BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/BM/UR/2023-24/27005-27016]

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:

Sr. No.	Noticee no.	Noticee Name	PAN
1.	Noticee no. 1	Mr. Vijaykumar Natubhai Kapadiya	DEPPK3186H
2.	Noticee no. 2	Mr. Jitendra Malviya	AGVPM1294K
3.	Noticee no. 3	Marfatia Stock Broking Pvt. Ltd.	AADCM6730B
4.	Noticee no. 4	Mehta Equities Ltd.	AAACR4143C
5.	Noticee no. 5	Mr. Nafeez Hakeem	ABBPH2231A
6.	Noticee no. 6	Kamlesh Shah	AAGPS8126H
7.	Noticee no. 7	JSEL Seurities Ltd	AAACJ9169L
8.	Noticee no. 8	Ms. Rajani Dusad	AENPD5129E
9.	Noticee no. 9	Mr. Vijendra Kumar Jain	AGBPJ0509J
10.	Noticee no. 10	Mr. Anil Dusad	ABXPD6340C
11.	Noticee no. 11	Mr. Prashant Ashok Shah	ATAPS4842B
12.	Noticee no. 12	Mr. Parag Sevantilal Shah	AMCPS3226N
*The aforesaid entities are hereinafter individually referred to by their Noticee numbers and collectively as "**Noticees**", unless the context specifies otherwise			

In the matter of *Generic Engineering Construction and Projects Ltd*.

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") conducted investigation in the scrip of Generic Engineering Construction and Projects Ltd. (hereinafter referred to as "**GECPL**") for the period November 04, 2016 to September 20, 2017 (hereinafter referred to as "**investigation period/ IP**"). The focus of the investigation was to ascertain whether there was any violation of the provisions of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act**") and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**').

2. Based on the findings of the investigation, it was alleged that Noticees had violated as follows:

Table (i)

<table>
<tr><th colspan="4">Allegations against the Noticees</th></tr>
<tr><th>Sr. No.</th><th>Noticee No.</th><th>Alleged Violations</th><th>Penal Provision</th></tr>
<tr><td rowspan="5">1.</td><td>Noticee 1,</td><td rowspan="5">➢ Clause (1), (3) and (4) of the Code of Conduct as specified in Schedule II under Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.

➢ Section 12 A (a), (b), (c) of the SEBI Act, Regulation 3 (a), (b), (c), (d), Regulation 4(1) and 4(2)(a), 4(2)(e), 4(2)(g) of the PFUTP Regulations.</td><td rowspan="5">Section 15HB

Section 15HA</td></tr>
<tr><td>Noticee 2</td></tr>
<tr><td>Noticee 3</td></tr>
<tr><td>Noticee 5</td></tr>
<tr><td>Noticee 10</td></tr>
<tr><td rowspan="3">2.</td><td>Noticee 4</td><td rowspan="3">➢ Clause (1) and (2) of the Code of Conduct as specified in Schedule II under Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.</td><td rowspan="3">Section 15HB</td></tr>
<tr><td>Noticee 6</td></tr>
<tr><td>Noticee 7</td></tr>
<tr><td rowspan="2">3.</td><td>Noticee 8</td><td rowspan="2">➢ Section 12 A (a), (b), (c) of the SEBI Act, Regulation 3 (a), (b), (c), (d), Regulation 4(1) and 4(2)(a) and 4(2)(e) of the PFUTP Regulations.</td><td rowspan="2">Section 15HA</td></tr>
<tr><td>Noticee 9</td></tr>
</table>

Allegations against the Noticees			
Sr. No.	**Noticee No.**	**Alleged Violations**	**Penal Provision**
4.	Noticee 11 Noticee 12	➢ Section 12 A (a), (b), (c) of the SEBI Act, Regulation 3 (a), (b), (c), (d), Regulation 4(1) and 4(2)(a) and 4(2)(g), of the PFUTP Regulations.	Section 15HA

APPOINTMENT OF ADJUDICATING OFFICER

3. The undersigned was appointed as Adjudicating Officer (hereinafter referred to as "**AO**") under Sub-section 1 of Section 15-I of SEBI Act, 1992 read with Section 19 of SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and imposing penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') conveyed vide communique dated May 25, 2022 to inquire into and adjudge under the aforesaid alleged violations against the Noticees, and if satisfied that the Noticees are liable, impose such penalty as it deems fit in terms of Rule 5 of Adjudication Rules and Section 15HA and Section 15HB of the SEBI Act.

SHOW CAUSE NOTICE

4. A common Show Cause Notice (hereinafter referred to as "**SCN**") dated January 12, 2022 bearing reference no. SEBI/EAD3/BM/UR/50889/2022 was issued to the Noticees under 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 initiated against them and penalty if any, not be imposed upon them for the aforesaid violations alleged to have been committed by them. The following documents were enclosed as annexures to the SCN:

Table (ii)

Annexures to SCN	
Annexure No.	**Particulars**
1	Copy of AO appointment Order
2	Major Corporate announcement and their impact on price volume
3	Price Volume data during the IP
4	Details of UCC, off market data
5	Details of Circular trades
6	Trade Log
7	Details of positive LTP contribution by Group 1

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

5.1. GECPL is a Public Limited Company which is listed on Bombay Stock Exchange (BSE).

5.2. **Financial Results & Corporate Announcements:**

a. GECPL registered total income of Rs. 38.56 crore and Rs. 0.56 crore for the year ended on March-17 and March- 16 respectively. It was observed that annual revenue of GECPL had increased by 38 crore and annual net profit has increased by 1.37 crore. The quarterly revenue and profit had increased drastically from the quarter ended on December 2016 to June 2017, which is given below:

Particulars	**Year Ended on (Rs. in Crore)**		**Quarter Ended on (Rs. in Crore)**			
	Mar 2017	**Mar 2016**	**Sept**	**Jun 2017**	**Mar**	**Dec 2016**
Revenue	38.56	0.56	21.73	43.35	38.47	0.00
Other Income	GECPL-	-	0.28	1.86	0.379	0.005
Total Income	38.56	0.56	22.01	43.53	38.47	-0.175
Profit /(Loss)	1.65	0.28	2.07	3.04	1.80	-0.17

b. GECPL had made corporate announcements which were in nature of announcements of financial results and board Meeting etc.

c. **Price Volume Analysis:**

The price-volume analysis during the IP, before IP (3 months prior) and after the IP (3 months subsequent) is tabulated as below:

Period	**Dates**		**Opening Price (volume) on first day Rs)**	**Closing price (volume) on last day (Rs.)**	**Low price(volume) during the period (Rs.)**	**High Price(volume) during the period (Rs.)**	**Avg. no. of (shares) traded daily during the period**
Before Investigation period	**(01/09/2016 - 03/11/2016)**	**Price**	33.5	35	32	40.6	26457
		Vol	24493	28003	2798	101168	
During Investigation Period	**(04/11/2016 - 20/09/2017)**	**Price**	35	150.45	35	161	35431
		Vol	33205	19951	3150	182644	
After investigation period	**(21/09/2017 - 31/12/2017)**	**Price**	153	155.3	136.4	157	21868
		Vol	24342	76349	29087	52140	

From the price volume analysis it was observed that, during the investigation period price of the scrip in BSE moved from Rs. 35 to the high of Rs. 161 registering an increase of Rs. 126 (360%). Further it was observed that the price closed at Rs. 35.80 in BSE on March 16, 2022.

d. **Major Brokers and Clients:**

Brokers' Concentration: Details of Top 10 buy broker and sell broker concentration on BSE during the investigation is tabulated as below:

Buy Broker Name	Total	%age of Trd Vol	Selling Broker Name	Total	%age of Trd Vol
Marfatia Stock Broking Pvt.Ltd.	1299927	16.75	Marfatia Stock Broking Pvt.Ltd.	1299927	16.75
Beeline Broking Ltd.	789100	10.17	Beeline Broking Ltd.	789100	10.17
Kotak Securities Ltd.	744538	9.60	Kamlesh R.Shah	586956	7.56
Kamlesh R.Shah	590975	7.62	Tradebulls Securities Pvt.Ltd.	372714	4.80
Mehta Equities Ltd.	361072	4.65	Prabhudas Lilladher Pvt.Ltd.	359438	4.63
Icici Securities Ltd.	354934	4.57	Mehta Equities Ltd.	316680	4.08
Swastika Investmart Ltd.	256189	3.30	Swastika Investmart Ltd.	256189	3.30
Smc Global Securities Ltd.	214963	2.77	Pune E Stock Broking Pvt.Ltd.	213846	2.76
Canon Capital & Finance Ltd.	184096	2.37	Kotak Securities Ltd.	194962	2.51
Hdfc Securities Ltd.	176419	2.27	Canon Capital & Finance Ltd.	184096	2.37
Total	**4972213**	**64.08**	**Total**	**4573908**	**58.95**
Remaining Brokers	**2787300**	**35.92**	**Remaining Brokers**	**3185605**	**41.05**
Market Total	**7759513**	**100.0**	**Market Total**	**7759513**	**100.0**

Top 10 buy brokers contributed 64.08% to market volume. Noticee 3 was the top buy broker with 16.75% contribution to market volume. Top 10 sell brokers contributed 58.95% to market volume. Noticee 3 was the top sell broker with 16.75% contribution to market volume.

Clients' Concentration: Details of Top 10 buy broker and sell broker concentration on BSE during the investigation is tabulated as below:

Buy Client Name	Total	% age of Trd Vol	Sell Client Name	Total	%age of Trd Vol
Syed Wajid Ali	500000	6.44	Jayveersinh Chavda	420288	5.42
Jayveersinh Chavda	420288	5.42	Emerald Corporate Advisory Private Limited	316180	4.07

Buy Client Name	Total	% age of Trd Vol	Sell Client Name	Total	%age of Trd Vol
Emerald Corporate Advisory Private Limited	350312	4.51	Jayeshbhai Rohitbhai Kachhiya	313328	4.04
Jayeshbhai Rohitbhai Kachhiya	313328	4.04	Ashish Shankar Pandare	252815	3.26
Vijaykumar Natubhai Kapadiya	251574	3.24	Vijaykumar Natubhai Kapadiya	251574	3.24
Sajidhusen Mahmmadali Saiyad	246228	3.17	Sajidhusen Mahmmadali Saiyad	246228	3.17
Natubhai Dhulabhai Parmar	238168	3.07	Natubhai Dhulabhai Parmar	238168	3.07
Kevalkumar Shailesbhai Sutariya	226528	2.92	Kevalkumar Shailesbhai Sutariya	226528	2.92
Ithica Fiscal Services Private Limited	192489	2.48	Ashokbhai Nanjibhai Parmar	176828	2.28
Ashok Sadhwani	181932	2.34	Ithica Fiscal Services Private Limited	175273	2.26
Top 10 Buy Clients	2920847	37.64	**Top 10 Sell Clients**	2617210	33.73
Remaining Clients	4838666	62.36	**Remaining Clients**	**5142303**	**66.27**
Total Traded Volume	7759513	100.00	**Total Traded Volume**	7759513	100.00

It was observed that top 10 buyers contributed 37.64% to market volume and top 10 sellers contributed 33.73% to market volume. Noticee 1 was among the top 10 buyer and seller and had contributed 3.24% of the buy volume and 3.24% of the sell volume.

e. **Suspected Entities:**

Based on the UCC details, off market data following 2 groups consisting of 27 and 2 connected entities were observed, which are referred to as "Group 1" and "Group 2" respectively. Name and basis of connection of all such suspected entities is given hereunder:

Suspect Entities Group 1

Sr. No.	PAN	Name	UCC based connection details
1	AABCE6801H	Emerald Corporate Advisory Private Limited (ECAPL)	Entities at sr.no 1 to 4 have common promoter and Director namely Mr. Nafeez Hakim and Mrs Ridhima Hakeem (Sr. no. 26 and 27) Entities at sr.no 1 to 4 and Mr. Nafeez Hakim and Mrs Ridhima Hakeem (Sr. no. 26 and 27) have same address viz 28, Great Western Building, Ist Floor, 130, Sahid Bhagat Singh Marg, Opp lion Gate, Fort, Mumbai-400023.
2	AABCI8965J	Ithica Fiscal Services Private Limited (IFSPL)	

Sr. No.	PAN	Name	UCC based connection details
3	AACCN4854A	Numisma Financial Advisors Private Limited (NFAPL)	Entities at sr. no. 1 to 4 have transferred shares of GECPL through off Market to each other. NFAPL has transferred funds to IFSPL (sr no. 2), OCSPL(sr. no. 4), Prashant Ashok Shah(sr no. 7) Parag Shah (sr no 8), Manisha Prashant Shah (sr. no. 9) and Javedbhai A. Mirza (sr no. 10) Mr. Jayesh Rawal (sr no. 5), Mr. Nafeez Hakim (sr no 26) and Mrs Ridhima Hakeem (sr. no 27) were director of Hermes Corporate Advisory Pvt Ltd. Hermes Corporate Advisory Pvt Ltd have same address as of entities at sr.no 1 to 4 and As per the Member client Agreement, Mr. Parag Shah (sr. no. 8) was authorized to deal in securities on behalf of Company IFSPL (Sr . no. 2) and NFAPL (sr. no 3). Mr. Prashant Shah was introducer for IFSPL and NFAPL. Mr. Prashant Shah and Mr. Parag Shah (sr. no. 7 & 8)) were authorized to deal in securities on behalf of Company ECAPL (Sr . no. 1) as per the Member client Agreement. Entity Parag Sevantilal Shah (no. 8) has fund transaction with sr. No. 3 (Numisma Financial Advisors Private Limited) and Sr. No 1 (ECAPL). Entity Prashant Ashok Shah (Sr. No 7) has fund transaction with company ECAPL(Sr. No. 1). Entity no. 8, 1 and 4 have common mobile no. 9820820922. Entity Manisha Prashant Shah (sr .no 9) has fund transfrer with entity NFAPL (sr no.3) Entity Javedbhai A. Mirza (sr. no. 10) has fund transfrer with entity NFAPL (sr no.3)
4	AADCR2667N	Onyx Corporate Services Private Limited (OCSPL)	
5	ABJPR9028F	Jayesh Rawal	Entity Jayesh Rawal (sr.no 5) is director of Generic Engineering Construction and Projects Ltd. He is also director of Hermes Corporate Advisory Pvt Ltd along with Mr. Nafeez Hakim and Mrs. Ridhima Hakeem (sr. no 26 and 27) Hermes Corporate Advisory Pvt Ltd have same address as of entities at sr.no 1 to 4.

Sr. No.	PAN	Name	UCC based connection details
			He is proprietor of CA firm J.S. Rawal & Co. As a proprietor of CA firm J. S. Rawal & co he has signed the Audited financial statements of company IFSPL(sr. No. 2) for FY2012-13 and 2013-14. He is Partner in CA Firm Sutaria Associates. As a partner of Sutaria associates, he has signed the Net worth certificate of company ECAPL(sr. no. 1) dated June 16, 2010. He is also partner in CA firm JDNG & Associates. As a partner he has signed the Audit report of promoter company Generic Engineering & construction Pvt Ltd for FY 2015-16 and As a partner of CA firm JDNG & Associates, he has signed Networth certificate of Promoter cum MD of GECPL - Mr. Manish Patel as on Sept 30, 2016. Entity is also director in Vidhi Investment Solution Pvt Ltd alongwith Ms. Chanda Rawal (sr. No. 6).
6	AGDPR0616C	Chanda Rawal	Entity Chanda Rawal is wife of Jayesh Rawal (sr. no. 5). Entities at sr. no 5 & 6 connected /related to each other as they have same mobile number viz.9320206161, 9833676161 and email id - rawaljayesh@gmail.com and address 1302 /03 Sunrise Point, Neptune living Point LBS Road, Bhandup West. Entity is also director in Vidhi Investment Solution Pvt Ltd alongwith Mr. Jayesh Rawal (sr. No. 5)
7	ATAPS4842B	Prashant Ashok Shah	Entity Prashant Ashok Shah (sr. No 7) has transferred shares through off market to entity Manisha Prashant Shah Sr. No. 9) on Jan 10, 2017. Entity has common address - B001,Ridhhi Palace,30 Feet Road,Bhayander with sr. no 9(Manisha Prashant Shah). Entity Prashant Ashok Shah has fund transaction with company ECAPL(Sr. No. 1). He is authorized to deal in securities on behalf of Company ECAPL (Sr . no. 1) as per the Member client Agreement. Mr. Prashant Shah and Mr. Parag Shah (sr no 8) both were working for RNZ & Co. The address of RNZ & Co is same as of entities at Sr no 1 to 4 i.e. 28, Great Western Building, Ist Floor, 130, Sahid Bhagat Singh Marg, Opp lion Gate, Fort, Mumbai-400023
8	AMCPS3226N	Parag Sevantilal Shah	Entity no. 8 , 1 and 4 have common mobile no. 9820820922. Entity Parag Sevantilal Shah (no. 8) has fund transaction with sr. No. 3 (Numisma Financial Advisors Private Limited) and Sr. No 1 (ECAPL).

Sr. No.	PAN	Name	UCC based connection details
			He is authorized to deal in securities on behalf of Company ECAPL (Sr . no. 1) as per the Member client Agreement. Mr. Prashant Shah and Mr. Parag Shah (sr no 8) both were working for RNZ & Co. The address of RNZ & Co is same as of entities at Sr no 1 to 4 i.e. 28, Great Western Building, Ist Floor, 130, Sahid Bhagat Singh Marg, Opp lion Gate, Fort, Mumbai-400023
9	BVMPS3433D	Manisha Prashant Shah	Entity Prashant Ashok Shah (sr. No 7) has transferred shares through off market to entity Manisha Prashant Shah Sr. No. 9) on Jan 10, 2017. Entity has common address - B001,Ridhhi Palace,30 Feet Road,Bhayander with sr. no 7(Prashant Shah). Entity has fund transfrer with entity NFAPL (sr no.3)
10	BKXPM2552B	Javedbhai A. Mirza	Fund transfrer with entity NFAPL (sr no.3) Off market transfer with Rahulkumar Leua (sr no. 13) and Jayeshbhai Kachhiya (sr no. 12)
11	AITPR2718M	Mrugesh Natwarlal Ruparel	Entity at sr. no 11 had off market transaction with entity at sr.no 10 on Sept 23, 2016 in Hemo Organic Ltd
12	BOZPK7583N	Jayeshbhai Rohitbhai Kachhiya	Off Market with Javedbhai A. Mirza (Sr. no. 10) Entities at sr.no 12 and 14 connected /related to each other as they have same mobile number viz. 9925068321
13	ALKPL2848J	Rahulkumar Manilal Leua	Entity no. 13 and Entity no.16 have common mobile no. 9173937164. Off Market with Javedbhai A. Mirza (Sr. no. 10) and Natubhai Parmar (sr no. 17)
14	DEPPK3186H	Vijaykumar Natubhai Kapadiya	Entities at sr.no 12 and 14 connected /related to each other as they have same mobile number viz. 9925068321. Entity has fund transaction with entity Jayveersinh Chavda (sr.no 15). Entity Kevalkumar Shailesbhai Sutariya (Sr.no 16) have fund transaction with entityVijaykumar Natubhai Kapadiya (sr.no 14.) - (Dena Bank a/c on Aug 4, 2017 Rs. 72000/-)
15	BIGPC7345M	Jayveersinh Chavda	Entity has fund transaction with entity Vijaykumar Natubhai Kapadiya (sr.no 14) and with Jitendrakumar Somchand Malviya (sr. no. 25)
16	GNGPS4115B	Kevalkumar Shailesbhai Sutariya	Entity at Sr.no Kevalkumar Shailesbhai Sutariya have fund transaction with entityVijaykumar Natubhai Kapadiya (sr.no 14.) - (Dena Bank a/c on Aug 4, 2017 Rs. 72000/-)
17	ALEPP6741J	Natubhai Dhulabhai Parmar	Entity has off-market transaction with Rahulkumar Manilal Leua (sr.no 13)

Sr. No.	PAN	Name	UCC based connection details
			Entity has common address with sr. No. 14(Vijaykumar Natubhai Kapadiya) B 302 Labh Apartment Near Raghuvir Society, D School Road Sahijpur Bogha, Ahmedabad
18	ALQPP8556M	Ashokbhai Nanjibhai Parmar	Entity at sr.no 18 & 19 were being introduced by Jitendrabhai Malviya (Sr no. 25)
19	CAXPP4771J	Nareshbhai Pappubhai Parmar	
20	CZXPS1601R	Sajidhusen Mahmmadali Saiyad	Entity no 20 and 21 have common mobile no. 8347837707. Entity at sr.no 20, 21 and 23 have the same address viz Azmatpura, Vadigam, Hadgud, Anand-388110, Gujarat. As per KYC documents both (sr no 20 & 21) entities were introduced by Jitendrakumar Somchand Malviya (sr. no 25)
21	CZXPS1599C	Vahidhusen Mahamadali Saiyad	
22	AETPT4247F	Taliyan Nisha	Entity at sr.no 22 have off-mkt transaction with Safiyuddin Nurmiya Saiyad (Sr . No. 23) (on Sept 1, 2016 - Hemo Organic Ltd)
23	BFYPS9286Q	Safiyuddin Nurmiya Saiyad	Entity at sr.no 22, 24 and 17 have off-mkt transaction with Safiyuddin Nurmiya Saiyad (Sr . No. 23) Entity at sr.no 20, 21 and 23 have the same address viz Azmatpura, Vadigam, Hadgud, Anand-388110, Gujarat
24	AWYPK6621R	Parvez Muniruddin Kazi	Fund Transfer with Mr. Jitendrakumar Malviya (sr. no. 25)
25	AGVPM1294K	Jitendra Malviya	Off Market with Natubhai parmar (sr no 17). Fund transfer with Sr. no 24 and 15. Introducer for entity 18, 19, 20 and 21.
26	ABBPH2231A	Nafeez Hakeem	Entities were common promoter and Director for the companies at sr. no 1 to 4 (namely ECAPL, IFSPL , NFAPL and OCSPL).
			Entities have same address alongwith entities at 1 to 4 viz 28, Great Western Building, Ist Floor, 130, Sahid Bhagat Singh Marg, Opp lion Gate, Fort, Mumbai-400023. Both entities were also director of Hermes Corporate Advisory Pvt Ltd along with Mr. Jayesh Rawal (Sr. no. 5).
27	AELPH8894Q	Ridhima Hakeem	

Suspected Entities Group -2

Sr. No.	PAN	Name	Basis of Connection
1	AGBPJ0509J	VIJENDRA KUMAR JAIN	Off Market with each other
2	AENPD5129E	RAJANI A. DUSAD	

f. **Trading by Suspected Groups of Entities:**

Summary of the trading done by suspected entities during investigation period is placed below:

Trading by Group – 1

Sr. No.	Client Name (Group 1)	Gross Buy	Gross Sale	Net Trade	Gross Buy % to total Mkt vol.	Gross Sell % to total Mkt vol.
1	Jayveersinh Mahendrasinh Chavda	420288	420288	0	5.42	5.42
2	Emerald Corporate Advisory Private Limited	350312	316180	34132	4.52	4.08
3	Jayeshbhai Rohitbhai Kachhiya	313328	313328	0	4.04	4.04
4	Vijaykumar Natubhai Kapadiya	251574	251574	0	3.24	3.24
5	Sajidhusen Mahmmadali Saiyad	246228	246228	0	3.17	3.17
6	Natubhai Dhulabhai Parmar	238168	238168	0	3.07	3.07
7	Kevalkumar Shailesbhai Sutariya	226528	226528	0	2.92	2.92
8	Ithica Fiscal Services Private Limited	192489	175273	17216	2.48	2.26
9	Ashokbhai Nanjibhai Parmar	176828	176828	0	2.28	2.28
10	Numisma Financial Advisors Private Limited	139411	152108	-12697	1.80	1.96
11	Prashant Ashokkumar Shah	136651	135651	1000	1.76	1.75
12	Vahidhusen Mahamadali Saiyad	109082	109082	0	1.41	1.41
13	Taliyan Nisha	74689	74689	0	0.96	0.96
14	Rahulkumar Manilal Leua	68240	68240	0	0.88	0.88
15	Manisha Prashant Shah	57755	58755	-1000	0.74	0.76
16	Onyx Corporate Services Private Limited	53539	48049	5490	0.69	0.62
17	Nareshbhai Pappubhai Parmar	42693	42693	0	0.55	0.55
18	Parag Sevantilal Shah	42234	42234	0	0.54	0.54
19	Javedbhai Ashrafbhai Mirza	28007	28007	0	0.36	0.36
20	Mrugesh Natwarlal Ruparel	23598	23598	0	0.30	0.30
21	Jayesh Rawal	15450	0	15450	0.20	0.00
22	Chanda Rawal	6700	1262	5438	0.09	0.02
23	Safiyuddin Nurmiya Saiyad	3004	3004	0	0.04	0.04
24	Parvez Muniruddin Kazi	1500	1500	0	0.02	0.02

Sr. No.	Client Name (Group 1)	Gross Buy	Gross Sale	Net Trade	Gross Buy % to total Mkt vol.	Gross Sell % to total Mkt vol.
	Total	**3218296**	**3153267**	**65029**	**41.47**	**40.64**
	Market Total	**7759513**	**7759513**	**7759513**	**100.00**	**100.00**

Out of 27 suspected entities of Group -1, 24 entities have traded in the shares of GECPL during investigation period. The 24 suspected entities of Group-1 had purchased 32,18,296 shares (41.47% of total market volume) and sold 31,53,267 shares (40.64% of total market volume) during investigation period. From the above it was alleged that suspected entities of group 1 had traded in significant volume in the shares of GECPL during the investigation period.

