sr. No.	Buyer → / Seller ↓	+LTP in Rs.								Total +LTP in Rs.
		Famous Investment Consultants Pvt Ltd	Economy Suppliers Private Limited	Embassy Sales Private Limited	Rolex Vinimay Private Limited	Seabird Vincon Private Limited	Shivdarshan Sales Private Limited	Laxmi Narain Kesarwani	Nisha Amitkumar Gupta	
1	J M S Financial Services Ltd.	28	-	7.05	23	4	29.85	-	-	91.90
2	Nishant Inbuild Limited	7	2.10	22	9.50	-	17.25	-	-	57.85
3	Prabudh Securities Private Limited	1	-	-	-	-	-	-	-	1
4	Vimgi Investment Private Limited	-	-	4	0.05	-	1	-	-	5.05
5	S K Aggarwal HUF	-	-		0.05	-	1	-	-	1.05
6	Famous Investment Consultants Pvt Ltd	-	-	10.25	1	0.30	-	-	-	11.55
7	SS Corporate Securities Limited	0.05	-	-	-	-	4.05	0.25	-	4.35
8	Economy Suppliers Private Limited	1.05	-	5	6	-	0.15	-	-	12.20
9	Embassy Sales Pvt Ltd	9	3.50	-	0.50	3	16.85	-	-	32.85
10	Gulshan Investment Company Limited	0.10	2	-	2.10	0.05	2.10	-	-	6.35
11	Parnami Capital Services Limited (Noticee 11)	-	-	0.05	2.05	-	1.10	-	-	3.20
12	Rolex Vinimay Pvt Ltd	-	4.50	-	-	-	5.50	-	-	10
13	M K N Commodity Brokers Pvt Ltd	9.20	1.05	6.95	1.20	-	22.95	-	20.10	61.45
14	M K Aggarwal HUF	-	3.75	-	-	-	10	-	-	13.75
15	Raghav Bahl	54.70	13.30	9.95	90.20	8.60	73.40	-	-	250.15
16	Seabird Retails Pvt Ltd	4.05	6.75	0.50	8	-	16.50	0.15	-	35.95
17	Seabird Vincon Pvt Ltd	-	-	5.50	-	17.45	12.95	-	-	35.90
18	Seabird Distributors Private Limited	2.30	-	-	-	-	5	-	-	7.30

19	Shivdarshan Sales Private Limited	-	-	-	5	4.25	2.95	-	-	12.20
20	Shankar Somani	0.20	-	-	1.30	-	1.30	0.10	-	2.90
21	Meena Singhal	0.10	0.10	-	10.05	0.10	0.20	-	-	10.55
22	Anju Dewan	-	-	0.05	1.05	-	3.15	-	-	4.25
23	Aman Dewan	0.35	-	-	-	-		-	-	0.35
24	Ritu Kapur	0.35	0.10	-	0.50	-	1.05	-	-	2
25	Mayank Aggarwal (Noticee 5)	-	-	-	1	-	-	-	-	1
26	Himanshu Aggarwal (Noticee 6)	0.10	-	-	-	-	-	-	-	0.10
27	Nupur Aggarwal (Noticee 7)	-	-	-	-	-	1.25	-	-	1.25
28	Sakshi Aggarwal (Noticee 2)	-	-	-	3.50	-	-	-	-	3.50
29	Ashu Goyal	-	-	3.90	-	-	-	-	-	3.90
30	Satish Singhal	1.10	-	0.10	-	-	-	-	-	1.20
31	Veena Jain	-	-	-	-	-	0.55	-	-	0.55
Total		**118.65**	**37.15**	**75.30**	**166.05**	**37.75**	**230.10**	**0.50**	**20.10**	**685.60**

38. From the table above, it was observed that Noticee 2, 5, 6, 7 and 11 along with 28 entities traded among themselves and contributed Rs. 685.60 (455 trades) to the market +ve LTP, which is 11.40% of the market +ve LTP.

39. Entities at Sr. No. 1 to 31 (sellers) namely, Noticee 2, 5, 6, 7, 11, J M S Financial, Prabudh, Vimgi, S K Aggarwal HUF, MKN, M K Aggarwal HUF, Nishant, Famous, SSCSL, Economy, Embassy, Gulshan, Rolex, Raghav, Seabird Retails, Seabird Vincon, Seabird Distributors, Shivdarshan, Shankar, Meena, Anju, Aman, Ritu, Ashu Goyal, Satish and Veena allegedly aided other eight entities (buyers) namely Famous, Economy, Embassy, Rolex, Seabird Vincon, Shivdarshan, Laxmi and Nisha, by selling shares to increase the price of the scrip.

40. Also, eight Entities(buyers) namely, Famous, Economy, Embassy, Rolex, Seabird Vincon, Shivdarshan, Laxmi, Nisha having net +ve LTP contribution, contributed Rs. 2267.20 (37.68% of the market +ve LTP) to the market +ve LTP.

41. In view of the significant +ve LTP contribution of the entities by trading among themselves it was alleged that Noticee 2, 5, 6, 7 and 11 along with the aforesaid

28 entities, i.e. Prabudh, Vimgi, Gulshan, J M S Financial, S K Aggarwal HUF, MKN, M K Aggarwal HUF, Nishant, Famous, SSCSL, Economy, Embassy, Rolex, Raghav, Seabird Retails, Seabird Vincon, Seabird Distributors, Shivdarshan, Shankar, Meena, Anju, Aman, Ritu, Nisha, Ashu Goyal, Satish, Veena and Laxmi created misleading appearance of trading and manipulated the price of the scrip by contributing to the price rise and thereby violated Section 12A(a),(b),(c) of SEBI Act read with Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of PFUTP Regulations.

42. **<u>New High Price (NHP) Analysis:</u>**

43. NHP contribution by connected entities who have traded in the scrip and their contribution in the new price established during the price rise patches is tabulated as follows:

44. **Patch 1 - Price Rise – 29/03/2012 to 06/02/2013:**

	BSE			
Entity Name	**Qty**	**No. of Trades**	**NHP (Rs.)**	**% of total mkt NHP**
Embassy Sales Private Limited	4363	36	44.50	16.53
Seabird Retails Private Limited	4294	37	23.90	8.88
Economy Suppliers Private Limited	6491	33	19.90	7.37
Seabird Distributors Private Limited	1920	23	12.10	4.52
Seabird Vincon Private Limited	4426	42	25	9.33
M K N Commodity Brokers Pvt Ltd	253	3	2.10	0.78
J M S Financial Services Ltd.	100	1	2	0.74
Golden Chariot Recreations Pvt Ltd	2075	9	3	1.09
S K Aggarwal HUF	75	1	0.75	0.28
Total of connected entities	**23997**	**185**	**133.25**	**49.52**
Market Total	**29971**	**218**	**270**	**100**

45. From the table above, it was observed that contribution to NHP by nine connected entities including Noticee 1, 3 and 4 mentioned above was Rs.133.25 (49.52% of market NHP).

46. From trading analysis, it was observed that the connected entities had traded among themselves and the details are as follows -

Sr. No.	Buyer → / Seller ↓	+LTP In Rs.							Total +LTP in Rs.
		Economy Suppliers Pvt Ltd	**Embassy Sales Pvt Ltd**	**Golden Chariot Recreations Pvt Ltd**	**M K N Commodity Brokers Pvt Ltd**	**Seabird Retails Pvt Ltd**	**Seabird Vincon Pvt Ltd**	**Seabird Distributors Pvt Ltd**	
1	J M S Financial Services Ltd.	2	5.35	-	-	7	2.95	0.70	18
2	Centillion Capital Private Limited (Noticee 10)	0.25	-	-	-	-	-	0.10	0.35
3	Anoop Jain HUF	1	-	-	-	-	-	-	1
4	Embassy Sales Private Limited	-	-	-	0.10	-	-	-	0.10
5	Anoop Jain	-	1	-	-	-	-	-	1
6	M K N Commodity Brokers Private Limited	0.25	12.45	1.50	-	1.10	6.15	1.60	23.05
7	Mohan Lal Jain	-	-	-	-	0.50	0.50	-	1
8	Raghav Bahl	-	-	-	-	0.15	0.25	0.25	0.65
TOTAL		**3.50**	**18.80**	**1.50**	**0.10**	**8.75**	**9.85**	**2.65**	**45.15**

47. From the table above, it was observed that by trading among themselves Noticee 10 along with 12 entities contributed Rs. 45.15 (62 trades) to the market NHP, which is 16.72% of the market NHP.

