

SECURITIES AND EXCHANGE BOARD OF INDIA
FINAL ORDER

UNDER SECTIONS 11(1), 11(4), 11(4A), 11B(1), 11B(2) AND 15I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 4 OF THE SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995.

S.No.	Noticee No.	Name of Noticees	PAN
1.	2.	Mr. Minal Bharat Patel	AACPP5126G
2.	3.	M/s. Pasha Finance Private Limited	AAACP8316P
3.	4.	Mr. Ruchit Bharat Patel	ANDPP9202F
4.	5.	M/s. Pat Financial Consultant Private Limited	AAACP3115E

(The aforesaid entities are hereinafter referred to as by their respective noticee numbers and collectively as "Noticee no. 2 to 5")

**In respect of synchronized trading in the matter of Asian Granito India Ltd.
(SAT remanded)**

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") issued a show cause notice dated December 02, 2019 and supplementary show cause notice dated August 5, 2020 (hereinafter both the show cause notices collectively referred to as "**SCN**") to 6 entities, namely, Mr. Bharat J Patel, Mr. Minal Bharat Patel, M/s. Pasha Finance Private Limited, Mr. Ruchit Bharat Patel, M/s. Pat Financial Consultant Private Limited and M/s. Hridaynath Consultancy Pvt. Ltd. (hereinafter collectively referred to as "**the Noticees**")
2. Upon conclusion of the proceedings initiated vide the SCN, SEBI had passed a Final Order dated October 20, 2021 (hereinafter referred to as "**Final Order**"), bearing order no. WTM/AB/IVD/ID5/13727/2021-22, against 5 entities. The

proceedings against Mr. Bharat Jayantilal Patel (Noticee no. 1 to the SCN) were abated owing to his death and the proceedings were accordingly disposed of vide the Final Order.

3. The Final Order against the 5 entities was passed in respect of synchronized trading by the Noticees to the SCN in the scrip of Asian Granito India Ltd. (hereinafter referred to as “**AGIL**”). The Final Order had held that the said 5 entities have violated the provisions of Regulations 3(a) and 4(1) read with 4(2)(a) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as “**SEBI (PFUTP) Regulations, 2003**”). For the aforesaid violations, Noticee no. 2 to 6 to the SCN were each imposed with a monetary penalty of 10 Lakh rupees and were also prohibited from buying, selling or otherwise dealing in securities in any manner, for a period of one year.
4. Being aggrieved by the Final Order, the 4 entities against whom the Final Order was passed, i.e. Noticee no. 2 to 5 to the SCN preferred an appeal before Securities Appellate Tribunal, Mumbai (hereinafter referred to as “**Hon’ble SAT**”), impugning the Final Order, *inter alia* on the ground of delay in the issuance of the SCN and not being able to avail adequate opportunity of personal hearing. Vide its order dated March 20, 2023 in Appeal no. 691 of 2021, Hon’ble SAT, set aside the impugned Final Order *qua* the appellants i.e. the Noticee no. 2 to 5 and remitted the matter to SEBI for fresh consideration. The relevant excerpt of the said order is below,

“3. Though many grounds have been raised regarding delay in the issuance of the show cause notice and the fact that the matter is squarely covered by other decisions of the WTM on the same or similar issues we, however find from a perusal of the impugned order that March 23, 2021 was fixed for physical hearing on which date the appellants did not appear due to the ongoing Corona Virus Pandemic. The WTM accordingly closed the hearing and delivered the judgment after seven months on October 20, 2021.

4. In the meanwhile, the appellants filed an application dated April 07, 2021 seeking another opportunity of personal hearing and justifying their non-appearance on account of the COVID Pandemic. We have also been informed that in the meanwhile one of the noticees Shri Bharat Patel became unwell and died in hospital on May 29, 2021 after been hospitalized on April 25, 2021.

5. *It is a known fact that the second wave of COVID had started in January 2021 which continued for a couple of months and it became difficult for parties to appear for physical hearing. Considering the aforesaid, we are of the opinion that the appellants are entitled for an opportunity of hearing and the matter should be decided on merits.*

6. *Thus, on this short ground, we set aside the impugned order and remit the matter to the WTM to decide the matter afresh. In this regard, the appellants shall appear before the WTM on April 11, 2023 on which date the WTM will hear the appellants or fix another date as per his convenience. We also direct the WTM to decide the matter within three months. The deposit made by the appellants pursuant to the interim order of this Tribunal will remain in deposit and would be subject to the result of the order passed by the WTM."*

5. In view of the above, the Final Order has been set aside and remanded *qua* Noticee no. 2 to 5 only and accordingly, the present order deals with proceedings *qua* Noticee no. 2 to 5 only.