Trading by Group – 2

Sr. No.	Client Name (Group 2)	Gross Buy	Gross Sale	Net Trade	Gross Buy % to total Mkt vol.	Gross Sell % to total Mkt vol.
1	RAJANI DUSAD	25604	25604	0	0.33	0.33
2	VIJENDRA KUMAR JAIN	16329	16329	0	0.21	0.21
	Total	**41933**	**41933**	**0**	**0.54**	**0.54**

The suspected entities of Group-2 have purchased and sold 41933 shares with no net trade during investigation period.

g. **Synchronized Trades**:

It was observed that 23 suspected entities out of 27 suspected entities from Group 1 had executed among themselves synchronized trades for 2213939 shares (28.53% of total market volume) during the investigation period. These synchronized trades had also resulted in LTP contribution of Rs. 2.50. The details regarding synchronized trades is tabulated below:

Synchronized trades Group 1 entities:

Buy Client Name	Sell Client Name	No. of Trades	Sum of Sync Qty.	% of Sync Vol. to Mkt. Vol.
ASHOKBHAI NANJIBHAI PARMAR	JAVEDBHAI ASHRAFBHAI MIRZA	2	1003	0.01
	JAYESHBHAI ROHITBHAI KACHHIYA	180	85228	1.10
	JAYVEERSINH MAHENDRASINH CHAVDA	70	27384	0.35
	KEVALKUMAR SHAILESBHAI SUTARIYA	28	14250	0.18
	MRUGESH NATWARLAL RUPAREL	14	7000	0.09

Buy Client Name	Sell Client Name	No. of Trades	Sum of Sync Qty.	% of Sync Vol. to Mkt. Vol.
	RAHULKUMAR MANILAL LEUA	78	20250	0.26
	SAJIDHUSEN MAHMMADALI SAIYAD	79	21432	0.28
ASHOKBHAI NANJIBHAI PARMAR Total		**451**	**176547**	**2.28**
CHANDA RAWAL	ONYX CORPORATE SERVICES PRIVATE LIMITED	1	734	0.01
CHANDA RAWAL Total		**1**	**734**	**0.01**
EMERALD CORPORATE ADVISORY PRIVATE LIMITED	JAVEDBHAI ASHRAFBHAI MIRZA	1	28	0.00
	JAYESHBHAI ROHITBHAI KACHHIYA	1	1	0.00
	MANISHA PRASHANT SHAH	19	4412	0.06
	NATUBHAI DHULABHAI PARMAR	4	502	0.01
	PARAG SEVANTILAL SHAH	36	11367	0.15
	PRASHANT ASHOKKUMAR SHAH	72	21073	0.27
	VAHIDHUSEN MAHAMADALI SAIYAD	1	2	0.00
	VIJAYKUMAR NATUBHAI KAPADIYA	4	3528	0.05
EMERALD CORPORATE ADVISORY PRIVATE LIMITED Total		**138**	**40913**	**0.53**
ITHICA FISCAL SERVICES PRIVATE LIMITED	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	2	108	0.00
	MANISHA PRASHANT SHAH	1	1000	0.01
	VAHIDHUSEN MAHAMADALI SAIYAD	1	10	0.00
ITHICA FISCAL SERVICES PRIVATE LIMITED Total		**4**	**1118**	**0.01**
JAVEDBHAI ASHRAFBHAI MIRZA	JAYVEERSINH MAHENDRASINH CHAVDA	53	18068	0.23
	RAHULKUMAR MANILAL LEUA	4	1503	0.02
	SAJIDHUSEN MAHMMADALI SAIYAD	108	7364	0.09
JAVEDBHAI ASHRAFBHAI MIRZA Total		**165**	**26935**	**0.35**
JAYESH RAWAL	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	3	151	0.00
	ONYX CORPORATE SERVICES PRIVATE LIMITED	1	500	0.01
	PARAG SEVANTILAL SHAH	1	360	0.00
JAYESH RAWAL Total		**5**	**1011**	**0.01**
JAYESHBHAI ROHITBHAI KACHHIYA	ASHOKBHAI NANJIBHAI PARMAR	106	33278	0.43
	ITHICA FISCAL SERVICES PRIVATE LIMITED	1	50	0.00
	JAYVEERSINH MAHENDRASINH CHAVDA	107	51990	0.67
	MRUGESH NATWARLAL RUPAREL	5	5625	0.07
	NATUBHAI DHULABHAI PARMAR	110	42325	0.55
	RAHULKUMAR MANILAL LEUA	51	22207	0.29
	SAJIDHUSEN MAHMMADALI SAIYAD	263	62473	0.81
	TALIYAN NISHA	28	11844	0.15
	VIJAYKUMAR NATUBHAI KAPADIYA	202	76397	0.98
JAYESHBHAI ROHITBHAI KACHHIYA Total		**873**	**306189**	**3.95**

Buy Client Name	Sell Client Name	No. of Trades	Sum of Sync Qty.	% of Sync Vol. to Mkt. Vol.
JAYVEERSINH MAHENDRASINH CHAVDA	ASHOKBHAI NANJIBHAI PARMAR	263	112387	1.45
	ITHICA FISCAL SERVICES PRIVATE LIMITED	1	500	0.01
	JAVEDBHAI ASHRAFBHAI MIRZA	67	22123	0.29
	JAYESHBHAI ROHITBHAI KACHHIYA	27	11056	0.14
	KEVALKUMAR SHAILESBHAI SUTARIYA	188	61435	0.79
	NATUBHAI DHULABHAI PARMAR	275	81910	1.06
	NUMISMA FINANCIAL ADVISORS PRIVATE LIMITED	1	50	0.00
	PARVEZ MUNIRUDDIN KAZI	6	1500	0.02
	PRASHANT ASHOKKUMAR SHAH	2	680	0.01
	RAHULKUMAR MANILAL LEUA	9	4155	0.05
	SAFIYUDDIN NURMIYA SAIYAD	9	3004	0.04
	SAJIDHUSEN MAHMMADALI SAIYAD	66	19808	0.26
	VAHIDHUSEN MAHAMADALI SAIYAD	273	92857	1.20
	VIJAYKUMAR NATUBHAI KAPADIYA	20	6253	0.08
JAYVEERSINH MAHENDRASINH CHAVDA Total		**1207**	**417718**	**5.38**
KEVALKUMAR SHAILESBHAI SUTARIYA	ASHOKBHAI NANJIBHAI PARMAR	2	1004	0.01
	JAYVEERSINH MAHENDRASINH CHAVDA	418	151019	1.95
	NATUBHAI DHULABHAI PARMAR	15	6463	0.08
	SAJIDHUSEN MAHMMADALI SAIYAD	230	52981	0.68
	VAHIDHUSEN MAHAMADALI SAIYAD	37	14586	0.19
KEVALKUMAR SHAILESBHAI SUTARIYA Total		**702**	**226053**	**2.91**
MANISHA PRASHANT SHAH	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	3	1094	0.01
	ITHICA FISCAL SERVICES PRIVATE LIMITED	1	350	0.00
	ONYX CORPORATE SERVICES PRIVATE LIMITED	2	700	0.01
MANISHA PRASHANT SHAH Total		**6**	**2144**	**0.03**
MRUGESH NATWARLAL RUPAREL	JAYESHBHAI ROHITBHAI KACHHIYA	7	7000	0.09
	KEVALKUMAR SHAILESBHAI SUTARIYA	14	7000	0.09
	NATUBHAI DHULABHAI PARMAR	2	2500	0.03
	SAJIDHUSEN MAHMMADALI SAIYAD	4	625	0.01
	VIJAYKUMAR NATUBHAI KAPADIYA	12	5473	0.07
MRUGESH NATWARLAL RUPAREL Total		**39**	**22598**	**0.29**
NATUBHAI DHULABHAI PARMAR	JAYESHBHAI ROHITBHAI KACHHIYA	151	41499	0.53
	JAYVEERSINH MAHENDRASINH CHAVDA	111	30640	0.39
	KEVALKUMAR SHAILESBHAI SUTARIYA	174	60124	0.77
	MRUGESH NATWARLAL RUPAREL	8	4341	0.06
	RAHULKUMAR MANILAL LEUA	4	2008	0.03
	SAJIDHUSEN MAHMMADALI SAIYAD	96	23940	0.31
	VIJAYKUMAR NATUBHAI KAPADIYA	178	61930	0.80

Buy Client Name	Sell Client Name	No. of Trades	Sum of Sync Qty.	% of Sync Vol. to Mkt. Vol.
NATUBHAI DHULABHAI PARMAR Total		**722**	**224482**	**2.89**
NUMISMA FINANCIAL ADVISORS PRIVATE LIMITED	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	1	500	0.01
	JAVEDBHAI ASHRAFBHAI MIRZA	1	257	0.00
	KEVALKUMAR SHAILESBHAI SUTARIYA	1	25	0.00
	MANISHA PRASHANT SHAH	1	10	0.00
	PRASHANT ASHOKKUMAR SHAH	1	1500	0.02
NUMISMA FINANCIAL ADVISORS PRIVATE LIMITED Total		**5**	**2292**	**0.03**
ONYX CORPORATE SERVICES PRIVATE LIMITED	MANISHA PRASHANT SHAH	3	2400	0.03
	PARAG SEVANTILAL SHAH	1	500	0.01
ONYX CORPORATE SERVICES PRIVATE LIMITED Total		**4**	**2900**	**0.04**
PARAG SEVANTILAL SHAH	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	13	4583	0.06
	ONYX CORPORATE SERVICES PRIVATE LIMITED	2	500	0.01
PARAG SEVANTILAL SHAH Total		**15**	**5083**	**0.07**
PARVEZ MUNIRUDDIN KAZI	JAYVEERSINH MAHENDRASINH CHAVDA	6	1500	0.02
PARVEZ MUNIRUDDIN KAZI Total		**6**	**1500**	**0.02**
PRASHANT ASHOKKUMAR SHAH	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	41	12876	0.17
	ITHICA FISCAL SERVICES PRIVATE LIMITED	3	1148	0.01
	ONYX CORPORATE SERVICES PRIVATE LIMITED	2	666	0.01
	SAJIDHUSEN MAHMMADALI SAIYAD	1	1	0.00
PRASHANT ASHOKKUMAR SHAH Total		**47**	**14691**	**0.19**
RAHULKUMAR MANILAL LEUA	ASHOKBHAI NANJIBHAI PARMAR	45	25413	0.33
	JAVEDBHAI ASHRAFBHAI MIRZA	2	500	0.01
	JAYESHBHAI ROHITBHAI KACHHIYA	57	20052	0.26
	JAYVEERSINH MAHENDRASINH CHAVDA	22	9743	0.13
	NATUBHAI DHULABHAI PARMAR	2	1007	0.01
	VAHIDHUSEN MAHAMADALI SAIYAD	1	500	0.01
	VIJAYKUMAR NATUBHAI KAPADIYA	12	5004	0.06
RAHULKUMAR MANILAL LEUA Total		**141**	**62219**	**0.80**
SAFIYUDDIN NURMIYA SAIYAD	JAYVEERSINH MAHENDRASINH CHAVDA	4	750	0.01
	KEVALKUMAR SHAILESBHAI SUTARIYA	6	2254	0.03
SAFIYUDDIN NURMIYA SAIYAD Total		**10**	**3004**	**0.04**
SAJIDHUSEN MAHMMADALI SAIYAD	ASHOKBHAI NANJIBHAI PARMAR	14	4300	0.06
	JAVEDBHAI ASHRAFBHAI MIRZA	21	3064	0.04
	JAYESHBHAI ROHITBHAI KACHHIYA	250	82802	1.07
	JAYVEERSINH MAHENDRASINH CHAVDA	363	81599	1.05

Buy Client Name	Sell Client Name	No. of Trades	Sum of Sync Qty.	% of Sync Vol. to Mkt. Vol.
	KEVALKUMAR SHAILESBHAI SUTARIYA	47	15924	0.21
	NATUBHAI DHULABHAI PARMAR	30	8367	0.11
	RAHULKUMAR MANILAL LEUA	3	1526	0.02
	TALIYAN NISHA	2	250	0.00
	VAHIDHUSEN MAHAMADALI SAIYAD	5	627	0.01
	VIJAYKUMAR NATUBHAI KAPADIYA	200	45419	0.59
SAJIDHUSEN MAHMMADALI SAIYAD Total		**935**	**243878**	**3.14**
TALIYAN NISHA	ITHICA FISCAL SERVICES PRIVATE LIMITED	1	200	0.00
	JAYESHBHAI ROHITBHAI KACHHIYA	83	26527	0.34
	SAJIDHUSEN MAHMMADALI SAIYAD	30	7407	0.10
	VIJAYKUMAR NATUBHAI KAPADIYA	120	39726	0.51
TALIYAN NISHA Total		**234**	**73860**	**0.95**
VAHIDHUSEN MAHAMADALI SAIYAD	JAYVEERSINH MAHENDRASINH CHAVDA	96	34616	0.45
	KEVALKUMAR SHAILESBHAI SUTARIYA	198	65103	0.84
	RAHULKUMAR MANILAL LEUA	11	4562	0.06
	SAJIDHUSEN MAHMMADALI SAIYAD	14	3757	0.05
	VIJAYKUMAR NATUBHAI KAPADIYA	4	1018	0.01
VAHIDHUSEN MAHAMADALI SAIYAD Total		**323**	**109056**	**1.41**
VIJAYKUMAR NATUBHAI KAPADIYA	JAYESHBHAI ROHITBHAI KACHHIYA	118	33295	0.43
	JAYVEERSINH MAHENDRASINH CHAVDA	31	9146	0.12
	MRUGESH NATWARLAL RUPAREL	12	5632	0.07
	NATUBHAI DHULABHAI PARMAR	279	85054	1.10
	RAHULKUMAR MANILAL LEUA	20	9025	0.12
	SAJIDHUSEN MAHMMADALI SAIYAD	151	44269	0.57
	TALIYAN NISHA	194	62593	0.81
VIJAYKUMAR NATUBHAI KAPADIYA Total		**805**	**249014**	**3.21**
Grand Total		**6838**	**2213939**	**28.53**

Thus, it was alleged that these suspected entities (23 entities) have created a misleading appearance of trading in the scrip and traded in scrip without intention to change the ownership.

It was alleged, Noticee 1, Noticee 11 & Noticee 12 had also contributed to the synchronized trades and thus were alleged to have violated Section 12A (a), (b), (c) of the SEBI Act and Regulation 3 (a), (b), (c), (d), 4 (1), 4(2) (a) and 4 (2) (g) of the PFUTP Regulations.

h. **Circular trade:**

Investigation observed that there were circular trades by 67 entities. It was observed that 67 entities have entered into 1564 circular trades for 2235815 shares. The circular trading occurred on 200 days of trading out of the 219 days of trading during the investigation period. Circular trading created 31.34% of the market volume for the 200 days on which the circular trading occurred. The details of entities involved in circular trading is as under:

Circular Trades:

S.No	Name	PANNO	Circular Trade Quantity	Circular Trade Instances	% of Circular trade to total trade on circular days
1	JAYVEERSINH CHAVDA	BIGPC7345M	270016	101	3.79%
2	JAYESHBHAI ROHITBHAI KACHHIYA	BOZPK7583N	229991	119	3.22%
3	SAJIDHUSEN MAHMMADALI SAIYAD	CZXPS1601R	183528	112	2.57%
4	KEVALKUMAR SHAILESBHAI SUTARIYA	GNGPS4115B	164260	51	2.30%
5	NATUBHAI DHULABHAI PARMAR	ALEPP6741J	146589	67	2.05%
6	VIJAYKUMAR NATUBHAI KAPADIYA	DEPPK3186H	143742	100	2.01%
7	ASHOKBHAI NANJIBHAI PARMAR	ALQPP8556M	125227	37	1.76%
8	RAJESH AGARWAL	AMXPA5214B	79998	84	1.12%
9	AVINASH C KAPUR	ELOPK1511H	78954	89	1.11%
10	VAHIDHUSEN MAHAMADALI SAIYAD	CZXPS1599C	72130	45	1.01%
11	NIRU DANAJIBHAI SUMERA	DLTPS7318C	57699	59	0.81%
12	DILIP SHETH	HCEPS9357D	52632	68	0.74%
13	RAHULKUMAR MANILAL LEUA	ALKPL2848J	44323	30	0.62%
14	VISHALKUMAR KRISHNAKANT BORISHA	BFKPB8172A	43210	37	0.61%
15	PRASHANT SHANTILAL KATARIA	ENLPK4754H	38729	44	0.54%
16	ROHINI POPATLAL PARIKH	CYSPP9743H	38207	40	0.54%
17	TALIYAN NISHA	AETPT4247F	37238	20	0.52%
18	VIJAY MADHUSUDANBHAI KOSHTI	BDJPK7958N	34509	41	0.48%
19	VIJAYA PARSHARAM SALVI	GFDPS9389C	28657	40	0.40%
20	LOKESH RAMGOPAL SONI	GFLPS6804E	24698	26	0.35%
21	KALPESH DINESHBHAI PATEL	CWWPP7459J	21075	42	0.30%
22	BHASKAR V KHANOLKAR	EKUPK9500D	20648	15	0.29%
23	KAPILA VAGHELA	AZDPV6862H	20006	20	0.28%

S.No	Name	PANNO	Circular Trade Quantity	Circular Trade Instances	% of Circular trade to total trade on circular days
24	MOHANLAL VAGHELA	AYWPV7463Q	19679	11	0.28%
25	NARAYANDAS DIPCHAND SHAH	GVHPS7507C	18687	10	0.26%
26	NARESHBHAI PAPPUBHAI PARMAR	CAXPP4771J	18462	37	0.26%
27	CHANDRIKABEN NATUBHAI PANCHAL	CNKPP8532R	17971	35	0.25%
28	PRADIP JAYANTILAL MEHTA	CXDPM3499M	15020	7	0.21%
29	VIJAYA VILAS KADAM	EKQPK7599G	14949	8	0.21%
30	ALPESHKUMAR PRATAPBHAI CHAUDHARI	ARPPC9647M	14716	16	0.21%
31	KAMLESH BHIKHABHAI SHAH	GLBPS9410L	11683	5	0.16%
32	MRUGESH NATWARLAL RUPAREL	AITPR2718M	11466	4	0.16%
33	JAGIR ASHISH JHAVERI	AIHPJ9614L	11079	5	0.16%
34	SUBHADRABEN RAMESHCHANDRA SHAH	GKCPS4278A	10549	8	0.15%
35	KIRTAN GOPAL BHAI DHOLA	CYYPD5637A	10413	28	0.15%
36	RAMESHBHAI M PATEL	BFMPP3309H	8364	6	0.12%
37	JITENDRA BHOGILAL PARIKH	DEYPP9464L	7584	4	0.11%
38	AMBALAL JHAVERBHAI PATEL	CTBPP8185P	6534	5	0.09%
39	SEJALBEN PRAYASHKUMAR SATHVARA	EUWPS4229D	6304	5	0.09%
40	DILIP MANUBHAI SHAH	GUTPS8304E	6234	4	0.09%
41	GRISHMA RAMANLAL SUTHAR	CAFPS8852R	6025	7	0.08%
42	VINITKUMAR POPATLAL PARIKH	CYNPP0545E	5576	5	0.08%
43	ARPITA ILESH PATEL	CZTPP4427Q	5243	4	0.07%
44	UDAY ANUBHAI SHAH	AOKPS9596R	5232	5	0.07%
45	JAVEDBHAI ASHRAFBHAI MIRZA	BKXPM2552B	5003	6	0.07%
46	RAMESHCHANDRA CHHITUBHAI PATEL	DOPPP0311M	4075	5	0.06%
47	PREYASHBHAI RAMESHBHAI SATHVARA	BWPPS8357E	4000	4	0.06%
48	HANSA AMBALAL DESAI	CIWPD4409A	3993	3	0.06%
49	GOPENDRANATH SURENDRANATH DUTT	CGLPD6745G	3867	3	0.05%
50	JITIN POPATLAL PARIKH	CYMPP9929D	2617	2	0.04%
51	PADMA REWACHAND ADVANI	BUCPA7449E	2475	3	0.03%
52	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	AABCE6801H	2450	2	0.03%
53	VIVEK SHIVARAM KALE	DWIPK5478R	2250	2	0.03%
54	MAHENDRA VADILAL SHAH	GLWPS8277L	1990	2	0.03%

S.No	Name	PANNO	Circular Trade Quantity	Circular Trade Instances	% of Circular trade to total trade on circular days
55	GAURAV ASHOKKUMAR GOSALIA	ALYPG8915B	1800	1	0.03%
56	NUMISMA FINANCIAL ADVISORS PRIVATE LIMITED	AACCN4854A	1800	1	0.03%
57	DINKARRAY MANDALIYA	DCHPM7063M	1667	1	0.02%
58	DINESH SHAH	AAIPS9316H	1401	3	0.02%
59	VAIBHAV S PANDYA	APPPP9112C	1401	3	0.02%
60	MINABEN HARBANSSING SONI	CFUPS6100L	1225	5	0.02%
61	SURESHBHAI DHANJIBHAI THAKKAR	BCGPT7412L	1034	3	0.01%
62	SAFIYUDDIN NURMIYA SAIYAD	BFYPS9286Q	1004	1	0.01%
63	ANKIT JAGDISHBHAI PITHAVA	BXVPP0489B	1000	1	0.01%
64	PRANLAL MAHASUKHBHAI MEHTA	CWWPM8217R	876	3	0.01%
65	MANISH KIRANRAJ JAIN	AZXPJ5073C	716	1	0.01%
66	PURAV JASMIN VISARIA	AIMPV8564E	685	2	0.01%
67	PRASHANT ASHOKKUMAR SHAH	ATAPS4842B	650	1	0.01%
	Total		2235815	1564	31.34%

i. **Connection for Entities involved in Circular Trading:**

For the entities involved in the circular trading, connection was alleged on the basis that the entities are involved in at least one circular trade with any one entity in the group. Based on the criteria, two groups of entities were formed which were involved in circular trading.

The first group (Group A) comprises of 63 entities, they have executed circular trades on 200 days. The details of circular trades executed by the Group A is given below:

S.No	Name	PANNO	Total	% within group
1	JAYVEERSINH CHAVDA	BIGPC7345M	271270	12.16%
2	JAYESHBHAI ROHITBHAI KACHHIYA	BOZPK7583N	228248	10.23%
3	SAJIDHUSEN MAHMMADALI SAIYAD	CZXPS1601R	180532	8.09%
4	KEVALKUMAR SHAILESBHAI SUTARIYA	GNGPS4115B	164760	7.38%
5	VIJAYKUMAR NATUBHAI KAPADIYA	DEPPK3186H	146749	6.58%
6	NATUBHAI DHULABHAI PARMAR	ALEPP6741J	145339	6.51%
7	ASHOKBHAI NANJIBHAI PARMAR	ALQPP8556M	123977	5.56%

S.No	Name	PANNO	Total	% within group
8	RAJESH AGARWAL	AMXPA5214B	79331	3.56%
9	AVINASH C KAPUR	ELOPK1511H	78287	3.51%
10	VAHIDHUSEN MAHAMADALI SAIYAD	CZXPS1599C	72630	3.25%
11	NIRU DANAJIBHAI SUMERA	DLTPS7318C	57699	2.59%
12	DILIP SHETH	HCEPS9357D	52632	2.36%
13	RAHULKUMAR MANILAL LEUA	ALKPL2848J	44323	1.99%
14	VISHALKUMAR KRISHNAKANT BORISHA	BFKPB8172A	43210	1.94%
15	TALIYAN NISHA	AETPT4247F	41752	1.87%
16	PRASHANT SHANTILAL KATARIA	ENLPK4754H	38729	1.74%
17	ROHINI POPATLAL PARIKH	CYSPP9743H	36873	1.65%
18	VIJAY MADHUSUDANBHAI KOSHTI	BDJPK7958N	34509	1.55%
19	VIJAYA PARSHARAM SALVI	GFDPS9389C	28657	1.28%
20	LOKESH RAMGOPAL SONI	GFLPS6804E	24698	1.11%
21	KALPESH DINESHBHAI PATEL	CWWPP7459J	21095	0.95%
22	BHASKAR V KHANOLKAR	EKUPK9500D	20648	0.93%
23	KAPILA VAGHELA	AZDPV6862H	20006	0.90%
24	MOHANLAL VAGHELA	AYWPV7463Q	19679	0.88%
25	NARAYANDAS DIPCHAND SHAH	GVHPS7507C	18687	0.84%
26	NARESHBHAI PAPPUBHAI PARMAR	CAXPP4771J	18462	0.83%
27	CHANDRIKABEN NATUBHAI PANCHAL	CNKPP8532R	17971	0.81%
28	PRADIP JAYANTILAL MEHTA	CXDPM3499M	15020	0.67%
29	VIJAYA VILAS KADAM	EKQPK7599G	14949	0.67%
30	ALPESHKUMAR PRATAPBHAI CHAUDHARI	ARPPC9647M	14716	0.66%
31	KAMLESH BHIKHABHAI SHAH	GLBPS9410L	11683	0.52%
32	MRUGESH NATWARLAL RUPAREL	AITPR2718M	11466	0.51%
33	JAGIR ASHISH JHAVERI	AIHPJ9614L	11079	0.50%
34	SUBHADRABEN RAMESHCHANDRA SHAH	GKCPS4278A	10549	0.47%
35	KIRTAN GOPAL BHAI DHOLA	CYYPD5637A	10413	0.47%
36	RAMESHBHAI M PATEL	BFMPP3309H	8364	0.37%
37	JITENDRA BHOGILAL PARIKH	DEYPP9464L	7584	0.34%
38	AMBALAL JHAVERBHAI PATEL	CTBPP8185P	6534	0.29%
39	SEJALBEN PRAYASHKUMAR SATHVARA	EUWPS4229D	6304	0.28%
40	DILIP MANUBHAI SHAH	GUTPS8304E	6234	0.28%
41	GRISHMA RAMANLAL SUTHAR	CAFPS8852R	6025	0.27%
42	VINITKUMAR POPATLAL PARIKH	CYNPP0545E	5576	0.25%

S.No	Name	PANNO	Total	% within group
43	ARPITA ILESH PATEL	CZTPP4427Q	5243	0.23%
44	UDAY ANUBHAI SHAH	AOKPS9596R	5232	0.23%
45	JAVEDBHAI ASHRAFBHAI MIRZA	BKXPM2552B	5003	0.22%
46	HANSA AMBALAL DESAI	CIWPD4409A	4167	0.19%
47	RAMESHCHANDRA CHHITUBHAI PATEL	DOPPP0311M	4075	0.18%
48	PREYASHBHAI RAMESHBHAI SATHVARA	BWPPS8357E	4000	0.18%
49	GOPENDRANATH SURENDRANATH DUTT	CGLPD6745G	3867	0.17%
50	JITIN POPATLAL PARIKH	CYMPP9929D	2617	0.12%
51	PADMA REWACHAND ADVANI	BUCPA7449E	2475	0.11%
52	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	AABCE6801H	2450	0.11%
53	VIVEK SHIVARAM KALE	DWIPK5478R	2076	0.09%
54	MAHENDRA VADILAL SHAH	GLWPS8277L	1990	0.09%
55	GAURAV ASHOKKUMAR GOSALIA	ALYPG8915B	1800	0.08%
56	NUMISMA FINANCIAL ADVISORS PRIVATE LIMITED	AACCN4854A	1800	0.08%
57	DINKARRAY MANDALIYA	DCHPM7063M	1667	0.07%
58	MINABEN HARBANSSING SONI	CFUPS6100L	1225	0.05%
59	SURESHBHAI DHANJIBHAI THAKKAR	BCGPT7412L	1014	0.05%
60	SAFIYUDDIN NURMIYA SAIYAD	BFYPS9286Q	1004	0.04%
61	ANKIT JAGDISHBHAI PITHAVA	BXVPP0489B	1000	0.04%
62	PRANLAL MAHASUKHBHAI MEHTA	CWWPM8217R	876	0.04%
63	PRASHANT ASHOKKUMAR SHAH	ATAPS4842B	650	0.03%
	Total		2231480	100.00%

From the above table it was observed that, the aforementioned 63 entities had created 2231480 circular volume and the circular trading by them had contributed to 31.28% of the total volume in 200 days they had executed circular trades. The circular trade volume created by group of 63 entities (2231480) was 99.81% of the total circular trade volume (2235815).

The second group (Group B) consists of four entities and they had executed circular trades on a single day. The details are given below:

Name	PANNO	Total
DINESH SHAH	AAIPS9316H	1401
MANISH KIRANRAJ JAIN	AZXPJ5073C	716

PURAV JASMIN VISARIA	AIMPV8564E	685
VAIBHAV S PANDYA	APPPP9112C	1401
Grand Total		**4203**

From the above table it was observed that, the aforementioned 4 entities had created 4203 circular volume and the circular trading by them had contributed to 8.68% of the total volume in single day they had executed circular trades. The circular trade volume created by group of 4 entities (4203) is 0.19% of the total circular trade volume (2235815).

Further connection was also alleged amongst the entities involved in the circular trading through common address and common mobile number.