48. Entities at Sr. No. 1 to 8 (sellers) namely, Noticee 10, JMS, Anoop Jain HUF, MKN, Embassy, Anoop Jain, Mohan and Raghav had aided other seven entities (buyers) namely, MKN, Economy, Embassy, Golden, Seabird Retails, Seabird Vincon and Seabird Distributors by selling shares to increase the price of the scrip by contributing to NHP. Thereby, seven entities (buyers) namely, MKN, Economy, Embassy, Golden, Seabird Retails, Seabird Vincon and Seabird Distributors contributed Rs. 130.50 (48.33% of the market NHP) to the market NHP.

49. In view of the significant NHP contribution by the entities by trading among themselves it was alleged that Noticee 10 along with aforesaid 12 entities i.e. JMS, Anoop Jain HUF, MKN, Anoop Jain, Embassy, Mohan, Raghav, Economy,

Golden, Seabird Retails, Seabird Vincon and Seabird Distributors created misleading appearance of trading and manipulated the price of the scrip by contributing to the NHP and thereby violated Section 12A(a),(b),(c) of SEBI Act read with Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of PFUTP Regulations.

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

51. SCN was duly served to the Noticees. Noticees filed their reply to the SCN vide letters dated June 08 to June 12, 2021, June 14, 2021 and June 15, 2021.

52. The key submissions of the Noticees are reproduced as below:

Common submssions of Noticee 1 to 9:

a) With respect to allegation of common address, they submitted that they all are immediate relatives of each other, hence at one point in time they all had a common residence, like most of the joint families have in India. Hence, no adverse inference be drawn against them in this regard.

Noticee 1:

a) Noticee 1 stated that he was director of Noticee 10 since 1995.
b) Trading volume of Noticee 1 i.e. 5,000 shares sold vis-a-vis the market volume of 3,92,73,917 shares in the scrip of PMC during the investigation period was insignificant / diminutive so as to have any impact on the price /volume of the scrip. Further, the SCN itself mentions that his gross sell % to total sell volume is only 0.01%, which cannot have any impact on the price of the shares of PMC.

c) Number of days on which he sold the shares i.e. 1 day vis-a-vis the total trading days during investigation period i.e. 745 days in the scrip of PMC was insignificant/diminutive so as to have any impact on the price/volume of the scrip. Thus, allegation of any 'manipulative' intent on his part is unjustified and unwarranted.
d) He stated that during Patch-1 of the investigation period, out of his total sell of 5,000 shares in Patch-1, only 160 shares are alleged to have contributed to positive LTP. The alleged number of shares contributing to positive LTP becomes very negligible when compared to total shares traded on that particular day and even more negligible when compared to total shares traded in the whole investigation period. This proves beyond reasonable doubt that he had no intent to manipulate the price of PMC (either upward or downward).
e) Noticee 1 stated that he is not connected with Seabird Distributors Pvt Ltd. In the SCN itself there is no mention of any connection or relation of Noticee 1 with Seabird Distributors Pvt Ltd. Hence, he cannot be alleged to have traded in the scrip of PMC in connection or in connivance with Seabird Distributors Pvt Ltd.

Noticee 2:

a) Noticee 2 stated that she is not connected to any other Co-Noticees as mentioned in the SCN. Further, she is not connected to PMC, its promoters, directors or any other person associated with PMC in any way whatsoever.
b) Trading volume of Noticee 2 i.e. 3,000 shares purchased, 2,400 bonus shares issued, 2,400 shares split to 12,000 shares and thereafter 12,000 bonus shares issued and 3,000 shares sold vis-a-vis the market volume of 3,92,73,917 shares in the scrip of PMC during the investigation period was insignificant / diminutive so as to have any impact on the price/volume of the scrip. Further, the SCN itself mentions that her gross buy % to total buy volume and gross sell % to total sell volume is only 0.01%, which cannot

have any impact on the price of the shares of PMC. She is still holding 24,000 shares of PMC in her demat account.

c) Number of days on which she purchased shares i.e. 1 day and Number of days on which she sold shares i.e. 1 day vis-a-vis the total trading days during investigation period i.e. 745 days in the scrip of PMC was insignificant/diminutive so as to have any impact on the price/volume of the scrip. Thus, allegation of any 'manipulative' intent on her part is unjustified and unwarranted.

d) During Patch-3 of the investigation period, none of her buy trades were alleged to have contributed to positive LTP. During Patch-4, out of her total sell of 3,000 shares only 690 shares are alleged to have contributed to positive LTP. The alleged number of shares contributing to positive LTP becomes very negligible when compared to total shares traded on that particular day and even more negligible when compared to total shares traded in the whole investigation period. This proves beyond reasonable doubt that she had no intent to manipulate the price of PMC (either upward or downward).

e) Noticee 2 stated that she is not connected with Rolex Vinimay Pvt Ltd. In the SCN itself there is no mention of any connection or relation of Noticee 2 with Rolex Vinimay Pvt Ltd. Hence, she cannot be alleged to have traded in the scrip of PMC in connection or in connivance with Rolex Vinimay Pvt Ltd.

Noticee 3:

a) Noticee 3 stated that he is not connected to any other Co-Noticees as mentioned in the SCN.

b) With respect to fund transfer with Seabird Vincon Pvt Ltd, Noticee 3 submitted that the shares of PMC were purchased on advice given by a known person who suggested that he should invest in shares of PMC. Based on the suggestion, off market shares were purchased. He was not aware from whom such off market transfer was being arranged.

c) He further stated that, retail investors have limited skill and experience of fundamental research and technical analysis. Thus, the investment decisions are mostly made on the basis of recommendation.

d) He submitted that while investing, he had no idea whether he will make profit or loss in the said investment. The payment for said off market shares were made from his own funds and was transferred through a proper banking channel. He has/had no relation or connection with Seabird Vincon Pvt Ltd either prior to transfer or post transfer of shares of PMC. He further stated that he is not connected to PMC or Seabird Vincon Pvt Ltd, its promoters, directors or any other person associated to PMC or Seabird Vincon Pvt Ltd in any way whatsoever. Further, his investment decision in the scrip of PMC is independent and it is not influenced by any person.

e) Trading volume of Noticee 3 i.e. 1,000 shares sold vis-a-vis the market volume of 3,92,73,917 shares in the scrip of PMC during the investigation period was insignificant / diminutive so as to have any impact on the price /volume of the scrip. Further, the SCN itself mentions that his gross buy % to total buy volume and gross sell % to total sell volume is 0%, which cannot have any impact on the price of the shares of PMC.

f) Number of days on which he sold the shares i.e. 1 day vis-a-vis the total trading days during investigation period i.e. 745 days in the scrip of PMC was insignificant/diminutive so as to have any impact on the price/volume of the scrip. Thus, allegation of any 'manipulative' intent on his part is unjustified and unwarranted.

g) During Patch-3 of the investigation period, out of his total sell of 1,000 shares, only 120 shares are alleged to have contributed to positive LTP. The alleged number of shares contributing to positive LTP becomes very negligible when compared to total shares traded on that particular day and even more negligible when compared to total shares traded in the whole investigation period. This proves beyond reasonable doubt that he had no intent to manipulate the price of PMC (either upward or downward).

h) Noticee 3 stated that he is not connected with Seabird Retails Pvt Ltd and Seabird Distributors Pvt Ltd in the SCN itself there is no mention of any connection or relation of Noticee 3 with Seabird Retails Pvt Ltd and Seabird Distributors Pvt Ltd. Hence, he cannot be alleged to have traded in the scrip of PMC in connection or in connivance with Seabird Retails Pvt Ltd and Seabird Distributors Pvt Ltd.

i) With respect to presumption in the SCN with respect to nexus between Noticee 3 and Seabird Vincon Pvt Ltd, he submitted that investment decision in the shares of PMC was based on the recommendation given to him by a known person. Thus, merely and solely because he purchased shares of a company in off-market, it cannot be presumed or pre-supposed that he has a nexus, link or relationship with the said entity. He stated that off market transaction are not illegal *per se.* In this regard, Noticee 3 relied upon Order of Hon'ble SAT in the case of **Rajendra G Parikh vs. SEBI** (Appeal No 44 of 2009).