6. In terms of the aforesaid directions of the Hon'ble SAT, the Ld. Senior Counsel representing Noticee no. 2 to 5 was heard on April 11, 2023. The Advocates representing Noticee no. 2 to 5 were provided 10 days' time to file written submissions. Accordingly, the written submissions came to be filed on April 20, 2023.

7. I note that Noticee no. 2 to 5, have raised the following contentions to the allegations in the SCN:

7.1. It is reiterated that the present case is squarely covered by the Judgment dated September 8, 2020 of the Hon'ble Tribunal in Appeal No. 154 of 2020 *{Bharat J. Patel & Ors Vs. SEBI}*, wherein the Ld. WTM's Order was set aside on the ground of the delay causing similar prejudice to the Noticees therein. It is reiterated that the Hon'ble Supreme Court has dismissed SEBI's Appeal against the said Order dated September 8, 2020.

7.2. No queries were ever raised by SEBI, or the stock exchanges about the impugned trades executed way back in 2012-14, prior to the issuance of the SCN in the year 2019.

- 7.3. While in their Reply to the SCN, the Noticees had mentioned various possible reasons for the trades, the Noticees had correctly stated that because of the inordinate delay of over 7 years in issuing the SCN, it was impossible to recollect the actual reasons, and the delay had therefore greatly prejudiced the Noticees ability to defend themselves.
- 7.4. It may also be noted that the delay is despite the fact that several of the impugned trades were bulk deals reported on the website of the stock exchange, and SEBI cannot even allege that they were not aware of these trades earlier. Yet, the SCN was issued only in December 2019 for bulk deals executed as far back as the year 2013.
- 7.5. Further, during the investigation period of the FY's 2011 - 14, the Noticees total trade turnover was almost Rs. 2066 crores (lacs of trades) in 283 scrips as aforesaid, whereas the impugned trades were for less than Rs. 11 crores. Therefore, after 7 years delay and silence, it was impossible for the Noticees to recollect the reasons for executing the said stray impugned trades.
- 7.6. It is settled law that "synchronized trades" are not per se illegal and amount to no violation and that the same depends on the "intention" of the parties for executing such trades.
- 7.7. The allegation in the SCN is that the Impugned trades created a "misleading appearance of trading", merely because the Noticees are connected, being part of the alleged Bharat Patel Group, even though it is undisputed that all the Impugned Trades were on the stock exchange platform, in accordance with the Stock Exchange mechanism and were duly settled by payment and delivery of the same to the purchasers demat accounts.
- 7.8. Promoters/ directors may often sell shares to their company and vice versa. Family members may transfer shares to each other. This is obviously not a violation of any law or regulation.

- 7.9. In fact, the Noticees had traded in the same said scrip in much larger quantities during the investigation period. The Noticees had a total of 54 trades amounting to a turnover of Rs. 26.25 crores compared to the few impugned trades having a value of just about Rs. 10.81 crores. Therefore, the Noticees also traded with several different unrelated counter parties, which facts have been totally ignored while issuing SCN.
- 7.10. In fact, the 32 impugned trades were on just 13 different dates spread across 3 years. Moreover, the same relate to only 15 orders as is evident from the fact that 10 entries each of 6.2.2014 and 10.3.2014 show the exact same buy and sell order times.
- 7.11. Therefore, there were very few trades across the entire investigation period, and the same can hardly be termed as giving a "misleading appearance of trading".
- 7.12. It is most pertinent to note that the Ld. WTM has by an order dated 30.3.2022 expressly exonerated the Noticees of the very same charges during the same investigation period, on virtually identical facts qua a similar trading pattern in the scrip of Crest Ventures Ltd.
- 7.13. It is also most pertinent to note that the Ld. WTM has also by another Order dated 13.6.2022 expressly exonerated the Noticees of the very same charges during the same investigation period, on virtually identical facts qua a similar trading pattern in the scrip of Garware Polyester Ltd.
- 7.14. Similarly, it may be noted by an Order dated 23.12.2020, the Ld. AO of SEBI had in another virtually identical case expressly exonerated the Noticees of identical charges in trading in the scrip of Super Sales India Ltd. The Ld. AO therein had held that " while the transactions are synchronised, it is nowhere evident that the transactions did not result in change of beneficial ownership as there are no reversal trades or circular trades.