The connection amongst entities involved in the circular trading through common mobile number as alleged is tabulated below:

Name	PAN	Common Mobile Number
ANKIT JAGDISHBHAI PITHAVA	BXVPP0489B	
JITIN POPATLAL PARIKH	CYMPP9929D	7283970254
ALPESHKUMAR PRATAPBHAI CHAUDHARI	ARPPC9647M	
KALPESH DINESHBHAI PATEL	CWWPP7459J	
NIRU DANAJIBHAI SUMERA	DLTPS7318C	
RAMESHCHANDRA CHHITUBHAI PATEL	DOPPP0311M	7283998848
RAJESH AGARWAL	AMXPA5214B	
HANSA AMBALAL DESAI	CIWPD4409A	
AMBALAL JHAVERBHAI PATEL	CTBPP8185P	
VINITKUMAR POPATLAL PARIKH	CYNPP0545E	
ROHINI POPATLAL PARIKH	CYSPP9743H	
ARPITA ILESH PATEL	CZTPP4427Q	
JITENDRA BHOGILAL PARIKH	DEYPP9464L	
BHASKAR V KHANOLKAR	EKUPK9500D	
VIJAYA PARSHARAM SALVI	GFDPS9389C	
NARAYANDAS DIPCHAND SHAH	GVHPS7507C	7383913459
RAJESH AGARWAL	AMXPA5214B	7383913574

Name	PAN	Common Mobile Number
RAMESHBHAI M PATEL	BFMPP3309H	
GOPENDRANATH SURENDRANATH DUTT	CGLPD6745G	
DINKARRAY MANDALIYA	DCHPM7063M	
BHASKAR V KHANOLKAR	EKUPK9500D	
DILIP MANUBHAI SHAH	GUTPS8304E	
DILIP SHETH	HCEPS9357D	
JITENDRA BHOGILAL PARIKH	DEYPP9464L	
VIJAYA VILAS KADAM	EKQPK7599G	
AVINASH C KAPUR	ELOPK1511H	7383913653
HANSA AMBALAL AMBALAL DESAI	CIWPD4409A	
AMBALAL JHAVERBHAI PATEL	CTBPP8185P	
VINITKUMAR POPATLAL PARIKH	CYNPP0545E	
SUBHADRABEN RAMESHCHANDRA SHAH	GKCPS4278A	
MAHENDRA VADILAL SHAH	GLWPS8277L	7778049781
PADMA RAWACHAND ADVANI	BUCPA7449E	
HANSA AMBALAL DESAI	CIWPD4409A	
AMBALAL JHAVERBHAI PATEL	CTBPP8185P	
VINITKUMAR POPATLAL PARIKH	CYNPP0545E	
VIVEK SHIVA RAM KALE	DWIPK5478R	
VIJAYA PARSHARAM SALVI	GFDPS9389C	
KAMLESH BHIKHABHAI SHAH	GLBPS9410L	
MAHENDRA VADILAL SHAH	GLWPS8277L	7779082715
VAHIDHUSEN MAHAMADALI SAIYAD	CZXPS1599C	
SAJIDHUSEN MAHMMADALI SAIYAD	CZXPS1601R	8347837707
ANKIT JAGDISHBHAI PITHAVA	BXVPP0489B	
KALPESH DINESHBHAI PATEL	CWWPP7459J	8460106859
PREYASH SATHVARA	BWPPS8357E	
SEJALBEN PRAYASHKUMAR SATHVARA	EUWPS4229D	8511341363
VIJAY MADHUSUDANBHAI KOSHTI	BDJPK7958N	
PREYASHBHAI SATHVARA	BWPPS8357E	
ANKIT JAGDISHBHAI PITHAVA	BXVPP0489B	8511362441

Name	PAN	Common Mobile Number
CHANDRIKABEN NATUBHAI PANCHAL	CNKPP8532R	
DILIP MANUBHAI SHAH	GUTPS8304E	8866126250
JITENDRA BHOGILAL PARIKH	DEYPP9464L	
DILIP MANUBHAI SHAH	GUTPS8304E	9054846761
PADMA REWACHAND ADVANI	BUCPA7449E	
ROHINI POPATLAL PARIKH	CYSPP9743H	
ARPITA ILESH PATEL	CZTPP4427Q	9104789597
RAHULKUMAR MANILAL LEUA	ALKPL2848J	
KEVALKUMAR SHAILESBHAI SUTARIYA	GNGPS4115B	9173937164
VIJAY MADHUSUDANBHAI KOSHTI	BDJPK7958N	
PADMA REWACHAND ADVANI	BUCPA7449E	9512111957
KAPILA VAGHELA	AZDPV6862H	
PRADIP JAYANTILAL MEHTA	CXDPM3499M	
LOKESH RAMGOPAL SONI	GFLPS6804E	9512112086
MOHANLAL VAGHELA	AYWPV7463Q	
VISHALKUMAR KRISHNAKANT BORISHA	BFKPB8172A	
AMBALAL JHAVERBHAI PATEL	CTBPP8185P	
VINITKUMAR POPATLAL PARIKH	CYNPP0545E	
ROHINI POPATLAL PARIKH	CYSPP9743H	
SEJALBEN PRAYASHKUMAR SATHVARA	EUWPS4229D	
SUBHADRABEN RAMESHCHANDRA SHAH	GKCPS4278A	9512112428
KAPILA MOHANLAL VAGHELA	AZDPV6862H	
CHANDRIKABEN NATUBHAI PANCHAL	CNKPP8532R	
JITIN POPATLAL PARIKH	CYMPP9929D	
DILIP SHETH	HCEPS9357D	9586716905
KOSHTI VIJAY MADHUSUDANBHAI	BDJPK7958N	
SEJALBEN PRAYASHKUMAR SATHVARA	EUWPS4229D	9724874576
MINABEN HARBANSSING SONI	CFUPS6100L	
KIRTAN GOPAL BHAI DHOLA	CYYPD5637A	9726486795
PRANLAL MANSUKHBHAI MEHTA	CWWPM8217R	
KALPESH DINESHBHAI PATEL	CWWPP7459J	9726494848

Name	PAN	Common Mobile Number
VINITKUMAR POPATLAL PARIKH	CYNPP0545E	9726496116
SUBHADRABEN RAMESHCHANDRA SHAH	GKCPS4278A	
ARPITA ILESH PATEL	CZTPP4427Q	9998448504
VIJAYA PARSHARAM SALVI	GFDPS9389C	
MINABEN HARBANSSING SONI	CFUPS6100L	9998448563
KALPESH DINESHBHAI PATEL	CWWPP7459J	
JITIN POPATLAL PARIKH	CYMPP9929D	

The connection amongst entities involved in the circular trading through common address as alleged is tabulated below:

Name	PAN	Address
KALPESH DINESHBHAI PATEL	CWWPP7459J	74 SHIV SHAKTI NAGAR NEAR J K PARK CHANDLODIA AHMEDABAD GUJARAT INDIA 382481
MAHENDRA VADILAL SHAH	GLWPS8277L	
PRADIP JAYANTILAL MEHTA	CXDPM3499 M	
SUBHADRABEN RAMESHCHANDRA SHAH	GKCPS4278A	
VIJAYA PARSHARAM SALVI	GFDPS9389C	9 ABAD RAW HOUSE SHIV SHAKTI NAGAR GOTA ROAD AHMEDABAD AHMEDABAD GUJARAT INDIA 382481
GOPENDRANATH DUTT	CGLPD6745G	
SAJIDHUSEN MAHMMADALI SAIYAD	CZXPS1601R	AJAMATPURA WADI AT HADGUD
SAFIYUDDIN NURMIYA SAIYAD	BFYPS9286Q	
VIJAYKUMAR NATUBHAI KAPADIYA	DEPPK3186H	B 302 LABH APARTMENTNEAR RAGHUVIR SOCIETYG D SCHOOL ROAD SAHIJPUR BOGHA
NATUBHAI DHULABHAI PARMAR	ALEPP6741J	
SATHVARA PREYASH	BWPPS8357E	BLOCK - B A12 VRAJ VIHAR APPARTMENT GODASAR LAND MARK - GODASAR LAKE AHMEDABAD 380050
SEJALBEN PRAYASHKUMAR SATHVARA	EUWPS4229D	
AMBALAL JHAVERBHAI PATEL	CTBPP8185P	E 102 SWAGAT RAIN FOREST I VILL KUDASAN GANDHINAGAR GUJARAT INDIA 382305
VIVEK SHIVA RAM KALE	DWIPK5478R	
BHASKAR VADUDEO KHANOLKAR	EKUPK9500D	208 GANGA SAGAR APPT, HATHURAN ROAD,KOSAMBA R S
VIJAYA VILAS KADAM	EKQPK7599G	
JITIN POPATLAL PARIKH	CYMPP9929D	219 SHIV SHAKTI NAGAR NR KRISH DHAM DUPLEX CHANDLODIA AHMEDABAD CHANDLODIA
VINITKUMAR POPATLAL PARIKH	CYNPP0545E	
NUMISMA FINANCIAL ADVISORS PRIVATE LIMITED	AACCN4854A	28, GREAT WESTERN BLDG 1ST FLOOR, 130, S B ROAD

EMERALD CORPORATE ADVISORY PRIVATE LIMITED	AABCE6801H	

It was observed that 2 entities from Suspected entities group 1, i.e. Noticee 1 and Noticee 11 allegedly indulged in the circular trading and created a misleading appearance of trading in the scrip and traded in scrip without intention to change the ownership during investigation period.

j. **Off Market data:**

It was observed that off market transactions were entered between the suspected entities during the investigation period which are placed below:

Source First Holder Name	Target Client Name	Execution Date	Quantity
Emerald Corporate Advisory Private Limited	Numisma Financial Advisors Private Limited	04-04-2016	1000
Onyx Corporate Services Pvt. Ltd.	Emerald Corporate Advisory Private Limited	25-04-2016	200
Numisma Financial Advisors Private Limited	Onyx Corporate Services Pvt. Ltd.	02-05-2016	350
Ithica Fiscal Services Pvt. Ltd.	Emerald Corporate Advisory Private Limited	02-11-2016	210
Emerald Corporate Advisory Private Limited	Numisma Financial Advisors Private Limited	04-08-2017	15000
Prashant Ashok Shah	Manisha Prashant Shah	10-01-2017	1000

k. **LTP Analysis:**

LTP contribution of Top 10 entities during the investigation period: It was observed that during the investigation period price of the scrip of GECPL at BSE opened at Rs. 35 touched high of Rs. 161 and closed at Rs. 150.45. The contribution by the top 10 entities during the investigation period is tabulated below:

Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of positive LTP to Total Market positive LTP
	Sum of LTP diff	Sum of Quantity	No of trades	Sum of LTP diff	QTY traded	No of trades	Sum of LTP diff	QTY traded	No of trades	QTY traded	No of trades	
RAJANI DUSAD	244.20	25604	814	354.30	7092	415	-110.10	7283	134	11229	265	9.74

EMERALD CORPORATE ADVISORY PRIVATE LIMITED	109.65	350312	3054	763.45	55235	684	-653.80	123368	1587	171709	783	20.99
VIJENDRA KUMAR JAIN	37.65	16329	561	197.85	2705	203	-160.20	6488	127	7136	231	5.44
DINESH SHAH	35.10	26027	107	48.00	8685	41	-12.90	4937	27	12405	39	1.32
AVINASH C KAPUR	29.75	95397	312	53.10	35220	54	-23.35	36481	51	23696	207	1.46
NUMISMA FINANCIAL ADVISORS PRIVATE LIMITED	28.10	139411	695	154.60	14910	145	-126.50	25125	255	99376	295	4.25
SHRIPAL SHESHMAL HUF	26.55	828	17	28.65	260	12	-2.10	270	2	298	3	0.79
ANKUR TUKARAM MAYEKAR	25.30	5263	62	32.10	1608	17	-6.80	1620	11	2035	34	0.88
KEVALKUMAR SHAILESBHAI SUTARIYA	21.05	226528	711	26.70	104884	157	-5.65	17701	34	103943	520	0.73
VAIBHAV S PANDYA	20.35	6700	30	20.70	5101	20	-0.35	100	1	1499	9	0.57
Total	**577.70**	**892399**	**6363**	**1679.45**	**235700**	**1748**	**-1101.75**	**223373**	**2229**	**433326**	**2386**	**46.17**
Market Total	**115.80**	**7759513**	**28273**	**3637.90**	**1755356**	**5816**	**-3522.10**	**1993176**	**6782**	**4010981**	**15675**	**100.00**

It was observed that Noticee 8 was the top LTP contributor with Rs. 244.20 net contribution to the positive LTP during the investigation period. Noticee 9 was also among the top 10 LTP contributor during the investigation period and contributed Rs. 37.65 to the net contribution to the positive LTP. Noticee 8 and Noticee 9 are part of suspected entities group 2.

l. **LTP contribution of the Suspected group entites:**

LTP contribution by the Suspected entities group 1:

Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of Posiitive LTP to Total Market positive LTP
	Sum of LTP diff	Sum of Quantity	No of trades	Sum of LTP diff	QTY traded	No of trades	Sum of LTP diff	QTY traded	No of trades	QTY traded	No of trades	
EMERALD CORPORATE ADVISORY PRIVATE LIMITED	109.65	350312	3054	763.45	55235	684	-653.80	123368	1587	171709	783	20.99

NUMISMA FINANCIAL ADVISORS PRIVATE LIMITED	28.10	139411	695	154.60	14910	145	-126.50	25125	255	99376	295	4.25
KEVALKUMAR SHAILESBHAI SUTARIYA	21.05	226528	711	26.70	104884	157	-5.65	17701	34	103943	520	0.73
JAYVEERSINH MAHENDRASINH CHAVDA	11.60	420288	1238	79.60	130450	227	-68.00	151223	226	138615	785	2.19
JAVEDBHAI ASHRAFBHAI MIRZA	11.35	28007	171	13.95	17804	89	-2.60	3736	14	6467	68	0.38
NATUBHAI DHULABHAI PARMAR	8.00	238168	845	23.50	66789	102	-15.50	54043	64	117336	679	0.65
VAHIDHUSEN MAHAMADALI SAIYAD	6.90	109082	324	13.75	56289	117	-6.85	25079	41	27714	166	0.38
ASHOKBHAI NANJIBHAI PARMAR	6.15	176828	465	18.15	37775	48	-12.00	32152	44	106901	373	0.50
JAYESH RAWAL	2.60	15450	65	5.70	6494	13	-3.10	820	5	8136	47	0.16
PARVEZ MUNIRUDDIN KAZI	0.30	1500	6	0.30	1500	6	0.00	0	0	0	0	0.01
NARESHBHAI PAPPUBHAI PARMAR	0.25	42693	138	1.80	9492	27	-1.55	4604	10	28597	101	0.05
TALIYAN NISHA	-0.10	74689	240	3.35	11348	17	-3.45	8821	12	54520	211	0.09
MRUGESH NATWARLAL RUPAREL	-0.45	23598	40	0.50	1999	2	-0.95	10003	10	11596	28	0.01
SAFIYUDDIN NURMIYA SAIYAD	-0.45	3004	10	0.00	0	0	-0.45	1349	3	1655	7	0.00
CHANDA RAWAL	-0.55	6700	20	2.70	1866	7	-3.25	1134	6	3700	7	0.07
SAJIDHUSEN MAHMMADALI SAIYAD	-7.50	246228	957	15.85	23071	46	-23.35	55939	129	167218	782	0.44
MANISHA PRASHANT SHAH	-8.75	57755	204	13.65	5591	29	-22.40	10596	33	41568	142	0.38
JAYESHBHAI ROHITBHAI KACHHIYA	-11.90	313328	936	40.45	79802	103	-52.35	67234	84	166292	749	1.11
ITHICA FISCAL SERVICES PRIVATE LIMITED	-13.25	192489	1195	212.80	24353	242	-226.05	41227	401	126909	552	5.85
PARAG SEVANTILAL SHAH	-13.60	42234	161	12.15	5711	23	-25.75	8888	35	27635	103	0.33
RAHULKUMAR MANILAL LEUA	-14.80	68240	153	1.00	10831	15	-15.80	33670	38	23739	100	0.03
VIJAYKUMAR NATUBHAI KAPADIYA	-17.40	251574	821	34.35	60696	97	-51.75	87462	119	103416	605	0.94
ONYX CORPORATE SERVICES PRIVATE LIMITED	-39.80	53539	200	12.05	4250	14	-51.85	15175	111	34114	75	0.33
PRASHANT ASHOKKUMAR SHAH	-55.05	136651	449	23.05	18033	64	-78.10	28652	92	89966	293	0.63
Total	22.35	3218296	13098	1473.40	749173	2274	-1451.05	808001	3353	1661122	7471	40.50
Market Total	115.80	7759513	28273	3637.90	1755356	5816	-3522.10	1993176	6782	4010981	15675	100.00

From the above table it was observed that 24 entites of Suspected entities group 1 had traded in the scrip of GECPL. Further, it was observed that suspected entities of Group 1 had contributed Rs. 1473.40 to positive LTP (40.50% of total market positive LTP) during investigation period in 2274 trades with trading volume of 749173 shares and their net LTP contribution was Rs. 22.35.

LTP contribution by the Suspected entities group 2:

Name	All trades			LTP Di. >0			LTP Diff. < 0			LTP Diff. =0		% of positive LTP to Total Market positive LTP
	Sum of LTP diff	Sum of Quantity	No of trades	Sum of LTP diff	QTY traded	No of trades	Sum of LTP diff	QTY traded	No of trades	QTY traded	No of trades	
RAJANI DUSAD	244.20	25604	814	354.30	7092	415	-110.10	7283	134	11229	265	9.74
VIJENDRA KUMAR JAIN	37.65	16329	561	197.85	2705	203	-160.20	6488	127	7136	231	5.44
Total	**281.85**	**41933**	**1375**	**552.15**	**9797**	**618**	**-270.30**	**13771**	**261**	**18365**	**496**	**15.18**
Market Total	**115.80**	**7759513**	**28273**	**3637.90**	**1755356**	**5816**	**-3522.10**	**1993176**	**6782**	**4010981**	**15675**	**100.00**

It was observed that both the entities of Suspected entities group 2 i.e. Noticee 8 and Noticee 9 had traded during the investigation period and had contributed Rs. 281.85 to the positive LTP difference. Further it was observed that in 618 positive LTP trades with non-group entities, the suspected entities group contributed Rs.552.15 to positive LTP (15.18% of total market positive LTP). The said contribution of the suspected entities group to the market positive LTP was done in the following ways:

i. In 25 instances, the suspected entities group repeatedly placed buy orders at a price higher than LTP, before sellers placed the sell orders. The LTP contributed through such trades was Rs 8.90 i.e. 0.24% of the market positive LTP.

ii. In 593 instances, the suspected entities group repeatedly placed buy orders to match the already existing sell orders (with order rate higher than LTP and negligible quantity of 1-10 shares in many instances). The LTP contributed through such trades was Rs 543.25 i.e. 14.93 % of the market positive LTP.

iii. Details of buy order quantity (less than 10 shares) for 618 positive LTP trades by the suspected entities group is tabulated below:

Buyer Name	No. of trades (LTP >0)	when buy order qty was of 1 share only		Positive LTP Contribution when buy order qty was between 2-10 shares		Positive LTP Contribution when buy order qty were more than 10 shares		Total Positive LTP contribution (Rs.)	% of positive LTP to Total Market positive LTP
		Positive LTP contribution	No. of trades	Positive LTP contribution	No. of trades	Positive LTP contribution	No. of trades		
Suspected Entities Group 2	618	313.20	251	162.5	196	76.45	171	552.15	15.18

From the above table it was observed that in 447 trades the quantity of orders placed by the suspected group entities was less than 10 shares. Through these 447 trades, the suspected group entities contributed Rs 475.70 i.e 13.08% to market positive LTP. Further these 447 small orders constitute 72.33% of total positive LTP trades by the suspected entities group with Rs. 86.15 total positive LTP contribution. Thus it is alleged that the suspected entities group along with Noticee 8 and Noticee 9 repeatedly placed orders of negligible quantity either at higher prices or matched the price with order rate higher than LTP, thereby increasing the price of the scrip and creating positive LTP. Further it was alleged from the trading pattern that the Suspected entities of Group 2 were not acting as genuine buyer and had no bona fide intention to buy because in-spite of sufficient sell order quantity being available in the market, it was observed that the Suspected entities group bought small quantity of shares. Further, by these small trades, the suspected entities group was instrumental in establishing a price higher than the last traded price and thus contributed to increased scrip price with most of such trades.

m. **First trade Analysis**

The suspected group entities who bought shares through first trade and their impact on LTP is given hereunder:

First Trades by Suspected entities Group 1: It was observed that 13 connected entities of group-1 had entered into first trades during the investigation period as buyers. The summary of first trades by 13 connected entities from group 1 as buyers is given below:

Buy Client	Sum of LTP diff. (INR)	Sum of LTP % diff.	No. of First Trades	Traded Qty.	No. of first trades where CPs from the connected entities
Emerald Corporate Advisory Private	-9.15	-9.49	37	1082	1
Jayveersinh Chavda	23.95	21.37	36	13559	36
Jayeshbhai Rohitbhai Kachhiya	3.10	2.80	31	30364	30
Kevalkumar Shailesbhai Sutariya	4.55	2.85	8	5774	8
Vijaykumar Natubhai Kapadiya	2.40	4.11	8	7527	7
Rahulkumar Manilal Leua	-2.00	-4.05	5	5027	5
Ithica Fiscal Services Private	9.50	8.05	5	462	1
Numisma Financial Advisors	3.60	2.97	4	101	0
Natubhai Dhulabhai Parmar	0.65	1.33	3	3008	3
Javedbhai Ashrafbhai Mirza	3.10	-1.12	2	183	2
Ashokbhai Nanjibhai Parmar	-0.60	2.72	2	2008	2
Vahidhusen Mahamadali Saiyad	0.70	0.60	1	626	1
Manisha Prashant Shah	-0.25	-0.20	1	500	1
Total	**39.55**	31.94	**143**	**70221**	**97**
Market total	**159.90**	**100.00**	**219**	**103035**	**97**

On analysing the orders for first trades of 13 connected entities from group 1, it was observed that the total positive LTP contribution through first trade was Rs. 39.55 (31.94% of total market positive LTP). It was observed that in most of the trades the counterparties also belonged to the group 1 of connected entities. Thus it was alleged that the connected entities of group 1 manipulated the scrip price by way of their trading in the scrip during investigation period.

First Trades by Suspected entities Group 2:

Buy Client	Sum of LTP diff. (INR)	Sum of LTP % diff.	No. of First Trades	Traded Qty.	No. of first trades where CPs from the connected entities
RAJANI DUSAD	3.45	3.60	7.00	271.00	0
VIJENDRA KUMAR	1.55	1.16	6.00	230.00	0
Total	5.00	4.76	13.00	501.00	0
Market total	**159.90**	**100.00**	**219**	**103035**	**0**

On analysing the orders for first trades of 2 connected entities from group 2 i.e. Noticee 8 and Noticee 9, it was observed that both have contributed to the total positive LTP through their first trade of Rs. 5.00 (4.76% of total market positive LTP).

n. **<u>Role of Noticee 5:</u>**

It was observed that Noticee 5 was common promoter and director and also had common address with the companies ECAPL, IFSPL, NFAPL and OCSPL. These companies were also part of suspected entities group 1. Noticee 5 was also director of Hermes Corporate Advisory Pvt. Ltd. along with Mr. Jayesh Rawal who was also a suspected entity of Group 1. Hermes Corporate Advisory Pvt. Ltd also had same address with the companies ECAPL, IFSPL, NFAPL and OCSPL. Information was sought from Noticee 5 vide summons dated December 16, 2020. Following information was submitted by Noticee 5 vide email dated December 21, 2022 in response to the summons:

a) Noticee 5 admitted that he is aware of the Company i.e. GECPL as some of his companies have invested in GECPL;

b) He knows Mr. Jayesh Rawal, Executive Director of GECPL. CA firm J.S. Rawal & Co. of Mr. Jayesh Rawal was Statutory Auditor of some of his companies, some years back.

c) He also submitted that there are only 4 employees in his companies of which, 2 are in clerical category namely, Noticee 11 and Noticee 12, who keep record of investments of his companies.

Thus, it was alleged that though Noticee 5 had not traded in the scrip of GECPL during the IP, he being associated with Jayesh Rawal (director of company GECPL) and he being director of the companies ECAPL, IFSPL, NFAPL and OCSPL was involved in manipulation of Price and Volume in the scrip of GECPL during IP through synchronised trades, reversal and circular trades as the companies ECAPL, IFSPL, NFAPL and OCSPL were involved in manipulation of Price and Volume in the scrip of GECPL. Further, suspected entities of group 1 namely Noticee 11 and Noticee 12 were working in the companies managed by Noticee 5 as employees. Noticee 11 and Noticee 12 were also alleged to be involved in manipulation of price and volume in the scrip GECPL. It was also observed that Noticee 12 had same mobile number as of companies EACPL and OCSPL. Further Noticee 11 and Noticee 12 were authorized to deal in securities on behalf of ECAPL, IFSPL and NFAPL.

o. **Role of Brokers:**

Noticee 3: It was observed that top 10 buy brokers contributed 64.08% to market volume. Noticee 3 was the top buy broker with 16.75% contribution to market volume. Further it was observed that top 10 sell brokers contributed 58.95% to market volume. Noticee 3 was the top sell broker with 16.75% contribution to market volume.

Details of trading through broker Noticee 3 by clients is tabulated below:

Broker Marfatia	Buy	Sell
Other entities/ clients (5 entities)	93161	93161
Suspected entities Group 1 (13 entities)	1206766	1206766
Total	**1299927**	**1299927**

From the above table it was observed that out of the 18 entities who have traded through broker Noticee 3, during the investigation period in the scrip GECPL, 13 were part of the suspected group 1 and the 13 entities had bought and sold 1206766 shares (respectively) i.e. 92.83% of trading ofNoticee 3 as a broker in the scrip GECPL.

Details of trades wherein both the buyer and seller were clients of the broker Noticee 3 are tabulated below:

Particulars	Buy	Sell
Broker Marfatia for buyer as well as seller client	445557	445557
Other entities	0	0
Suspected Entities of Group 1	445557	445557
Synchronized Trades	100%	100%

From the above table it was observed that out of total 1299927 trades carried out by broker Noticee 3 for his client (as buyer and seller) in the scrip GECPL, there were 445557 trades where the broker for buyer client and seller client was Noticee 3 and all the trades where synchronized trades.

Information was sought from the Noticee 3 in response to which Noticee 3 informed that Noticee 1 and Noticee 2 were its former employees and further Noticee 3 informed that 14 suspected entities of group 1 were its client.

In this regard information was sought from Noticee 1 vide summons dated December 03, 2020. Noticee 1 vide email dated December 16, 2020 informed that he was working for Broker Noticee 3 during 2015 to 2018 and Noticee 2 was his colleague.

Information was sought from the Noticee 2 vide summons dated December 03, 2020. In reply to the summons, Noticee 2 submitted vide email dated December 16, 2020 and December 17, 2020 that he was working for Broker Noticee 3 during 2015 to 2018. Noticee 1 was his colleague and he knew some of the suspected group entities as client of broker Noticee 3.

In view of the above, it was alleged that Noticee 3 had not carried out the necessary due diligence while dealing with the client. Further it was alleged that, Noticee 1 & Noticee 2 connected / associated with broker Noticee 3 were facilitating the suspected entities in trading by acting as their counter parties and placing synchronised orders and circular trades from the broker terminal. Thus it was alleged that, the broker Noticee 3 and associated/connected entities Noticee 1 & Noticee 2 were part of the scheme and they have aided and facilitated the suspected group of entities in manipulation of price and creation of artificial volume. Broker Noticee 3 and his two associated/ connected entities i.e. Noticee 1 and Noticee 2 were actively involved in the price manipulation and creating artificial volume in the scrip GECPL.

p. **Noticee 4 and Noticee 5:** It was observed that Noticee 5 was the dealer and sub-broker of Noticee 4 and had placed trades on behalf of his company/ Suspected group entity ECAPL. Further it was observed that location address of terminal 213 of Noticee 4 was the same as the office address of ECAPL. During the investigation period ECAPL had entered in 201 synchronized trades and 62 reversal of trades with other suspected group entities. Thus it was alleged that Noticee 4 had failed to carry out due diligence activities while dealing with its sub broker Noticee 5 and its client ECAPL.

q. **Noticee 6:** It was observed that the location address of terminal 901 of broker Noticee 6 was same as the address of the suspected group entity Noticee 11. It was further observed that dealer of noticee 6 Ashok Babulal Shah, on behalf of him placed orders for the 5 suspected group entities (which also includes Noticee 11 and Noticee 12). During the IP the 4 out of 5 aforementioned suspected group entities entered in 215 synchronized trades with each other and other suspected group entities. Further the aforementioned 5 suspected group entities entered in 58 reversal trades with connected entity ECAPL. Information was sought from Noticee 6. Noticee 6 vide email dated July 23, 2021, inter-alia, submitted that:

"*Ashok Babulal Shah is related to Prashant Ashok Shah and Parag Sevantilal Shah. Broker Kamlesh R. Shah registered Ashok Babulal Shah as their remiser with BSE Ltd and he introduced Kamlesh R. Shah to Prashant Shah and Parag Shah as his clients. Ashok Babulal Shah, used to carry only delivery based transaction and the shares were transferred to beneficiary owner and were received when sold from beneficiary owner and Kamlesh R. Shah watched for any against trade and didn't doubt as price movement was in accordance to Sensex and small cap and midcap movement and the company had announced a 10 paise dividend*"

In this regard information was sought from Ashok Babulal Shah. Ashok Babulal Shah vide email dated July 28, 2021, inter-alia, submitted that

"He worked in Yarn market for the last 30 years and after his retirement in 2008, Ashok Babulal Shah's son, Prashant A. Shah registered him as a Dealer with M/s Kamlesh R. Shah, a BSE Broker so as to supplement family income. The dealings with the Broker

were being carried out by Ashok Babulal Shah's son only. Ashok Babulal Shah is not at all aware of any of the transactions which were being carried out by any of the aforesaid entities with the aforesaid Broker."