Noticee 4:

a) With respect to allegation of sharing same mobile number with Parmod Aggarwal HUF, Noticee 4 stated that he being the Karta of Parmod Aggarwal HUF, it is natural for him to use the same mobile number for various correspondences. Hence no adverse inference be drawn against him in this regard. He stated that he is not connected to any other Co-Noticees as mentioned in the SCN. Further, he is not connected to PMC, its promoters, directors or any other person associated with PMC or in any way whatsoever.

b) Trading volume of Noticee 4 i.e. 5,000 shares sold vis-a-vis the market volume of 3,92,73,917 shares in the scrip of PMC during the investigation period was insignificant / diminutive so as to have any impact on the price /volume of the scrip. Further, the SCN itself mentions that his gross buy % to total buy volume and gross sell % to total sell volume is only 0.01%, which cannot have any impact on the price of the shares of PMC.

c) Number of days on which he sold the shares i.e. 1 day vis-a-vis the total trading days during investigation period i.e. 745 days in the scrip of PMC was insignificant/diminutive so as to have any impact on the price/volume of the scrip. Thus, allegation of any 'manipulative' intent on his part is unjustified and unwarranted.
d) During Patch-1 of the investigation period, out of his total sell of 5,000 shares, only 160 shares are alleged to have contributed to positive LTP. The alleged number of shares contributing to positive LTP becomes very negligible when compared to total shares traded on that particular day and even more negligible when compared to total shares traded in the whole investigation period. This proves beyond reasonable doubt that he had no intent to manipulate the price of PMC (either upward or downward).
e) Noticee 4 stated that he is not connected with Seabird Retails Pvt Ltd and Seabird Distributors Pvt Ltd. In the SCN itself there is no mention of any connection or relation of Noticee 4 with Seabird Retails Pvt Ltd and Seabird Distributors Pvt Ltd. Hence, he cannot be alleged to have traded in the scrip of PMC in connection or in connivance with Seabird Retails Pvt Ltd and Seabird Distributors Pvt Ltd.

Noticee 5:

a) Noticee 5 stated that he is not connected to any other Co-Noticees as mentioned in the SCN. Further, he is not connected to PMC, its promoters, directors or any other person associated with PMC or in any way whatsoever.
b) Trading volume of Noticee 5 i.e. 3,000 shares purchased, 2,400 bonus shares issued, 2,400 shares split to 12,000 shares and thereafter 12,000 bonus shares issued and 3,000 shares sold vis-a-vis the market volume of 3,92,73,917 shares in the scrip of PMC during the investigation period was insignificant / diminutive so as to have any impact on the price /volume of the scrip. Further, the SCN itself mentions that his gross buy % to total buy volume and gross sell % to total sell volume is only 0.01%, which is very

negligible so as to have any impact on the price of the shares of PMC. He is still holding 24,000 shares of PMC in his demat account.

c) Number of days on which he purchased shares i.e. 1 day and number of days on which he sold shares i.e. 1 day vis-a-vis the total trading days during investigation period i.e. 745 days in the scrip of PMC was insignificant/diminutive so as to have any impact on the price/volume of the scrip. Thus, allegation of any 'manipulative' intent on his part is unjustified and unwarranted.

d) During Patch-3 of the investigation period, none of his buy trades were alleged to have contributed to positive LTP. During Patch-4, out of his total sell of 3,000 shares only 10 shares are alleged to have contributed to positive LTP. The alleged number of shares contributing to positive LTP becomes very negligible when compared to total shares traded on that particular day and even more negligible when compared to total shares traded in the whole investigation period. This proves beyond reasonable doubt that he had no intent to manipulate the price of PMC (either upward or downward).

e) Noticee 5 stated that he is not connected with Rolex Vinimay Pvt Ltd. In the SCN itself there is no mention of any connection or relation of Noticee 5 with Rolex Vinimay Pvt Ltd. Hence, he cannot be alleged to have traded in the scrip of PMC in connection or in connivance with Rolex Vinimay Pvt Ltd.

Noticee 6:

a) Noticee 6 stated that he is not connected to any other Co-Noticees as mentioned in the SCN. Further, he is not connected to PMC, its promoters, directors or any other person associated with PMC or in any way whatsoever.

b) Trading volume of Noticee 6 i.e. 3,000 shares purchased, 2,400 bonus shares issued, 2,400 shares split to 12,000 shares and thereafter 12,000 bonus shares issued and 3,000 shares sold vis-a-vis the market volume of 3,92,73,917 shares in the scrip of PMC during the investigation period was insignificant / diminutive so as to have any impact on the price /volume of the scrip. Further, the SCN itself mentions that his gross buy % to total buy volume and gross sell % to total sell volume is only 0.01%, which is very negligible so as to have any impact on the price of the shares of PMC. He is still holding 24,000 shares of PMC in her demat account.

c) Number of days on which he purchased shares i.e. 1 day and number of days on which he sold shares i.e. 1 day vis-a-vis the total trading days during investigation period i.e. 745 days in the scrip of PMC was insignificant/diminutive so as to have any impact on the price/volume of the scrip. Thus, allegation of any 'manipulative' intent on his part is unjustified and unwarranted.

d) During Patch-3 of the investigation period, none of his buy trades were alleged to have contributed to positive LTP. During Patch-4, out of his total sell of 3,000 shares only 144 shares are alleged to have contributed to positive LTP. The alleged number of shares contributing to positive LTP becomes very negligible when compared to total shares traded on that particular day and even more negligible when compared to total shares traded in the whole investigation period. This proves beyond reasonable doubt that he had no intent to manipulate the price of PMC (either upward or downward).

e) Noticee 6 stated that he is not connected with Famous Investment Consultants Pvt Ltd. In the SCN itself there is no mention of any connection or relation of Noticee 6 with Famous Investment Consultants Pvt Ltd. Hence, he cannot be alleged to have traded in the scrip of PMC in connection or in connivance with Famous Investment Consultants Pvt Ltd.

<u>Noticee 7</u>:

a) Noticee 7 stated that she is not connected to any other Co-Noticees as mentioned in the SCN. Further, she is not connected to PMC, its promoters, directors or any other person associated with PMC or in any way whatsoever.

b) Trading volume of Noticee 7 i.e. 3,000 shares purchased, 2,400 bonus shares issued, 2,400 shares split to 12,000 shares and thereafter 12,000 bonus shares issued and 3,000 shares sold vis-a-vis the market volume of 3,92,73,917 shares in the scrip of PMC during the investigation period was insignificant / diminutive so as to have any impact on the price /volume of the scrip. Further, the SCN itself mentions that her gross buy % to total buy volume and gross sell % to total sell volume is only 0.01%, which is very negligible so as to have any impact on the price of the shares of PMC. She is still holding 24,000 shares of PMC in her demat account.

c) Number of days on which she purchased shares i.e. 1 day and number of days on which he sold shares i.e. 1 day vis-a-vis the total trading days during investigation period i.e. 745 days in the scrip of PMC was insignificant/diminutive so as to have any impact on the price/volume of the scrip. Thus, allegation of any ‘manipulative’ intent on her part is unjustified and unwarranted.

d) During Patch-3 of the investigation period, none of her buy trades were alleged to have contributed to positive LTP. During Patch-4, out of her total sell of 3,000 shares only 250 shares are alleged to have contributed to positive LTP. The alleged number of shares contributing to positive LTP becomes very negligible when compared to total shares traded on that particular day and even more negligible when compared to total shares traded in the whole investigation period. This proves beyond reasonable doubt that she had no intent to manipulate the price of PMC (either upward or downward).

e) Noticee 7 stated that she is not connected with Shivdarshan Sales Pvt Ltd. In the SCN itself there is no mention of any connection or relation of Noticee 7 with Shivdarshan Sales Pvt Ltd. Hence, she cannot be alleged to have traded in the scrip of PMC in connection or in connivance with Shivdarshan Sales Pvt Ltd.