7.15. It is not even alleged that the Noticees are in any manner connected to Asian Granito India Ltd., or its promoters or directors. Moreover, the SCN does not even allege any ulterior motive or even that the impugned trades affected the market.

7.16. There are also no allegations of any circular trades or reversal trades or manipulation of price or volume, or any allegations of LTP contribution.

8. On the merits of the case, I note that, SEBI's investigation had identified a group of 16 connected/ related entities (hereinafter referred to as '**Bharat Patel Group**'). Details of the "Bharat Patel Group" and the basis of connection were provided as Annexure to the SCN. The list of said 16 entities, forming Bharat Patel Group, is as under:

Table 1

S.No	Entity Name
1	Bharat Jayantilal Patel
2	Ruchit Bharat Patel
3	Minal Bharat Patel
4	Hardik Bharat Patel
5	Prashant Jayantilal Patel
6	Pankaj Jayantilal Patel
7	VanrajVinod Shah
8	Ajay kumar Banwarilal Kejriwal
9	Pat Financial Consultants Pvt. Ltd.
10	Acira Consultancy Pvt. Ltd.
11	Gandiv Investment Pvt. Ltd.
12	Hridaynath Consultancy Pvt. Ltd.
13	Pranav Holdings Pvt. Ltd.
14	Fidelity Multitrade Pvt. Ltd.
15	Moneybee Realty Pvt. Ltd.
16	Pasha Finance Pvt. Ltd.

9. I note that Noticee no. 2 to 5 have not denied/disputed the 'basis of connection' as brought out by Annexure 3 to the SCN.

10. Summary of trading by the Bharat Patel Group during the Investigation Period, as mentioned in the SCN, is tabulated as under:

Table 2

Name of Entity	BSE				NSE			
	Gross Buy	% of Gross Buy to Mkt. Vol.	Gross Sell	% of Gross Sell to Mkt. Vol.	Gross Buy	% of Gross Buy to Mkt. Vol.	Gross Sell	% of Gross Sell to Mkt. Vol.
Pasha Finance Pvt. Ltd.	893198	7.73	422098	3.65	0	0.00	471100	4.43
Hridaynath Consultancy Pvt. Ltd.	615850	5.33	837000	7.25	273659	2.57	117532	1.11
Bharat Jayantilal Patel	603000	5.22	324884	2.81	39468	0.37	1076667	10.12
Pat Financial Consultants Pvt. Ltd.	557311	4.83	860300	7.45	347194	3.26	206100	1.94
Minal Bharat Patel	275000	2.38	284975	2.47	621100	5.84	202301	1.90
Gandiv Investment Pvt. Ltd.	150000	1.30	0	0.00	0	0.00	150000	1.41
Pranav Holdings Pvt. Ltd.	150000	1.30	150000	1.30	0	0.00	0	0.00
Ruchit Bharat Patel	100000	0.87	894798	7.75	794798	7.47	0	0.00
Pankaj Jayantilal Patel	0	0.00	790000	6.84	790000	7.43	0	0.00
Total	3344359	28.96	4564055	39.51	2866219	26.94	2223700	20.90

11. It was noted from the above table that 9 entities out of total 16 entities in Bharat Patel Group have traded in the scrip of the AGIL during the investigation period at BSE and 8 out of 16 such entities have traded in the scrip at NSE.

12. Bharat Patel Group's contribution to synchronized trade during the Investigation Period, as mentioned in the SCN is as under

Table 3

Gross Buy Qty of the Group	Gross Sell Qty of the Group	Total traded qty among the Bharat Patel Group	Sync traded qty by the Bharat Patel Group	Sync Trades as % of total traded qty among the Group	Sync Trades as % of Total market volume	Sum of LTP contribution through sync trades
BSE						
3344359	4564055	2591627	2142281	82.66%	18.55%	-2.65

NSE						
2866219	2223700	1747931	846482	48.43%	7.96%	-2.90

13. The SCN has alleged that the Noticees and Gandiv Investment Pvt. Ltd. have repetitively executed synchronised trades (details mentioned at Table 4 below) for a) 21,42,281 shares (18.55% of the market volume) in 26 trades over 8 trading days at BSE and b) 8,46,482 shares (7.96% of the market volume) over 6 trades on 5 trading days at NSE during the Investigation Period and thus, created misleading appearance of trading in the scrip of AGIL. The details of synchronized trades of Noticees and Gandiv Investment carried out amongst themselves in the scrip of AGIL, is tabulated below:

Table 4

Buyer Name	Seller Name	Sync. Qty.	% of Sync. Vol. to Mkt. Vol.	No. of Trades	No of days
BSE					
Pasha Finance Pvt. Ltd	Ruchit Bharat Patel	893198	7.73	1	1
Bharat Jayantilal Patel	Hridaynath Consultancy Pvt Limited	602700	5.22	1	1
Pat Financial Consultant Pvt. Ltd	Hridaynath Consultancy Pvt Limited	232000	2.01	11	2
Pat Financial Consultant Pvt. Ltd	Bharat Jayantilal Patel	241662	1.86	11	2
Pat Financial Consultant Pvt. Ltd	Minal Bharat Patel	101999	0.88	1	1
Ruchit Bharat Patel	Bharat Jayantilal Patel	97722	0.85	1	1
Total		2142281	18.55	26	8
NSE					
Minal Patel	Pasha Finance Pvt. Ltd	470950.00	4.43	2.00	1.00
Pat Financial Consultants Pvt. Ltd	Bharat Patel	220000.00	2.07	2.00	2.00
Minal Patel	Gandiv Investment Pvt. Ltd	150000.00	1.41	1.00	1.00
Pat Financial Consultants Pvt. Ltd	Hridaynath Consultancy Private Limited	5532.00	0.05	1.00	1.00
Total		846482	7.96	6	5

14. I have perused Annexure 4 to the SCN (trade log), which contains details of alleged synchronized trades executed by the Noticees and Gandiv Investment Pvt. Ltd. The trade log as given in Annexure 4 to the SCN, is reproduced herewith:

Table 5

Date	Buyer Noticee no.	Seller Noticee no.	Buy Order Time	Sell Order Time	Buy Order(Limit Price)	Sell Order(Limit Price)	Buy Order Volume	Sell Order Volume	Time Difference
10/02/2012	5	2	12:58:27:4417320	12:58:27:7232380	46.65	46.65	102000	102000	00:00:00
14/01/2013	4	1	15:12:49:5688670	15:12:47:3341950	52.75	52.75	100000	100000	00:00:02
12/02/2013	3	4	09:17:55:2100170	09:17:56:5823880	36.6	36.6	894798	894798	00:00:01
15/03/2013	1	6	09:20:41:4648910	09:20:46:8003040	31.35	31.35	605000	605000	00:00:05

05/02/2014	5	6	10:22:32:0564370	10:22:32:8580480	30	30	112000	112000	00:00:00
06/02/2014	5	6	12:49:25:1025100	12:49:25:8149110	31	31	120000	120000	00:00:00
06/02/2014	5	6	12:49:25:1025100	12:49:25:8149110	31	31	120000	120000	00:00:00
06/02/2014	5	6	12:49:25:1025100	12:49:25:8149110	31	31	120000	120000	00:00:00
06/02/2014	5	6	12:49:25:1025100	12:49:25:8149110	31	31	120000	120000	00:00:00
06/02/2014	5	6	12:49:25:1025100	12:49:25:8149110	31	31	120000	120000	00:00:00
06/02/2014	5	6	12:49:25:1025100	12:49:25:8149110	31	31	120000	120000	00:00:00
06/02/2014	5	6	12:49:25:1025100	12:49:25:8149110	31	31	120000	120000	00:00:00
06/02/2014	5	6	12:49:25:1025100	12:49:25:8149110	31	31	120000	120000	00:00:00
06/02/2014	5	6	12:49:25:1025100	12:49:25:8149110	31	31	120000	120000	00:00:00
06/02/2014	5	6	12:49:25:1025100	12:49:25:8149110	31	31	120000	120000	00:00:00
10/03/2014	5	1	13:47:37:1427270	13:47:36:4816340	27.5	27.5	110000	110000	00:00:01
10/03/2014	5	1	13:47:37:1427270	13:47:36:4816340	27.5	27.5	110000	110000	00:00:01
10/03/2014	5	1	13:47:37:1427270	13:47:36:4816340	27.5	27.5	110000	110000	00:00:01
10/03/2014	5	1	13:47:37:1427270	13:47:36:4816340	27.5	27.5	110000	110000	00:00:01
10/03/2014	5	1	13:47:37:1427270	13:47:36:4816340	27.5	27.5	110000	110000	00:00:01
10/03/2014	5	1	13:47:37:1427270	13:47:36:4816340	27.5	27.5	110000	110000	00:00:01
10/03/2014	5	1	13:47:37:1427270	13:47:36:4816340	27.5	27.5	110000	110000	00:00:01
10/03/2014	5	1	13:47:37:1427270	13:47:36:4816340	27.5	27.5	110000	110000	00:00:01
10/03/2014	5	1	13:47:37:1427270	13:47:36:4816340	27.5	27.5	110000	110000	00:00:01
10/03/2014	5	1	13:47:37:1427270	13:47:36:4816340	27.5	27.5	110000	110000	00:00:01
11/03/2014	5	1	11:37:14:2098450	11:37:13:1492900	28.15	28.15	104662	104662	00:00:01
04/04/2013	2	Gandhiv Investment Pvt Ltd	09:24:26	09:24:27	38	38	150000	150000	00:00:01
04/04/2013	2	3	09:36:05	09:36:06	38	38	171100	171100	00:00:01
04/04/2013	2	3	11:08:56	11:08:57	39	39	300000	300000	00:00:01
05/02/2014	5	6	11:07:44	11:07:51	30.1	30.1	112000	112000	00:00:07
06/02/2014	5	6	12:52:59	12:52:59	31	31	5532	5532	00:00:00
10/03/2014	5	1	13:48:33	13:48:32	27.2	27.2	110000	110000	00:00:01
11/03/2014	5	1	11:35:20	11:35:19	28.5	28.5	110000	110000	00:00:01