In this regard information was sought from Noticee 11 son of Mr. Ashok Babulal Shah. Noticee 11 vide email dated July 30, 2021, inter-alia, submitted that

"*I was instrumental in registering Ashok Babulal Shah as a Dealer with M/s Kamlesh R. Shah who is a BSE Broker. This was done so as to augment income of my joint family. My father is a retired person and has very little knowledge of share market and therefore, I used to deal with the Broker. The trades were placed by me and my colleague, Parag S. Shah, directly with the Broker*."

Further notice 11 submitted that:
"He is connected with four suspected group 1 entities viz. 1. Emerald Corporate Advisory Private Limited, 2. Onyx Corporate Services Private Limited, 3. Ithica Fiscal Services Private Limited and 4. Numisma Financial Advisors Private Limited. He draws salary from these entities. He and his colleague, Parag Sevantilal Shah used to place trades on their behalf in various trading accounts held with BSE Brokers."

Thus it is alleged that Noticee 11 and his collegue, Noticee 12, through Mr. Ashok Babulal Shah, sub-broker of broker Noticee 6, had placed 215 synchronized trades and 58 reversal trades, through suspected group entities.

r. **Noticee 7 and Noticee 10:** Noticee 10 was the sub-broker of broker Noticee 7 and it was observed that Noticee 7 had placed the trades as a dealer of Noticee 7 on behalf of Noticee 8 and Noticee 9. During the investigation period the aforementioned suspected group entities had executed 447 positive LTP trades, wherein the trade quantity was small (1 to 10 shares). Thus it was alleged from the trading pattern that the entities were not acting as genuine buyer and had no bona fide intention to buy because in-spite of sufficient sell order quantity being available in the market, it is observed that the entities bought small quantity of shares.

In this regard information was sought from Noticee 10. Noticee 10 vide email dated July 27, 2021, inter-alia, submitted that *"he is sub broker of JSEL Securities Ltd. The* *aforementioned trades were traded by the client "Rajnai A. Dusad and Virendra Kumar Jain" as intraday trading and there is no genuine interest to buy/hold the shares of Generic Enginering Construction and Project Ltd. The client had placed order in reasonable quantity (50/100 shares) at bid price but trade executed in small quantity (1 to 10 shares) due to a significant gap in the bid and the offer price. At the time of market closing shares were sold (regardless of profit/loss) which had been purchased the same trading day."*

Noticee 10 also submitted that Noticee 8 is his wife and Noticee 9 is his client. From the reply of Noticee 10, it is alleged that on behalf of his clients Noticee 10 knowingly executed small quantity trades with no genuine interest to buy/hold the shares of GECPL. Thus it is alleged that Noticee 10 had not carried out the necessary due diligence while dealing with the client. Further, since Noticee 10's client Noticee 8 is his wife, it is alleged that he was actively involved in the price manipulation and creating artificial volume in the scrip GECPL.

From the aforementioned paragraphs it is alleged that, broker Noticee 7 failed to carry out due diligence while dealing with its clients. Further it is alleged that Noticee 7's sub-broker Noticee 10 executed manipulative trades through connected entities (Noticee 8 & Noticee 9) on broker trading terminal.

s. In view of the aforesaid it was alleged that:

a. Noticee 11 and Noticee 12 through Mr. Ashok Babulal Shah, sub-broker of broker Noticee 6, had placed 215 synchronized trades and 58 reversal trades, through suspected group entities and thereby violated Section 12 A (a), (b), (c) of SEBI Act 1992, Regulation 3 (a), (b), (c), (d), Regulation 4(1), 4 (2)(a) and 4 (2)(g) of SEBI (PFUTP) Regulations, 2003.
b. 2 suspected entities from Group-2 Noticee 8 and Noticee 9 had manipulated the price of the scrip and thereby have violated Section 12A(a), (b), (c) of SEBI Act 1992, Regulation 3 (a), (b), (c), (d), Regulation 4(1), 4 (2)(a) and 4 (2) (e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market Regulations), 2003.

c. Broker Noticee 3 and his associated entities Noticee 1 and Noticee 2 have violated clause (1), (3) and (4) of Code of Conduct as specified in Schedule II under regulation 9(f) of SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 and violated Section 12 A (a), (b), (c) of SEBI Act 1992, Regulation 3 (a), (b), (c), (d), Regulation 4(1) and 4 (2)(a),(2)(e),(2)(g) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market Regulations), 2003.

d. Broker Noticee 4, Noticee 6 and Noticee 7 have failed to carry out due diligence activities while dealing with its clients and violated clause (1) and (2) of Code of Conduct as specified in Schedule II under regulation 9(f) of SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.

e. Sub-Broker Noticee 10 and Noticee 5 have violated clause (1) (3) and (4) of Code of Conduct as specified in Schedule II under regulation 9(f) of SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 and Section 12 A (a), (b), (c) of SEBI Act 1992, Regulation 3 (a), (b), (c), (d), Regulation 4(1) and 4 (2)(a), (2)(e), (2)(g) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market Regulations), 2003.

INSPECTION, REPLY, HEARING AND SUBMISSIONS:

6. The details of the delivery and the mode of delivery of the SCN to the Noticees is given below:

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

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

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

8. Pursuant to delivery of the SCN dated September 30, 2022, the details of replies submitted by the Noticees are as follows:

Sr. No.	Name of Entity	Reply Sent Y/N	Date of the reply
1.	Noticee 5	Yes	October 31, 2022
2.	Noticee 6	Yes	October 19, 2022
3.	Noticee 8	Yes	November 11, 2022
4.	Noticee 9	Yes	October 21, 2022
4.	Noticee 10	Yes	November 05, 2022
5.	Noticee 11	Yes	October 21, 2022
6.	Noticee 12	Yes	October 20, 2022

9. Vide email dated October 17, 2022, Noticee 7, sought extension of 15 days to submit its reply.

10. Vide email dated November 03, 2022, the remaining Noticees viz. Noticee 1, Noticee 2 and Noticee 3 were sent reminder email for their respective replies and further time till November 07, 2022, was given to the Noticees, directing them to reply them by that date, failing which it shall be presumed that aforesaid Noticees have no reply to submit and the matter shall be proceeded on the basis of facts of the case and evidences on record.

11. Pursuant to that, Noticees sought inspection of documents:

Sr. No.	Name of Entity	Date when Inspection sought	Inspection date
1.	Noticee 1	November 05, 2022	November 15, 2022
2.	Noticee 2	November 05, 2022	November 15, 2022
3.	Noticee 3	November 05, 2022	November 14, 2022
4.	Noticee 4	October 25, 2022	November 17, 2022
5.	Noticee 6	October 18, 2022	November 07, 2022

12. Vide letter dated November 05, 2022, Noticee 1, Noticee 3, vide letter dated November 06, 2022 and vide letter dated November 11, 2022, Noticee 2 sought inspection of the documents.

13. Thereafter, in order to conduct an inquiry in the mater, in terms of Rule 4(3) of Adjudication Rules, the Noticees were given an opportunity of personal hearing on November 11, 2022 vide Hearing Notice (hereinafter referred to as "**HN**") dated November 03, 2022. The details of the delivery and mode of delivery of the HN to the Noticees is given below:

Noticee No.	HN dated	Mode of delivery	Delivery status (Y/N)	Comments
1.	November 03, 2022	E-mail	Y	As Noticee did not appear for the hearing scheduled on November 11, 2022, hearing was rescheduled vide HN dated November 28, 2022.
2.	November 03, 2022	E-mail	Y	As Noticee did not appear for the hearing scheduled on November 11, 2022, hearing was rescheduled vide HN dated November 28, 2022.
3.	November 03, 2022	E-mail	Y	As Noticee did not appear for the hearing scheduled on November 11, 2022, hearing was rescheduled vide HN dated November 28, 2022.
4.	November 03, 2022	SPAD/E-mail	Y	As Noticee did not appear for the hearing scheduled on November 11, 2022, hearing was rescheduled vide HN dated November 28, 2022.
5.	November 03, 2022	E-mail	Y	Vide email dated November 10, 2022, Noticee 5 submitted that he waives his right of personal hearing in the matter.
6.	November 03, 2022	E-mail	Y	Noticee 6 vide email dated November 08, 2022, requested to grant extension till November 18, 2022.
7.	November 03, 2022	E-mail	Y	Hearing Complete

Noticee No.	HN dated	Mode of delivery	Delivery status (Y/N)	Comments
8.	November 03, 2022	SPAD/E-mail	Y	Hearing Complete
9.	November 03, 2022	E-mail	Y	As Noticee did not appear for the hearing scheduled on November 11, 2022, hearing was rescheduled to December 13, 2022.
10.	November 03, 2022	E-mail	Y	Hearing Complete
11.	November 03, 2022	SPAD/E-mail	Y	Hearing Complete
12.	November 03, 2022	E-mail	Y	Hearing Complete

14. Pursuant to that another opportunity of hearing was given to the Noticees. The details of hearing are as follows:

Noticee No.	Hearing date	Hearing Completed (Y/N)
1.	March 10, 2023	Hearing Complete
2.	March 10, 2023	Hearing Complete
3.	March 10, 2023	Hearing Complete
4.	March 17, 2023	Hearing Complete
9.	December 22, 2022	Hearing Complete

15. Thus, the hearing in regard to all the Noticees was completed and the minutes are on record.

16. As given in paragraph 11, Noticee 1, Noticee 2, notice 3, Noticee 4 and Noticee 7, sought inspection of documents. The documents sought by Noticee 1, Noticee 2 and response in that regard sent is as follows:

Sl. No.	Documents sought	Response
a.	Copy of Investigation report along with all annexures.	Copy of the extracts of the Investigation Report and annexures available.
b.	Full and complete Order Log file of market in scrip of GECPL for investigation period including details such as order placing time, quantity of order placed, details of client and broker placing order, details of respective dealer placing order and so on.	Available.
c.	Detailed excel file of his trades alleged to have positively impacted LTP.	Available.
d.	Excel file of synchronized trades alleged against including details such as order placing time, quantity of order placed, details of client and broker placing order, details of respective dealer placing order and so on. Data provided along with SCN is in word format.	Available.
e.	Excel file of circular trades alleged against including details such as order placing time, quantity of order placed, details of client and broker placing order, details of respective dealer placing order and so on.	Available.
f.	Documentary evidence of connections with entities mentioned in the SCN including documentary evidences of fund transfer with Jayveersinh Chavda & Kevalkumar, Shaileshbhai Sutariya (Sr. No. 14 on page 11 of SCN) Also documentary evidence of common mobile no. shared with Jayeshbhai Rohitbhai Kachhiya (Sr. No. 14 on page 11 of SCN)	Available.
g.	Copy of statement of all persons recorded during course of investigation conducted by SEBI in captioned matter.	No such documents available.
h.	Details of complaints received by SEBI and stock exchange with respect to his dealings in the scrip of GECPL.	No such documents available.
i.	Details of persons who have been induced to sell/ purchase the shares of GECPL as a result of his dealing in said scrip.	No such documents available.
j.	Documents/ statements showing and establishing our intention to "create false or misleading appearance of trading and manipulating the price" in scrip of GECPL.	No such documents available.
k.	Details of alerts/ triggers generated by stock exchange/ SEBI w.r.t his dealings in scrip of GECPL.	Not available.
j.	Any other and additional documents referred to and relied upon by SEBI on subject matter of present proceedings.	Nil.

The documents sought by Noticee 3 and response in that regard sent is as follows:

Sl. No.	Documents sought	Response
a.	Copy of Investigation report along with all annexures.	Copy of the extracts of the Investigation Report and annexures available.
b.	Documentary evidence of its alleged role in facilitating the alleged trades in the scrip of GECPL	Available.
c.	Correspondences exchanged with Vijaykumar Natubhai Kapadiya & Jitendra Malviya	Available.
d.	Details of complaints received by SEBI and stock exchange with respect to its dealings in the scrip of GECPL.	No such documents available.
e.	Details of alerts/ triggers generated by stock exchange/ SEBI w.r.t its dealings in scrip of GECPL.	No such documents available.
f.	Copy of statement of all persons recorded during course of investigation conducted by SEBI in captioned matter.	No such documents available.
g.	Any other and additional documents referred to and relied upon by SEBI on subject matter of present proceedings.	Nil.

The documents sought by Noticee 4 and response in that regard sent is as follows:

Sl. No.	Documents sought	Response
a.	A copy of investigation report / examination report	Copy of the extracts of the Investigation Report and annexures available.
b.	Copy of the complaint, if any on the basis of which SEBI has initiated the present adjudicating proceedings against the Noticee	No such documents available.
c.	Date on which the findings of the investigation/examination were put up for the information/knowledge of the Whole Time Member.	Not relevant and relied upon.
d.	Copy of the material placed before the Whole Time Member to decide that there were sufficient grounds to enquire into the alleged violations.	Not relevant and relied upon.
e.	Details of all the material placed before the WTM on the basis of which he decided to initiate proceedings against the Noticee	Not relevant and relied upon.
f.	Date on which investigation report was approved by WTM and the present proceedings were approved.	Not relevant and relied upon.
g.	Copy of reasons recorded by the Board, Chairman, Member or the Executive Director that there are reasonable grounds to investigate the affairs of the Noticee in the said matter.	Not relevant and relied upon.
h.	Copy of Order of the Board authorizing investigation in the matter.	Not relevant and relied upon.
i.	Copy of minutes of Committee of Inter Division Chiefs of SEBI that had considered the investigation report.	Not relevant and relied upon.
j.	Dates on which Committee of Inter Division Chiefs of SEBI had considered the findings of the Investigation.	Not relevant and relied upon.
k.	Copy of the trade logs	Available.
l.	Any specific instances or facts which lead to inference to any acts of omission/ commission on part of the Noticee leading to the charge mentioned in the SCN.	No such documents available.
m.	Any material or evidence to suggest negligence or connivance in the matter on the part of the Noticee Broker.	No such documents available.

With respect to Noticee 6, he was informed that the following documents would be available for inspection:

S. No.	Documents for Inspection
1.	Extracts of investigation report.
2.	Major Corporate announcement and their impact on price volume.
3.	Price Volume data during the IP.
4.	Details of UCC, off market data.
5.	Details of Circular trades
6.	Trade Log.
7.	Details of positive LTP contribution by Group 1.

17. Noticees submitted their reply to the SCN, which are summarized below:

Noticee 1:

a) *Noticee 1 denied all the allegations made against him in the SCN in toto and further he submitted that the SCN is based on on surmises, conjectures, probabilities and hypothesis, which is impermissible in law.*

b) *Noticee 1 submitted that his buy and sell transactions have been carried out in total compliance of all securities market laws as applicable to him as an investor of capital market and he had carried out transaction in GECPL bonafidely and had no knowledge, information or awareness of any wrongdoing happening in the scrip of GECPL at the relevant time.*

c) *Noticee 1 submitted that his transaction are independent and totally in isolation to the transactions carried out by other entities/person in the scrip of GECPL. Further, when the said scrip was traded on market, no alert was generated by any regulatory authority including SEBI & 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 GECPL.*

d) ***Submission on Connection:***

- ***Submission on allegation of mobile no. 9925068321 shared with Jayeshbhai Rohitbhai Kachhiya:*** *Noticee 1 submitted that mobile no. 9925068321 belonged to him. However, SEBI has not provided any documents as to how it is alleged that he shared mobile no. 9925068321 with Jayeshbhai Rohitbhai Kachhiya. It is only on receipt of SCN, that he came to know about allegation of mobile no.*

9925068321 shared with Jayeshbhai Rohitbhai Kachhiya. Hence, no adverse inferences be drawn against him in this regard.

- ***Submission on allegation of fund transaction with Jayveersinh Chavda & Shaileshbhai Sutaria:*** *The fund transaction with Jayveersinh Chavda & Shaileshbhai Sutaria were commercial in nature. The said fund transactions were in no way connected to his or their dealings in GECPL. Hence, no adverse inference be drawn against him in this regard.*
- ***Submission on allegation of common address with Natubhai D Parmar:*** *Noticee 1 submitted that Mr. Natubhai D Parmar is his father and they stay together at B 302, Labh Apartment, Near Raghuvir Society, D School Road, Sahijpur Bogha, Ahmedabad. Hence, no adverse inference be drawn against him in this regard.*
- ***Submission on his Association with Marfatia:*** *Noticee 1 submitted that, he was an employee of Marfatia at relevant point in time. It was purely an employer and employee relation between them. Hence, no adverse inferences be drawn against them.*

e) ***Submission on trades executed by Noticee 1 in the scrip of GECPL:***

- *Noticee 1 submitted that it is only by co-incidence that few orders placed by him got matched with alleged group as mentioned in the SCN. In fact, he was placing orders without having any knowledge of the counter party broker or the persons with whom orders may get matched.*
- *Noticee 1 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.*
- *Noticee 1 submitted that all 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.*
- *Noticee 1 submitted that the value and volume of the alleged impugned trades is insignificant compared to total volume in the scrip during investigation period.*
- *Noticee 1 further submitted that, almost all his trades are matched with entities/persons who are not co-noticees in the present SCN. Hence, no adverse inferences w.r.t. his trades in GECPL be drawn against him.*

f) ***Submissions on total buy and sell of notice 1 in the scrip of GECPL:***

- *Noticee 1 submitted that he had carried out small volume of trades which 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 him. From date wise details of Buy and Sale Trades executed by him, it can be seen that he had executed trades in normal and ordinary course as a lay investor in the stock market hence no allegation of creation of artificial volume is sustainable on facts and in law against him.*
- *Noticee 1 submitted that his trading volume (2,51,574 shares purchased and 2,51,574 shares sold) vis-a-vis the market volume (77,59,513 shares) in scrip of GECPL during the investigation period was insignificant/ diminutive so as to have any impact on the price /volume of the scrip. Further, his no. of trades at BSE (821 on buy side and 801 on sell side) vis-a-vis the total market trades (28,273 trades) in scrip of GECPL during the investigation period was insignificant/diminutive so as to have any impact on the price/volume of the scrip.*
- *Noticee 1 submitted that his purchase and sell in GECPL was not concentrated, rather it was spread over 58 days over 5 months. Thus, allegation of any 'manipulative' intent on his part is unjustified and unwarranted. Therefore,* the allegation of any 'abuse' of stock exchange system or creation of artificial volume leading to false and misleading appearance and manipulation of price in the scrip of GECPL is irrelevant, illogical and misdirected towards him.

g) ***Submission of alleged synchronization of trades by Noticee 1:***

- *Noticee 1 submitted that, the alleged synchronization of trades of 2,44,748 shares on sell side and 2,49,014 shares on buy side vis-a-vis the market volume (77,59,513) in scrip of GECPL during the investigation period is insignificant / diminutive so as to have any impact on the price / volume of the scrip. The alleged no. of shares which are alleged to be synchronized is only 3.15% on sell side and only 3.21% on buy side which is insignificant /diminutive so as to have any impact on the price/volume of the scrip. Further, his no. of trades alleged to be synchronized at BSE (805 on buy side and 752 on sell side) vis-a-vis the total market trades (28,273 trades) in scrip of GECPL during the investigation period is insignificant/diminutive so as to have any impact on the price/volume of the scrip. The alleged no. of trades which are alleged to be synchronized on buy side* *and sell side, is insignificant / diminutive so as to have any impact on the price / volume of the scrip.*

- *Notice 1 also submitted that not all his trades are synchronized with persons/entities with whom he is alleged to be connected, his trades are also matched with entities with whom he had no connection whatsoever. Hence, no adverse inferences be drawn against him in this regard.*

h) ***Submission of alleged circular trades by Noticee 1:***

- *Noticee 1 submitted that, the alleged circular trades (1,44,742 shares) vis-a-vis the market volume (77,59,531 shares) in scrip of GECPL during the investigation period is insignificant / diminutive so as to have any impact on the price / volume of the scrip. The alleged no. of shares which are alleged to be circular is only 1.87% which is insignificant /diminutive so as to have any impact on the price/volume of the scrip. Further, his no. of trades alleged to be circular at BSE (102) vis-a-vis the total market trades (28,273 trades) in scrip of GECPL during the investigation period is insignificant/diminutive so as to have any impact on the price/volume of the scrip. The alleged no. of trades which are alleged to be circular is only 0.31% which is insignificant / diminutive so as to have any impact on the price / volume of the scrip.*
- *Noticee 1 also submitted that the SCN itself mentions that his % of circular trade to total trade on circular days as 2.01% which is very miniscule/insignificant so as to have any impact on the price / volume of the scrip.*

i) ***Submission of alleged LTP trades by Noticee 1:***

- *W.r.t. allegation of execution of trades at variance to Last Traded Price ("LTP"), Noticee 1 submitted that none of the trades are alleged to have registered a new high price or new low price. Hence, all trades were executed at a price which was already established / recorded / prevalent in the market.*
- *Further, w.r.t. the allegation of contributing positively to LTP for trading in GECPL, Noticee 1 submitted that the sum LTP difference is negative for his trading in GECPL and not positive. Hence, his trading in the scrip of GECPL cannot be alleged to have caused price rise in the said scrip as the sum of LTP difference of his trading in the scrip of GECPL is negative and no allegation of contributing positively to LTP can be alleged against him.*

j) ***Submission on trades allegedly contributing to LTP through First trades by Noticee 1:***

- *Noticee 1 submitted that out of his total buy of 2,51,574 shares of GECPL, 7,527 shares are alleged to have contributed positively to LTP through his first trade and out of his total no. of trades of in the scrip of GECPL i.e. 821, 8 trades which is classified as first trades are alleged to have contributed positively to LTP. Thus, out of total shares bought by him only 2.99% of shares are alleged to have contributed positively to LTP through his first trade and out of his total no. of trades, only 0.97% of trades are alleged to have contributed positively to I-TP through his first trade.*

k) ***Legal submissions on strict proof required for a serious charge of fraud:*** *Noticee 1 submitted that, it is wholly untenable for any authority to arrive at a finding of 'fraud' solely on the basis that he dealt in scrip of GECPL. In this regard, Noticee 1 drew attention to following cases:*

- *In the matter of* ***R. K. Global v/s SEBI*** *(Appeal no. 158/2008 decided on 16.09.2010), Hon'ble Securities Appellate Tribunal observed as under:*

  [Para 2 on Internal Page 4 of Order dated 16.09.2010]

  "..... Let us not forget that the Appellant has been charged for executing fraudulent trades which is, indeed, a serious charge and cannot be established on mere suspicion and should have firmer ground to stand upon. A higher degree of probability must exist before such a charge could be found to have been established".

- In the matter of **Narendra Ganatra v/s SEBI** (Appeal No 47 of 2011 decided on 29.07.2011), Hon'ble Securities Appellate Tribunal ("hereinafter referred to as "**SAT**") observed as under:

  [Unnumbered First Para on Internal Page 8 of Order dated 29.07.2011]

  "..... We should not lose sight of the fact that the charge against the appellant is of conniving with the group entities in creating false and misleading appearance of trading in the market and artificially raising the price of the scrip and for such a serious charge, higher degree of probability is required. Such a charge cannot stand on surmises and conjectures...."

- *In the matter of* ***Videocon International v/s SEBI*** *(2002) 4 CLJ 402 (SAT) it was held that in the absence of reasonably good evidence to support, charge of market manipulation which is very serious charge, cannot stick on surmises and conjunctures. The Hon'ble Tribunal observed that Regulation 4(a) of the PFUTP*

Regulation attracts only if the transaction is made so as to induce any other person to sell or purchase securities.

- *In the matter of* ***Parsoli Corporation v/s SEBI*** *(Appeal No. 146/2011 decided on 12.08.2011); Hon'ble SAT had observed that since charge of 'fraud' is serious, higher has to be degree of probability to establish the same. Thus, same cannot be pressed against an individual on random allegations based on surmises and conjectures.*

l) ***Legal submissions on compelling evidence required to charge someone of fraud:*** *Noticee 1 submitted that it is well-settled law that the taint of 'fraud' cannot be attached or charged on preponderance of probability. In fact, compelling evidence should be brought on record for a person/entity to be held liable for 'fraud'. In this regard, Noticee 1 relied upon the order in the matter of* ***Ram Sharan Yadav v/s Thakur Muneshwar Nath Singh*** *[(1984) 4 SCC 649 (AIR 1985 SC 24)] wherein the Hon'ble Supreme Court opined*

"....Several decisions of this Court have laid down various tests to determine a corrupt practice and the standard of proof required to establish such corrupt practices and it is not necessary for us to repeat the dictum laid down by this Court and the approach to be made in detail because the matter is no longer res integra and is concluded by a large number of authorities. To quote a few recent ones: Dau/at Ram Chauhan v. Anand Sharma,(l) Manmohan Kalia v. Yash & Ors.,(2) A. Younus Kunju v. R.S. Unni and Ors.(3) as also an earlier decision of this Court in Samant N. Balakrishna etc. v. George Fernandez and Ors. etc.(4) The sum and substance of these decisions is that a charge of corrupt practice has to be proved by convincing evidence and not merely_ by_ preponderance of probabilities... "

m) *Noticee 1 submitted that, no harm, injury or loss has been caused or suffered by any investor of securities market due to his dealing in scrip of GECPL.*

n) *He has not derived any gain disproportionate or otherwise and there is no investor complaint in respect of his dealing in scrip of GECPL.*

Noticee 2:

a) *Noticee 2 submitted that the present SCN is falsely issued against him as there is no allegation against him in the entire SCN w.r.t. fraudulent or unfair trade practice pertaining to him. Further, he had never traded in the scrip of GECPL. Hence, the allegation against him that he had created fraud or indulged in unfair trade practices* *while dealing in the scrip of GECPL is highly unfair and misconstrued against him. Hence, the SCN deserves to be quashed qua him at the earliest.*

b) *Noticee 2 submitted that he had been alleged to have violated Section 12A (a), (b), (c) of SEBI Act, 1992 r/w Regulation 3 (a), (b), (c), (d) and 4(1) and (e), (g) of the PFUTP Regulations. In this regard, Noticee contended that Section 12A(a), (b), (c) of the SEBI Act, 1992 and Regulations 3 (a), (b), (c), (d) and 4(1) and 4(2)(a), (e), (g) of PFUTP Regulations, 2003 deals with fraud/manipulation/ unfair trade practices while dealing in securities and in relation to securities market. In his case there is no purchase/sale and/or dealing of securities. There are no adverse findings against him in the entire SCN w.r.t. fraudulent or unfair practices while dealing in shares of GECPL. Hence, provision of section 15HA cannot be made applicable to his case and penalty cannot be imposed on me. In reliance of his aforesaid contention, Noticee 2 relied upon the order dated 28.05.2021 passed by the Ld. Whole Time Member, SEBI in the matter of* ***Tatia Global Vennture Limited****.*

c) *W.r.t. his employment with Marfatia (Noticee 3) and introduction of Ashokbhai N Parmar, Nareshbhai P Parmar, Sajidhusen Mahmmadali Saiyad and Vahidhusen Mahamadali Saiyad to Marfatia, Noticee 2 submitted that, he was working with Marfatia as a relationship manager. Hence, it was part of his job profile to see that the clients who approached Marfatia for availing its services w.r.t. broking activity of Marfatia are properly taken care of. It was also his duty to ensure that the KYC forms are properly filed, to redress the clients grievances and render any other services as deem fit. Hence, no adverse inferences be drawn against me in this regard as I was performing my role as an relationship manager.*

d) *W.r.t. fund transfer with Jayveersinh Chavda & Parvez Muniruddin Kazi, Noticee 2 submitted that, his fund transactions are independent, commercial in nature and totally in isolation to the transactions carried out by other entities/person in the scrip of GECPL.*

e) *W.r.t. Off market transfer of shares with Natubhai Parmar, Noticee 2 submitted that the off market transfer of shares with Natubhai Parmar was purely a commercial transaction. Hence, no adverse inference be drawn against me in this regard.*

f) *Further, Noticee 2 submitted that all the entities with whom his connection / financial transactions are alleged are not part of the present SCN and no allegations against them for their trading in GECPL is mentioned in the present SCN.*

g) *Noticee 2 denied the alleged violation of Clause A (1), (3) and (5) Code of Conduct as specified under Schedule II of Brokers Regulations as he was just performing his role as a relationship manager of Marfatia. Further, he also denied violation of Section 12A (a), (b), (c) of SEBI Act, 1992 r/w Regulation 3 (a), (b), (d) and 4(1) and (g) of the PFUTP Regulations.*

h) ***Legal submissions on strict proof required for a serious charge of fraud**: Noticee 2 submitted that, it is wholly untenable for any authority to arrive at a finding of 'fraud' solely on the basis of fund transfers, introducer and off market transfer with certain entities. In this regard, Noticee 2 drew attention to following cases:*

- *In the matter of **R. K. Global v/s SEBI** (Appeal no. 158/2008 decided on 16.09.2010), Hon'ble Securities Appellate Tribunal observed as under:*

  [Para 2 on Internal Page 4 of Order dated 16.09.2010]

  ".... Let us not forget that the Appellant has been charged for executing fraudulent trades which is, indeed, a serious charge and cannot be established on mere suspicion and should have firmer ground to stand upon. A higher degree of probability must exist before such a charge could be found to have been established".

- *In the matter of **Narendra Ganatra v/s SEBI** (Appeal No 47 of 2011 decided on 29.07.2011), Hon'ble Securities Appellate Tribunal ("hereinafter referred to as "**SAT**") observed as under:*

  [Unnumbered First Para on Internal Page 8 of Order dated 29.07.2011]

  "..... We should not lose sight of the fact that the charge against the appellant is of conniving with the group entities in creating false and misleading appearance of trading in the market and artificially raising the price of the scrip and for such a serious charge, higher degree of probability is required. Such a charge cannot stand on surmises and conjectures...."

- *In the matter of **Videocon International v/s SEBI** (2002) 4 CLJ 402 (SAT) it was held that in the absence of reasonably good evidence to support, charge of market manipulation which is very serious charge, cannot stick on surmises and conjunctures. The Hon'ble Tribunal observed that Regulation 4(a) of the PFUTP Regulation attracts only if the transaction is made so as to induce any other person to sell or purchase securities.*

- *In the matter of **Parsoli Corporation v/s SEBI** (Appeal No. 146/2011 decided on 12.08.2011); Hon'ble SAT had observed that since charge of 'fraud' is serious, higher has to be degree of probability to establish the same. Thus, same cannot* *be pressed against an individual on random allegations based on surmises and conjectures.*

i) ***Legal submissions on compelling evidence required to charge someone of fraud:*** *Noticee 2 submitted that it is well-settled law that the taint of 'fraud' cannot be attached or charged on preponderance of probability. In fact, compelling evidence should be brought on record for a person/entity to be held liable for 'fraud'. In this regard, Noticee 1 relied upon the order in the matter of* **Ram Sharan Yadav v/s Thakur Muneshwar Nath Singh** *[(1984) 4 SCC 649 (AIR 1985 SC 24)] wherein the Hon'ble Supreme Court opined "….Several decisions of this Court have laid down various tests to determine a corrupt practice and the standard of proof required to establish such corrupt practices and it is not necessary for us to repeat the dictum laid down by this Court and the approach to be made in detail because the matter is no longer res integra and is concluded by a large number of authorities. To quote a few recent ones: Dau/at Ram Chauhan v. Anand Sharma,(l) Manmohan Kalia v. Yash & Ors.,(2) A. Younus Kunju v. R.S. Unni and Ors.(3) as also an earlier decision of this Court in Samant N. Balakrishna etc. v. George Fernandez and Ors. etc.(4) The sum and substance of these decisions is that a charge of corrupt practice has to be proved by convincing evidence and not merely_ by_ preponderance of probabilities... "*

j) *Noticee 2 submitted that, he had not derived any gain disproportionate or otherwise.*

Noticee 3:

a) ***Submissions on delay in initiating Adjudication proceedings:***
Noticee 3 submitted that, the present matter pertains to a period which is around 5 to 6 years old from the date of transactions, hence there is an inordinate delay in the present proceedings. In this regard, Noticee 3 relied upon the orders as follows:

- *Order dated 22.08.2019 passed by Hon'ble SAT in the matter of Ashok Shivlal Rupani & Anr. Vs. SEBI (Appeal No. 417 of 2018),*
- *Order passed by Hon'ble SAT in the matter of Mr. Rakesh Kathotia vs. SEBI (Appeal No. 07 of 2016);*
- *Order dated 22.08.2019 passed by Hon'ble SAT in the matter of Mr. Yatin Pandya HUF vs. SEBI (Appeal No. 719 of 2021);*
- *Order of Hon'ble SAT in the matter of H B Stockholdings (SAT Appeal no. 114 of 2012);*

- *Order of Hon'ble Supreme Court in the matter of State of Gujrat vs. Patel Raghav Natha (AIR 1969 SC 1297).*

b) ***Exercise of due skill, care and diligence:***

In this regard Noticee 3 submitted as follows:

The Black's Law Dictionary (6th Edition) defines 'due diligence' as follows:

"Such a measure of prudence, activity or assiduity, as is properly expected from and ordinarily exercised by a reasonable and prudent man under the particular circumstances; not measured by any absolute standard, but depending on the relative facts of special case"

Noticee 3 submitted that it had exercised due skill, care and diligence at all points of time while executing orders on behalf of its clients in the scrip of GECPL. Noticee 3 further submitted that:

- *At the time of registering the said 13 clients, it had complied with all KYC norms i.e. it obtained duly filled "Client Registration Form" (KYC) along with all the necessary documents as statutorily required;*
- *It had taken all the reasonable steps to assess the said 13 client's background, genuineness, financial soundness and trading-cum-investment objectives;*
- *The value of trades in GECPL by said 13 clients were very miniscule and negligible as compared to our overall volume during the investigation period;*
- *The said 13 clients had always placed their orders/ trades in compliance with all the relevant rules and regulations. Since, the clients have always honored their transaction; it assumed that clients did not pose any risk to it or to the Exchange/ Clearing Corporation.*
- *Further, the said 13 clients were not on the watch list of any regulatory authority for any kind of speculative or manipulative practices at that point of time. Thus, it allowed them to trade freely within the parameters & regulations prescribed by regulators from time to time;*
- *The volume of alleged transactions by the said 13 clients were too insignificant so as to raise any suspicion in respect of their trading in GECPL.*
- *The said 13 clients had traded in other scrips as well during the IP and were not concentrated only in the scrip of GECPL.*

In regard to aforesaid, Noticee 3 submitted that a stock-broker is required to employ reasonable skill and care but is not required to begin with suspicion and to proceed in a manner of trying to detect a fraud or manipulation unless the information with them is sufficient to excite suspicion of a businessman of reasonable competence. It is submitted with humility that at the relevant time, there was nothing amiss in the conduct of the said clients to excite our suspicion.

c) *Noticee 3 submitted that it does not have any relationship, direct or indirect, with the GECPL, its promoters and directors.*

d) *Noticee 3 submitted that there is no corroborative evidence to substantiate lapses on its side and it submitted that it was acting purely as a stock broker who is expected to execute order promptly and efficiently of the client on the trading terminal of the exchange.*

e) *Noticee 3 submitted that it is trading members of NSE and BSE on CM, F&O and Currency segment and it is giving service to more than 35,000 clients and has a network at more than 80 locations and is regularly inspected by NSE and BSE. The said 13 clients generated very miniscule volume when compared to total volume of its all the clients, which is a clear indicator of the fact that the alleged transactions did not arose any suspicion in the mind of its dealer and therefore it submitted that the same - were carried out without our knowledge, consent or role w.r.t alleged transactions by the clients. In this regard, Noticee submitted the following data:*

Total Turnover in Rs.		
Exchange	*Segment*	*Investigating Period (04.11.2016 to 20.09.2017*
BSE & NSE	*Cash*	*9129.16 Crores*
NSE		*11,339.63 crones*

From the above table, Noticee 3 submitted that the volume of trades of the said 13 clients and total turnover of its Company during the investigation period is very insignificant and miniscule which can hardly cause any suspicion. During the IP, 5470 clients traded with it and the total volume by the said 13 clients was approximately 23.40 Crores. Hence, when the said 13 clients volume in GECPL is compared with its total volume and the no. of our clients traded during the investigation period, it becomes even more negligible and miniscule. Thus, the *allegation that it failed to exercise due skill, care: and diligence lacks credentials at thresholds thereof.*

f) Noticee 3 submitted that Section 12A(a), (b), (c) of the SEBI Act, 1992 and Regulations 3(a),(b),(c),(d) and 4(1) & 4(2)(a),(e),(g) of PFUTP Regulations deals with fraud/ manipulation/ unfair trade practices while dealing in securities and in relation to securities market. In its case there is no purchase/sale and/or dealing of securities nor is there any allegation of fraudulent practice against it. It had not traded in the scrip of GECPL. There are no adverse findings against it in the entire SCN w.r.t. fraudulent practices. The only allegation is that its 13 clients had traded in the scrip of GECPL which are alleged to be fraudulent. Hence, provision of section 15HA cannot be made applicable to its case and penalty cannot be imposed on it.

In this regard, Noticee 3 relied upon the order dated 28.05.2021 passed by the Ld. Whole Time Member, SEBI in the matter of Tatia Global Vennture Limited

*g) **Denial of alleged violations of law:***

- *Clause A(l) of Code of Conduct for Stock Brokers: Noticee 3 submitted that it had maintained highest standard of integrity, promptitude and fairness in the conduct of its dealings in the scrip of GECPL and it had executed the trades with utmost integrity and adhered to soundness, moral principles and character as expected to be shown by one person- dealing with another in making and performing of such contracts.*
- *Clause A(3) of Code of Conduct for Stock Brokers: Noticee 3 submitted that it had not indulged in manipulative, fraudulent, or deceptive transactions or schemes or spread rumours with a view to distorting market equilibrium or making personal gains while executing trades in the scrip of GECPL.*
- *Clause A(4) of Code of Conduct for Stock Brokers: Noticee 3 submitted that it has not created false market either singly or in concert with others or indulged in any act detrimental to the investors interest or which leads to interference with the fair and smooth functioning of the market while executing trades in the scrip of GECPL. It had not involved itselves in excessive speculative business in the market beyond reasonable levels not commensurate with our financial soundness while executing trades in scrip of GECPL and it had not employed any manipulative and deceptive device with respect executing trades for clients in the scrip of GECPL.*

Noticee 4:

- *Noticee 4 submitted that, neither the SCN nor the Investigation Report in the present matter points out any specific acts of commission/ omission on part of the present Noticee that demonstrate lack of due diligence on part of the present Noticee and therefore, in that respect, the SCN is extremely vague and ambiguous. In this regard, Noticee 4 relied upon the order of Hon'ble SAT in the matter of Dhanalakshmi Bank Limited v. SEBI, dated 20th April, 1999 and order of Hon'ble Supreme Court in the matter of SEBI vs Rakhi Trading of February 2018, (Civil Appeal No. 1969 of 2011 ,dated February 08, 2018). Noticee 4 further stated that, it has been clearly admitted by SEBI in its email dated November 14, 2022 that no such documents/material/evidence is available that suggests negligence or connivance in the matter on the part of the Noticee Broker. Mere occurrence of client trades is not enough to bring or sustain charge against broker and therefore on this ground alone the proceedings need to be dropped against the Noticee at this stage itself.*
- *Noticee 4 submitted that, the trades in question were executed by and through its sub broker, Mr. Nafeez Hakim, who was its sub broker from 2010 to 2019 and had undertaken trades of a total volume of Rs. 58,51,05,055/- (around Rs. 59 Cr) through its broking in the years 2010-2019. In comparison to this the total volume of trades in question in the SCN is extremely miniscule. There was no occasion for it to question/ not believe that Mr. Nafeez Hakim has not complied/ undertaken proper due diligence because besides the present instance, in the past there has never been any occasion where there were any regulatory issues on trades done by him.*
- *Noticee 4 submitted that, the Trading Terminal 213 belongs to Mehta Equities, registered at the address of Mehta Equities and was specifically assigned to trade on the 3rd party website of Net On Web ("NOW"). Which essentially means it is not a direct terminal and no direct trades can be done from Terminal 213. Under the umbrella of Terminal 213 there are various 12 digit Dealer ids provided, each Dealer id was assigned/ registered to a specific client/ sub broker. These dealer ids are registered at the addresses of the particular client/ sub broker to whom they are assigned. Therefore, Dealer id 4000230095001019 was specifically*

registered at the address of the sub broker i.e. Nafiz Hakeem which was Great Western Building, 1st Floor, 130,132 S.B. Road., Opp. Lion Gate, Fort, Mumbai - 400023. If a trade is done through any of the various dealer ids under Terminal 213, the trade will go through Terminal 213 which is the Umbrella Terminal. Therefore although the trade was punched in through Dealer id 4000230095001019 allotted to Nafiz Hakeem and registered at his i.e. Great Western Building, 1st Floor, 130,132 S.B. Road., Opp. Lion Gate, Fort, Mumbai — 400023 the trade will reflect as a trade done by Terminal 213 as that is the Umbrella Terminal. The Dealer id 4000230095001019 was specifically registered at the address of the sub broker, i.e. Nafiz Hakeem, and the same is registered with the Exchanges and the same happens to be the address of the client, Emerald Corporate Advisory Pvt Ltd. Therefore, Orders and Trades executed by the sub broker, i.e. Nafiz Hakeem, have been done without any involvement by way of action by the broker, i.e. Mehta Equities

Noticee 5:

a) *Noticee 5 submitted that, conduct of proceedings after a long and inordinate delay of around five (5) years is arbitrary and he has been called upon to defend himself in respect of certain transactions which were undertaken way back in 2016-2017. The Hon'ble Bombay High Court in the* ***Sambhaji Shripati Bankar case*** *ruled that absence of specific period of limitation will not give a license to the competent authority to initiate action at any point of time though it had become too stale.*

b) *Noticee 5 submitted that he is a Non-Resident Individual (NRI) residing in Dubai, United Arab Emirates (UAE). He holds a valid Residency Permit issued by the UAE Authorities which he had already submitted to the SEBI Authorities.*

c) *Noticee 5 submitted that he had invested in the scrip of GECPL and since he was residing in Dubai, all the purchase and sales transactions were handled by his staff namely, Mr. Prashant A. Shah, the Noticee No. 11 in this SCN along with Mr. Parag Shah, the Noticee No. 12 in this SCN. They were responsible for all day-to-day transactions in the scrip of GECPL carried out in all the Companies namely, M/s Emerald Corporate Advisory Private Limited, M/s Ithica Fiscal Services Private Limited, M/s Numisma Financial Advisors Private Limited, M/s Onyx Corporate*

Services Private Limited and M/s Hermes Corporate Advisory Private Limited. He used to give them general trading instructions depending upon availability of funds every day in the morning e.g., purchase "x" quantity of GECPL or sell "y" quantity of GECPL on that day and he also used to give them a price range within which they had to do the trades as directed. At the end of the day, they used to send me a report of the final trades done on that day, say e.g., purchased/sold "x" quantity of GECPL @ so and so rate. He was not aware of the threadbare details of all the trades carried out by them. He was only verifying whether they had followed my overall directions by maintaining the price-range I had given them in the morning. Therefore, although he was aware of overall trades carried out by them, he was not aware of the nitty-gritty of the transactions undertaken by them.

d) Noticee 5 submitted that he was not at all aware of any Synchronized Trades, Reverse Trades etc. which were allegedly carried out in his Companies.

Noticee 6

a) Noticee 6 submitted that he is a recognised stock broker registered with Bombay Stock Exchange (BSE) since 1967. He is one of the reputed stock broker which has been always with the good compliance track record. Over the years, he had maintained an impeccable track record in terms of applicable legal and regulatory framework. His stock market activities are conducted with due diligence, fairness and within the bounds of the law of the land, both in letter and in spirit.

b) Noticee 6 submitted that while opening of the trading accounts of any individual or corporate he always does proper due diligence as whatever applicable and documentation required in it including execution of the Member Client Agreement (MCA) from the clients whose accounts are being opened under his stock broking code and same process has been followed in opening trading accounts of 1) Prasant Ashok Shah, 2) Parag Sevntilal Shah, 3) Manisha Prasant Shah, 4) Ithica Fiscal Services Private Ltd. and 5) Numisma financial Advisor Pvt Ltd. Thus, there is no violation of Clause (1) and (2) of Code of Conduct as specified in Schedule II under Regulation 9(f) of SEBI(Stock Brokers and Sub-brokers) Regulations, 1992.

c) *Noticee 6 submitted that he had earned very normal brokerage income from 4 suspected entities trading accounts whose account he has in his code and total brokerage income from suspected entities is less than one percent of his total brokerage income earned during the relevant Investigation period which prove that brokerage earned from suspected entities is insignificant compare to his total brokerage so it is ample clear that he has not done any wrong thing in opening of suspected entities account and trading by suspected entities, he has done proper due diligence in opening of account of suspected entities and trading by suspected entities. There was nothing suspicious in trading of suspected entities because all transactions are delivery based transactions and shares were transferred to beneficial owner account when purchased and received from beneficial owner account when sold.*

d) *Noticee 6 submitted that total volume of trades done by these 4 entities is less than half percent of the total trading volume traded under his broker code during the relevant Investigation period, which is negligible volume and due to this negligible volume he has no reason to believe that there was any suspicious trading activity by these entities.*

e) *Noticee 6 further submitted that he has earned insignificant brokerage from all suspected entities trading account which proves that he has no intention to earn high brokerage from these accounts and he has done proper due diligence of all suspected entities trading account. So there is no violation clause (1) and (2) of Code of Conduct as specified in Schedule Il under regulation 9(f) of SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.*

f) *Noticee 6 submitted that he has maintained the high standards of integrity, promptitude and fairness in the conduct of all his business.*

e) *Noticee 6 submitted that he is nowhere connected to any of the suspected individuals, company or its directors in anyways except the relation of the Stock broker and the client members which we have.*

f) *Noticee 6 submitted that he has never funded any of the trades for them nor involved in any funding for them or with anyone.*

g) *Noticee 6 submitted that he has always maintained the integrity for himself with each and every client members he has with him.*

h) *Noticee 6 submitted that he has always acted promptly as and whenever he had little bit feel doubt of any trades happening under my broker code in the conduct of his business.*

i) *With regard to the Clause A(2) of the Code of Conduct as specified in Schedule II of Regulation 9 of the Stock Brokers Regulation, Noticee 6 submitted that, all the due diligence were done as required while opening the trading account of all the entities including suspected entities and all documents were collected as per the normsand rules. Further, the total volume of trades done by these 4 entities is just 0.4% of the total volume traded under its broker code, which is negligible volume and due to which it had no reason that there was any suspicious trading activity in its account.*

j) *Noticee 6 submitted that he as registered Stock broker with the Stock exchange has more than 1500 client account and his average daily trading volume is approx. 7 to 8 crore.*

k) *Noticee 6 submitted that as a Stock broker it is not possible to inspect each and every client trading until there is any doubt or suspicion or sudden heavy volume in any script by client. Since there was very negligible volume in this case so there was no basis of doubt or suspicion.*

l) *Noticee 6 submitted that there is no charge against it of engaging in any synchronized trades, circular trades, reversal trades etc. in cahoots with the buyer in order to manipulate the price in the scrip.*

Noticee 7

a) *Noticee 7 submitted that it maintains high standards of integrity, promptitude and fairness and always act with due skill , care and diligence in the conduct of all its business.*

b) *Noticee 7 submitted that Mr. Anil Dusad was its' registered Sub Broker and had SEBI Sub Broker Registration No.lNS010948912. Further, the order were not put by it directly on the nation wide trading platform of BSE, rather these clients' orders* *were put by our Sub broker/ AP Mr. Anil Dusad, noticee No.10 on Bolt Id No. 287/076 allotted to Noticee No.10 in the name, Mr. Anil Dusad.*

c) *Noticee 7 submitted that it had permitted trades only on the basis of the credit balances and pay in pay out of fund and securities were given by the exchange regularly.*

d) *Noticee 7 submitted that it has not done any transaction in the concerned scrip in its pro A/C.*

e) *Noticee 7 submitted that shares traded through Mr.Anil Dusad were not for unusual quantities, the specific details of trading in GECPL of Mr.Anil Dusad clients are as under, which shows clearly that trades were not unusual.*

Client Name	*Traded Period*		*No. of trades*	*Max traded quantity in a trade*	*Minimum Traded quantity in a trade*
	From	*To*			
Rajni Dusad	*08-11-2016*	*11-09-2017*	*815*	*256*	*1*
Vijendra Kumar Jain	*18-04-2017*	*20-09-2017*	*562*	*200*	*1*

f) *Noticee 7 submitted that it did not enter any off market transactions in the scrip of GECPL for the referred period by Mrs. Rajani Dusad and it seems that SCN has erred while levelling allegation relating to off-market transaction. Noticee 7 further submitted that only two entities have been stated as the members of "Suspected Entities Group-2" and the basis of connection between these two Noticees has been alleged to have been entered in off market transactions. Whereas the fact of the matter is that these two clients have not entered any off market transactions in GECPL.*

g) *Noticee 7 uses software E Boss for surveillance and to get alert for any potential fraudulence / fishy trades. For GECPL, trades in said period no alerts were received from software. Also we had not received any alert or communication from BSE related to said script.*

h) *Noticee 7 contended that the present SCN is issued after an extraordinary long period of more than 5 years from the execution of clients' orders, in its normal course of stock broking services. However, no specific reasons have been mentioned for the extraordinary and unexplained delay of more than 5 years. Hence, there is an* *inordinate delay in initiation of proceedings by SEB] and the SCN should be disposed of at the threshold itself. In this regard, Noticee 7 relied upon the orders in the matter of Mr. Rakesh Kathotia vs. SEBI (Appeal No. 07 of 2016), Ashok Shivlal Rupani & Anr. Vs. SEBI (Appeal No. 417 of 2018), State of Gujrat vs. Patel Raghav Natha (AIR 1969 SC 1297) and H B Stockholdings (SAT appeal no. 114 of 2012).*

i) *Noticee 7 submitted that, two of its clients, namely Mr. Vijendra Kumar Jain (notice No. 9) and Rajani Dusad (notice No.8) have been alleged and put them as "Suspected Entities Group-2" and infact SCN had stated only these two only as the members of the so called "Suspected Entities Group-2". In this regard, Noticee 7 submitted that the basis of connection between these two noticees, have been alleged to have been entered in off market transactions. Whereas these two Noticees have not entered any off market transactions in GECPL as evident from concerned Noticees demat statements, and thus creation of such hypothetical group so called "Suspected Entities Group-2" doesn't hold valid.*

j) *Noticee 7 submitted that, the allegation for the violation of the Stock broker regulations have been raised against it considering that the orders on behalf the concerned Noticees/its clients have been put by it and it had not done appropriate due diligence as required under SEBI Act. In this regard, Noticee submitted that, the SCN has not taken into consideration that the order were not put by it directly on the nation wide trading platform of BSE, rather these clients' orders were put by its Sub broker/AP Mr. Anil Dusad, noticee No.10 on Bolt Id No. 287/076 allotted to noticee No.10 in the name, Mr. Anil Dusad. Thus, Noticee 7 submitted that it had only provided the trading terminal facilities at one of its registered intermediary, well in accordance with SEBI and BSE regulations, and it had no occasion to check the rationale of clients before putting orders in the system. Thus SCN had erred and it had no role or cause of action which it have been alleged to have violated.*

k) *Noticee 7 submitted that it has no connection with other co-noticees whatsoever other than the TM-client relationship and has no information or source to the operations or transactions carried out by other co-noticees and the said clients were introduced by one of its AP/Sub-broker namely, Mr. Anil Dusad. Further, it has no relation with GECPL or its employees or its promoters/management of GECPL.*

l) Noticee 7 submitted that it has not done any proprietary transaction in the said scrip

m) Noticee 7 submitted that no Broker has any access to the counter party details to cross verify that whether any transaction is a synchronized trade or not or whether there is any meeting of minds among the counter parties, unknown to respondent noticee, with any ill motive. Hence there is no lack of due diligence at our end in the light of above submission.

Noticee 8

a) Noticee 8 submitted that she was dealing in securities market through JSEL Securities Limited, Jaipur on BSE portal only and had very low trading volume and her trading is around 12-15 scrip and she trades in small quantities for making daily profits as intraday trades. She submitted that her trading pattern is to buy small quantity of shares and sell them on the same day either if there is a price increase or at market closing without considering profit or loss.

b) Noticee 8 submitted that the trades were done by her in good faith, solely for the purpose of making profit without any intention to manipulate the price of the scrip. Adittionally, she was not aware of the counterbuyer/seller since the trade was done online and it is not possible to know the counter party through terminal. Noticee 8 further submitted that, she had placed the order for a small quantity of shares (1-10 shares) merely to check the disclosed quantity of bid price/offer price and in case the small quantity of share trade gets executed, she had no option but to sell/purchase the same quantity of shares. Noticee 8 further submitted that multiple times she ordered reasonable quantity of shares (50 to 300) but the trades were executed in small quantities and in those case she was constrained to sell the same quantity of shares to close that transaction. Thus, she submitted that there was no intention to manipulate the share price and given that daily traded quantity of shares were low (500-600 shares per day), no price manipulation was there.

c) Noticee 8 submitted that she had no connection, association or relationship with the company GECPL or its promoters, directors or with the suspected group entities.

d) Noticee 8 submitted that her trades have not caused any material or significant impact on the price of GECPL.

e) *Noticee 8 submitted that she had not carried out synchronized/circular/off market trades in the scrip of GECPL.*

f) *Noticee 8 submitted that she did not received any notice/circular/alert regarding her trade and BSE and JSEL found all her trades in order and considered as valid trades.*

g) *Noticee 8 submitted that the shares of GECPL were traded by her for profit or loss as intraday trading and there was no delivery transaction in the shares of GECPL and the total profit earned during the IP was Rs. 7637.45, which is not a significant amount.*

h) *Noticee 8 submitted that she had not indulged in any price manipulation activity by way of trading at LTP variation and her trades were keyed-in within permissible price limits and impact to the price rise of GECPL was normal and not manipulative. Her trades had not caused any material or significant impact on the price of GECPL, hence it is false and incorrect to say that she had manipulated the price of the scrip of GECPL or contributed to positive LTP.*

i) *Noticee 8 submitted that she had not carried out any off-market transaction in the scrip of GECPL.*

j) *Noticee 8 submitted that she had no connection with Noticee 9, except they traded through same sub-broker Noticee 10 on BOLT at Noticee 7.*

Noticee 9

a) *Noticee 9 submitted that he is 68 years old person and trades with meagre amount of 50,000 rupees. He has to close his trades before closing of market i.e. by 03:25 Pm and sometimes he incurs losses in his trades.*

b) *Noticee 9 submitted that while placing the orders he does not know whether any unscrupulous activities or involvement of management is there in that particular scrip. He trades in the shares of the companies which are going high or low becuae he has to close his trade the same day and book profit or losses and he did the same thing in the scrip of GECPL and closed his trades on the same day.*

c) *Noticee 9 submitted that he never took delivery in the scrip of GECPL and neither there is any inflow/outflow in his demat account.*

d) *He traded in many scrips during the Investigation period and generally he trades in low volumes and many times he has to trade in single share to check disclosed shares.*

e) *Noticee 9 submitted that neither he knows anyone in GECPL nor he is connected to anyone. He has never indulged in any malpractices in the stock market.*

Noticee 10

a) Noticee 10 submitted that he is a small sub-broker with client base of not more than 25 and his clients place order on phone or personally sitting at his office.

b) Noticee 10 submitted that Noticee 8 and Noticee 9 both are his clients and dealt in securities with their own vision for making profit and he is not involved in his client trading.

c) Noticee 10 submitted that both his clients i.e. Noticee 8 and Noticee 9 were doing intraday trades in the normal routine of trading.

d) Noticee 10 submitted that he executed trades on BSE terminal on behalf of clients in good faith, solely fr the purpose of making profit without any intention to manipulate the price. Noticee 10 further submitted that his client trading volume in GECPL was in very small quantity and he is not aware of any wrongdoings.

e) Noticee 10 submitted that he had no connection, association or relationship with the company GECPL or its promoters, directors or with the suspected group entities.

f) Noticee 10 submitted that his trades have not caused any material or significant impact on the price of GECPL.

g) Noticee 10 submitted that his clients had not carried out synchronized/circular/off market trades in the scrip of GECPL.

h) Noticee 10 submitted that he did not received any notice/circular/alert regarding his trade and BSE and JSEL found all her trades in order and considered as valid trades.

i) Noticee 10 submitted that he had not indulged in any price manipulation activity by way of trading at LTP variation and his clients trades were keyed-in within permissible price limits and impact to the price rise of GECPL was normal and not manipulative. His clients trades had not caused any material or significant impact on the price of GECPL, hence it is false and incorrect to say that they had manipulated the price of the scrip of GECPL or contributed to positive LTP.

Noticee 11 & Noticee 12

a) Noticee 11 & 12 submitted that he has not indulged in any illegal activity and he used to trade in many scrips besides GECPL. Further, Noticee 11 & 12 submitted that he was just carrying out trades in GECPL only to earn some profits as his employer, Mr. Nafeez Hakeem (Nopticee 5) had invested in GECPL. Noticee 11 & 12 submitted that, he saw this as an opportunity to earn some daily income and he *used to buy GECPL in the morning and sell at a profit by the end of the day. However, if there was no movement, he used to reverse the trade either with Emerald or Onyx, the Companies through which his employer was investing in GECPL. This was being done only to avoid losses, avoid taking delivery and nothing else. There was never any intention to do circular or synchronized trades and therefore, there was no question of manipulating the price.*

b) Noticee 11 & 12 further submitted that the number of synchronized trades allegedly carried out by me are miniscule as compared to the overall synchronized trades and moreover these trades are quite negligible when compared with his overall trading volume.

CONSIDERATION OF ISSUES AND FINDINGS

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

Issue no. 1: (i) Whether Noticee 5, Noticee 11 and Noticee 12 by trading in the scrip of GECPL by artificially inflating the volume and artificially manipulating the price have violated PFUTP Regulations and Noticee 4, Noticee 5 and Noticee 6 by facilitating the trades have violated SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.;

(ii) Whether Noticee 1, Noticee 2 and Noticee 3 by trading in the scrip of GECPL by artificially inflating the volume and artificially manipulating the price and by facilitating the trades have violated have violated PFUTP Regulations and SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.;

(iii) Whether Noticee 8, Noticee 9 by trading and Noticee 10 by facilitating in the scrip of GECPL by artificially manipulating the price have violated PFUTP Regulations and Noticee 7 and Noticee 10 by facilitating in manipulating the price have violated SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.

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

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

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

Securities and Exchange Board of India Act, 1992

12A. *No person shall directly or indirectly—*

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

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

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

Securities And Exchange board Of India (Prohibition Of Fraudulent And Unfair Trade Practices Relating To Securities Market) Regulations, 2003

3. *No person shall directly or indirectly—*

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

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

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

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention

of the provisions of the Act or the rules and the regulations made there under.Schedule III

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

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves:—

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

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

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

Clauses A (1), (2), (3) and (4) of the Code of Conduct as specified in Schedule II of Regulation 9 of the SEBI (Stock Brokers and Sub Brokers) Regulations,1992

A. General.

(1) *Integrity: A stock-broker, shall maintain high standards of integrity, promptitude and fairness in the conduct of all his business.*

(2) *Exercise of due skill and care: A stock-broker shall act with due skill, care and diligence in the conduct of all his business.*

(3) *Manipulation : A stock-broker shall not indulge in manipulative, fraudulent or deceptive transactions or schemes or spread rumours with a view to distorting market equilibrium or making personal gains.*

(4) *Malpractices: A stock-broker shall not create false market either singly or inconcert with others or indulge in any act detrimental to the investors interest or whichleads to interference with the fair and smooth functioning of the market. A stockbroker shall not involve himself in excessive speculative business in the marketbeyond reasonable levels not commensurate with his financial soundness.*

Prelimnary Objections –:

i. Delay:

20. Before proceeding with the matter on merits, I would first deal with the contention of delay in issuance of the SCN which was raised by the Noticee 3, Noticee 5 and Noticee 7. In this regard, I observe from the records that the investigation and further investigation in the scrip of GECPL for period November 04, 2016 to September 20, 2017 was initiated in the first quarter of 2018. The Investigating Authority was then appointed on May 2018, which then sought the information from exchanges (regarding trade/order log), from depositories (regarding off-market data), exchanges regarding UCC data. The information sought was then provided by the respective authorities. Pursuant to the change in Investigating authority in 2019, further information was sought regarding role of brokers, bank statements etc. Further, data from Telecom service providers were sought. Pursuant to that action was approved in 2022 and the AO was appointed on May 25, 2022. As has been seen aforesaid, from the point of approval of investigation in the matter till the approval of action and appointment of AO, the time of 5 years elapsed in the investigation due to collating of data from MII's and other intermediaries. Data was also sought from other market enablers/constituents which is a time consuming process. Further, detailed examination of data was done and pursuant to which investigation report was prepared in the matter. Thereafter the SCN was issued in September 30, 2022. Considering the time taken for examination and analysis of documents from large number of entities and to complete the investigation, I do not find that there is inordinate delay in issuance of the SCN. In this regard, I am inclined to rely upon the decision of Hon'ble SAT in the matter of **Bipin R Vora vs SEBI** held that,

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

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

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

Thus, I conclude that there is no merit in the preliminary objections made by Noticees 3, 5 and 7 regarding the delay in issuance of SCN in the instant proceedings.

ii. **Connection:** Notice 1, Noticee 2, Noticee 3, Noticee 6, Noticee 7, Noticee 8, Noticee 9 and Noticee 10 raised contention regarding connection. The observations in this regard are as follows:

a) **Noticee 1:**

- He submitted that SEBI has not provided any documents as to how it is alleged that he shared mobile no. 9925068321 with Jayeshbhai Rohitbhai Kachhiya. In this regard, I note that to map out connections between entities UCC, KYC and other details are sought from MII's and other market entities. In this regard, I observe that, the client details such as addresses, name, mobile numbers are filled by clients only in their KYC forms. Further, the aforesaid UCC as received from MII's were shared as annexures to the SCN. Thus, I do not find any merit in the aforesaid submission of Noticee.
- Noticee 1 submitted that the fund transaction with Jayveersinh Chavda & Shaileshbhai Sutaria were commercial in nature, hence, no adverse inference be drawn against him in this regard. I note that, Noticee 1 has not submitted any evidence to support his submission that the fund transaction were commercial in nature.

b) **Noticee 2:**

- With respect to introduction of 4 suspected group entities to Noticee 3, Noticee 2 submitted that, he was working with Noticee 3 as a relationship manager hence, it was part of his job profile to see that the clients who approached Noticee 3 for availing its services w.r.t. broking activity of Noticee 3 are properly taken care of. In this regard, I note that, Noticee 2 by his own submission has admitted that he was the introducer for the entities as alleged in the SCN.

- Noticee 2 submitted that his fund transactions are independent, commercial in nature and totally in isolation to the transactions carried out by other entities/person in the scrip of GECPL. W.r.t. Off market transfer of shares with Natubhai Parmar, Noticee 2 submitted that the off market transfer of shares with Natubhai Parmar was purely a commercial transaction. I note that, Noticee 2 has not submitted any evidence to support his submission that the fund transaction / off-market transfers were commercial in nature.

c) **Noticee 3:**

- Noticee 3 submitted that it does not have any relationship, direct or indirect, with the GECPL, its promoters and directors. In this regard, I note that, it is nowhere alleged in the SCN that Noticee 3 was connected to any other entities apart from its clients' and sub-broker viz. Noticee 1 and Noticee 2.

d) **Noticee 6:**

- Noticee 6 submitted that he is nowhere connected to any of the suspected individuals, company or its directors in anyways except the relation of the Stock broker and the client members which we have. In this regard, I note that, it is nowhere alleged in the SCN that Noticee 6 was connected to any other entities apart from its clients' and sub-broker viz. and Ashok Shah.

e) **Noticee 7:**

- Noticee 7 submitted that it did not enter any off market transactions in the scrip of GECPL for the referred period by Mrs. Rajani Dusad and it seems that SCN has erred while levelling allegation relating to off-market transaction. Noticee 7 further submitted that only two entities have been stated as the members of "Suspected Entities Group-2" and the basis of connection between these two Noticees has been alleged to have been entered in off market transactions. Whereas the fact of the matter is that these two clients have not entered any off market transactions in

GECPL. In this regard, I note that, nowhere in the SCN it was alleged that, Noticee 8 and Noticee 9 did off-market transfer in the scrip of GECPL. From the perusal of demat statement, I find that, on April 05, 2017 Noticee 9 transferred 32 quantity of shares to Noticee 8 in the scrip of Shankara Building Products Limited. In this regard, I would like to rely upon the order of Hon'ble SAT in the matter of Dhvani Darshan Kothari vs. SEBI dated June 22, 2016, wherein it was held as follows:

".....8. In the Table set out in para 16 of the impugned order, it is recorded that the appellant-Dhvani Kothari is related to her husband Darshan Kothari. Apart from the above, nowhere in the impugned order it is stated that the appellant was connected with Bahar Paper Pvt. Ltd. or any of the entities set out in the impugned order. Fact that the appellant purchased shares of RIL from Bahar Paper Pvt. Ltd. in off market and sold the said shares on market, wherein, Bahar Paper Pvt. Ltd. happens to be the counter party, no doubt raises strong suspicion that the said trade may not be a genuine trade....."

- Noticee 7 submitted that it has no connection with other co-noticees whatsoever other than the TM-client relationship and has no information or source to the operations or transactions carried out by other co-noticees and the said clients were introduced by one of its AP/Sub-broker namely, Mr. Anil Dusad. Further, it has no relation with GECPL or its employees or its promoters/management of GECPL. I observe that, the above contention is without any merits as no allegation in this regard is made in the SCN.

f) **Noticee 8**:

- Noticee 8 submitted that she had no connection with Noticee 9, except they traded through same sub-broker Noticee 10 on BOLT at Noticee 7. In this regard, I note that on April 05, 2017 Noticee 9 transferred 32 quantity of shares to Noticee 8 in the scrip of Shankara Building Products Limited. Thus, apart from Noticee 8 and Noticee 9 being connected through same sub-broker i.e. Noticee 10, they were also connected through off-market
- Noticee 8 submitted that she had no connection, association or relationship with the company GECPL or its promoters, directors or with the suspected group entities. I note that, no such allegation is made in the SCN.

g) **Noticee 9:**

- Noticee 9 submitted that neither he knows anyone in GECPL nor he is connected to anyone. I note that, Noticee 10 was sub-broker of Noticee 9, further, Noticee 9 transferred shares in off-market to Noticee 8. Thus, I do not find merit in the said contention.

h) **Noticee 10**:

- Noticee 10 submitted that he had no connection, association or relationship with the company GECPL or its promoters, directors or with the suspected group entities. I note that, Noticee 10 and Noticee 8 are connected as both are spouse of each others and further he was a sub-broker of Noticee 9 and Noticee 7.

21. Now I shall proceed to deal with the allegations levelled against the Noticee in the SCN, the submissions made by the Noticee and record my observations/findings in the following paragraphs.

22. Before I proceed with the consideration of substantive allegations made in the SCN and the issues as aforementioned, it shall be relevant to mention price-volume analysis, Major broker and client concentration, connection among Noticees and suspected entities:

22.1. The price-volume analysis during the IP, before IP (3 months prior) and after the IP (3 months subsequent) is tabulated as below:

Period	Dates		Opening Price (volume) on first day Rs)	Closing price (volume) on last day (Rs.)	Low price(volume) during the period (Rs.)	High Price(volume) during the period (Rs.)	Avg. no. of (shares) traded daily during the period
Before Investigation period	**(01/09/2016 - 03/11/2016)**	**Price**	33.5	35	32	40.6	26457
		Vol	24493	28003	2798	101168	
During Investigation Period	**(04/11/2016 - 20/09/2017)**	**Price**	35	150.45	35	161	35431
		Vol	33205	19951	3150	182644	
After investigation period	**(21/09/2017 - 31/12/2017)**	**Price**	153	155.3	136.4	157	21868
		Vol	24342	76349	29087	52140	
		Vol	24342	76349	29087	52140	

22.2. Thus from the above table, I note that the price of the scrip in BSE moved from Rs. 35 to the high of Rs. 161 registering an increase of Rs. 126 (360%).

22.3. The Top 10 brokers in the scrip of GECPL during the IP is as below:

Buy Broker Name	Total	%age of Trd Vol	Selling Broker Name	Total	%age of Trd Vol
Marfatia Stock Broking Pvt.Ltd.	1299927	16.75	Marfatia Stock Broking Pvt.Ltd.	1299927	16.75
Beeline Broking Ltd.	789100	10.17	Beeline Broking Ltd.	789100	10.17
Kotak Securities Ltd.	744538	9.60	Kamlesh R.Shah	586956	7.56
Kamlesh R.Shah	590975	7.62	Tradebulls Securities Pvt.Ltd.	372714	4.80
Mehta Equities Ltd.	361072	4.65	Prabhudas Lilladher Pvt.Ltd.	359438	4.63
Icici Securities Ltd.	354934	4.57	Mehta Equities Ltd.	316680	4.08
Swastika Investmart Ltd.	256189	3.30	Swastika Investmart Ltd.	256189	3.30
Smc Global Securities Ltd.	214963	2.77	Pune E Stock Broking Pvt.Ltd.	213846	2.76
Canon Capital & Finance Ltd.	184096	2.37	Kotak Securities Ltd.	194962	2.51
Hdfc Securities Ltd.	176419	2.27	Canon Capital & Finance Ltd.	184096	2.37
Total	**4972213**	**64.08**	**Total**	**4573908**	**58.95**
Remaining Brokers	**2787300**	**35.92**	**Remaining Brokers**	**3185605**	**41.05**
Market Total	**7759513**	**100.0**	**Market Total**	**7759513**	**100.0**

22.4. From the above it was observed that Noticee 3, Noticee 4 and Noticee 6 were among the top 10 buy and sell brokers.

22.5. The Top 10 clients' in the scrip of GECPL during the IP is as below:

Buy Client Name	Total	% age of Trd Vol	Sell Client Name	Total	%age of Trd Vol
Syed Wajid Ali	500000	6.44	Jayveersinh Chavda	420288	5.42
Jayveersinh Chavda	420288	5.42	Emerald Corporate Advisory Private Limited	316180	4.07
Emerald Corporate Advisory Private Limited	350312	4.51	Jayeshbhai Rohitbhai Kachhiya	313328	4.04
Jayeshbhai Rohitbhai Kachhiya	313328	4.04	Ashish Shankar Pandare	252815	3.26
Vijaykumar Natubhai Kapadiya	251574	3.24	Vijaykumar Natubhai Kapadiya	251574	3.24
Sajidhusen Mahmmadali Saiyad	246228	3.17	Sajidhusen Mahmmadali Saiyad	246228	3.17
Natubhai Dhulabhai Parmar	238168	3.07	Natubhai Dhulabhai Parmar	238168	3.07
Kevalkumar Shailesbhai Sutariya	226528	2.92	Kevalkumar Shailesbhai Sutariya	226528	2.92
Ithica Fiscal Services Private Limited	192489	2.48	Ashokbhai Nanjibhai Parmar	176828	2.28

Buy Client Name	Total	% age of Trd Vol	Sell Client Name	Total	%age of Trd Vol
Ashok Sadhwani	181932	2.34	Ithica Fiscal Services Private Limited	175273	2.26
Top 10 Buy Clients	2920847	37.64	**Top 10 Sell Clients**	2617210	33.73
Remaining Clients	4838666	62.36	**Remaining Clients**	**5142303**	**66.27**
Total Traded Volume	7759513	100.00	**Total Traded Volume**	7759513	100.00

22.6. From the above details it was observed that, Noticee 1 was among top 10 buy and sell clients'.

22.7. The connection between group 1 entities is tabulated as below:

Sr. No.	PAN	Name	UCC based connection details
1	AABCE6801H	Emerald Corporate Advisory Private Limited (ECAPL)	Entities at sr.no 1 to 4 have common promoter and Director namely Mr. Nafeez Hakim and Mrs Ridhima Hakeem (Sr. no. 26 and 27) Entities at sr.no 1 to 4 and Mr. Nafeez Hakim and Mrs Ridhima Hakeem (Sr. no. 26 and 27) have same address viz 28, Great Western Building, Ist Floor, 130, Sahid Bhagat Singh Marg, Opp lion Gate, Fort, Mumbai-400023. Entities at sr. no. 1 to 4 have transferred shares of GECPL through off Market to each other. NFAPL has transferred funds to IFSPL (sr no. 2), OCSPL(sr. no. 4), Prashant Ashok Shah(sr no. 7) Parag Shah (sr no 8), Manisha Prashant Shah (sr. no. 9) and Javedbhai A. Mirza (sr no. 10) Mr. Jayesh Rawal (sr no. 5), Mr. Nafeez Hakim (sr no 26) and Mrs Ridhima Hakeem (sr. no 27) were director of Hermes Corporate Advisory Pvt Ltd. Hermes Corporate Advisory Pvt Ltd have same address as of entities at sr.no 1 to 4 and As per the Member client Agreement, Mr. Parag Shah (sr. no. 8) was authorized to deal in securities on behalf of Company IFSPL (Sr . no. 2) and NFAPL (sr. no 3). Mr. Prashant Shah was introducer for IFSPL and NFAPL. Mr. Prashant Shah and Mr. Parag Shah (sr. no. 7 & 8)) were authorized to deal in securities on behalf of Company ECAPL (Sr . no. 1) as per the Member client Agreement.
2	AABCI8965J	Ithica Fiscal Services Private Limited (IFSPL)	
3	AACCN4854A	Numisma Financial Advisors Private Limited (NFAPL)	
4	AADCR2667N	Onyx Corporate Services Private Limited (OCSPL)	

Sr. No.	PAN	Name	UCC based connection details
			Entity Parag Sevantilal Shah (no. 8) has fund transaction with sr. No. 3 (Numisma Financial Advisors Private Limited) and Sr. No 1 (ECAPL). Entity Prashant Ashok Shah (Sr. No 7) has fund transaction with company ECAPL(Sr. No. 1). Entity no. 8, 1 and 4 have common mobile no. 9820820922. Entity Manisha Prashant Shah (sr .no 9) has fund transfrer with entity NFAPL (sr no.3) Entity Javedbhai A. Mirza (sr. no. 10) has fund transfrer with entity NFAPL (sr no.3)
5	ABJPR9028F	Jayesh Rawal	Entity Jayesh Rawal (sr.no 5) is director of Generic Engineering Construction and Projects Ltd. He is also director of Hermes Corporate Advisory Pvt Ltd along with Mr. Nafeez Hakim and Mrs. Ridhima Hakeem (sr. no 26 and 27) Hermes Corporate Advisory Pvt Ltd have same address as of entities at sr.no 1 to 4. He is proprietor of CA firm J.S. Rawal & Co. As a proprietor of CA firm J. S. Rawal & co he has signed the Audited financial statements of company IFSPL(sr. No. 2) for FY2012-13 and 2013-14. He is Partner in CA Firm Sutaria Associates. As a partner of Sutaria associates, he has signed the Net worth certificate of company ECAPL(sr. no. 1) dated June 16, 2010. He is also partner in CA firm JDNG & Associates. As a partner he has signed the Audit report of promoter company Generic Engineering & construction Pvt Ltd for FY 2015-16 and As a partner of CA firm JDNG & Associates, he has signed Networth certificate of Promoter cum MD of GECPL - Mr. Manish Patel as on Sept 30, 2016. Entity is also director in Vidhi Investment Solution Pvt Ltd alongwith Ms. Chanda Rawal (sr. No. 6).

Sr. No.	PAN	Name	UCC based connection details
6	AGDPR0616C	Chanda Rawal	Entity Chanda Rawal is wife of Jayesh Rawal (sr. no. 5). Entities at sr. no 5 & 6 connected /related to each other as they have same mobile number viz.9320206161, 9833676161 and email id - rawaljayesh@gmail.com and address 1302 /03 Sunrise Point, Neptune living Point LBS Road, Bhandup West. Entity is also director in Vidhi Investment Solution Pvt Ltd alongwith Mr. Jayesh Rawal (sr. No. 5)
7	ATAPS4842B	Prashant Ashok Shah	Entity Prashant Ashok Shah (sr. No 7) has transferred shares through off market to entity Manisha Prashant Shah Sr. No. 9) on Jan 10, 2017. Entity has common address - B001,Ridhhi Palace,30 Feet Road,Bhayander with sr. no 9(Manisha Prashant Shah). Entity Prashant Ashok Shah has fund transaction with company ECAPL(Sr. No. 1). He is authorized to deal in securities on behalf of Company ECAPL (Sr . no. 1) as per the Member client Agreement. Mr. Prashant Shah and Mr. Parag Shah (sr no 8) both were working for RNZ & Co. The address of RNZ & Co is same as of entities at Sr no 1 to 4 i.e. 28, Great Western Building, Ist Floor, 130, Sahid Bhagat Singh Marg, Opp lion Gate, Fort, Mumbai-400023
8	AMCPS3226N	Parag Sevantilal Shah	Entity no. 8 , 1 and 4 have common mobile no. 9820820922. Entity Parag Sevantilal Shah (no. 8) has fund transaction with sr. No. 3 (Numisma Financial Advisors Private Limited) and Sr. No 1 (ECAPL). He is authorized to deal in securities on behalf of Company ECAPL (Sr . no. 1) as per the Member client Agreement. Mr. Prashant Shah and Mr. Parag Shah (sr no 8) both were working for RNZ & Co. The address of RNZ & Co is same as of entities at Sr no 1 to 4 i.e. 28, Great Western Building, Ist Floor, 130, Sahid Bhagat Singh Marg, Opp lion Gate, Fort, Mumbai-400023
9	BVMPS3433D	Manisha Prashant Shah	Entity Prashant Ashok Shah (sr. No 7) has transferred shares through off market to entity Manisha Prashant Shah Sr. No. 9) on Jan 10, 2017. Entity has common address - B001,Ridhhi Palace,30 Feet Road,Bhayander with sr. no 7(Prashant Shah). Entity has fund transfrer with entity NFAPL (sr no.3)
10	BKXPM2552B	Javedbhai A. Mirza	Fund transfrer with entity NFAPL (sr no.3) Off market transfer with Rahulkumar Leua (sr no. 13) and Jayeshbhai Kachhiya (sr no. 12)

Sr. No.	PAN	Name	UCC based connection details
11	AITPR2718M	Mrugesh Natwarlal Ruparel	Entity at sr. no 11 had off market transaction with entity at sr.no 10 on Sept 23, 2016 in Hemo Organic Ltd
12	BOZPK7583N	Jayeshbhai Rohitbhai Kachhiya	Off Market with Javedbhai A. Mirza (Sr. no. 10) Entities at sr.no 12 and 14 connected /related to each other as they have same mobile number viz. 9925068321
13	ALKPL2848J	Rahulkumar Manilal Leua	Entity no. 13 and Entity no.16 have common mobile no. 9173937164. Off Market with Javedbhai A. Mirza (Sr. no. 10) and Natubhai Parmar (sr no. 17)
14	DEPPK3186H	Vijaykumar Natubhai Kapadiya	Entities at sr.no 12 and 14 connected /related to each other as they have same mobile number viz. 9925068321. Entity has fund transaction with entity Jayveersinh Chavda (sr.no 15). Entity Kevalkumar Shailesbhai Sutariya (Sr.no 16) have fund transaction with entityVijaykumar Natubhai Kapadiya (sr.no 14.) - (Dena Bank a/c on Aug 4, 2017 Rs. 72000/-)
15	BIGPC7345M	Jayveersinh Chavda	Entity has fund transaction with entity Vijaykumar Natubhai Kapadiya (sr.no 14) and with Jitendrakumar Somchand Malviya (sr. no. 25)
16	GNGPS4115B	Kevalkumar Shailesbhai Sutariya	Entity at Sr.no Kevalkumar Shailesbhai Sutariya have fund transaction with entityVijaykumar Natubhai Kapadiya (sr.no 14.) - (Dena Bank a/c on Aug 4, 2017 Rs. 72000/-)
17	ALEPP6741J	Natubhai Dhulabhai Parmar	Entity has off-market transaction with Rahulkumar Manilal Leua (sr.no 13) Entity has common address with sr. No. 14(Vijaykumar Natubhai Kapadiya) B 302 Labh Apartment Near Raghuvir Society, D School Road Sahijpur Bogha, Ahmedabad
18	ALQPP8556M	Ashokbhai Nanjibhai Parmar	Entity at sr.no 18 & 19 were being introduced by Jitendrabhai Malviya (Sr no. 25)
19	CAXPP4771J	Nareshbhai Pappubhai Parmar	
20	CZXPS1601R	Sajidhusen Mahmmadali Saiyad	Entity no 20 and 21 have common mobile no. 8347837707. Entity at sr.no 20, 21 and 23 have the same address viz Azmatpura, Vadigam, Hadgud, Anand-388110, Gujarat. As per KYC documents both (sr no 20 & 21) entities were introduced by Jitendrakumar Somchand Malviya (sr. no 25)
21	CZXPS1599C	Vahidhusen Mahamadali Saiyad	
22	AETPT4247F	Taliyan Nisha	Entity at sr.no 22 have off-mkt transaction with Safiyuddin Nurmiya Saiyad (Sr . No. 23) (on Sept 1, 2016 - Hemo Organic Ltd)

Sr. No.	PAN	Name	UCC based connection details
23	BFYPS9286Q	Safiyuddin Nurmiya Saiyad	Entity at sr.no 22, 24 and 17 have off-mkt transaction with Safiyuddin Nurmiya Saiyad (Sr . No. 23) Entity at sr.no 20, 21 and 23 have the same address viz Azmatpura, Vadigam, Hadgud, Anand-388110, Gujarat
24	AWYPK6621R	Parvez Muniruddin Kazi	Fund Transfer with Mr. Jitendrakumar Malviya (sr. no. 25)
25	AGVPM1294K	Jitendra Malviya	Off Market with Natubhai parmar (sr no 17). Fund transfer with Sr. no 24 and 15. Introducer for entity 18, 19, 20 and 21.
26	ABBPH2231A	Nafeez Hakeem	Entities were common promoter and Director for the companies at sr. no 1 to 4 (namely ECAPL, IFSPL , NFAPL and OCSPL).
			Entities have same address alongwith entities at 1 to 4 viz 28, Great Western Building, Ist Floor, 130, Sahid Bhagat Singh Marg, Opp lion Gate, Fort, Mumbai-400023.
27	AELPH8894Q	Ridhima Hakeem	Both entities were also director of Hermes Corporate Advisory Pvt Ltd along with Mr. Jayesh Rawal (Sr. no. 5).

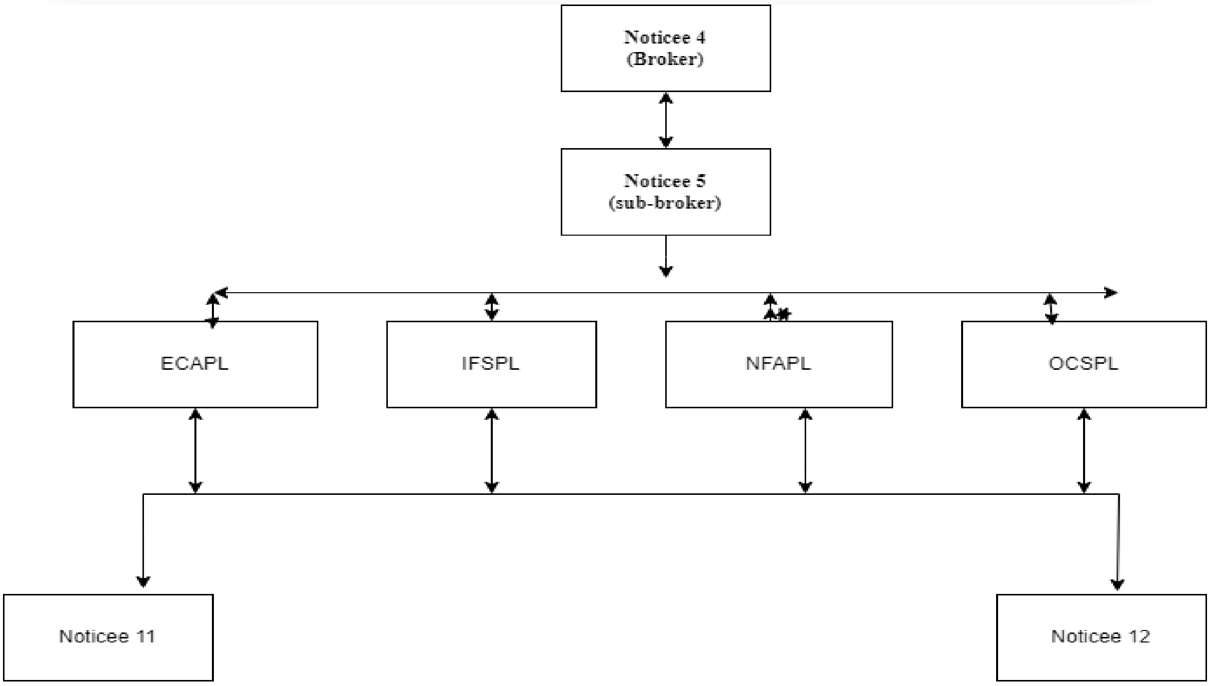
22.8. The connection between group 2 entities is tabulated below:

Sr. No.	PAN	Name	Basis of Connection
1	AGBPJ0509J	VIJENDRA KUMAR JAIN	Off Market with each other
2	AENPD5129E	RAJANI A. DUSAD	

Issue no. 1: (i) Whether Noticee 5, Noticee 11 and Noticee 12 by trading in the scrip of GECPL by artificially inflating the volume and artificially manipulating the price have violated PFUTP Regulations and Noticee 4, Noticee 5 and Noticee 6 by facilitating the trades have violated SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.;

23. Before moving forward, the connection as has been observed between brokers, sub-broker, its employees and clients is pictographed as under:

Diagram of connection between Noticee 4, Noticee 5, Noticee 11 and Noticee 12



24. From the aforesaid diagram, I note that, Noticee 4 was a Stock Broker, and Noticee 5 was its sub-broker and dealer. Noticee 11 and Noticee 12 were employees of Noticee 5.

25. Noticee 5 was common promoter and director of ECAPL, IFSPL, NFAPL and OCSPL and also had common address with the companies ECAPL, IFSPL, NFAPL and OCSPL. I also note that, Noticee 5 was making off-market transfers of shares of GECPL within his companies. Further, he was also connected to the Jayesh rawal who was director in GECPL. Further, Noticee 5 was the person who used to handle the day to day operations of the above four companies. The trades for these four companies were directed by Noticee 5 to his employees Noticee 11 and Noticee 12, who were authorized to place such trades. It was alleged that Noticee 5 was involved in manipulation of Price and Volume in the scrip of GECPL during IP through synchronized trades, reversal and circular trades and was alleged to have violated Section 12 A (a), (b), (c) of the SEBI Act, Regulation 3 (a), (b), (c), (d), Regulation 4(1) and 4(2)(a), 4(2)(e), 4(2)(g) of the PFUTP Regulations and Clause (1), (2), (3) and (4) of the Code of Conduct as specified in Schedule II under Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992. The above 4 companies were alleged to be part of group 1 entities and further it was alleged that the 4 companies had traded significantly in the scrip of GECPL and were involved in manipulation of price and volume in the scrip of GECPL. The trade placed and shares bought and sold for the said 4 companies viz. ECAPL, IFSPL, NFAPL and OCSPL are as follows:

Sr. No.	Company Name	Gross Buy	Gross Sale	Net Trade	Gross Buy % to total Mkt vol.	Gross Sell % to total Mkt vol.
1	Emerald Corporate Advisory Private Limited	350312	316180	34132	4.52	4.08
2	Ithica Fiscal Services Private Limited	192489	175273	17216	2.48	2.26
3	Numisma Financial Advisors Private Limited	139411	152108	-12697	1.80	1.96
4	Onyx Corporate Services Private Limited	53539	48049	5490	0.69	0.62
Total Total		**735751**	**691610**	**44141**	**9.49**	**8.92**
Market Total		7759513	7759513	7759513	**100.00**	**100.00**

From the aforesaid data, I observe that the contribution to the trading in the scrip of GECPL of the four companies amounted to 8.92% to the total sell volume and 9.49% to the total buy volume.

26. It was alleged that the trades placed of the four companies were fraudulent and manipulative such as Synchronized trades, Circular trades and First trades and their trades contributed positively to LTP. The details of the trades are as below

Synchronized trades of ECAPL, IFSPL, NFAPL and OCSPL:

Buy Client Name	Sell Client Name	No. of Trades	Sum of Sync Qty.	% of Sync Vol. to Mkt. Vol.
EMERALD CORPORATE ADVISORY PRIVATE LIMITED	JAVEDBHAI ASHRAFBHAI MIRZA	1	28	0.00
	JAYESHBHAI ROHITBHAI KACHHIYA	1	1	0.00
	MANISHA PRASHANT SHAH	19	4412	0.06
	NATUBHAI DHULABHAI PARMAR	4	502	0.01
	PARAG SEVANTILAL SHAH	36	11367	0.15
	PRASHANT ASHOKKUMAR SHAH	72	21073	0.27
	VAHIDHUSEN MAHAMADALI SAIYAD	1	2	0.00
	VIJAYKUMAR NATUBHAI KAPADIYA	4	3528	0.05
EMERALD CORPORATE ADVISORY PRIVATE LIMITED Total		**138**	**40913**	**0.53**
ITHICA FISCAL SERVICES PRIVATE LIMITED	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	2	108	0.00
	MANISHA PRASHANT SHAH	1	1000	0.01
	VAHIDHUSEN MAHAMADALI SAIYAD	1	10	0.00
ITHICA FISCAL SERVICES PRIVATE LIMITED Total		**4**	**1118**	**0.01**
NUMISMA FINANCIAL ADVISORS PRIVATE LIMITED	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	1	500	0.01
	JAVEDBHAI ASHRAFBHAI MIRZA	1	257	0.00
	KEVALKUMAR SHAILESBHAI SUTARIYA	1	25	0.00
	MANISHA PRASHANT SHAH	1	10	0.00
	PRASHANT ASHOKKUMAR SHAH	1	1500	0.02
NUMISMA FINANCIAL ADVISORS PRIVATE LIMITED Total		**5**	**2292**	**0.03**

Buy Client Name	Sell Client Name	No. of Trades	Sum of Sync Qty.	% of Sync Vol. to Mkt. Vol.
ONYX CORPORATE SERVICES PRIVATE LIMITED	MANISHA PRASHANT SHAH	3	2400	0.03
	PARAG SEVANTILAL SHAH	1	500	0.01
ONYX CORPORATE SERVICES PRIVATE LIMITED Total		**4**	**2900**	**0.04**
Grand Total		**151**	**47223**	**0.61**

It is observed from the above table that 151 trades placed for the four companies were synchronized, i.e. the quantity, price were exactly the same for both buyer and seller and further such trades were executed within 1 minute.

Circular trades of ECAPL, IFSPL, NFAPL and OCSPL:

Name	PANNO	Circular Trade Quantity	Circular Trade Instances	% of Circular trade to total trade on circular days
EMERALD CORPORATE ADVISORY PRIVATE LIMITED	AABCE6801H	2450	2	0.03%
NUMISMA FINANCIAL ADVISORS PRIVATE LIMITED	AACCN4854A	1800	1	0.03%
Total		4250	3	0.06%

First trades of ECAPL, IFSPL, NFAPL and OCSPL:

Buy Client	Sum of LTP diff. (INR)	Sum of LTP % diff.	No. of First Trades	Traded Qty.	No. of first trades where CPs from the connected entities
Emerald Corporate Advisory Private	-9.15	-9.49	37	1082	1
Ithica Fiscal Services Private Limited	9.50	8.05	5	462	1
Numisma Financial Advisors Private	3.60	2.97	4	101	0
Total	**3.95**	1.53	**46**	**1645**	**2**
Market total	**159.90**	**100.00**	**219**	**103035**	**97**

It is observed that total trades executed during the IP, i.e. November 04, 2016 to September 20, 2017 was 28273 trades and out of the total trades executed 151 trades were the synchronized trades by the four companies of Noticee 5 and the volume contributed by synchronized trades is 0.61%, the contribution from circular trades was 0.06%. Further out of total of 219 first trades contribution towards first trades by four companies' were 46 trades. From the submission made by Noticee 5, I observe that the trades of the above four companies was placed by Noticee 11 and 12 as per the instructions and directions of Noticee 5. Though I find connection with Noticee 5 with the four companies and Noticee

11 and 12, I observe that the contribution of synchronized, circular and first details as enumerated above as compared to the total market volume is very miniscule and not substantial to establish any manipulative pattern to artificially influence the volume in the scrip of GECPL. I find no cogent evidence to establish manipulative trading as alleged. Hence in view of the same I conclude that the allegation against and Noticee 5 for violation of Regulation 4(2) (g) does not stand established.

I would now deal with the allegation of price manipulation by Noticee 5. It has been alleged that Noticee 5 placed orders higher than the LTP for the trades of his four companies and thus influenced the price of the scrip. The analysis of LTP is given as follows:

The contribution to the difference of LTP is as follows:

Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of Posiitive LTP to Total Market positive LTP
	Sum of LTP diff	Sum of Quantity	No of trades	Sum of LTP diff	QTY traded	No of trades	Sum of LTP diff	QTY traded	No of trades	QTY traded	No of trades	
EMERALD CORPORATE ADVISORY PRIVATE LIMITED	109.65	350312	3054	763.45	55235	684	-653.80	123368	1587	171709	783	20.99
NUMISMA FINANCIAL ADVISORS PRIVATE LIMITED	28.10	139411	695	154.60	14910	145	-126.50	25125	255	99376	295	4.25
ITHICA FISCAL SERVICES PRIVATE LIMITED	-13.25	192489	1195	212.80	24353	242	-226.05	41227	401	126909	552	5.85
ONYX CORPORATE SERVICES PRIVATE LIMITED	-39.80	53539	200	12.05	4250	14	-51.85	15175	111	34114	75	0.33
Total	84.7	735751	5144	1142.9	98748	1085	-1058.2	204895	2354	432108	1705	31.42
Market Total	115.80	7759513	28273	3637.90	1755356	5816	-3522.10	1993176	6782	4010981	15675	100.00

As has been observed the scrip of GECPL increased from Rs. 35 to the high of Rs. 161 registering an increase of Rs. 126 in the price of the scrip from November 04, 2016 to September 20, 2017, and the four companies alone contributed 31.42% to the total market positive LTP during this period.

27. Noticee 5, vide his reply to the SCN dated …… submitted as follows:

"....He had invested in the scrip of GECPL and since he was residing in Dubai, all the purchase and sales transactions were handled by his staff namely, Mr. Prashant A. Shah,

the Noticee No. 11 in this SCN along with Mr. Parag Shah, the Noticee No. 12 in this SCN. They were responsible for all day-to-day transactions in the scrip of GECPL carried out in all the Companies namely, M/s Emerald Corporate Advisory Private Limited, M/s Ithica Fiscal Services Private Limited, M/s Numisma Financial Advisors Private Limited, M/s Onyx Corporate Services Private Limited and M/s Hermes Corporate Advisory Private Limited. He used to give them general trading instructions depending upon availability of funds every day in the morning e.g., purchase "x" quantity of GECPL or sell "y" quantity of GECPL on that day and he also used to give them a price range within which they had to do the trades as directed. At the end of the day, they used to send me a report of the final trades done on that day, say e.g., purchased/sold "x" quantity of GECPL @ so and so rate. He was not aware of the threadbare details of all the trades carried out by them. He was only verifying whether they had followed my overall directions by maintaining the price-range I had given them in the morning. Therefore, although he was aware of overall trades carried out by them, he was not aware of the nitty-gritty of the transactions undertaken by them."

I note from Noticee 5's own submissions that instructions regarding placement of trades by ECAPL, IFSPL, NFAPL and OCSPL in the scrip of GECPL was given by him only.

I further find that, Noticee 5 through his companies had contributed 31.42% to the total market positive LTP. The counterparties to such trades were connected entities such as Noticee 11, Noticee 12, Manisha Prashant Shah. Few instances of trading of Notice 5 of buy trades through his companies, wherein Noticee 11, Noticee 12, Manisha Prashant shah and the 4 companies (directly connected entities) acted as counterparties and the buy trades were placed higher than the counterparty sell orders and above the prevailing Last traded Price are as given below:

Trade_Date	**Clientname**	**Cp_Clientname**	**Order_Time**	**Cp_Order_Time**	**Trade_Time**	**Trade_Rate**	**Ltp_Rate**	**Ltp_Percent**	**Order_Rate**	**Cp_Order_Rate**	**Diff***
27/01/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	MANISHA PRASHANT SHAH	15:09:28.343033	15:09:30.743280	15:09:30.74328	95.5	3.5	3.8	95.5	92.05	3.45
04/09/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	PRASHANT ASHOKKUMAR SHAH	14:56:18.916227	14:56:12.380445	14:56:18.916227	139.05	0.05	0.04	141	139.05	1.95
20/03/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	PRASHANT ASHOKKUMAR SHAH	15:29:12.959035	15:29:07.573817	15:29:12.959035	115	1.35	1.19	116	115	1
04/09/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	PARAG SEVANTILAL SHAH	14:56:02.470386	14:55:57.396098	14:56:02.470386	139	0.5	0.36	140	139	1

Trade_Date	Clientname	Cp_Clientname	Order_Time	Cp_Order_Time	Trade_Time	Trade_Rate	Ltp_Rate	Ltp_Percent	Order_Rate	Cp_Order_Rate	Diff*
31/07/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	PRASHANT ASHOKKUMAR SHAH	15:11:47.715315	15:02:43.014483	15:11:47.715315	129.65	2.65	2.09	129.65	129	0.65
14/12/2016	ITHICA FISCAL SERVICES PRIVATE LIMITED	MANISHA PRASHANT SHAH	11:24:20.586698	09:24:00.218992	11:24:20.586698	62.95	0.3	0.48	63	62.45	0.55
31/03/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	PRASHANT ASHOKKUMAR SHAH	15:01:07.175314	14:46:28.184579	15:01:07.175314	117.45	0.05	0.04	118	117.45	0.55
21/03/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	PRASHANT ASHOKKUMAR SHAH	15:15:46.868676	15:14:57.948909	15:15:46.868676	116.5	0.5	0.43	117	116.5	0.5
27/02/2017	ITHICA FISCAL SERVICES PRIVATE LIMITED	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	11:02:12.709785	10:27:17.953472	11:02:12.709785	117.5	0.25	0.21	118	117.5	0.5
23/05/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	PRASHANT ASHOKKUMAR SHAH	15:22:19.755010	15:16:19.098883	15:22:19.75501	113.45	0.45	0.4	113.45	113	0.45
14/12/2016	ITHICA FISCAL SERVICES PRIVATE LIMITED	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	11:24:20.586698	09:03:33.138828	11:24:20.586698	62.65	0.65	1.05	63	62.65	0.35
25/05/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	PARAG SEVANTILAL SHAH	15:06:37.012987	15:02:53.259653	15:06:37.012987	116	1.5	1.31	116.35	116	0.35
24/08/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	MANISHA PRASHANT SHAH	15:26:26.169698	15:26:24.552581	15:26:26.169698	129.5	1.45	1.13	129.75	129.5	0.25
21/03/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	PRASHANT ASHOKKUMAR SHAH	15:15:46.868676	15:14:47.246570	15:15:46.868676	116.75	0.25	0.21	117	116.75	0.25
29/08/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	MANISHA PRASHANT SHAH	15:21:07.192417	15:20:55.674479	15:21:07.192417	132.75	0.75	0.57	133	132.8	0.2
09/03/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	PARAG SEVANTILAL SHAH	15:11:48.435492	14:48:15.924549	15:11:48.435492	113.65	0.65	0.58	113.85	113.65	0.2
27/02/2017	ITHICA FISCAL SERVICES PRIVATE LIMITED	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	11:02:12.709785	10:27:40.661946	11:02:12.709785	117.85	0.35	0.3	118	117.85	0.15
11/09/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	PRASHANT ASHOKKUMAR SHAH	12:57:47.999844	12:57:13.063624	12:57:47.999844	151.4	0.05	0.03	151.5	151.4	0.1
17/07/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	PRASHANT ASHOKKUMAR SHAH	15:29:33.451948	15:29:31.673923	15:29:33.451948	132.75	2.2	1.69	132.8	132.75	0.05
18/07/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	PRASHANT ASHOKKUMAR SHAH	15:21:00.382977	15:20:58.065193	15:21:00.382977	132.95	1.05	0.8	133	132.95	0.05
12/04/2017	ONYX CORPORATE SERVICES PRIVATE LIMITED	PRASHANT ASHOKKUMAR SHAH	10:15:08.065500	10:12:00.734840	10:15:08.0655	116.95	2.1	1.83	117	116.95	0.05
30/05/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	PARAG SEVANTILAL SHAH	15:25:52.316523	15:25:50.113071	15:25:52.316523	113.7	1.7	1.52	113.75	113.7	0.05
10/04/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	PRASHANT ASHOKKUMAR SHAH	15:25:08.915593	15:23:54.388544	15:25:08.915593	117.95	0.95	0.81	118	117.95	0.05
09/03/2017	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	PARAG SEVANTILAL SHAH	15:11:48.435492	15:11:08.139258	15:11:48.435492	113.8	0.05	0.04	113.85	113.8	0.05

*Difference between Order price and Counter party order price is hereinafter referred to as "**Diff**"

From the above table it can be observed that out of 24 instances enumerated above, wherein the buy orders were higher than the price of sell orders and further the counterparties were directly connected entities, in 22 instances the sell orders were placed before and pursuant to placing sell orders, buy orders were placed at a price higher than sell orders and were thus matched.

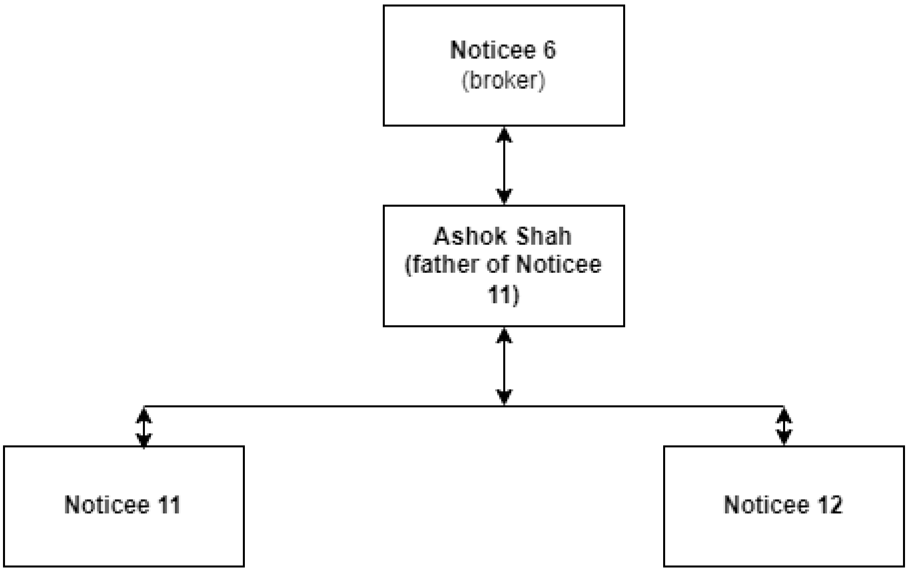
Taking into account the contribution to LTP by Noticee 5 and the attending circumstances and also taking account the rule of preponderance of probabilities as expounded by Hon'ble Apex Court in the matter of Kanaiyalal Baldevbhai Patel vs Sebi (Civil Appeal No. 2595 of 2013) dated September 20, 2017, I find that the trades placed by Noticee 5 were not in normal course. The price of the scrip during this period went up from Rs. 35 to the high of Rs. 161 and Noticee 5 contributed to Rs. 84.7 from net buy trades through his four companies. Admittedly Noticee 5 was giving direction to his employees to place orders at a price range for which he has not substantiated why he was placing orders at a price higher and since the trades of the four companies were placed on the direction of Noticee 5, I find that Noticee 5 acted as price contributor in the scrip of GECPL. ECAPL, IFSPL, NFAPL and OCSPL, by their trades in the scrip of GECPL contributed to positive difference in LTP by employing fraudulent practices and manipulative devices which operated as a scheme to created false and misleading appearance of trading in the scrip of GECPL. Thus, I find that Noticee 5 was placing trades through his companies and was engaged in an act which operated as fraud.

28. Thus, I find Noticee 5 has violated Section 12 A (a), (b), (c) of the SEBI Act and Regulation 3 (a), (b), (c), (d), Regulation 4(1), 4(2)(a) and 4(2)(e) of the PFUTP Regulations. Further Noticee 5 as sub-broker by indulging in the above acts have not exercised due are and diligence and violated Clause (1), (2), (3) and (4) of the Code of Conduct as specified in Schedule II under Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 of SEBI (Stock Brokers and Sub Brokers) Regulations, 1992.

29. I further note that Noticee 5 used to place orders though the terminal no 213 which belonged to Noticee 4. Noticee 4 as a broker is responsible for all acts of omission and commissions of its sub-broker. Thus Noticee 4 failed to exercise due skill, care and diligence and not maintained high standard of integrity, promptitude, fairness in the conduct of its business as a stock broker and thus violated Clause (1) and (2) of the Code of Conduct as specified in Schedule II under Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.

30. Further, I note that Noticee 11 and Noticee 12 apart from placing trades for Noticee 5's companies, placed their trades on their own account through their father Ashok Shah, who was sub-broker of Noticee 6. It has been alleged that Noticee 11 and Noticee 12 executed synchronized and circular trades and manipulated volume of the scrip. Thereby they were alleged to have violated Section 12 A (a), (b), (c) of the SEBI Act, Regulation 3 (a), (b), (c), (d), Regulation 4(1) and 4(2)(a) and 4(2)(g) of the PFUTP Regulations. Further, Noticee 6 by being broker of Noticee 11 and Noticee 12 and sub broker Ashok Shah was alleged to have violated Clause (1) and (2) of the Code of Conduct as specified in Schedule II under Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992. The connection between Noticee 6, Ashok Shah, Noticee 11 and Noticee 12 is as below:

Diagram of connection between Noticee 6, Noticee 11 and Noticee 12



31. From the above diagram, I note that, Noticee 6 was a broker, wherein father of Noticee 11 (Ashok Shah) was a sub-broker. The trades of Noticee 11 and Noticee 12 were placed through Noticee 6.

32. I note that, Noticee 11 and 12 in their capacity as authorized person of companies of Noticee 5 and being employees of the companies of Noticee 5, Noticee 11 and Noticee 12 had information regarding trades placed by Noticee 5.

33. The details of trades placed by Noticee 11 and Noticee 12 is as follows:

Sr. No.	Client Name (Group 1)	Gross Buy	Gross Sale	Net Trade	Gross Buy % to total Mkt vol.	Gross Sell % to total Mkt vol.
1	Prashant Ashokkumar Shah	136651	135651	1000	1.76	1.75
2	Parag Sevantilal Shah	42234	42234	0	0.54	0.54
Market Total		7759513	7759513	7759513	**100.00**	**100.00**

34. Further it was alleged that the trades placed by Noticee 11 and Noticee 12 also involved fraudulent and manipulative devices such as Synchronized trades, Circular trades and they by their trades contributed to the LTP. The data regarding Synchronized trades, Circular trades and trades contributed negatively to the LTP detals is tabulated below:

Synchronised trades placed by Noticee 11 and Noticee 12

Buy Client Name	Sell Client Name	No. of Trades	Sum of Sync Qty.	% of Sync Vol. to Mkt. Vol.
PARAG SEVANTILAL SHAH	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	13	4583	0.06
	ONYX CORPORATE SERVICES PRIVATE LIMITED	2	500	0.01
PARAG SEVANTILAL SHAH Total		**15**	**5083**	**0.07**
PRASHANT ASHOKKUMAR SHAH	EMERALD CORPORATE ADVISORY PRIVATE LIMITED	41	12876	0.17
	ITHICA FISCAL SERVICES PRIVATE LIMITED	3	1148	0.01
	ONYX CORPORATE SERVICES PRIVATE LIMITED	2	666	0.01
	SAJIDHUSEN MAHMMADALI SAIYAD	1	1	0.00
PRASHANT ASHOKKUMAR SHAH Total		**47**	**14691**	**0.19**

It is observed from the above table that 62 trades placed by Noticee 11 and Noticee 12 were synchronized, i.e. the quantity, price were exactly the same for both buyer and seller and further such trades were executed within 1 minute.

Circular trades placed by Noticee 11

Name	PANNO	Circular Trade Quantity	Circular Trade Instances	% of Circular trade to total trade on circular days
PRASHANT ASHOKKUMAR SHAH	ATAPS4842B	650	1	0.01%

It is observed that total trades executed during the IP, i.e. November 04, 2016 to September 20, 2017 was 28273 trades and out of the total trades executed 62 were the synchronized trades by Noticee 11 and Noticee 12 and the volume contributed by synchronized trades is 0.26% , the contribution from circular trades was 0.01%.

The contribution to the difference of LTP is as follows:

Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of Posiitive LTP to Total Market positive LTP
	Sum of LTP diff	Sum of Quantity	No of trades	Sum of LTP diff	QTY traded	No of trades	Sum of LTP diff	QTY traded	No of trades	QTY traded	No of trades	
PARAG SEVANTILAL SHAH	-13.60	42234	161	12.15	5711	23	-25.75	8888	35	27635	103	0.33
PRASHANT ASHOKKUMAR SHAH	-55.05	136651	449	23.05	18033	64	-78.10	28652	92	89966	293	0.63
Market Total	115.80	7759513	28273	3637.90	1755356	5816	-3522.10	1993176	6782	4010981	15675	100.00

35. Further, Noticee 11 and and Noticee 12 to their replies to the SCN had submitted as follows:

*"….I was just carrying out trades in GECPL only to earn some profits as our employer, Mr. Nafeez Hakeem (Noticee No. 5 in this SCN) had invested heavily in GECPL. I saw this as an opportunity to earn some daily income. I used to buy GECPL in the morning and sell at a profit by the end of the day. However, if there was no movement**, I used to reverse the trade either with Emerald or Onyx, the Companies through which our employer was investing in GECPL.** This was being done only to avoid losses, avoid taking delivery and nothing else. There was never any intention to do circular or synchronized trades and therefore, there was no question of manipulating the price. It may not be out of place to point out that the number of synchronized trades allegedly carried out by me are miniscule as compared to the overall synchronized trades listed by your good selves and moreover these trades are quite negligible when compared with my overall trading volume. "*

36. Noticee 11 and Noticee 12 vide their aforesaid replies submitted that they used to carry out the trades in order to earn some profits.

37. I observe that Noticee 11 vide his email dated July 30, 2021, inter-alia submitted as follows:

> *"He is connected with four suspected group 1 entities viz. 1. Emerald Corporate Advisory Private Limited, 2. Onyx Corporate Services Private Limited, 3. Ithica Fiscal Services Private Limited and 4. Numisma Financial Advisors Private Limited. He draws salary from these entities. He and his colleague, Parag Sevantilal Shah used to place trades on their behalf in various trading accounts held with BSE Brokers."*

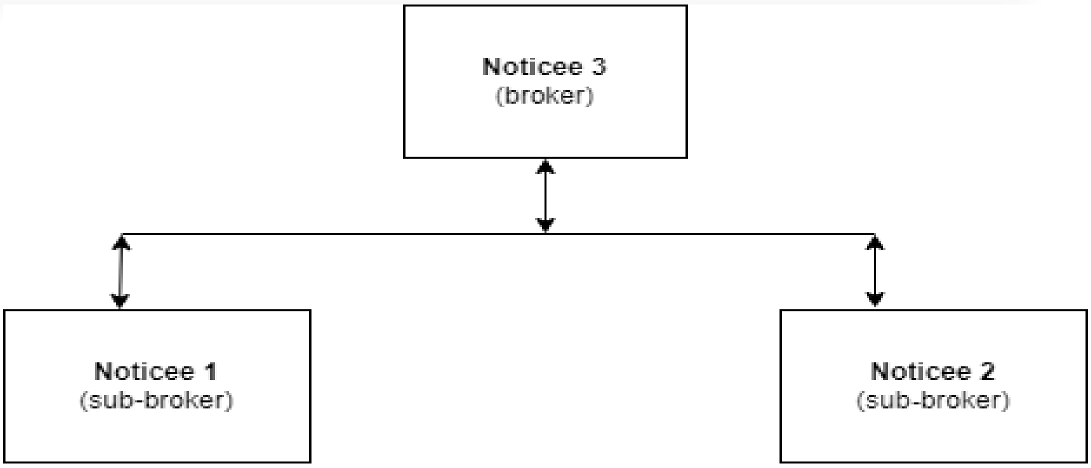
38. Further, I note that, Mr. Ashok Babulal Shah who was dealer of Noticee 6 was also father of Noticee 11. Mr. Ashok Babulal Shah vide an email dated July 28, 2021 had inter-alia submitted that the dealing with the broker i.e. Noticee 6 is being carried out by Noticee 11 and Noticee 11 had registered him as dealer of Noticee 6 and he is not aware of the transactions being carried out. I further note thatterminal 901 of broker Noticee 6 was same as address of Noticee 11. Also, Noticee 11 had same mobile numbers as that of companies of Noticee 5.

From the trades as detailed above of Noticee 11 and 12, I find that the contribution for synchronized and circular trades accounted for 0.26% and 0.01% respectively which is very miniscule to form any manipulative pattern and create artificial volume.

In view of the above I do not observe any violation of Section 12 A (a), (b), (c) of the SEBI Act and Regulation 3 (a), (b), (c), (d), Regulation 4(1) and 4(2)(a), 4(2)(g) of the PFUTP Regulations by Noticee 11 and 12. Consequently allegation against Noticee 6 of violating Clause (1) and (2) of the Code of Conduct as specified in Schedule II under Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 does not stand established.

Issue 1: (ii) Whether Noticee 1, Noticee 2 and Noticee 3 by trading in the scrip of GECPL by artificially inflating the volume and artificially manipulating the price and by facilitating the trades have violated PFUTP Regulations and SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.;

Diagram of connection between Noticee 1, Noticee 2 and Noticee 3



39. I observe that Noticee 3 was a broker and Noticee 1 and Noticee 2 were its sub-brokers. I observe that Noticee 3 was top buy broker with 16.75% contribution to market volume and top sell broker with 16.75% contribution to market volume.

It was alleged in the SCN that out of the 18 entities who have traded through broker Noticee 3, during the investigation period in the scrip GECPL, 13 were part of the suspected group 1 and those 13 entities had bought and sold 1206766 shares (respectively) i.e. 92.83% of trading of Noticee 3 as a broker in the scrip GECPL. It has been alleged that Noticee 3 by executing synchronized trades have violated Section 12 A (a), (b), (c) of the SEBI Act, Regulation 3 (a), (b), (c), (d), Regulation 4(1) and 4(2)(a), 4(2)(e), 4(2)(g) of the PFUTP Regulations and Clause (1), (2), (3) and (4) of the Code of Conduct as specified in Schedule II under Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.

Details of trading through broker Noticee 3 by clients is tabulated below:

Broker Marfatia	Buy	Sell
Other entities/ clients (5 entities)	93161	93161
Suspected entities Group 1 (13 entities)	1206766	1206766
Total	1299927	1299927

40. Further it was alleged that, approximately 34.27% of the total trades of the 13 clients of the Noticee 3 were synchronized trades which were reversed among 13 clients of Noticee 3(wherein counterparty were clients' of Noticee 3). The details of which is as below:

Particulars	Buy	Sell
Broker Marfatia for buyer as well as seller client	445557	445557
Other entities	0	0
Suspected Entities of Group 1	445557	445557
Synchronized Trades	100%	100%

41. While the trades of Noticee 3 for its connected clients were synchronized i.e. the quantity, price were exactly the same for both buyer and seller and further such trades were executed within 1 minute, I observe that such trades when compared to the market volume accounts for 5.74%. I am of the view that such % of synchronized trades is minuscule to influence the volume of the scrip. There are no substantive or cogent evidence to establish that the Noticee 3 played a role in influencing the volume of the scrip as alleged. In the matter of Ketan Parekh vs SEBI (Appeal No. 2 of 2004 decided on July 14, 2006) and Subhkam Securities Private Limited vs. SEBI (Appeal No. 73 of 2012 decided on July 25, 2012), Hon'ble SAT held that synchronized trade per se is not illegal. Further in Ketan Parekh vs SEBI (supra), Hon'ble SAT held as *"..... A synchronized transaction will, however, be illegal or violative of the Regulations if it is executed with a view to manipulate the market or if it results in circular trading or is dubious in nature and is executed with a view to avoid regulatory detection or does not involve change of beneficial ownership or is executed to create false volumes resulting in upsetting the market equilibrium."*

    I observe that the trades of the Noticee 3 does not bring in any manipulative intent and also there are no cogent evidence to substantiate the alleged manipulation.

42. In view of the above I conclude that the allegation against Noticee 3 for violation of Section 12 A (a), (b), (c) of the SEBI Act, Regulation 3 (a), (b), (c), (d), Regulation 4(1) and 4(2)(a), 4(2)(e), 4(2)(g) of the PFUTP Regulations and Clause (1), (2), (3) and (4) of the Code of Conduct as specified in Schedule II under Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 does not stand established. Consequently, the allegation against Noticee 1 and 2 (employees) of Noticee 3 for violation of Section 12 A (a), (b), (c) of the SEBI Act, Regulation 3 (a), (b), (c), (d), Regulation 4(1) and 4(2)(a), 4(2)(e), 4(2)(g) of the PFUTP Regulations and Clause (1), (2), (3) and (4) of the Code of Conduct as specified in Schedule II under Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992, for assisting Noticee 3 also does not stand established.

43. It was also alleged that Noticee 1 not only placed trades on behalf of clients' of Noticee 3, but he himself traded in the scrip of GECPL and thus has violated Regulation 3 (a), (b), (c), (d), Regulation 4(1) and 4(2)(a), 4(2)(e) and 4(2)(g) of the PFUTP Regulations and Clause (1), (2), (3) and (4) of the Code of Conduct as specified in Schedule II under Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.

44. The trading details of Noticee 1 is as placed below:

Buy Client Name	Total	% age of Trd Vol	Sell Client Name	Total	%age of Trd Vol
Vijaykumar Natubhai Kapadiya	251574	3.24	Vijaykumar Natubhai Kapadiya	251574	3.24
Total Traded Volume	7759513	100.00	**Total Traded Volume**	7759513	100.00

45. Further it was alleged that the trades placed by Noticee 1 involved fraudulent and manipulative trading such as Synchronized trades, Circular trades and first trades. The details are as below:

Synchronised trades placed by Noticee 1:

Buy Client Name	Sell Client Name	No. of Trades	Sum of Sync Qty.	% of Sync Vol. to Mkt. Vol.
VIJAYKUMAR NATUBHAI KAPADIYA	JAYESHBHAI ROHITBHAI KACHHIYA	118	33295	0.43
	JAYVEERSINH MAHENDRASINH CHAVDA	31	9146	0.12
	MRUGESH NATWARLAL RUPAREL	12	5632	0.07
	NATUBHAI DHULABHAI PARMAR	279	85054	1.10
	RAHULKUMAR MANILAL LEUA	20	9025	0.12
	SAJIDHUSEN MAHMMADALI SAIYAD	151	44269	0.57
	TALIYAN NISHA	194	62593	0.81
VIJAYKUMAR NATUBHAI KAPADIYA Total		**805**	**249014**	**3.21**

It is observed from the above table that 805 trades placed by Noticee 1 was synchronized, i.e. the quantity, price were exactly the same for both buyer and seller and further such trades were executed within 1 minute.

Circular trades placed by Noticee 1:

Name	PANNO	Circular Trade Quantity	Circular Trade Instances	% of Circular trade to total trade on circular days
VIJAYKUMAR NATUBHAI KAPADIYA	DEPPK3186H	143742	100	2.01%

First trades placed by Noticee 1:

Buy Client	Sum of LTP diff. (INR)	Sum of LTP % diff.	No. of First Trades	Traded Qty.	No. of first trades where CPs from the connected entities
Vijaykumar Natubhai Kapadiya	2.40	4.11	8	7527	7
Market total	**159.90**	**100.00**	**219**	**103035**	**97**

It is observed that total trades executed during the IP, i.e. November 04, 2016 to September 20, 2017 was 28273 trades and out of the total trades executed 805 were the synchronized trades by Noticee 1 and the volume contributed by synchronized trades is 3.21%, and the contribution from circular trades executed on 49 days was 2.01%. Further, Noticee 1 also placed 8 first trades out of 219 total market first trades. I am of the view that such % of synchronized & circular trades of Noticee 1 is minuscule to influence the volume of the scrip.

LTP contribution by Noticee 1

Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of Posiitive LTP to Total Market positive LTP
	Sum of LTP diff	Sum of Quantity	No of trades	Sum of LTP diff	QTY traded	No of trades	Sum of LTP diff	QTY traded	No of trades	QTY traded	No of trades	
VIJAYKUMAR NATUBHAI KAPADIYA	-17.40	251574	821	34.35	60696	97	-51.75	87462	119	103416	605	0.94
Market Total	115.80	7759513	28273	3637.90	1755356	5816	-3522.10	1993176	6782	4010981	15675	100.00

46. As can be seen from above, the LTP contribution by Noticee 1 to the total market positive LTP is 0.94% which is very miniscule and Noticee 1 by his trades contributed net -17.40 to the total market LTP. Thus, the allegation of price influence by Noticee 1 is not substantiated.

47. Thus, I find that the aforesaid trades by Noticees 1 were not in violation of Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a)(b)(c)(d), 4(1), 4 (2) (a), 4 (2) (e) and 4 (2) (g) of PFUTP Regulations. In this regard, reliance is placed on the order of Hon'ble SAT in the matter of **KSL & Industries Ltd. Vs. SEBI** (Appeal No. 9/2003), wherein it was held:

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

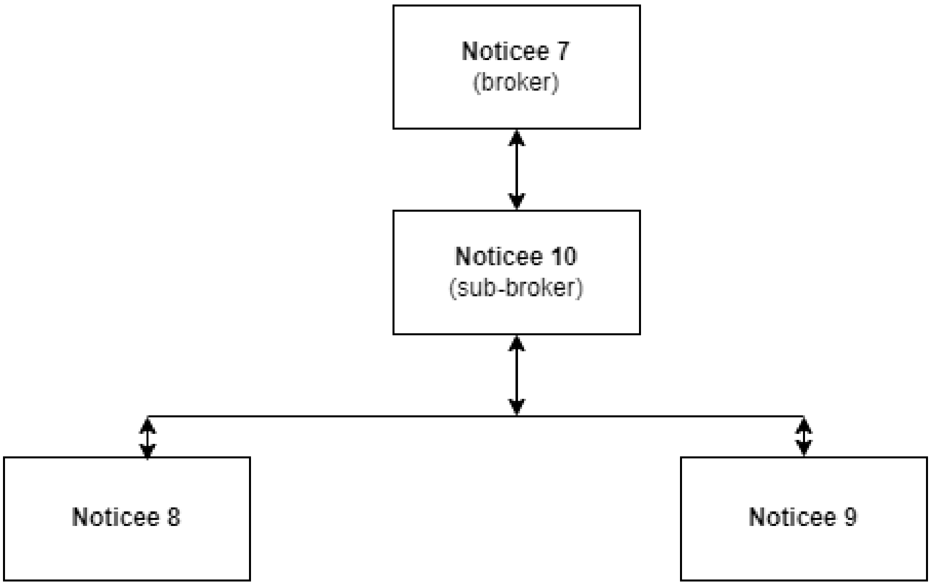
Reliance is also made on a decision of the **Supreme Court in SEBI Vs Kanhaiya Lal Baldevbhai Patel and others** (2017) 15 SCC 1. The Supreme Court in the said decision held that ‚fraud' is one which has the effect of inducing another in dealing in securities.

48. Since the allegation of fraud and manipulation against the Noticee 1 and Noticee 2 is not proved, I note that the charge of failing to exercise due care and skill also falls.

49. Thus, I do not find Noticee 1 and Noticee 2 to be violative of Clause (1), (2), (3) and (4) of the Code of Conduct as specified in Schedule II under Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.

Issue 1: (iii) Whether Noticee 8, Noticee 9 by trading and Noticee 10 by facilitating in the scrip of GECPL by artificially manipulating the price have violated PFUTP Regulations and Noticee 7 and Noticee 10 by facilitating in manipulating the price have violated SEBI (Stock Brokers and Sub-brokers) Regulations, 1992;

Diagram of connection between Noticee 7, Noticee 8, Noticee 9 and Noticee 10



50. I observe that Noticee 10 was the sub-broker of broker Noticee 7 and it was alleged in the SCN that Noticee 10 had placed the trades as a dealer of Noticee 7 on behalf of clients, Noticee 8 and Noticee 9. It has been alleged that Noticee 8 and Noticee 9 had contributed to price and thus were alleged to have violated Section 12 A (a), (b), (c) of the SEBI Act, Regulation 3 (a), (b), (c), (d), Regulation 4(1) and 4(2)(a) and 4(2)(e) of the PFUTP Regulations.

51. I also note that Noticee 8 is wife of Noticee 10 and Noticee 8 had off-market transactions with Noticee 9, thus, the connection of the Noticee 8, Noticee 9 and Noticee 10 is established. The trading details of Noticee 8 and Noticee 9 are as placed below:

Sr. No.	Client Name (Group 2)	Gross Buy	Gross Sale	Net Trade	Gross Buy % to total Mkt vol.	Gross Sell % to total Mkt vol.
1	RAJANI DUSAD	25604	25604	0	0.33	0.33
2	VIJENDRA KUMAR JAIN	16329	16329	0	0.21	0.21
	Total	**41933**	**41933**	**0**	**0.54**	**0.54**

52. It was also alleged in the SCN that Noticee 8 and Noticee 9, both were among top 3 LTP contributors during the IP in the scrip of GECPL. The details of top 10 LTP contributors to LTP contribution and contribution by Noticee 8 and Noticee 9 is placed below:

LTP contribution of Top 10 entities during the investigation period

Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of positive LTP to Total Market positive LTP
	Sum of LTP diff	Sum of Quantity	No of trades	Sum of LTP diff	QTY traded	No of trades	Sum of LTP diff	QTY traded	No of trades	QTY traded	No of trades	
RAJANI DUSAD	244.20	25604	814	354.30	7092	415	-110.10	7283	134	11229	265	9.74
EMERALD CORPORATE ADVISORY PRIVATE LIMITED	109.65	350312	3054	763.45	55235	684	-653.80	123368	1587	171709	783	20.99
VIJENDRA KUMAR JAIN	37.65	16329	561	197.85	2705	203	-160.20	6488	127	7136	231	5.44
DINESH SHAH	35.10	26027	107	48.00	8685	41	-12.90	4937	27	12405	39	1.32
AVINASH C KAPUR	29.75	95397	312	53.10	35220	54	-23.35	36481	51	23696	207	1.46
NUMISMA FINANCIAL ADVISORS PRIVATE LIMITED	28.10	139411	695	154.60	14910	145	-126.50	25125	255	99376	295	4.25
SHRIPAL SHESHMAL HUF	26.55	828	17	28.65	260	12	-2.10	270	2	298	3	0.79
ANKUR TUKARAM MAYEKAR	25.30	5263	62	32.10	1608	17	-6.80	1620	11	2035	34	0.88
KEVALKUMAR SHAILESBHAI SUTARIYA	21.05	226528	711	26.70	104884	157	-5.65	17701	34	103943	520	0.73
VAIBHAV S PANDYA	20.35	6700	30	20.70	5101	20	-0.35	100	1	1499	9	0.57
Total	**577.70**	**892399**	**6363**	**1679.45**	**235700**	**1748**	**-1101.75**	**223373**	**2229**	**433326**	**2386**	**46.17**
Market Total	**115.80**	**7759513**	**28273**	**3637.90**	**1755356**	**5816**	**-3522.10**	**1993176**	**6782**	**4010981**	**15675**	**100.00**

LTP contribution of Noticee 8 and Noticee 9 during the investigation period

Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of positive LTP to Total Market positive LTP
	Sum of LTP diff	Sum of Quantity	No of trades	Sum of LTP diff	QTY traded	No of trades	Sum of LTP diff	QTY traded	No of trades	QTY traded	No of trades	
RAJANI DUSAD	244.20	25604	814	354.30	7092	415	-110.10	7283	134	11229	265	9.74
VIJENDRA KUMAR JAIN	37.65	16329	561	197.85	2705	203	-160.20	6488	127	7136	231	5.44
Market Total	**115.80**	**7759513**	**28273**	**3637.90**	**1755356**	**5816**	**-3522.10**	**1993176**	**6782**	**4010981**	**15675**	**100.00**

53. From the above table it is observed that, Noticee 8 and notice 9 individually were top 3 contributors to the total market positive LTP. The cumulative contribution by Noticee 8 and Noticee 9 was 15.18% to the total market positive LTP. It is pertinent to mention that Noticee 8 and Noticee 9 are connected.

54. It was observed that in 618 positive LTP trades, Noticee 8 and Noticee 9 contributed Rs.552.15 to positive LTP (15.18% of total market positive LTP). The said contribution of Noticee 8 and Noticee 9 to the market positive LTP was done in the following ways:

  i. In 25 instances, Noticee 8 and Noticee 9 repeatedly placed buy orders at a price higher than LTP, before sellers placed the sell orders. The LTP contributed through such trades was Rs 8.90 i.e. 0.24% of the market positive LTP.

  ii. In 593 instances, Noticee 8 and Noticee 9 repeatedly placed buy orders to match the already existing sell orders (with order rate higher than LTP and negligible quantity of 1-10 shares in many instances). The LTP contributed through such trades was Rs 543.25 i.e. 14.93 % of the market positive LTP.

  iii. Details of buy order quantity (less than 10 shares) for 618 positive LTP trades by Noticee 8 and Noticee 9 is tabulated below:

Buyer Name	No. of trades (LTP >0)	when buy order qty was of 1 share only		Positive LTP Contribution when buy order qty was between 2-10 shares		Positive LTP Contribution when buy order qty were more than 10 shares		Total Positive LTP contribution (Rs.)	% of positive LTP to Total Market positive LTP
		Positive LTP contribution	No. of trades	Positive LTP contribution	No. of trades	Positive LTP contribution	No. of trades		
Noticee 8 and Noticee 9	618	313.20	251	162.5	196	76.45	171	552.15	15.18

From the above table it was observed that in 447 trades the quantity of orders placed by the Noticee 8 and Noticee 9 was less than 10 shares. Through these 447 trades, Noticee 8 and Noticee 9 contributed Rs 475.70 i.e 13.08% to market positive LTP. I find that the Noticee 8 and Noticee 9 repeatedly placed orders of negligible quantity either at higher prices or matched the price with order rate higher than LTP, thereby increasing the price of the scrip and creating positive LTP. Further, by these small trades, Noticee 8 and Noticee 9 were instrumental in establishing a price higher than the last traded price and thus contributed to increase in the scrip price with most of such trades. In this regard, I would like to rely upon the order of Hon'ble SAT in the matter of **Adamina traders Pvt. Ltd. Vs. SEBI** (A. No. 479_2022)

"....7. We have given due consideration on this aspect of the matter and we find that in the order of this Tribunal dated 15.12.2021, this Tribunal held:-

"8. It was contended that out of 6519 trades only 554 trades were found to the positive LTP and, therefore, these figures indicates that there was no intention on the part of the appellant to manipulate the price since the remaining trades were either negative LTP or zero LTP. Further, there was a huge difference between the buy time and the sell time and consequently the LTP in 176 trades was very negligible which cannot lead to a conclusion that the appellant indulged in manipulation of price. We are unable to accept this argument as we find from the trading pattern of the appellant that on most occasions the appellant was placing buy orders of miniscule quantity ranging from 1 to 10 shares above LTP though large orders were pending in the system. The WTM has categorically found that out of 176 trades, in a large numbers trades, only one share was purchased. These miniscule trades of one share per day led to increase price of the scrip by Rs. 50.23 which amounted to Rs. 26.34% of the total market positive LTP."

8. In view of the aforesaid, we find that the pattern of trading, namely, placing buy orders in small quantities had led to an increase in the price of the scrip which was fraudulent and was also manipulation of the price of scrip which is clearly violative of Regulations 3 and 4 of the PFUTP Regulations. ..."

55. Thus, I find that Noticee 8 and Noticee 9 have violated Section 12 A (a), (b), (c) of the SEBI Act, Regulation 3 (a), (b), (c), (d), Regulation 4(1), 4(2)(a) and 4(2)(e) of the PFUTP Regulations.

56. Further, it was alleged that Noticee 10 was the sub-broker of broker Noticee 7 and it was observed that Noticee 10 had placed the trades as a dealer of Noticee 7 on behalf of Noticee 8 and Noticee 9 and he was actively involved in the price manipulation and creating artificial volume in the scrip GECPL. Thus he was alleged to have violated clause (1) (3) and (4) of Code of Conduct as specified in Schedule II under regulation 9(f) of SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 and Section 12 A (a), (b), (c) of SEBI Act

1992, Regulation 3 (a), (b), (c), (d), Regulation 4(1) and 4 (2)(a), (2)(e), (2)(g) of PFUTP regulations.

57. Coupled with the fact that Noticee 10 was husband of Noticee 8 and similarity in the trading pattern of Noticee 8 and Noticee 9 and further connection between Noticee 8 and Noticee 9 through off-market trades, I find that Noticee 10 was instrumental in the fraudulent trades of Noticee 8 and Noticee 9 in the scrip of GECPL by placing miniscule trade with the prices far off than LTP and thereby aided in manipulated the price of the scrip.

58. Thus the acts of Noticee 10 who is connected to Noticee 8 and Noticee 9 is in violation of Section 12 A (a), (b), (c) of the SEBI Act and Regulation 3 (a), (b), (c), (d), Regulation 4(1), 4(2)(a) and 4(2)(e) of the PFUTP Regulations.

59. With respect to allegation of Regulation 4(2)(g) against Noticee 10, I note that the contribution to the buy and sell volume of the Noticee 8 and Noticee 9 was very miniscule i.e. 0.54% of the gross buy and sell as compared to the total market volume and not substantial to establish any manipulative pattern to artificially influence the volume in the scrip of GECPL. I find no cogent evidence to establish manipulative trading as alleged. Hence in view of the same I conclude that the allegation against and Noticee 10 for violation of Regulation 4(2) (g) does not stand established.

60. Further, the above acts of Noticee 10, who is a sub-broker, is found to be violative of Clause (1), (3) and (4) of the Code of Conduct as specified in Schedule II under Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992. Noticee 7 being the broker of Noticee 10 is responsible for the acts of Noticee 10 and is thus found to be violative of Clause (1) and (2) of the Code of Conduct as specified in Schedule II under Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.

Issue No. II: If yes, whether the failure, on the part of the Noticees would attract monetary penalty under Section 15HA and 15HB of the SEBI Act, 1992?

61. As has been established in foregoing paragraphs that, Noticee 5, Noticee 7, Noticee 8, Noticee 9 and Noticee 10 have violated PFUTP Regulations, 2003 and Noticee 4, Noticee

5, Noticee 7 and Noticee 10 have violated SEBI (Stock Brokers and Sub-brokers) Regulations. The Hon'ble Supreme Court of India in the matter of **SEBI vs. Shri Ram Mutual Fund** *interalia* held "once *the violation of statutory regulations is established, imposition of penalty becomes sine qua non of violation and the intention of parties committing such violation becomes totally irrelevant. Once the contravention is established then the penalty is to follow."*

62. I am convinced that it is a fit case for imposition of monetary penalty for Noticee 5, Noticee 8, Noticee 9 and Noticee 10 under the provisions of Section 15 HA and for Noticee 4, Noticee 5, Noticee 7, and Noticee 10 under the provisions of Section 15 HB of the SEBI Act which reads as under:

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.

Penalty for contravention where no separate penalty has been provided.

15HB. Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.

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?

63. While determining the quantum of penalty under Section 15HA and Section 15HB of SEBI Act, it is important to consider the factors as stipulated in Section 15J of the SEBI Act which reads as under:

15J. *While adjudging quantum of penalty under [15-I or section 11 or section 11B, the Board or 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.

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

64. I find that the investigation did not bring out the disproportionate gain or unfair advantages to the Noticee 4, Noticee 5, Noticee 7, Noticee 8, Noticee 9 and Noticee 10 and loss caused to investors as a result of the manipulation of price in the scrip of GECPL. However, in the present matter, I note that by executing manipulative trades and carrying out trades with the connected parties Noticee 5, Noticee 8 and Noticee 9 contributed to increase in the price of the scrip. Noticee 5, Noticee 8 and Noticee 9 through their trades and Noticee 10 by facilitating trades have thus violated the provisions of PFUTP regulations as described in the foregoing paragraphs. Further, Noticee 4, Noticee 5, Noticee 7 and Noticee 10 due to trades of their clients/companies are found to have violated SEBI (Stock Brokers and Sub-brokers) Regulations. Such acts of the aforementioned Noticees are against the integrity of the market which leads to loss of trust of the investors.

ORDER

65. Having considered the facts and circumstances of the case, the material available on record, the factors mentioned in Section 15J of the SEBI Act, taking note of Section 15HA and 15HB of the SEBI Act and also taking into account judgement of the Hon’ble Supreme Court in **SEBI vs. Bhavesh Pabari**(2019) 5 SCC 90 and in exercise of power conferred upon me under section 15-I of the SEBI Act, 1992 read with rule 5 of the Adjudication Rules, 1995, I hereby impose following penalty under section 15HA and section 15HB of the SEBI Act, 1992 on the Noticees:

Sr. No.	Name of the Noticee	Provisions Violated	Penalty Imposed	
1.	**Noticee 4**	• Clause (1) and (2) of the Code of Conduct as specified in Schedule II under Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.	**15HB**	**Rs. 3,00,000 (Rupees Three Lakhs Only)**
2.	**Noticee 5**	• Section 12 A (a), (b), (c) of the SEBI Act, Regulation 3 (a), (b), (c), (d), Regulation 4(1) and 4(2)(a), 4(2)(e) of the PFUTP Regulations.	**15HA**	**Rs. 7,00,000 (Rupees Seven Lakhs Only)**
		• Clause (1), (2), (3) and (4) of the Code of Conduct as specified in Schedule II under Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.	**15HB**	**Rs. 3,00,000 (Rupees Three Lakhs Only)**
3.	**Noticee 7**	• Clause (1) and (2) of the Code of Conduct as specified in Schedule II under Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.	**15HB**	**Rs. 3,00,000 (Rupees Three Lakhs Only)**
4.	**Noticee 8**	• Section 12 A (a), (b), (c) of the SEBI Act, Regulation 3 (a), (b), (c), (d), Regulation 4(1) and 4(2)(a) and 4(2)(e)of the PFUTP Regulations.	**15HA**	**Rs. 7,00,000 (Rupees Seven Lakhs Only)**
5.	**Noticee 9**	• Section 12 A (a), (b), (c) of the SEBI Act, Regulation 3 (a), (b), (c), (d), Regulation 4(1) and 4(2)(a) and 4(2)(e)of the PFUTP Regulations.	**15HA**	**Rs. 7,00,000 (Rupees Seven Lakhs Only)**
6.	**Noticee 10**	• Section 12 A (a), (b), (c) of the SEBI Act, Regulation 3 (a), (b), (c), (d), Regulation 4(1) and 4(2)(a), 4(2)(e) of the PFUTP Regulations.	**15HA**	**Rs. 7,00,000 (Rupees Seven Lakhs Only)**
		• Clause (1), (2), (3) and (4) of the Code of Conduct as specified in Schedule II under Regulation 9(f) of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992.	**15HB**	**Rs. 3,00,000 (Rupees Three Lakhs Only)**

66. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link:

ENFORCEMENT □ Orders □ Orders of AO □ PAY NOW

67. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings under section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.

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

Date: May 31, 2023 **BARNALI MUKHERJEE**

Place: Mumbai **ADJUDICATING OFFICER**