Noticee 8:

a) Noticee 8 stated that she is not connected to any other Co-Noticees as mentioned in the SCN.

b) With respect to fund transfer with Seabird Vincon Pvt Ltd, Noticee 8 submitted that the shares of PMC were purchased on advice given by a known person who suggested that she should invest in shares of PMC. Based on the suggestion, off market shares were purchased. She was not aware from whom such off market transfer was being arranged.

c) She further stated that, retail investors have limited skill and experience of fundamental research and technical analysis. Thus, the investment decisions are mostly made on the basis of recommendation.

d) She submitted that while investing, she had no idea whether she will make profit or loss in the said investment. The payment for said off market shares were made from her own funds and was transferred through a proper banking channel. She has/had no relation or connection with Seabird Vincon Pvt Ltd either prior to transfer or post transfer of shares of PMC. She further stated that she is not connected to PMC or Seabird Vincon Pvt Ltd, its promoters, directors or any other person associated to PMC or Seabird Vincon Pvt Ltd in any way whatsoever. Further, her investment decision in the scrip of PMC is independent and it is not influenced by any person.

e) Trading volume of Noticee 8 i.e. 1,000 shares sold vis-a-vis the market volume of 3,92,73,917 shares in the scrip of PMC during the investigation period was insignificant / diminutive so as to have any impact on the price /volume of the scrip. Further, the SCN itself mentions that her gross buy % to total buy volume and gross sell % to total sell volume is 0%, which cannot have any impact on the price of the shares of PMC.

f) Number of days on which she sold the shares i.e. 1 day vis-a-vis the total trading days during investigation period i.e. 745 days in the scrip of PMC was insignificant/diminutive so as to have any impact on the price/volume of the scrip. Thus, allegation of any 'manipulative' intent on her part is unjustified and unwarranted.

g) During Patch-3 of the investigation period, out of her total sell of 1,000 shares, only 75 shares are alleged to have contributed to positive LTP. The alleged number of shares contributing to positive LTP becomes very negligible when compared to total shares traded on that particular day and even more negligible when compared to total shares traded in the whole investigation period. This proves beyond reasonable doubt that she had no intent to manipulate the price of PMC (either upward or downward).

h) Noticee 8 stated that she is not connected with Shivdarshan Sales Pvt Ltd. In the SCN itself there is no mention of any connection or relation of Noticee 8 with Shivdarshan Sales Pvt Ltd. Hence, she cannot be alleged to have traded in the scrip of PMC in connection or in connivance with Shivdarshan Sales Pvt Ltd.

i) With respect to presumption in the SCN with respect to nexus between Noticee 8 and Seabird Vincon Pvt Ltd, she submitted that investment decision in the shares of PMC was based on the recommendation given to her by a known person. Thus, merely and solely because she purchased shares of a company in off-market, it cannot be presumed or pre-supposed that she has a nexus, link or relationship with the said entity. She stated that off market transaction are not illegal *per se.* In this regard, Noticee 8 relied upon Order of Hon'ble SAT in the case of **Rajendra G Parikh vs. SEBI** (Appeal No 44 of 2009).

<u>Noticee 9</u>:

a) Noticee 9 stated that Parveen Aggarwal (Karta of Noticee 9) is not connected to any other co-Noticees in the SCN.

a) With respect to fund transfer with Seabird Vincon Pvt Ltd, Noticee 9 submitted that the shares of PMC were purchased on advice given by a known person who suggested that it should invest in shares of PMC. Based on the suggestion, off market shares were purchased. Noticee 9 was not aware from whom such off market transfer was being arranged.

b) Noticee 9 further stated that, retail investors have limited skill and experience of fundamental research and technical analysis. Thus, the investment decisions are mostly made on the basis of recommendation.

b) Noticee 9 submitted that while investing, it had no idea whether it will make profit or loss in the said investment. The payment for said off market shares were made from its own funds and was transferred through a proper banking channel. It had/have no relation or connection with Seabird Vincon Pvt Ltd either prior to transfer or post transfer of shares of PMC. It further stated that it is not connected to PMC or Seabird Vincon Pvt Ltd, its promoters, directors or any other person associated to PMC in any way whatsoever. Further, its investment decision in the scrip of PMC is independent and it is not influenced by any person.

c) Trading volume of Noticee 9 i.e. 1,000 shares sold vis-a-vis the market volume of 3,92,73,917 shares in the scrip of PMC during the investigation period was insignificant / diminutive so as to have any impact on the price /volume of the scrip. Further, the SCN itself mentions that its gross sell % to total sell volume is only 0%, which cannot have any impact on the price of the shares of PMC.

d) Number of days on which it sold the shares i.e. 1 day vis-a-vis the total trading days during investigation period i.e. 745 days in the scrip of PMC was insignificant/diminutive so as to have any impact on the price/volume of the scrip. Thus, allegation of any 'manipulative' intent on its part is unjustified and unwarranted.

e) During Patch-3 of the investigation period, out of its total sell of 1,000 shares, only 160 shares are alleged to have contributed to positive LTP. The alleged number of shares contributing to positive LTP becomes very negligible when compared to total shares traded on that particular day and even more negligible when compared to total shares traded in the whole investigation period. This proves beyond reasonable doubt that it had no intent to manipulate the price of PMC (either upward or downward).

f) Noticee 9 stated that it is not connected with Seabird Retails Pvt Ltd. In the SCN itself there is no mention of any connection or relation of Noticee 9 with Seabird Retails Pvt Ltd. Hence, it cannot be alleged to have traded in the scrip of PMC in connection or in connivance with Seabird Retails Pvt Ltd.

g) With respect to presumption in the SCN with respect to nexus between it and Seabird Vincon Pvt Ltd, Noticee 9 submitted that investment decision in the shares of PMC was based on the recommendation given to it by a known person. Thus, merely and solely because it purchased shares of a company in off-market, it cannot be presumed or pre-supposed that it has a nexus, link or relationship with the said entity. Noticee 9 stated that off market transaction are not illegal *per se.* In this regard, Noticee 9 relied upon Order of Hon'ble SAT in the case of **Rajendra G Parikh vs. SEBI** (Appeal No 44 of 2009).

Common submissions of Noticees 1 to 11:

a) Noticees 1 to 11 submitted that the impugned transactions were carried out in total compliance of all securities market laws as applicable to them as investors of capital market. Hence, they fail to understand factors considered by SEBI for making bald and sweeping allegation against them since, Stock Exchanges are first level regulators who are duty bound to guide them and also prevent them from getting associated in any wrong doing if any happening in the transactions carried out through them.

b) Further, they carried out transaction in PMC bonafidely and had no knowledge, information or awareness of any wrongdoing happening in the scrip of PMC at the relevant time. It is only on receipt of communication from SEBI, they came to know about alleged wrong doings of other entities/persons in shares of PMC. Their transactions in PMC are independent and totally in isolation to the transactions carried out by other entities/person in the scrip of PMC. Therefore, they are at great loss since unwarranted prejudice is caused to it by issuance of a common SCN since their role, involvement and participation in PMC is totally different, distinct and separate in comparison to other entity/person to whom common SCN is issued along with it.

c) The said scrip was traded on market, however, no alert was generated by any regulatory authority including SEBI and BSE and it is only in hindsight that SEBI has established on *'prima facie'* findings that some entities may have been involved in alleged manipulation in the scrip of PMC.

d) The allegation of any 'abuse' of stock exchange system or manipulation of price by contributing to price rise/fall by Noticees by trading among themselves in the scrip of PMC is irrelevant, illogical and misdirected towards them as their transactions in the scrip of PMC were independent and not in connivance with any other person or Co-Noticees of the SCN.

e) They stated that strict proof is required for a serious charge of 'fraud'. In this regard, it relied upon Hon'ble SAT judgments in the matter of **R. K. Global v/s SEBI** (Appeal No. 158/2008 decided on 16.09.2010), **Narendra Ganatra v/s SEBI** (Appeal No. 47 of 2011 decided on 29.07.2011), **Videocon International v/s SEBI** (2002) 4 CU 402 (SAT) and **Parsoli Corporation v/s SEBI** (Appeal No 146/2011 decided on 12.08.2011).

f) They stated that compelling evidence is required to charge someone of fraud. In this regard, it relied upon Hon'ble Supreme Court judgment in the case of **Ram Sharan Yadav v/s Thakur Muneshwar Nath Singh** [(1984) 4 SCC 649 (AIR 1985 SC 24)].

g) They submitted that they are regular investor in equity market and they have traded in the scrip of PMC in normal course of investment activity and the same was within their financial and risk bearing capacity. Further, they have met with all obligation of funds and securities. All the pre-trade, trade and post trade activities were all carried out on the trading cum clearing and settlement mechanism of the exchange. While dealing in the scrip of PMC, they followed and complied with all the procedure and requirements as statutorily required. Further, they had/have no connection or relationship with PMC, its Promoters/Directors/ Key Management Persons.

h) They further submitted that no harm, injury or loss has been caused or suffered by any investor of securities market due to their dealing in the scrip of PMC. They have not derived any gain disproportionate or otherwise, and there is no investor complaint in respect of their dealing in the scrip of PMC.

<u>Noticee 10</u>:

a) Noticee 10 is a SEBI registered Stock Broker having membership with NSE and BSE. It also is a Depository Participant with NSDL. It has more than 15,000 clients. It also trades in its proprietary account and is quite active in dealing in equities in secondary market. PMC is only one of many scrips in which it has dealt in.

b) With respect to allegation that Noticee 1 and Parveen Aggarwal are directors, Noticee 10 submitted that Mr. Parveen Aggarwal and Noticee 1 are directors since 1995. They are key management personnel as well. Hence, no adverse inferences be drawn against it with respect to allegations levelled against it.

c) With respect to the trades executed in the scrip of PMC, Noticee 10 submitted that the sale transaction in PMC had been executed "on market" at the price which was prevalent in the market. The said sell transactions were executed through normal screen based trading system of stock exchange. In fact, trading in stock market is a computer driven process and matching of buy/sell orders in scrip is done by on-line trading module which is autonomous. It is an undisputed fact that in case of screen based trading, the automated system itself matches orders on a price-time priority basis and hence it is not possible for anybody to have access over the details of order / trades / identity of counter party dealing in any scrip. Hence, it cannot be alleged to have traded in connivance with other entities as mentioned in the

SCN. Even the value and volume of the alleged impugned trades is very insignificant compared to total volume in the scrip during investigation period.

d) Sell trades of the Noticee 10 in the scrip of PMC were well within the permissible price range (circuit filter) prescribed by the Stock Exchange and therefore no abnormality can be seen on the trades executed by it. Noticee 10 executed the trades in normal and ordinary course in the stock market hence no allegation of manipulation is sustainable on facts and in law against it.

e) Trading volume of Noticee 10 i.e. 3,15,000 shares sold vis-a-vis the market volume of 3,92,73,917 shares in the scrip of PMC during the investigation period was insignificant / diminutive so as to have any impact on the price /volume of the scrip. Further, the SCN itself mentions that its gross sell % to total sell volume is only 0.80%, which cannot have any impact on the price of the shares of PMC. Further, the sale transactions are not concentrated on a particular day but it is spread across various days (42 days) in different months.

f) Number of days on which it sold the shares i.e. 42 days vis-a-vis the total trading days during investigation period i.e. 745 days in the scrip of PMC was insignificant/diminutive so as to have any impact on the price/volume of the scrip. Thus, allegation of any ‘manipulative’ intent on its part is unjustified and unwarranted.

g) Therefore, the allegation of any 'abuse' of stock exchange system or manipulation of price by contributing to price rise/fall by Noticees by trading among themselves in the scrip of PMC is irrelevant, illogical and misdirected towards it as its transactions in the scrip of PMC were independent and not in connivance with any other person or Co-Noticees of the SCN.

h) With respect to allegation of execution of trades at variance to LTP, Noticee 10 submitted that all trades were executed at a price which was already established/recorded in the market.

i) During Patch-1 of the investigation period, out of its total sell in Patch-1, only 4,221 shares are alleged to have contributed to positive LTP. The alleged number of shares contributing to positive LTP becomes very negligible when compared to total shares traded on that particular day and even more negligible when compared to total shares traded in the whole investigation period. This proves beyond reasonable doubt that it had no intent to manipulate the price of PMC (either upward or downward).

j) Noticee 10 stated that its trading in scrip of PMC was independent and not based on or in connivance of trading by other entities as stated in the SCN. Therefore, it cannot be alleged to have traded in connivance with other entities, who are alleged to have traded among themselves as alleged in the SCN.

k) Noticee 10 stated that it is not connected with Seabird Retails Pvt Ltd, Seabird Distributors Pvt Ltd, Economy Suppliers Pvt ltd, Embassy Sales Pvt Ltd and Seabird Vincon Pvt Ltd. In the SCN itself there is no mention of any connection or relation of Noticee 10 with Seabird Retails Pvt Ltd, Seabird Distributors Pvt Ltd, Economy Suppliers Pvt ltd, Embassy Sales Pvt Ltd and Seabird Vincon Pvt Ltd. Hence, it cannot be alleged to have traded in the scrip of PMC in connection or in connivance with Seabird Retails Pvt Ltd, Seabird Distributors Pvt Ltd, Economy Suppliers Pvt Ltd, Embassy Sales Pvt Ltd and Seabird Vincon Pvt Ltd.

l) During Patch-3 of the investigation period, out of its total sell in Patch-3, only 13,882 shares are alleged to have contributed to positive LTP. The alleged number of shares contributing to positive LTP becomes very negligible when compared to total shares traded on that particular day and even more negligible when compared to total shares traded in the whole investigation period. This proves beyond reasonable doubt that it had no intent to manipulate price of PMC (either upward or downward).

m) Noticee 10 stated that its trading in scrip of PMC was independent and not based on or in connivance of trading by other entities as stated in the SCN. Therefore, it cannot be alleged to have traded in connivance with other entities, who are alleged to have traded among themselves as alleged in the SCN.

n) Noticee 10 stated that it is not connected/related or nor have traded in connivance with Nishant Inbuild Ltd, Famous Investment Consultants Pvt Ltd, Economy Suppliers Pvt Ltd, Embassy Sales Pvt Ltd, Rolex Vinimay Pvt Ltd, Seabird Retails Pvt Ltd, Seabird Vincon Pvt Ltd, Seabird Distributors Pvt Ltd and Shivdarshan Sales Pvt Ltd. In the SCN itself there is no mention of any connection or relation with any of the aforesaid entities. Hence, it cannot be alleged to have traded in the scrip of PMC in connection or in connivance with any of the aforesaid entities or for that matter with any other entity.

o) With respect to allegation of contribution to NHP, Noticee 10 submitted that in the SCN, it is alleged that out of its total sale of 3,15,000 shares of PMC, only 90 shares are alleged to have contributed to NHP. Out of its total sell of 3,15,000 shares only 90 shares are alleged to have contributed to NHP and violated PFUTP Regulations i.e. 3,14,910 shares sold did not contribute to NHP and violated PFUTP Regulations. Thus, out of total shares sold by it only 0.029% of shares are alleged to have caused NHP. Further, counterparty to its impugned transactions of 90 shares were Economy Suppliers Pvt. Ltd. and Seabird Distributors Pvt. Ltd. Noticee 10 stated that while placing sell order; it had no idea who was counterparty since all its transactions were executed through the normal screen based trading system of stock exchange. Noticee 10 further submitted that it has no relationship of whatsoever nature with any of the counterparties to impugned trades mentioned hereinabove.

<u>Noticee 11:</u>

c) Noticee 11 is insurance broking company licensed by Insurance Regulatory Development Authority (IRDA), to act as a Direct Broker in Non-Life Insurance Sector. Before Insurance business, it was engaged in business of making investments in securities through secondary market.

d) With respect to allegation of off market transfer with Seabird Vincon Pvt Ltd, Noticee 11 submitted that the shares of PMC were purchased on advice given by a close business associate who suggested that it should invest in shares of PMC. Based on the suggestion, off market shares were purchased. Noticee 11 was not aware from whom such off market transfer was being arranged or for that matter who was the transferor of such shares.

e) Noticee 11 further stated that, retail investors have limited skill and experience of fundamental research and technical analysis. Thus, the investment decisions are mostly made on the basis of recommendation or suggestions.

f) Noticee 11 submitted that while investing, it had no idea whether it will make profit or loss in the said investment. The payment for said off market shares were made from its own funds and was transferred through a proper banking channel. It had/have no relation or connection with Seabird Vincon Pvt Ltd either prior to transfer or post transfer of shares of PMC. It further stated that it is not connected to PMC or Seabird Vincon Pvt Ltd, its promoters, directors or any other person associated to PMC or Seabird Vincon Pvt Ltd in any way whatsoever.

g) With respect to allegation of sharing same mobile number with Noticee 8 and Vinod Aggarwal, Noticee 11 stated that Vinod Aggarwal is Director from 2005. He is also one of the key management personnel. The mobile number 9811051610 belongs to Mr. Vinod Aggarwal and the same is used by Noticee 11 for various formal communications.

h) Noticee 8 is wife of Mr. Vinod Aggarwal and uses the same mobile number for formal communications.

i) Hence, no adverse inferences be drawn with respect to said allegations levelled against it.

j) Noticee 11 submitted that all the trade and post trade activities were all carried out on the trading cum clearing and settlement mechanism of the stock exchange. Its sale transaction in PMC had been executed "on market" at the price which was prevalent in the market; through SEBI registered Broker with whom it was maintaining share trading account for carrying out investment activity in capital market. All the sell transactions were executed through normal screen based trading system of stock exchange. In fact, trading in stock market is a computer driven process and matching of buy/sell orders in scrip is done by on-line trading module which is autonomous. In case of screen based trading, the automated system itself matches orders on a price-time priority basis and hence it is not possible for anybody to have access over the details of order / trades / identity of counter party dealing in any scrip. Hence, it cannot be alleged to have traded in connivance with other entities as mentioned in the SCN.

k) Further, the value and volume of the alleged trades is very insignificant compared to total volume in the scrip during investigation period.

l) Sell trades in the scrip of PMC were well within the permissible price range (circuit filter) prescribed by the Stock Exchange and therefore no abnormality can be seen on the trades executed by it. Noticee 11 executed the trades in normal and ordinary course in the stock market hence no allegation of manipulation is sustainable on facts and in law against it.

m) Trading volume of Noticee 11 i.e. 31,400 shares sold vis-a-vis the market volume of 3,92,73,917 shares in the scrip of PMC during the investigation period was insignificant / diminutive so as to have any impact on the price /volume of the scrip. Further, the SCN itself mentions that its gross sell % to total sell volume is only 0.08%, which cannot have any impact on the price of the shares of PMC. Further, the sale transactions are not concentrated on a particular day but it is spread across various days in different months.

n) Number of days on which it sold the shares i.e. 8 days vis-a-vis the total trading days during investigation period i.e. 745 days in the scrip of PMC was insignificant/diminutive so as to have any impact on the price/volume of the scrip. Thus, allegation of any ‘manipulative’ intent on its part is unjustified and unwarranted.

o) Therefore, the allegation of any 'abuse' of stock exchange system or manipulation of price by contributing to price rise/fall by Noticees by trading among themselves in the scrip of PMC is irrelevant, illogical and misdirected towards it as its transactions in the scrip of PMC were independent and not in connivance with any other person or Co-Noticees of the SCN.

p) During Patch-3 of the investigation period, out of its total sell in Patch-3, only 150 shares are alleged to have contributed to positive LTP. The alleged number of shares contributing to positive LTP becomes very negligible when compared to total shares traded on that particular day and even more negligible when compared to total shares traded in the whole investigation period. This proves beyond reasonable doubt that it had no intent to manipulate price of PMC (either upward or downward).

q) Noticee 11 stated that its trading in scrip of PMC was independent and not based on or in connivance of trading by other entities as stated in the SCN. Therefore, it cannot be alleged to have traded in connivance with other entities, who are alleged to have traded among themselves as alleged in the SCN.

r) Noticee 11 stated that it is not connected with Economy Suppliers Pvt Ltd. In the SCN itself there is no mention of any connection or relation with Economy Suppliers Pvt Ltd.. Hence, it cannot be alleged to have traded in the scrip of PMC in connection or in connivance with Economy Suppliers Pvt Ltd or for that matter with any other entity.

s) During Patch-4 of the investigation period, out of its total sell in Patch-4, only 975 shares are alleged to have contributed to positive LTP. The alleged number of shares contributing to positive LTP becomes very negligible when compared to total shares traded on that particular day and even more negligible when compared to total shares traded in the whole investigation period. This proves beyond reasonable doubt that it had no intent to manipulate price of PMC (either upward or downward).

t) Noticee 11 stated that its trading in scrip of PMC was independent and not based on or in connivance of trading by other entities as stated in the SCN. Therefore, it cannot be alleged to have traded in connivance with other entities, who are alleged to have traded among themselves as alleged in the SCN.

u) Noticee 11 stated that it is not connected with Embassy Sales Pvt Ltd, Rolex Vinimay Pvt Ltd and Shivdarshan Sales Pvt Ltd. In the SCN itself there is no mention of any connection or relation with Embassy Sales Pvt Ltd, Rolex Vinimay Pvt Ltd and Shivdarshan Sales Pvt Ltd. Hence, it cannot be alleged to have traded in the scrip of PMC in connection or in connivance with Embassy Sales Pvt Ltd, Rolex Vinimay Pvt Ltd and Shivdarshan Sales Pvt Ltd or for that matter with any other entity.

v) With respect to presumption in the SCN with respect to nexus between it and Seabird Vincon Pvt Ltd, Noticee 11 submitted that investment decision in the shares of PMC was based on the recommendation given to it by a close business associate. Thus, merely and solely because it purchased shares of a company in off-market, it cannot be presumed or pre-supposed that it has a nexus, link or relationship with the said entity. Noticee 11 submitted that off market transaction are not illegal *per se.* In this regard, Noticee 11 relied upon Order of Hon'ble SAT in the case of **Rajendra G Parikh vs. SEBI** (Appeal No 44 of 2009).

53. Opportunity of hearing was provided to the Noticees through video conferencing and Authorized Representative (AR) attended the hearing on behalf of Noticees. Mr. Kushal Shah appeared for the hearing on August 13, 2021 as AR of the Noticees. AR of the Noticees reiterated the submissions made in their reply dated June 08 to June 12, 2021, June 14, 2021 and June 14, 2021. AR of the Noticees also stated that additional submissions shall be filed by August 20, 2021. Accordingly, Noticee 10 has filed additional submissions vide letter dated August 16, 2021.

54. In additional submissions Noticee 10 submitted that being a stock broker and being active in dealing in equities in secondary market, it receive various suggestions to invest in securities of promising companies. Mr. M S Goyal, CA, had recommended it to purchase the shares of PMC as there was good sentiment in the market with respect to the scrip. Mr. M S Goyal arranged for the

shares of PMC in off-market. Noticee 10 purchased off-market shares on two occasions viz. 1,00,000 shares prior to IP from Embassy Sales Pvt Ltd and 2,50,000 shares during IP from Seabird Vincon Pvt Ltd. The payment for the aforesaid off-market purchases was through proper banking channel. Noticee 10 submitted that apart from purchase of off-market shares, it had no relation or connection with Embassy Sales Pvt Ltd and Seabird Vincon Pvt Ltd, its directors, promoters or any other person associated with Embassy Sales Pvt Ltd and Seabird Vincon Pvt Ltd.

55. As the inquiry in the matter has been completed, I now proceed to decide the case on the basis of SCN issued, replies made by the Noticees and material available on record.

CONSIDERATION OF ISSUES AND FINDINGS

56. The issues that arise for consideration in the instant matter are:

Issue No. I	Whether Noticees are in violation of Section 12A(a),(b),(c) of SEBI Act read with Regulation 3(a),(b),(c),(d) and Regulations 4(1), 4(2) (a), (e) of PFUTP Regulations?
Issue No. II	If yes, whether the failure, on the part of the Noticees would attract monetary penalty under Section 15HA of the SEBI Act?
Issue No. III	If yes, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in Section 15J of the SEBI Act read with Rule 5(2) of the Adjudication Rules?

Issue No. I **Whether Noticees are in violation of Section 12A(a),(b),(c) of SEBI Act read with Regulation 3(a),(b),(c),(d) and Regulations 4(1), 4(2) (a), (e) of PFUTP Regulations as alleged in the SCN?**

57. The allegations against the Noticees in the SCN are based upon their LTP contribution in 3 Patches and their connections with Seabird Vincon Pvt. Ltd. on account of off-market transfer. The allegations in the SCN against the Noticees are as follows:

a) In Patch-1, when the price of the scrip opened at Rs.315, reached a high of Rs.585 and closed at Rs.499.65. Noticee 1, 4 and 10 along with other 23 sellers aided the top 5 positive LTP contributing buyers, by selling shares to them to manipulate the price of the scrip. Further, in view of the significant NHP contribution by trading among themselves Noticee 10 along with other 12 entities created misleading appearance of trading and manipulated the price of the scrip by contributing to the NHP.

b) In Patch-3, when the price of the scrip opened at Rs.103, reached a high of Rs.848.90 and closed at Rs.807.75, Noticee 3, 8, 9, 10 and 11 along with other 29 entities by trading among themselves created misleading appearance of trading and manipulated the price of the scrip by contributing to the price rise.

c) In Patch-4, when the price of the scrip opened at Rs.430, reached a high of Rs.880 and closed at Rs.838.90, Noticee 2, 5, 6, 7 and 11 along with other 28 entities by trading among themselves created misleading appearance of trading and manipulated the price of the scrip by contributing to the price rise.

58. The Noticees are admittedly connected with each other. Noticee 1 to 3 and 5 to 8, Karta of Noticee 9 and Parmod Aggarwal HUF (Noticee 4 is Karta of Parmod Aggarwal HUF) share the same address. Further, Directors of Noticee 10 are Noticee 1 and Parveen Aggarwal (Karta of Noticee 9). Noticee 11 shares the same mobile number with Noticee 8.

59. As per the SCN Noticee 11 had off-market transfers with Seabird Vincon Pvt. Ltd. With respect to off-market transactions with Seabird Vincon Pvt. Ltd., Noticee 11 submitted that, it had carried out off market transaction with Seabird Vincon Pvt. Ltd., on advice given to it by a close business associate. Further, the payment for the said off market shares were made from its own funds and was transferred through a proper banking channel. From the SCN, I note that the connection of the Noticees with other entities in the SCN is based only on the off-market transactions of Noticee 11 with Seabird Vincon Pvt Ltd.

60. On examination of the trades of the Noticees in price rise patches during IP, I find that Noticees appeared on sell side during aforesaid 3 Patches of IP. Consequently, I have examined the net LTP contribution of the trades by the Noticees and find the following:

Patch 1 - Price Rise - 29/03/2012 to 06/02/2013: Noticee 1, 4 and 10:

61. In Patch-1, Noticee 1, 4 and 10 sold total 75,000 shares. Sell trades of Noticee 1, 4 and 10 contributed to positive LTP during this period. The following is noted from the trade log:

Name	**Trade**	**Quantity Traded**	**LTP Contribution**
Noticee 1	Sell	5000	0.05
Noticee 4	Sell	5000	1.3
Noticee 10	Sell	65000	-0.9
TOTAL	**Sell**	**75,000**	**0.45**

62. As seen from the table above, net LTP contribution for their sell trades is positive Rs.0.45 during this period. Thus, during a price rise period where price moved from Rs.315 to 499.65, the Noticee 1, 4 and 10 together contributed to positive LTP through their sell trades for only Rs.0.45.

63. On perusal of trade log of Noticee 1, 4 and 10, I find that Noticee 1 and 4 have traded only on 1 day and Noticee 10 traded on 10 days out of total 216 trading days during Patch 1. The Noticees 1, 4 and 10 contributed to positive LTP through their sell trades, and the net positive LTP contribution constituted a price rise of only Rs.0.45 (0.24%), when the price of the scrip increased by Rs.184 during the period. The trading pattern of the Noticees 1, 4 and 10 in Patch 1 indicates sale of shares done by them on a limited number of days which resulted in negligible LTP contribution when seen against the total price movement during the period.

64. The allegation against the Noticee 1 and 4 is based on positive LTP contribution caused by 1 and 2 sell trades respectively on December 06, 2012. In view of the pattern of trading of Noticee 1 and 4 in Patch 1 of trades on 1 day only out of total 216 trading days and the negligible LTP impact of their trades as brought out above, I find that the allegation of causing manipulative price rise by them in Patch 1 is not established.

65. The allegation against Noticee 10 is based on positive LTP contribution of Rs.14.85 caused by 30 sell trades executed on 9 trading days during April and May 2012. On perusal of the trade log, I find that out of 65000 shares sold by Noticee 10, the counterparty for 63,690 were five entities namely Economy Suppliers, Embassy Sales, Seabird Distributors, Seabird Vincon and Seabird Retails. I also note from reply of Noticee 10 that it had purchased shares off-market from Embassy Sales and Seabird Vincon.

66. In view of the pattern of trading of Noticee 10 in Patch 1 of sale of 98% of shares to the five entities Economy, Embassy, Seabird Distributors, Seabird Vincon and Seabird Retails, and purchase of shares off market by Noticee 10 from Seabird Vincon and Embassy Sales, I find that the allegation against Noticee 10 of causing manipulative price rise in collusion with them in Patch 1 is established.

Patch 3 - Price Rise - 20/03/2013 to 12/03/2014: Noticee 3, 8, 9, 10 and 11:

67. In Patch-3, Noticee 3, 8, 9, 10 and 11 sold total 2,70,000 shares. Sell trades of Noticee 3, 8, 9, 10 and 11 contributed to positive LTP during this period. The following is noted from the trade log:

Name	**Trade**	**Quantity Traded**	**LTP Rate**
Noticee 3	Sell	1000	2
Noticee 8	Sell	1000	0.1
Noticee 9	Sell	1000	0.2
Noticee 10	Sell	250000	16.75
Noticee 11	Sell	17000	-3.45
TOTAL	**Sell**	**270000**	**15.6**

68. As seen from the table above, net LTP contribution for their sell trades is positive Rs.15.6 during this period. Thus, during a price rise period where price moved from Rs.103 to 807.75, the Noticee 3, 8, 9, 10 and 11 contributed to positive LTP through their sell trades.

69. On perusal of trade log of Noticee 3, 8, 9, 10 and 11, I find that during Patch 3 they have sold 2,70,000 shares with net LTP contribution of Rs.15.6. Noticee 3, 8 and 9 have traded only on 1 day, Noticee 11 traded on 3 days and Noticee 10 traded on 32 days out of total 244 trading days during Patch 3. The aforesaid Noticees contributed to positive LTP through their sell trades, and the net positive LTP contribution constituted a price rise of Rs.15.6 (2.21%), when the price of the scrip increased by Rs.704 during the period. The trading pattern indicates that sale of shares by the Noticees 3, 8, 9 and 11 was done on a limited number of days which resulted in minimal LTP contribution when seen against the total price movement during the period.

70. The allegation in the SCN against the Noticee 3, 8, 9 and 11 is based on positive LTP contribution caused by 2, 1, 2 and 1 sell trades respectively on only 1 trading day. In view of the pattern of trading of Noticee 3, 8, 9 and 11 in Patch 3 of trades

on 1 day each by Noticees 3, 8 and 9 and 3 days by Noticee 11 out of total 244 trading days and the negligible LTP impact of their trades as brought out above, I find that the allegation of causing manipulative price rise by Noticee 3, 8, 9 and 11 in Patch 3 is not established.

71. The allegation against Noticee 10 is based on positive LTP contribution of Rs.56.70 caused by 78 sell trades executed on 28 trading days during September 2013 and February 2014. On perusal of the trade log, I find that out of 250000 shares sold by Noticee 10, the counterparty for 196543 were eight entities Economy, Embassy, Nishant, Seabird Distributors, Seabird Vincon, Seabird Retails, Famous, Rolex and Shivdarshan. I also note from reply of Noticee 10 that it had purchased shares off-market from Embassy Sales and Seabird Vincon.

72. In view of the pattern of trading of Noticee of 10 in Patch 3 of sale 79% of their shares to the entities namely Economy, Embassy, Nishant, Seabird Distributors, Seabird Vincon, Seabird Retails, Famous, Rolex and Shivdarshan, and purchase of these shares off market by Noticee 10 from Seabird Vincon and Embassy Sales, and positive LTP contribution I find that the allegation against Noticee 10 of causing manipulative price rise in collusion with them in Patch 3 is established.

Patch 4 - Price Rise - 13/03/2014 to 21/10/2014: Noticee 2, 5, 6, 7 and 11:

73. In Patch-4, Noticee 2, 5, 6, 7 and 11 sold 26,400 shares. Sell trades of aforesaid Noticees contributed to negative LTP during this period. The following is noted from the trade log:

Name	Trade	Quantity Traded	LTP Rate
Noticee 2	Sell	3000	-1.4
Noticee 5	Sell	3000	1.05
Noticee 6	Sell	3000	0.1
Noticee 7	Sell	3000	-2.25

Noticee 11	Sell	14400	-18.45
TOTAL	**Sell**	**26400**	**-20.95**

74. As seen from the table above, their net LTP contribution for their sell trades is negative Rs.20.95 during this period. Thus, during a price rise period when price moved from Rs.430 to Rs.838.90, the Noticee 2, 5, 6, 7 and 11 together contributed a negative LTP.

75. On perusal of trade log of Noticee 2, 5, 6, 7 and 11, I find that during Patch 4 they have sold 26,400 shares with net LTP contribution of Rs.-20.95. Noticee 2, 5, 6 and 7 have traded only on 1 day and Noticee 11 traded on 4 days out of total 147 trading days during Patch 4. Thus, the trading pattern of Noticee 2, 5, 6, 7 and 11 indicates that they traded on minimal number of days contributed to negative LTP through their sell trades, of Rs.-20.95 when the price of the scrip increased by Rs.408 during the period.

76. The allegation against the Noticee 2, 5, 6 and 7 is based on positive LTP contribution caused by 2, 2, 1 and 2 sell trades respectively on only 1 trading day. Similarly, the allegation against Noticee 11 is based on positive LTP contribution caused by 4 sell trades executed on 2 trading days.

77. Considering the trading pattern of Noticees, which is primarily sale of shares leading to net negative LTP contribution in Patch 4 and the limited number of days on which they have traded (Noticee 2, 5, 6 and 7 on 1 day each and Noticee 11 on 4 days out of total 147 trading), I find that the allegation of causing manipulative price rise by them in Patch 4 is not established.

78. In view of the above, I am inclined to accept the contention of the Noticee 1 to 9 and 11 that their number of trades/volume/trading days during aforesaid patches was insignificant/diminutive so as to have any impact on the price/volume of the scrip, and hence their trades were not reflective of any pattern or any collusion

or manipulation. Hence, I find that the allegation of manipulating the price of the scrip by contributing to the price rise in collusion with others by the Noticees 1 to 9 and 11 is not established.

79. Hence, I find that the allegation levelled against Noticees 1 to 9 and 11 regarding violation of Section 12A(a),(b),(c) of SEBI Act read with Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of PFUTP Regulations does not stand established.

80. I note that the Noticee 10 had a close connection with Embassy Sales and Seabird Vincon through off market purchase of shares. I note that Orders dated February 26, 2021 have been passed in respect of Economy, Embassy, Seabird Distributors, Seabird Vincon, Seabird Retails, Famous, Rolex and Shivdarshan holding that these entities created artificial demand in the scrip of PMC during the IP by continuously buying shares at increasing prices and then holding on to the shares purchased by them, thereby also reducing the shares held by the public and that their trades were manipulative in nature, leading to an artificial price rise. It is also stated in the said Order that Economy, Embassy, Seabird Distributors, Seabird Vincon, Seabird Retails, Famous, Rolex and Shivdarshan had net purchases of 1.54 crore shares and held around 52.5% of the public shareholding by December 2014 in PMC.

81. I find that Noticee 10, through its trades provided the necessary counterparties and liquidity required to maintain volumes of trading in the scrip and enable the entities Economy, Embassy, Seabird Distributors, Seabird Vincon, Seabird Retails, Famous, Rolex and Shivdarshan to continuously buy in the scrip at increasing prices. The Noticee 10 thus colluded with and aided the aforesaid entities in manipulating the price of the scrip during Patch 1 and 3 of the IP. The trades of Noticee 10 during this period contributed to positive LTP during Patch 3.

82. I note that Noticee 10 has placed reliance on certain judgments of Hon’ble Supreme Court, SAT and Adjudication Orders of SEBI. Broadly, reference has been made to the judgments wherein it was held that there must be strict proof or compelling evidence is required to level a charge of fraud against the parties. I note that the said judgments were made in different cases and made on consideration given to varied evidences/circumstances in each case. In the instant case, I find that the Noticee 10 had a close connection with the Embassy Sales and Seabird Vincon, which have been found to have manipulated the price of the scrip in the order dated February 26, 2021. As established in above paragraphs Noticee 10 contributed to significant trading volume in the scrip during patch 1 and 3 and provided liquidity and was a counterparty to trades by Economy, Embassy, Nishant, Seabird Distributors, Seabird Vincon, Seabird Retails, Famous, Rolex and Shivdarshan.

83. In view of the above, I find that the allegations of violation of Section 12 A(a),(b),(c) of SEBI Act read with Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of PFUTP Regulations stand established against the Noticee 10.

Issue No. II If yes, whether the failure, on the part of the Noticee would attract monetary penalty under Section 15HA of the SEBI Act.

And

Issue No. III If yes, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15J of the SEBI Act read with Rule 5(2) of the Adjudication Rules?

84. Since the violation of Section 12A(a),(b),(c) of SEBI Act read with Regulation 3 (a), (b), (c), (d) and Regulations 4 (1), 4(2) (a), (e) of PFUTP Regulations has been established against the Noticee 10, as brought out in the foregoing paragraphs, the Noticee 10 is liable for monetary penalty under Section 15HA of SEBI Act.

<u>SEBI Act:</u>

Penalty for fraudulent and unfair trade practices.

15HA. *If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.*

85. While determining the quantum of penalty under Section 15HA of SEBI Act, the following factors stipulated in Section 15J of the SEBI Act have to be given due regard:

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.

86. I note that the material on record has not brought out any disproportionate gain made by the Noticee 10 or loss caused to investors by the Noticee 10. In view of the above, taking into account the facts and circumstances of this matter, I find that a penalty of Rs.5,00,000/- (Rupees Five Lakh only) under Section 15HA of the SEBI Act upon the Noticee 10 will be commensurate with the violations committed by it.

ORDER

87. After taking into consideration all the facts and circumstances of the case, in exercise of powers conferred upon me under Section 15-I of SEBI Act read with Rule 5 of the Adjudication Rules, I hereby impose a penalty of Rs. 5,00,000/- (Rupees Five Lakh only) upon the Noticee 10 i.e. Centillion Capital Private

Limited (Formerly known as Pelf Finstock Limited) under Section 15HA of the SEBI Act for violation of Section 12A(a),(b),(c) of SEBI Act read with Regulation 3(a),(b),(c),(d) and Regulations 4(1), 4(2) (a), (e) of PFUTP Regulations.

88. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, OR through online payment facility available on the SEBI website www.sebi.gov.in on the following path, by clicking on the payment link

ENFORCEMENT → Orders → Orders of AO → PAY NOW

89. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid to the Enforcement Department – Division of Regulatory Action – IV of 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

90. Copy of this Adjudication Order is being sent to the Noticees and also to SEBI in terms of Rule 6 of the Adjudication Rules.

DATE: October 29, 2021	**MANINDER CHEEMA**
PLACE: MUMBAI	**ADJUDICATING OFFICER**