15. I note that the principal allegation against Noticees is that they alongwith Gandhiv Investment Pvt. Ltd. have repetitively executed synchronised trades for a) 21,42,281 shares (18.55% of the market volume) in 26 trades over 8 trading days at BSE and b) 8,46,482 shares (7.96% of the market volume) over 6 trades on 5 trading days at NSE during the Investigation Period and thus, created misleading appearance of trading in the scrip without any intention of change in ownership of

the security. In view of the above, and on account of these trades, it is alleged in the SCN that Noticees had violated the provision of section 12A (a), (b) and (c) of SEBI Act, 1992 and Regulations 3(a), (b), (c) and (d), 4(1) and 4(2)(a) and (g) of the SEBI (PFUTP) Regulations, 2003.

16. The Noticee no. 2 to 5 have contended that the present case does not call for any directions merely on the ground of inordinate delay in the issuance of the SCN. In this regard, the following orders of the Hon'ble SAT have been relied upon by the Counsel representing Noticee no. 2 to 5 in support of his contention re: inordinate delay: 1) Dollex Capital and Finance Pvt. Ltd. & Ors. v. SEBI (Appeal no. 224 of 2022) decided by Hon'ble SAT on May 5, 2022. 2) Yatin Pandya HUF vs. SEBI (Appeal No. 719 of 2021) decided on March 24, 2022. 3) Morepen Laboratories Ltd. v. SEBI (Appeal no. 62 of 2020) decided on April 15, 2021. I note that Noticee no. 2 to 5 have also contended that synchronized trades are not per se illegal and amount to no violation and that the same depends on the intention of the parties for executing such trades.

17. From analysis of the alleged synchronized trades, the details of which have been reproduced at Table 5 above, I find that Noticee no. 1 to 6 have executed 32 trades wherein the price and quantity were exactly matching between the buy and sell orders and time difference was in the range of 0 seconds to 7 seconds. Thus, I find that Noticee no. 1 to 6 have executed 32 synchronized trades on 8 trading days out of an Investigation Period stretching over almost three years. However, I note that the frequency of the impugned trades was not high. Reference may be made to the decision of the Hon'ble SAT in Appeal no. 2 of 2004 in the matter of **Ketan Parekh v/s. SEBI**, decided on July 14, 2006, relevant extract of which is reproduced hereunder:

"20. There are yet another type of transactions which are commonly called synchronised deals. The word 'synchronise' according to the Oxford dictionary means "cause to occur at the same time; be simultaneous". A synchronised trade is one where the buyer and seller enter the quantity and price of the shares they wish to transact at substantially the same time. This could be done through the same broker (termed a cross deal) or through two different brokers. Every buy and sell order has to match before the deal can go through. This matching may take place through the stock exchange mechanism or off

market. When it matches through the stock exchange, it may or may not be a synchronised deal depending on the time when the buy and sell orders are placed. There are deals which match off market i.e., the buyer and the seller agree on the price and quantity and execute the transaction outside the market and then report the same to the exchange. These are also called negotiated transactions. Block deals (when shares of a company are traded in bulk) are an instance of trades that match off market. Such trades have always been recognised by the market and also by the Board as a regulator. It has recently issued a circular requiring all bulk deals to be transacted through the exchange even if the price and quantity are settled outside the market. When such deals go through the exchange, they are bound to synchronise. It would, therefore, follow that a synchronised trade or a trade that matches off market is per se not illegal. Merely because a trade was crossed on the floor of the stock exchange with the buyer and seller entering the price at which they intended to buy and sell respectively, the transaction does not become illegal. A synchronised transaction even on the trading screen between genuine parties who intend to transfer beneficial interest in the trading stock and who undertake the transaction only for that purpose and not for rigging the market is not illegal and cannot violate the regulations. As already observed 'synchronisation' or a negotiated deal ipso facto is not illegal. A synchronised 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. Any transaction executed with the intention to defeat the market mechanism whether negotiated or not would be illegal. Whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism will depend upon the intention of the parties which could be inferred from the attending circumstances because direct evidence in such cases may not be available. The nature of the transaction executed, the frequency with which such transactions are undertaken, the value of the transactions, whether they involve circular trading and whether there is real change of beneficial ownership, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the 35 cumulative effect of these that an inference will have to be drawn."

18. Thus, as held in the aforesaid judgement of Hon'ble SAT, synchronized trades are not ipso facto illegal. All such synchronized trades done with the intention to manipulate the price of the scrip are illegal. Whether a trade is manipulative or not is dependent on the facts of the case. I note that the impugned 32 trades were executed in 8 trading days spread over a period of three years. I find that the frequency of the impugned trades was sparse. SCN does not allege any impact on price of the scrip of AGIL due to the impugned trades. I also note that the SCN does not allege any connection between AGIL its promoters/ its directors and any of the Noticees or any *modus operandi* through which the Noticees gained any advantage due to the allegedly artificially increased volume of trading in the scrip of AGIL during the Investigation Period.

19. I note that in an Investigation Period spreading over almost three years, the impugned 32 trades of the Noticees were only on 8 unique trading days. I find that such low frequency of the trades of the Noticees, does not lead to any inference of manipulation by the Noticees through the impugned synchronized trades in the scrip of AGIL. I note that even the findings of investigation, as contained in the SCN, do not show any impact of the impugned trades on the price of the scrip of AGIL. Further, I note that Noticee no. 2 to 5 have also contended that they have done non-synchronized trades which are in excess of the alleged synchronized trades which shows that they had several other huge trades in the same scrip for which no allegations have been made against them. I also note that, during the same period, Noticees have contended that impugned trades took place during 2011-14 and considerable time has elapsed since then, because of which they are unable to put forward any explanation for the impugned trades which could have been various reasons like liquidity requirement, booking profit or loss, tax planning, availability of better alternative investment or business opportunities. Thus, trading pattern of Noticee no. 1 to 6 in the scrip of AGIL, wherein frequency of the synchronized trades was low and were dispersed over a period of three years, does not indicate a concerted and manipulative intent on the part of Noticees, to generate a false appearance of trading in the scrip. Therefore, in the facts and circumstances of the present case, I find that the impugned trades executed by the Noticees cannot be held to attract violations of Section 12A (a), (b) and (c) of SEBI Act, 1992, and Regulations 3 (a), (b), (c) and (d), 4 (1), 4 (2)(a) and (g) of SEBI (PFUTP) Regulations, 2003.

Directions

20. In view of the aforesaid findings and having regard to the facts and circumstances of the case, I, in exercise of the powers conferred upon me under Section 11(1), 11(4), and 11B(1) of SEBI Act, 1992 read with Section 19 of SEBI Act, 1992, hereby dispose of the proceedings against Noticee no. 2 to 5 without any directions.

21. This Order comes into force with immediate effect.

22. This Order shall be served on Noticee nos. 2 to 5, Recognized Stock Exchanges, Depositories and Registrar and Share Transfer Agents of mutual funds to ensure necessary compliance.

Sd/-

Date: June 19, 2023
Place: Mumbai

ANANTA BARUA
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA