BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/MC/HP/2021-22/14803-14812]

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

In respect of –

1. **Santosh Kumar Agarwal (PAN: ABHPA5568M)** having address at - H No. 301, Ratan Dham Apartment, 12/483, M C Roberts Ganj, Near Society Motors, Kanpur, Uttar Pradesh - 208001 **and**
   12 483 Chak No 12, Gvalatoli, Kanpur, Uttar Pradesh - 208001
2. **Kamta Prasad Pandey (PAN: AIPPP5293B)** having address at - 104 A/138, Ram Bagh, Kanpur, Uttar Pradesh - 208012
3. **M/s Success Vyapar Private Limited (PAN: AAKCS0190G)** having address at - 16/19-a, Civil Lines, Kanpur, Uttar Pradesh - 208001
4. **Raj Kumar Agarwal (PAN: ADNPA5935E)** having address at - 35/48 A, Chak No. 035, Bangali Mohala, Kanpur, Uttar Pradesh - 208001
5. **M/s Anant Fin Consultancy Pvt Ltd (PAN: AAHCA6049D)** having address at - 113/93 Shreedham Apartment Swaroop Nagar, Kanpur, Uttar Pradesh - 208002
6. **Rishi Kant Awasthi (PAN: ABTPA6752B)** having address at - 20/24 Patkapur Kanpur, Kanpur, Uttar Pradesh - 208001
7. **M/s Adinath Shares and Commodities Pvt Ltd (PAN: AAGCA2671L)** having address at - 32 / 47 Ghumani Bazar, Kanpur, Uttar Pradesh - 208001
8. **MHDS Stone Edge Pvt. Ltd. (formarly known as Priyanshi Securities Limited) (PAN: AADCP5478K)** having address at - 113/93, Shridham Apartment, Swaroop Nagar, Kanpur, Uttar Pradesh - 208002
9. **Rita Jain (PAN: ADLPJ0701D)** having address at - 32/47 Chawal Mandi, Kanpur, Uttar Pradesh, 208001
10. **Surendra Kumar Gupta (PAN: AAQPG0240E)** having address at - 51/40, Nayaganj, Kanpur, Uttar Pradesh - 208001

BACKGROUND

1. Securities and Exchange Board of India (hereinafter be referred to as, **'SEBI'**) initiated adjudication proceedings under Section 15HA of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as **'SEBI Act'**), against Santosh Kumar Agarwal (Noticee 1), Kamta Prasad Pandey (Noticee 2), M/s Success Vyapar Private Limited (Noticee 3), Raj Kumar Agarwal (Noticee 4), M/s Anant Fin Consultancy Pvt Ltd (Noticee 5), Rishi Kant Awasthi (Noticee 6), M/s Adinath Shares and Commodities Pvt Ltd (Noticee 7), MHDS Stone Edge Pvt. Ltd. (formarly known as Priyanshi Securities Limited) (Noticee 8), Rita Jain (Noticee 9) and Surendra Kumar Gupta (Noticee 10) for the alleged violation of Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a) and (e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as **'PFUTP Regulations'**) pursuant to investigation in the scrip of Nikki Global Finance Limited (hereinafter referred to as **'NGFL/Company/Scrip')** for the period from July 01, 2009 to May 30, 2014 (**IP/investigation period**). The Noticees 1 to 10 are collectively referred to as **'Noticees/You'.**

APPOINTMENT OF ADJUDICATING OFFICER

2. SEBI appointed Shri Jeevan Sonparote as Adjudicating Officer under Section15-I of the SEBI Act read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter be referred to as the 'Adjudication Rules'), vide an order dated May 20, 2017, to enquire into and adjudge under Section 15HA of the SEBI Act, the aforesaid alleged violations against Noticees. Subsequently, the undersigned was appointed as Adjudicating Officer (hereinafter referred to as "**AO**") vide an order dated December 29, 2020.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Show Cause Notice No. SEBI/HO/EAD-8/JS/DJ/OW/P/20697-1/1/2017 dated August 31, 2017 and Supplementary Show Cause Notice No. SEBI/HO/EAD-3/JS/DJ/OW/P/17087-54/1/2019 dated July 5, 2019 (hereinafter referred to as, '**SCN**' and '**SSCN'**) was issued to the Noticees in terms of Rule 4(1) of the Adjudication Rules read with Section 15-I of the SEBI Act), to show cause as to why an inquiry should not be held and penalty not be imposed against Noticees in terms of Section 15HA of SEBI Act for the aforesaid alleged violations.

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

5. **Background of the Company**:

Company was incorporated in 1986, and it is engaged in business of providing financial services and investments. The business activities of the company comprises investments, derivative trading, jobbing in securities, loans and advances, leasing, hire and purchase, and other activities. The registered address of the company is I-9, LGF, Lajpat Nagar I, New Delhi - 110024. The company is listed on BSE.

6. **Management of the Company**:

The details of the management of the company during the investigation period are as under:

Name	Designation	Date of Appointment	Date of Cessation
Shashwat Agarwal	Director	26-Mar-2007	Till date

Subodh Agarwal	Director	28-Sept-2007	Till date
Gaya Prasad Gupta	Director	28-Sept-2007	Till date
Manoj Kumar	Director	29-Sept-2012	Till date
Ashesh Agarwal	Managing Director	01-Sept-2010	Till date
Sanjay Tandon	Additional Director	17-Aug-2010	Till date
Adhir Khanna	Director	28-Sep-2007	31-Aug-2010
Govind Das Agarwal	Director	29-Sep-2012	08-May-2015

7. **Price Volume Analysis**:

During Patch 1 i.e. period from July 1, 2009 to February 28, 2012, price of the scrip opened at Rs. 7.80 and reached a high of Rs. 375 on January 30, 2012 and closed at Rs. 337.75. Hence, there was a significant rise in the price of the scrip. Average number of shares traded daily during the Patch 1 was 1,31,354 shares.

8. **Financial Results**:

Financial results of the Company during IP were as follows:

Rs. in cr

Particulars	Year Ended					
Period	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
Net Sales	0.24	0.22	7.55	5.81	4	2.13
Other Income	0	0	0	0	0	0
Total income	0.24	0.22	7.55	5.81	4	2.13
Profit after tax	0.01	0.04	0.03	0.01	0.01	-0.31

9. From the above table it was observed that the company, for FY 2010, FY 2011, FY 2012, FY 2013, and FY 2014 registered a profit of Rs.0.01 cr, Rs.0.04 cr, Rs.0.03 cr, Rs.0.01 cr and Rs.0.01 cr respectively. For FY 2015 the company registered a loss of Rs.0.31 cr.

10. It was observed that during the investigation period, 301 entities connected with each other and with the company were dealing in the scrip.

11. **Last Trade Price (LTP) Analysis**:

12. It was observed that 90 entites (including Noticees) out of the aforesaid 301 connected group entities have traded as buyers during patch 1 of the investigation period. Buy LTP analysis of aforesaid 90 entities carried for patch 1 is tabulated below:

Sl.	Entity Name	All trades			LTP > 0 (positive LTP)			LTP < 0 (negative LTP)			LTP = 0		% of +ve LTP to Mkt +ve LTP
		Sum of LTP diff	No of trades	Qty	Sum of LTP diff	No of trades	Qty	Sum of LTP diff	No of trades	Qty	No of trades	Qty	
1	Santosh Kumar Agarwal	293.55	3545	606322	545.55	594	105820	-252	295	40170	2656	460332	8.31
2	Success Vyapar Private Limited	78.05	1573	344198	151.05	166	30251	-73	96	12479	1311	301468	2.30
3	Priyanshi Securities Limited	67.21	621	164353	93.35	164	38462	-26.14	64	18647	393	107244	1.42
4	Adinath Shares And Commodities Private Limited	62.85	334	177729	71.35	72	36135	-8.50	14	6963	248	134631	1.09
5	Anant Fin Consultancy Pvt Ltd	57.65	526	265430	71.75	165	64253	-14.10	23	7884	338	193293	1.09
6	Kamta Prasad Pandey	56.95	1741	286460	339.75	327	50806	-282.80	325	40338	1089	195316	5.17
7	Raj Kumar Agarwal Agarwal	56.50	564	144289	82.10	115	29960	-25.60	42	5214	407	109115	1.25
8	Rishi Kant Awasthi	47.60	513	247168	80.90	131	63446	-33.30	50	10149	332	173573	1.23
9	Surendra Kumar Gupta	46.12	767	220347	96.91	205	55231	-50.79	128	30775	434	134341	1.48
10	Anurag Khandelwal	38.70	226	147715	45.30	85	50519	-6.60	11	7711	130	89485	0.69
11	Rajesh Agarwal	29.80	253	87676	43.40	67	27415	-13.60	19	5298	167	54963	0.66
12	Neil Industries Ltd.	28	520	219484	44.70	89	38010	-16.70	38	15943	393	165531	0.68
13	Kpk Fin Consultancy Private Limited	26.75	398	76313	40.95	63	13331	-14.20	20	3105	315	59877	0.62
14	Umesh Kumar Agarwal	25.05	183	12745	32.95	24	2026	-7.90	12	440	147	10279	0.50

Sl.	Entity Name	All trades			LTP > 0 (positive LTP)			LTP < 0 (negative LTP)			LTP = 0		% of +ve LTP to Mkt +ve LTP
		Sum of LTP diff	No of trades	Qty	Sum of LTP diff	No of trades	Qty	Sum of LTP diff	No of trades	Qty	No of trades	Qty	
15	Shubhang Exports Ltd	24	260	116572	29.05	56	25293	-5.05	15	8949	189	82330	0.44
16	Ankit Jain	22.20	196	74576	26.60	42	13690	-4.40	11	4253	143	56633	0.41
17	Kavita Awasthi	21.80	272	88407	29.85	64	20116	-8.05	36	7732	172	60559	0.45
18	Rich Udyog Network Limited	21.65	91	13464	27.10	23	2660	-5.45	6	1509	62	9295	0.41
19	Manoj Kumar Agarwal	19.35	118	19242	31.90	19	1580	-12.55	6	626	93	17036	0.49
20	Sanjai Jain Huf	17.75	262	41137	22.20	26	5526	-4.45	8	1589	228	34022	0.34
21	Sanjay Jain	16.80	420	90865	53.05	56	7859	-36.25	48	4167	316	78839	0.81
22	Rajendra Kumar Gupta	14.30	102	16111	22.25	17	1661	-7.95	15	1225	70	13225	0.34
23	Dheeraj Agarwal	11.35	200	101546	19.15	42	12832	-7.80	11	4911	147	83803	0.29
24	Sagar Net Mart P Ltd	10.30	70	51000	10.75	21	15650	-0.45	2	900	47	34450	0.16
25	Som Prakash Goenka	7.60	287	122846	14.10	42	12742	-6.50	10	3345	235	106759	0.22
26	Raghuvansh Agrofarms Ltd.	7.55	63	11095	9.30	9	253	-1.75	3	155	51	10687	0.14
27	Sonali Agarwal	6.40	171	100200	9.50	33	16665	-3.10	12	5200	126	78335	0.15
28	Scope Vyapar Pvt Ltd	5.25	101	39500	6.75	16	4456	-1.50	2	1041	83	34003	0.10
29	Taurus Data Links Pvt Ltd	4.90	80	19940	5.90	19	4061	-1	4	800	57	15079	0.09
30	Manoj Agarwal	4.55	110	9965	26.75	13	1485	-22.20	10	430	87	8050	0.41
31	Maya Gupta	4.50	33	21850	4.55	6	4816	-0.05	1	200	26	16834	0.07
32	Varsha Maheshwari	3.55	21	11145	3.55	8	3430	0	0	0	13	7715	0.05
33	Shreesh Agrawal	3.30	63	12370	7.50	8	1643	-4.20	6	1819	49	8908	0.11
34	Manish Agarwal	3.10	42	21865	3.75	13	7073	-0.65	5	1165	24	13627	0.06
35	Parag Bhargava	2.75	19	3538	3.75	3	650	-1	1	75	15	2813	0.06
36	Jeetendra Kumar Agnihotri	2.20	36	15800	3.70	2	1950	-1.50	2	700	32	13150	0.06
37	Samtal Financial System Limited	2.15	59	13000	4.85	15	3922	-2.70	5	1070	39	8008	0.07
38	Deepak Sehgal	1.90	54	17500	2.25	5	4937	-0.35	2	1999	47	10564	0.03
39	Sdl Commodities Limited	1.83	38	28650	2.95	4	3500	-1.12	6	3631	28	21519	0.05
40	Narendra Kumar Jain	1.75	19	19000	3.10	11	11700	-1.35	3	4600	5	2700	0.05

Sl.	Entity Name	All trades			LTP > 0 (positive LTP)			LTP < 0 (negative LTP)			LTP = 0		% of +ve LTP to Mkt +ve LTP
		Sum of LTP diff	No of trades	Qty	Sum of LTP diff	No of trades	Qty	Sum of LTP diff	No of trades	Qty	No of trades	Qty	
41	Ravina Exports Private Limited	1.60	5	6400	1.60	2	2890	0	0	0	3	3510	0.02
42	Anuradha Anuradha	1.15	29	21117	2.40	7	3488	-1.25	5	4900	17	12729	0.04
43	Mahalaxmi Gupta	1.15	11	8630	1.50	2	2	-0.35	6	6592	3	2036	0.02
44	Rajni Gupta	1	144	71752	3.40	22	11855	-2.40	20	11610	102	48287	0.05
45	Praveen Kumar Agnihotri	0.90	32	10150	1.65	7	3062	-0.75	3	90	22	6998	0.03
46	Manish Verma Verma	0.80	3	300	0.80	2	200	0	0	0	1	100	0.01
47	R R Synthetics & Finvest Private Limited	0.80	8	9000	0.80	5	3750	0	0	0	3	5250	0.01
48	Vardhaman Textile Company Private Limited	0.75	2	3000	0.75	2	3000	0	0	0	0	0	0.01
49	Sanmukh Vincom Private Limited	0.55	20	30000	0.55	9	13546	0	0	0	11	16454	0.01
50	Subodh Agarwal	0.45	63	43310	1.70	16	13232	-1.25	6	9650	41	20428	0.03
51	Madhu Rani Goenka	0.40	98	68800	1.65	17	11356	-1.25	8	5085	73	52359	0.03
52	Sapna Gupta	0.25	74	13410	0.25	1	500	0	0	0	73	12910	0.00
53	Vibgyor Financial Servicepvt Ltd	0.25	15	22000	0.40	8	11530	-0.15	1	2000	6	8470	0.01
54	Dinesh Chand Goel Huf	0.20	7	3000	0.20	3	650	0	0	0	4	2350	0.00
55	Neharika Gupta	0.16	215	101548	6.41	31	12960	-6.25	18	7637	166	80951	0.10
56	Sanjay Gupta	0.15	9	8650	0.25	1	2000	-0.10	1	1	7	6649	0.00
57	Surya Bhan Singh-Huf	0.10	4	300	0.10	1	10	0	0	0	3	290	0.00
58	Meeta Agrawal	0.05	11	2000	0.10	1	100	-0.05	1	110	9	1790	0.00
59	Sanjay Kumar Gupta	0.05	17	2800	0.10	1	500	-0.05	1	150	15	2150	0.00
60	Ashesh Agarwal	0	2	20	0	0	0	0	0	0	2	20	0.00
61	Meenakshi Gupta	0	9	2500	0	0	0	0	0	0	9	2500	0.00
62	Pankaj Kumar Gupta	0	18	4645	0	0	0	0	0	0	18	4645	0.00
63	Rakesh Totuka	0	3	700	0	0	0	0	0	0	3	700	0.00
64	Sanjay Kumar	0	1	1000	0	0	0	0	0	0	1	1000	0.00

Sl.	Entity Name	All trades			LTP > 0 (positive LTP)			LTP < 0 (negative LTP)			LTP = 0		% of +ve LTP to Mkt +ve LTP
		Sum of LTP diff	No of trades	Qty	Sum of LTP diff	No of trades	Qty	Sum of LTP diff	No of trades	Qty	No of trades	Qty	
65	Shrishti E Systems Private Limited	0	21	7850	0.30	3	1000	-0.30	1	1500	17	5350	0.01
66	Upinder Singh	0	12	900	0	0	0	0	0	0	12	900	0.00
67	Vasundhara Capital And Securities Limited	0	3	298	0	0	0	0	0	0	3	298	0.00
68	Bindu Pandey	0	26	15860	0.20	2	2300	-0.20	4	660	20	12900	0.00
69	Sudeep Goenka	-0.05	235	96098	18.15	46	13304	-18.20	32	12892	157	69902	0.28
70	Subodh Agarwal Huf	-0.10	8	3000	0.40	1	400	-0.50	1	100	6	2500	0.01
71	Divya Agarwal	-0.10	1	135	0	0	0	-0.10	1	135	0	0	0.00
72	Cityon Nano Technology Private Limited	-0.15	36	15900	0.60	2	1000	-0.75	4	3599	30	11301	0.01
73	Neetu Gupta	-0.15	6	10800	0	0	0	-0.15	1	2447	5	8353	0.00
74	Kirti Stocks & Securities Limited	-0.20	14	14000	0.40	7	9260	-0.60	2	35	5	4705	0.01
75	Jitendra Sharma	-0.50	20	8000	0	0	0	-0.50	2	1333	18	6667	0.00
76	Dev Shankar Pandey	-0.60	29	25382	0.05	1	500	-0.65	1	500	27	24382	0.00
77	Vandana Saini	-0.70	7	685	0.25	3	600	-0.95	2	35	2	50	0.00
78	Dinesh Kumar Soni	-0.80	16	18000	0	0	0	-0.80	3	3900	13	14100	0.00
79	Pawan Agarwal	-0.80	27	9910	0.75	4	2750	-1.55	5	1900	18	5260	0.01
80	Renu Agarwal	-1.30	196	95159	5.75	32	21306	-7.05	12	8849	152	65004	0.09
81	Amit Kumar	-1.40	30	8858	0.20	2	151	-1.60	1	100	27	8607	0.00
82	Arun Kumar	-1.75	45	6550	0	0	0	-1.75	2	400	43	6150	0.00
83	Santosh Kumar Agarwal Huf	-2.75	11	3895	0.75	1	100	-3.50	5	2110	5	1685	0.01
84	Manish Agarwal	-3.15	6	2350	0	0	0	-3.15	4	1500	2	850	0.00
85	Siddharth Gupta	-3.30	102	16200	0	0	0	-3.30	3	700	99	15500	0.00
86	Sanjay Kumar Sahu	-3.40	13	6933	0.50	1	2500	-3.90	6	1123	6	3310	0.01
87	Bansal Suppliers Private Ltd.	-5.40	86	27900	3.90	6	2950	-9.30	13	6600	67	18350	0.06
88	Ruchita Bhargava	-11.85	123	39708	10.45	18	6775	-22.30	30	6519	75	26414	0.16
89	Rita Jain	-40.90	3614	538006	519.05	477	73831	-559.95	599	57898	2538	406277	7.90
90	Surendra Kumar Agarwal	-244.15	614	43658	62.70	99	5566	-306.85	168	21222	347	16870	0.95
Group Total		844.82	21052	5532480	2773.17	3683	1034739	-1928.35	2339	451089	15030	4046652	42.23

Sl.	Entity Name	All trades			LTP > 0 (positive LTP)			LTP < 0 (negative LTP)			LTP = 0		% of +ve LTP to Mkt +ve LTP
		Sum of LTP diff	No of trades	Qty	Sum of LTP diff	No of trades	Qty	Sum of LTP diff	No of trades	Qty	No of trades	Qty	
Overall Market		326.15	45297	10726493	6569.20	8412	2258593	-6243.05	7322	1087650	29563	7380250	100

13. From the above table, it was observed that entities from Sr. No. 1 to 59 contributed to net +ve LTP, entities from Sr. No. 60 to 68 contributed to net zero LTP and entities from Sr. No. 69 to 90 contributed to net -ve LTP. The group entities contributed Rs. 2773.17 (42.23% of the market +ve LTP) to the market +ve LTP. It was also observed that the net LTP contribution by entities from Sr. No. 1 to 59 was Rs. 1168.32 whereas the net LTP contribution of the market was Rs. 326.15. Hence, the entities from Sr. No. 1 to 59 contributed positively to net LTP significantly.

14. It was observed that 109 group entities (including Noticees) traded among themselves during Patch-1 and contributed to the +ve LTP, thereby contributing to the price rise. Details of the LTP of such trades is as follows:

Sr. No.	Entity Name	+LTP trades as Buyer with group entities				+LTP trades as Seller with group entities				+LTP as Buyer and Seller (Rs.)
		+LTP (Rs.)	No of trades	Qty	% of mkt. +ve LTP	+LTP (Rs.)	No of trades	Qty	% of mkt. +ve LTP	
1	Santosh Kumar Agarwal	251.75	301	48821	3.83	118.95	129	35233	1.81	370.7
2	Kamta Prasad Pandey	134.40	122	25375	2.05	41	40	8603	0.62	175.4
3	Success Vyapar Private Limited	38.10	56	10125	0.58	0.20	3	290	0.00	38.30
4	Raj Kumar Agarwal	34.15	47	11620	0.52	6.90	5	1353	0.11	41.05
5	Anant Fin Consultancy Pvt Ltd	33.95	81	22356	0.52	4.65	18	20078	0.07	38.60
6	Sanjay Jain	32.90	28	4337	0.50	0.70	3	300	0.01	33.60
7	Anurag Khandelwal	27.60	44	11639	0.42	1	2	45	0.02	28.60
8	Rishi Kant Awasthi	22.10	33	21513	0.34	10.55	5	1630	0.16	32.65
9	Adinath Shares And Commodities Private Limited	17.05	32	25575	0.26	0.40	8	4759	0.01	17.45
10	Rajesh Agarwal	16.05	28	11287	0.24	0	0	0	0.00	16.05

Sr. No.	Entity Name	+LTP trades as Buyer with group entities				+LTP trades as Seller with group entities				+LTP as Buyer and Seller (Rs.)
		+LTP (Rs.)	No of trades	Qty	% of mkt. +ve LTP	+LTP (Rs.)	No of trades	Qty	% of mkt. +ve LTP	
11	Manoj Agarwal	14.75	7	785	0.22	0.50	2	406	0.01	15.25
12	Kpk Fin Consultancy Private Limited	14.15	30	5518	0.22	2.05	5	3450	0.03	16.20
13	Kavita Awasthi	13.50	25	10079	0.21	1.15	3	3070	0.02	14.65
14	Dheeraj Agarwal	11.40	28	9227	0.17	0.40	6	2642	0.01	11.80
15	Sanjai Jain Huf	10.45	10	3033	0.16	0	0	0	0.00	10.45
16	Neil Industries Ltd	9.50	29	17431	0.14	2.40	11	3397	0.04	11.90
17	Ankit Jain	9.35	11	3830	0.14	3.60	4	778	0.05	12.95
18	Shubhang Exports Ltd	7.70	27	13289	0.12	0.35	5	4105	0.01	8.05
19	Priyanshi Securities Limited	7.20	18	5209	0.11	2.03	5	1345	0.03	9.23
20	Raghuvansh Agrofarms Ltd	6.30	7	151	0.10	0.40	2	2645	0.01	6.70
21	Sonali Agarwal	5.30	21	7675	0.08	0.90	6	3559	0.01	6.20
22	Surendra Kumar Gupta	4.68	18	8590	0.07	11.85	31	33074	0.18	16.53
23	Umesh Kumar Agarwal	4.65	7	990	0.07	0.50	1	10	0.01	5.15
24	Manoj Kumar Agarwal	3.30	3	300	0.05	0.10	1	1000	0.00	3.40
25	Shreesh Agrawal	2.95	3	860	0.04	0.80	4	3210	0.01	3.75
26	Scope Vyapar Private Limited	2.35	7	1735	0.04	0.05	1	1920	0.00	2.40
27	Narendra Kumar Jain	2.25	8	11400	0.03	0	0	0	0.00	2.25
28	Rajendra Kumar Gupta	2.25	5	365	0.03	0.45	2	2315	0.01	2.70
29	Rich Udyog Network Limited	1.85	3	675	0.03	0	0	0	0.00	1.85
30	Som Prakash Goenka	1.75	12	3022	0.03	1.45	14	5388	0.02	3.20
31	Samtal Financial System Limited	1.60	6	2600	0.02	0.6	7	1527	0.01	2.20
32	Manish Agarwal	1.45	3	349	0.02	0.60	6	2838	0.01	2.05
33	Praveen Kumar Agnihotri	1.05	5	2627	0.02	0.05	1	370	0.00	1.10
34	Taurus Data Links Pvt Ltd	0.90	10	1568	0.01	0	0	0	0.00	0.90
35	Subodh Agarwal	0.75	7	6712	0.01	0.20	3	6000	0.00	0.95
36	Rajni Gupta	0.75	10	6027	0.01	10.10	21	8352	0.15	10.85
37	Anuradha	0.65	2	1037	0.01	2.45	5	2019	0.04	3.10
38	Madhu Rani Goenka	0.60	8	5675	0.01	10.15	15	3565	0.15	10.75
39	Varsha Maheshwari	0.45	1	500	0.01	0.05	1	500	0.00	0.50
40	Sanmukh Vincom Private Limited	0.45	7	11946	0.01	0	0	0	0.00	0.45
41	Neharika Gupta	0.40	6	2381	0.01	14.80	18	11804	0.23	15.20
42	R R Synthetics & Finvest Private Limited	0.40	4	2720	0.01	0	0	0	0.00	0.40
43	Vibgyor Financial Service pvt Ltd	0.25	5	7505	0	0	0	0	0.00	0.25
44	Jeetendra Kumar Agnihotri	0.25	1	1800	0	0	0	0	0.00	0.25
45	Maya Gupta	0.15	3	2416	0	2	2	1000	0.03	2.15
46	Parag Bhargava	0.15	1	500	0	0.50	1	340	0.01	0.65
47	Ravina Exports Private Limited	0.10	1	1940	0	0	0	0	0.00	0.10

Sr. No.	Entity Name	+LTP trades as Buyer with group entities				+LTP trades as Seller with group entities				+LTP as Buyer and Seller (Rs.)
		+LTP (Rs.)	No of trades	Qty	% of mkt. +ve LTP	+LTP (Rs.)	No of trades	Qty	% of mkt. +ve LTP	
48	Sanjay Kumar Gupta	0.10	1	500	0	0	0	0	0.00	0.10
49	Vardhaman Textile Company Pvt. Ltd.	0.05	1	2940	0	0	0	0	0.00	0.05
50	Manish Verma	0.05	1	100	0	0	0	0	0.00	0.05
51	Aman Portfolio Pvt Ltd	0	0	0	0	2.65	5	591	0.04	2.65
52	Vinod Kumar Dhingra	0	0	0	0	0.25	2	775	0.00	0.25
53	Ahmad Sadat	0	0	0	0	0.25	1	600	0.00	0.25
54	S D L Commodities Ltd	0	0	0	0	2.20	4	1881	0.03	2.20
55	Cityon Nano Technology Private Limited	0	0	0	0	1.75	2	375	0.03	1.75
56	Ram Pher Dwivedi	0	0	0	0	2	2	2000	0.03	2
57	Mohammad Anwar	0	0	0	0	0.10	1	100	0.00	0.10
58	Daddu Prasad (Huf)	0	0	0	0	1.05	3	2116	0.02	1.05
59	Piyush Jain Huf	0	0	0	0	0.10	1	323	0.00	0.10
60	Sanjay Gupta	0	0	0	0	3.50	1	100	0.05	3.50
61	Anand Kumar Chaurasia	0	0	0	0	0.30	2	1162	0.00	0.30
62	Surya Bhan Singh-Huf	0	0	0	0	0.50	1	200	0.01	0.50
63	Savita Devi	0	0	0	0	7	16	7098	0.11	7
64	Ramdas Agarwal (Huf)	0	0	0	0	1.10	3	791	0.02	1.10
65	Sapna Devi	0	0	0	0	1.50	1	500	0.02	1.50
66	Sagar Net Mart P Ltd	0	0	0	0	0.30	3	2981	0.00	0.30
67	Arun Kumar	0	0	0	0	13.20	16	1511	0.20	13.20
68	Sanjay Kumar	0	0	0	0	1.65	4	95	0.03	1.65
69	Dilip Kumar Agrawal	0	0	0	0	1.55	2	1850	0.02	1.55
70	Aman Dhingra	0	0	0	0	5.90	14	4773	0.09	5.90
71	Renu Dhingra	0	0	0	0	1.75	5	2525	0.03	1.75
72	Manish Agarwal	0	0	0	0	0.05	1	132	0.00	0.05
73	Kamal Kishor Chaurasia	0	0	0	0	0.05	1	410	0.00	0.05
74	Pankaj Kumar Gupta	0	0	0	0	0.50	1	910	0.01	0.50
75	Renu Agarwal	0	0	0	0	1	1	100	0.02	1
76	Pushap Lata Girotra	0	0	0	0	2.15	3	399	0.03	2.15
77	Param Jeet Singh	0	0	0	0	1.15	2	690	0.02	1.15
78	Divya Agarwal	0	0	0	0	5.05	6	6281	0.08	5.05
79	Bindu Pandey	0	0	0	0	0.30	4	5526	0.00	0.30
80	Dev Shankar Pandey	0	0	0	0	4.15	6	6439	0.06	4.15
81	Vikas Agarwal	0	0	0	0	4.95	9	5203	0.08	4.95
82	Rita Jain	0	0	0	0	326.15	465	42707	4.96	326.15
83	Dinesh Kumar Soni	0	0	0	0	1.80	7	4324	0.03	1.80
84	Siddharth Gupta	0	0	0	0	0.50	1	150	0.01	0.50

Sr. No.	Entity Name	+LTP trades as Buyer with group entities				+LTP trades as Seller with group entities				+LTP as Buyer and Seller (Rs.)
		+LTP (Rs.)	No of trades	Qty	% of mkt. +ve LTP	+LTP (Rs.)	No of trades	Qty	% of mkt. +ve LTP	
85	Ram Kumar Dubey	0	0	0	0	0.85	4	5040	0.01	0.85
86	Neelu Agarwal	0	0	0	0	2.40	10	4415	0.04	2.40
87	Anjana Jain	0	0	0	0	1.35	2	295	0.02	1.35
88	Pushpa Jain	0	0	0	0	2.40	2	947	0.04	2.40
89	Seema Kapoor	0	0	0	0	0.65	6	5300	0.01	0.65
90	Neetu Gupta	0	0	0	0	1.10	2	1100	0.02	1.10
91	Mahalaxmi Gupta	0	0	0	0	4.15	4	1055	0.06	4.15
92	Surendra Kumar Agarwal	0	0	0	0	59.15	35	6719	0.90	59.15
93	Sudeep Goenka	0	0	0	0	3.50	10	12476	0.05	3.50
94	Sapna Agrawal	0	0	0	0	2.50	3	765	0.04	2.50
95	Nikita Dhingra	0	0	0	0	5.85	7	1715	0.09	5.85
96	Sanjay Kumar Sahu	0	0	0	0	5.95	15	6350	0.09	5.95
97	Heera Devi Ahirwar	0	0	0	0	1.60	4	2424	0.02	1.60
98	Amit Kumar	0	0	0	0	1.20	6	3721	0.02	1.20
99	Ruchita Bhargava	0	0	0	0	2.10	9	4230	0.03	2.10
100	Rajendra Kaur	0	0	0	0	0.25	1	1402	0.00	0.25
101	Priyanka Agarwal	0	0	0	0	0.10	2	205	0.00	0.10
102	Abhishek	0	0	0	0	0.05	1	500	0.00	0.05
103	Preeti Sharma	0	0	0	0	0.05	1	500	0.00	0.05
104	Ram Sukhi	0	0	0	0	3.40	4	2190	0.05	3.40
105	Akansha Goel	0	0	0	0	0.25	2	1370	0.00	0.25
106	Jitendra Sharma	0	0	0	0	0.25	1	290	0.00	0.25
107	Vandana Saini	0	0	0	0	0.15	2	1300	0.00	0.15
108	Lal Ji Sarraf	0	0	0	0	0.25	2	1000	0.00	0.25
109	Ravi Karan	0	0	0	0	3.50	7	4808	0.05	3.50
Group Total		**754.23**	**1134**	**358655**	**11.48**	**754.23**	**1134**	**358655**	**11.48**	**-**

15. From the above table, it is observed that by trading among themselves, the 109 group entities (including Noticees) contributed Rs. 754.23, which is 11.48% of the market +ve LTP. Also, the entities listed at Sr. No. 51 to 109 had aided other entities listed at Sr. No. 1 to 50 by selling shares to increase the price of the scrip.

16. In view of the significant positive LTP contribution by the Noticees by trading among themselves, it was alleged that Noticees manipulated the price of the scrip

by contributing to the price rise and hence, Noticees violated Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a) and (e) of PFUTP Regulations.

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

18. SCN was duly served to the Noticees. Noticees 1 to 9 filed common submissions to the SCN. Further, Noticees 1, 3, 5 to 9 filed individual submissions to the SCN.

19. The key submissions of the Noticees 1 to 9 are summarized below:

20. **Noticee 1:**

a) Noticee 1 submitted that he had executed trades during all patches of the investigation period. During Patch 1, his sum of LTP difference of 3545 buy trades were actually positive Rs. 293.55 (sum of +ve LTP difference (+ve) Rs. 545.55 - (-ve) Rs.252.00). However, allegation has been made for +ve contribution of Rs. 251.75 for alleged 301 trades executed during patch 1 period of investigation. Similarly, the sum of LTP difference of his sell trades were positive Rs. 272.15 (sum of +ve LTP difference (+ve) Rs. 424.40 - (ve) Rs.152.25). However, allegation has been made for +ve contribution of Rs. 118.95 by executing 129 trades during Patch 1 period of investigation. His net contribution to LTP was positive Rs. 565.70 during patch 1 period of investigation. Further, out of his total trades executed during Patch 1, 5259 trades were either below LTP or at par to the LTP.

b) In the SCN, it is alleged that he had executed 430 buy/sell trades in the scrip i.e. above LTP and therefore increased the price of the scrip. It means, SEBI has given clean chit to 6127 trades out of 6557 total trades executed by him. The figure of 6557 trades also include 660 trades i.e. above LTP but not alleged. Out of the said 430 alleged trades, 171 trades had contributed Rs. 22.20 only to +ve LTP (+ve LTP contribution in the range of Rs. 0.05 to Rs. 0.25).

c) SEBI could not produce a single documents / data showing his direct connection with the counterparties to the alleged trades. His connection with Success Vyapar Pvt Ltd. shown through the purported off market transaction happened in the year 2014, whereas alleged transactions belongs to the year 2010 -2012. However, Success Vyapar Pvt. Ltd. is a separate and distinct entity and he had few transactions matched with the said entity. The alleged transactions with Success Vyapar Pvt. Ltd. were too miniscule to influence the market equilibrium. He had executed several trades i.e. coincidentally matched with Success Vyapar Pvt. Ltd. These trades were below LTP or at par to LTP or above LTP. Thus, there was a miniscule contribution to +ve LTP by executing some of trades coincidentally matched with Success Vyapar Pvt. Ltd.

d) It has not explained in the SCN that how he became connected with other 299 entities including Noticees. No other allegation of connection with the purported 299 entities including Noticees has been made against him in the SCN. Hence, the entire basis of purported connection is totally misconceived. Further, the price of the scrip had increased to multiple fold before the alleged trades in the scrip got executed in his trading account.

e) The first alleged trade got executed on 27.01.2010 at the then prevailing market price of Rs. 62.45/-. As per the SCN, the price of the scrip had started increasing from Rs. 11.60. Therefore, the price of the scrip had already increased multi fold before the alleged trades got executed. He had net purchase 89,771 shares during the Patch 1. It may be one of the genuine reason of +ve LTP.

f) He had executed 6557 buy/sell trades in the scrip during the entire Investigation Period. Out of the said 6557 buy/selltrades, 1090 trades were executed above LTP, 476 trades executed below LTP and 4991 trades were executed at par to LTP. However, allegation has been made against 430 trades only out of total 6557 total trades executed by him. His 93.44% trades have not been alleged in the SCN. Thesrefore, he had executed trades including alleged trades during the normal course of trading as SEBI has not found any inconsistency in the alleged trades except above LTP trades and matched with purported connected Noticees.

g) He had executed 6337 buy/sell trades. Out of the said 6337 trades, 1078 trades were only above LTP. However, allegation has been made for 430 trades only which were above LTP. Thus, most of the trades even in Patch 1 period of Investigation either at par to LTP or below LTP or above LTP are not alleged.

h) Total positive LTP during Patch 1 was Rs. 6569.20. The alleged contribution by him i.e. Rs. 370.70 is miniscule in comparison to the total market positive LTP contribution. Further, total positive LTP during the entire period of Investigation was more than Rs. 15335/-. The alleged contribution by him i.e. Rs. 370.70 is too miniscule in comparison to the total market positive LTP contribution during entire period of Investigation.

i) Noticee 1 submitted that one of the genuine reason behind +ve LTP contribution is large quantity of trades executed by him in the scrip. SEBI has not compared his total trades with the alleged trades before making allegation against him. If he had more concentration in the scrip then it is obvious that he may have more contribution towards +ve LTP. Further, he had suffered huge losses while trading in the scrip.

j) Noticee 1 further submitted that he had executed trades under the normal course of trading and in evidence he provided some examples. Allegation has been made in the SCN that he had increased the price of the scrip by Rs. 0.05 on 22.02.2010 by placing a buy order for 500 shares at Rs. 70.35 (Trade ID 1258). On perusal of the trade log of 22.02.2010, at least 85 trades had been executed at the rate of Rs. 70.35 or above before he placed his buy Order. The opening price of the scrip on 22.02.2010 was Rs. 70.50. i.e. Rs. 0.15 above the alleged trade price. In another example, allegation has been made in the SCN that he had increased the price of the scrip by Rs. 2.70 on 26.08.2010 by placing a buy order for 10 shares at Rs. 176.70 (Trade ID 1083). On perusal of the trade log of 26.08.2010, at least 40 trades had been executed at the rate of Rs. 176.70 or above before he placed his buy Order. The opening price of the scrip on 26.08.2010 was Rs. 177.00 i.e. Rs. 0.30 above the alleged trade price. As many as 42 trades had been executed on or above Rs. 176.70 on 26.08.2010. It shows that the allegation made in the SCN are wholly misconceived and unjustified and therefore liable to be drop.

21. **Noticee 3:**

a) Noticee 3 submitted that it had executed trades in all patch of the Investigation Period. The sum of LTP difference of its 1573 buy trades in Patch 1 was positive Rs. 78.05 (sum of +ve LTP difference (+ve) Rs. 151.05 - (-ve) Rs. 73.00). However, in the SCN, allegations has been made for alleged +ve contribution of Rs. 38.10 only to LTP. Similarly, the sum of LTP difference of its 205 sell trades was negative Rs. 1.15 (sum of +ve LTP difference (+ve) Rs. 9.40 - (-ve) Rs. 10.55). However, in the SCN, allegation has been made for alleged +ve contribution of Rs. 0.20 to LTP by executing sell trades during Patch 1.
b) SEBI could not produce a single documents / data showing its direct connection with the counterparties to the alleged trades executed in its trading account. SEBI had connected it with Mr. Subodh Agarwal, Taurus Data Links Pvt Ltd and Neil Industries Ltd. However, none of the alleged trades had been matched with the said entities. Mr. Subodh Agarwal, Taurus Data Links Pvt Ltd, and Neil Industries Ltd. were not the counterparties to the trades executed by it in the scrip of NGFL. Thus, the allegation of connection with the aforesaid purported connected entities have nothing to do with the trades executed by it in the scrip of NGFL. In this regard, it relied up on the Orders passed by the Hon'ble Tribunal.
c) The price of the scrip had increased to multiple fold before the first alleged trade got executed in the trading account of it.
d) It had executed alleged first trade on 05.07.2010 at the then prevailing price of Rs. 143/-. As per the SCN, the price of the scrip had started increasing from Rs. 11.60.
e) It had executed 1614 buy trades in the scrip during the entire Investigation Period. Out of the said 1614 buy trades, 169 trades were executed above LTP, 102 trades executed below LTP and 1343 trades were executed at par to LTP. Similarly, it had executed 254 sell trades in the scrip during the entire

Investigation Period. Out of the said 254 sell trades, 49 trades were executed above LTP, 22 trades executed below LTP and 183 trades were executed at par to LTP. Thus, most of the buy and sell trades executed by it were below LTP or at par to LTP.

f) During Patch 1 it had executed 1573 buy and 205 sell trades. Out of the said 1573 buy trades, 166 trades were executed above LTP, 96 trades executed below LTP and 1311 trades were executed at par to LTP. Out of the said 205 sell trades, 45 trades were executed above LTP, 13 trades executed below LTP and 147 trades were executed at par to LTP. Thus, most of the buy and sell trades executed by it during patch 1 were either below LTP or at par to LTP.

g) It had executed 1778 buy/sell trades. Out of the said 1778 trades, 211 trades were only above LTP. Allegation has been made for 59 trades only which were above LTP. Thus, most of the trades even in Patch 1 either at par to LTP or below LTP or above LTP but not alleged. Further, all the trades executed by it have not been considered while making allegation in the SCN. Its most of the transactions including trades above LTP has been found as genuine trade.

h) The total positive LTP during Patch 1 was Rs. 6569.20. The alleged contribution by it i.e. Rs. 38.30 (+ve LTP as buyer and seller were Rs. 38.10 and Rs. 0.20 respectively) was too miniscule in comparison to the total market positive LTP contribution. Further, total positive LTP during the entire period of Investigation was more than Rs. 15335. The alleged contribution by it i.e. Rs. 38.30 was too miniscule in comparison to the total market positive LTP contribution during entire period of Investigation.

i) Noticee 3 submitted that it had executed trades under the normal course of trading and in evidence it provided some examples. Allegation has been made in the SCN that it had increased the price of the scrip by Rs. 0.05 on 18.10.2010 by placing a buy order for 800 shares at Rs. 192.70 (Trade ID 1079). On perusal of the trade log data, at least 71 trades had been executed at the rate of Rs. 192.70 or above before it placed buy Order. The opening price of the scrip on 18.10.2010 was Rs. 193 i.e.Rs. 0.30 above the alleged trade price. Further, as many as 81 trades had been executed on or above the alleged traded price i.e. Rs. 192.70.

In another example, allegation has been made that it had increased the price of the scrip by Rs. 2.00 on 07.12.2010 by placing a buy order for 500 shares at Rs. 190.00 (Trade ID 1105). On perusal of the trade log data of 07.12.2010, at least 103 trades had been executed at the rate of Rs. 190.00 or above before it placed buy Order. The opening price of the scrip on 07.12.2010 was Rs. 196 i.e.Rs. 6.00 above the alleged trade price i.e. Rs. 190.00. Further, as many as 105 trades had been executed on or above the alleged traded price i.e. Rs. 190.00.

22. **Noticee 5:**

a) Noticee 5 submitted that it had executed trades in all patch of the Investigation Period. The sum of LTP difference of its 526 buy trades in Patch 1 was positive Rs. 57.65 (sum of +ve LTP difference (+ve) Rs. 71.75 - (-ve) Rs. 14.10). However, in the SCN, allegations has been made for alleged +ve contribution of Rs. 33.95 only to LTP. Similarly, the sum of LTP difference of its 261 sell trades was positive Rs. 4.55 (sum of +ve LTP difference (+ve) Rs. 15.55 - (-ve) Rs. 11). However, in the SCN, allegation has been made for alleged +ve contribution of Rs. 4.65 to LTP.

b) It is alleged that Rishi Kant Awasthi was a Director of Noticee 5. However, none of the alleged trades had been matched with the said entity. In this regard, it relied up on the Orders passed by the Hon'ble Tribunal.

c) It had executed alleged first trade on 01.02.2010 at the then prevailing price of Rs. 62/-. As per the SCN, the price of the scrip had started increasing from Rs. 11.60. Therefore, the price of the scrip has already increased though it had not even traded a single share during the said period of increase.

d) It had executed 613 buy trades in the scrip during the entire Investigation Period. Out of the said 613 buy trades, 171 trades were executed above LTP, 35 trades executed below LTP and 407 trades were executed at par to LTP. Similarly, it had executed 462 sell trades. Out of the said 462 sell trades, 56 trades were executed above LTP, 35 trades executed below LTP and 371 trades were executed at par to LTP. Thus, most of the buy and sell trades executed by it were below LTP or at par to LTP.

e) During Patch 1 it had executed 787 buy/sell trades. Out of the said 787 trades, 218 trades were only above LTP. Allegation has been made for 99 trades only which were above LTP. Thus, most of the trades even in Patch 1 either at par to LTP or below LTP. Further, all the trades executed by it have not been considered while making allegation in the SCN. Its most of the transactions including trades above LTP has been found as genuine trade.

f) The total positive LTP during Patch 1 was Rs. 6569.20. The alleged contribution by it i.e. Rs. 38.60 (+ve LTP as buyer and seller were Rs. 33.95 and Rs. 4.65 respectively) is too miniscule in comparison to the total market positive LTP contribution. Further, total positive LTP during the entire period of Investigation was more than Rs. 15335. The alleged contribution by it i.e. Rs. 38.60 was too miniscule in comparison to the total market positive LTP contribution during entire period of Investigation.

g) Noticee 5 submitted that it had executed trades in the normal course of trading and there was no intention to artificially increase/decrease the price of the scrip. For example, on 01.02.2010 it had placed a buy order at the rate of Rs. 63 for purchase of 2000 shares at 13:09:26 PM. The said Order had been converted into 4 trades and counterparties seller to its buy order were Mr. Aman Dhingra (Trade No. 1028 and 1029), Ms. Kavita (Trade No. 1030) and Mr. Rajinder Kumar Bansal (Trade No. 1038). It is alleged that it had contributed Rs. 0.50 to positive LTP by executing Trade No. 1029 for 300 shares where the counterparty seller was Mr. Aman Dhingra who had placed his sell order at Rs. 62 and the last traded price was Rs. 61.50. Before executing the said trade it had purchased couple of thousands shares at the rate of Rs. 63.60 on same day. However, no allegation has been made against it for these trades and allegation had been made for a trade executed at Rs. 62 i.e. Rs. 1.60 lower from the earlier traded price by it. The price of the scrip was quoting much above to the alleged trade price i.e. Rs. 62 before the execution of the said alleged trade. Since price had already touched to Rs. 63.60 on same day before it had executed the alleged trade, no allegation of price manipulation can be made against it for executing trade at Rs. 62 i.e. Rs. 0.50 above LTP. There is one more reason to counter the allegation of price manipulation as it has no connection with Mr. Aman Dhingra. Thus, the allegation made in the SCN are based on surmises and conjectures and are liable to be dropped.

23. **Noticee 6:**

a) Noticee 6 submitted that he had executed trades during patches 1 and 3 of the investigation period. The sum of LTP difference of 513 buy trades during patch 1 were positive Rs. 47.60 (sum of +ve LTP difference (+ve) Rs. 80.90 - (-ve) Rs.33.30). However, an allegation of +ve contribution to LTP of Rs. 22.10 has been alleged against 33 buy trades executed by him. Similarly, during patch 1 the sum of LTP difference of 108 sell trades were negative Rs. 24 (sum of +ve LTP difference (+ve) Rs. 14.15 - (-ve) Rs.38.15). However, an allegation of +ve contribution to LTP of Rs. 10.55 has been alleged against 5 sell trades executed by him though he had negative contribution to LTP. Thus, his net contribution to LTP was positive Rs. 23.60 during the patch 1.

b) 477 trades had been executed by him during the patch 1 that were either below LTP or at par to LTP. Further no allegation has been made for 586 trades out of 624 trades executed by him during the entire period of investigation.

c) He had executed as many as 624 trades in the scrip during the entire period of investigation. His trades had been matched with 100's of entities including Noticees. SEBI has found fault in only 38 trades out of 624 total trades executed by him.

d) The allegation has been made against him for alleged +ve contribution to LTP of Rs. 32.65 by executing 38 trades. Out of the said 38 alleged trades, Rs. 2.15 had been contributed to +ve LTP due to execution of 21 trades. The price of the scrip had increased to multiple fold before the alleged trade in the scrip got executed in his trading account.

e) It is alleged that Rishi Kant Awasthi is a Director in Success Vyapar from 01/10/2007 till date. In this regard, Noticee 6 submitted that he had executed 624 trades in the scrip. Out of 624 trades, 16 trades have been matched with Success Vyapar Limited. However, there is negative contribution of Rs. 3/- by matching of the said 16 trades. These trades have been matched coincidentally and the volume arising out of these trades was negligible. Further, SEBI has not explained in the SCN that how he became connected with other 299 entities including Noticees. Hence, the entire basis of purported connection is totally misconceived.

f) The first alleged trade got executed on 08.01.2010 at the then prevailing market price of Rs. 63.40/-. As per the SCN, the price of the scrip had started increasing from Rs. 11.60. Therefore, the price of the scrip had already increased multifold before the alleged trades got executed.

g) In the SCN, no allegation has been made for the trades executed by him on or after 09.12.2010. He had net purchase of 2,00,142 shares during patch 1. It may be one of the genuine reason of +ve LTP.

h) He had executed 624 buy/sell trades in the scrip. Out of the said 624 buy/sell trades, 145 trades were executed above LTP, 79 trades executed below LTP and 400 trades were executed at par to LTP. However, allegation has been made against 38 trades only out of total 624 trades executed by him. His 93 .91% trades have not been alleged in the SCN. He had executed the alleged trades during the normal course of trading as SEBI has not found any inconsistency in the alleged trades except above LTP and matched with purported connected entities.

i) During patch 1 he had executed 621 buy/sell trades. Out of the said 621 trades, 144 trades were only above LTP. However, allegation has been made for 38 trades only which were above LTP. Thus, most of the trades in patch 1 were either at par to LTP or below LTP or above LTP but not alleged.

j) The allegation has been made for 38 trades only which were above LTP. All the trades of him have not been considered while making allegation in the SCN. His most of the transactions including trades above LTP has not been alleged in the SCN.

k) The total positive LTP during patch 1 was Rs. 6569.20. The alleged contribution by him i.e. Rs. 32.65 is too miniscule in comparison to the total market positive LTP contribution. The total positive LTP during the entire period of Investigation was more than Rs. 15335. The alleged contribution by him i.e. Rs. 32.65 is too miniscule in comparison to the total market positive LTP contribution during entire period of Investigation.

l) The allegation made in the SCN are made without any logic. For example, an allegation has been made in the SCN that he had increased the price of the scrip by Rs. 2.55 on 16.11.2010 by executing a trade for 100 shares at Rs. 188.55 (Trade ID 1065). The said trade had been executed at 15:42:07. The market closes at 15:29:59. After closing of the market, trades can be executed in 20 minutes post-closing session which start at 15:40:00 and ends at 15:59:59. The trade can be executed only at closing price which is decided in between 15:29:59 to 15:39:59. He had executed trade at the closing price i.e. Rs. 188.55 on 16.11.2010. Since, it is next to impossible to increase or decrease the price of the scrip during post-closing session, the allegation made in the SCN for alleged contribution of Rs. 2.55 to +ve LTP is vague as it could be. For another example, an allegation has been made in the SCN that he had increased the price of the scrip by Rs. 1.40 on 18.03.2010 by executing a trade for 500 shares at Rs. 99.50 (Trade ID 1141). At least 12 trades had been executed at the rate of Rs. 99.50 or above before he placed the order to buy shares at the rate of Rs. 99.50. Further, as many as 18 trades had been executed on or above Rs. 99.50 on 18.03.2010. It shows that the allegation made in the SCN are wholly misconceived and unjustified and therefore liable to be drop.

24. **Noticee 7:**

a) Noticee 7 submitted that it had executed trades in patch 1, 3 and 4 of the Investigation Period. The sum of LTP difference of 334 buy trades during patch 1 was positive Rs. 62.85 (sum of +ve LTP difference (+ve) Rs. 71.35 - (-ve) Rs.8.50). However, in the SCN, allegations has been made for alleged +ve contribution of Rs. 17.05 only to LTP. Similarly, the sum of LTP difference of 162 sell trades was negative Rs. 4.25 (sum of +ve LTP difference (+ve) Rs. 3.70 - (-ye) Rs.7.95). However, in the SCN, allegation has been made for alleged +ve contribution of Rs. 0.40 to LTP.

b) It is alleged that Anant Fin Consultancy Pvt Ltd and Adinath Shares and Commodities Private Limited have a common director Mr. Ankit Jain. However, trades of Noticee 7 had not been matched with the purported connected entities i.e. Anant Fin Consultancy Pvt Ltd and Mr. Ankit Jain. Hence, the entire basis of purported connection is totally misconceived.

c) It had executed alleged first trade on 15.02.2010 at the then prevailing price of Rs. 69.95/-. As per the SCN, the price of the scrip had started increasing from Rs. 11.60. Therefore, the price of the scrip has already increased though it had not even traded a single share during the said period of increase.

d) It had executed 349 buy trades in the scrip. Out of the said 349 buy trades, 78 trades were executed above LTP, 14 trades executed below LTP and 257 trades were executed at par to LTP.

e) Similarly, it had executed 167 sell trades in the scrip during the entire Investigation Period. Out of the said 167 sell trades, 22 trades were executed above LTP, 15 trades executed below LTP and 130 trades were executed at par to LTP. Thus, most of the buy and sell trades executed by it were below the LTP or at par to LTP.

f) It had executed 496 buy/sell trades. Out of the said 496 trades, 94 trades were only above LTP. Allegation has been made for 40 trades only which were above LTP. Thus, most of the trades in patch 1 were either at par LTP or below LTP.

g) Allegation has been made for 40 trades only which were above LTP. All the trades of Noticee 7 have not been considered while making allegation in the SCN. Further, most of the transactions including trades above LTP has not been alleged in the SCN.

h) The total positive LTP during patch 1 was Rs. 6569.20. The alleged contribution by it i.e. Rs. 17.45 (+ve LTP as buyer and seller was Rs. 17.05 and Rs. 0.40 respectively) is too miniscule in comparison to the total market positive LTP contribution. Further, the total positive LTP during the entire period of investigation was more than Rs. 15335. The alleged contribution by it i.e. Rs. 17.45 (+ve LTP as buyer and seller was Rs. 17.05 and Rs. 0.40 respectively) is too miniscule in comparison to the total market positive LTP contribution during entire period of investigation.

i) The trades executed by it had been executed in the normal course of trading and there was no intention to artificially increase the price of the scrip. For example, on 15.02.2010 it had placed buy order at Rs. 69.50/- for purchase of 300 shares at 2:51:46 PM. However, only 175 shares had been purchased at Rs. 69.50/- and the remaining 125 shares buy order was pending in the system. Thereafter, at 2:51:55 PM it modified the price of the buy order from Rs. 69.50/- to Rs. 70/- and the said buy order had matched with the sell order placed by one Ms. Renu Dhingra. Ms. Renu Dhingra placed the sell order at 1:24:21 PM at Rs. 69.95/-. The trade executed at 2:51:56 PM and the time difference was 1:27:24. Ms. Renu Dhingra placed the sell order when the LTP was Rs. 70/-. Before execution of the said trade, the price of the scrip was quoting around Rs. 70/-. Since party was ready to sell the shares of the NGFL at Rs. 69.50/-, we modified our buy order for remaining 125 shares from Rs. 69.50/- to Rs. 69.95/-. By executing the aforesaid trades, it is alleged that it had contributed Rs. 0.45 to positive LTP. The price of the scrip was quoting around Rs. 70/- before the execution of the alleged trade. Since, the price had already touched to Rs. 70/- on same day before it executed the trades, no allegation of price manipulation can be made against it for executing trades at Rs. 69.95 i.e. Rs. 0.45 above the LTP. There is one more reason to falsify the allegation of price manipulation that it had no connection with Ms. Renu Dhingra. Thus, the allegation made in the SCN are based on surmises and conjectures and are liable to be dropped.

25. **Noticee 8:**

a) Noticee 8 submitted that it had executed trades in patches 1 to 3 of the Investigation Period. During patch 1, the sum of LTP difference of 621 buy trades was positive Rs. 66.81 (sum of +ve LTP difference (+ve) Rs. 93.35 - (-ve) Rs.26.54). However, in the SCN, allegations has been made for alleged +ve contribution of Rs. 7.20 only to LTP by executing buy trades in patch 1. Similarly, the sum of LTP difference of 213 sell trades was negative Rs. 8.98 (sum of +ve LTP difference (+ve) Rs. 13.31 - (-ve) Rs. 22.29). However, in the SCN, allegation has been made for alleged +ve contribution of Rs. 2.03 to LTP by executing sell trades during patch 1.

b) It is alleged that Anant Fin Consultancy Pvt Ltd and Priyanshi Securities Limited share same address. However, trades of Priyanshi had not been matched with the purported connected entities i.e. Anant Fin Consultancy Pvt Ltd. Hence, the entire basis of purported connection is totally misconceived.

c) The allegation in the SCN is made for LTP contribution of Rs. 0.05 to Rs. 2.75. It is further alleged that it had contributed +ve LTP of Rs. 7.20 and Rs. 2.03 by executing buy and sell side trades respectively. Actually, its contribution to +ve LTP is much more than the alleged in the SCN. The SCN alleged only those trades which were matched with the other Noticees. The basis of making allegation of +ve LTP contribution was connection and it has no matched trades with Anant Fin Consultancy Private Ltd who has been shown as connected with it. Thus, the allegation made in the SCN against it is wholly misconceived and liable to drop.

d) It had executed 633 buy trades in the scrip during the entire Investigation Period. Out of the said 633 buy trades, 167 trades were executed above LTP, 67 trades executed below LTP and 399 trades were executed at par to LTP. Similarly, it had executed 273 sell trades during the entire Investigation Period. Out of the said 273 sell trades, 45 trades were executed above LTP, 63 trades executed below LTP and 165 trades were executed at par to LTP. Thus, most of the buy and sell trades executed by it were below or at par to LTP.

e) Further, during patch 1 it had executed 906 buy/sell trades. Out of the said 906 trades, 212 trades were only above LTP. The allegation has been made for 23 trades only which were above LTP. Thus, most of the trades in patch 1 either at par to LTP or below LTP or the trades which were above LTP had not been alleged.

f) The allegation has been made for 23 trades only which were above LTP. All the trades of it have not been considered while making allegation in the SCN. The most of the transactions including trades above LTP has not been alleged in the SCN.

g) The total positive LTP during patch 1 was Rs. 6569.20. The alleged contribution by it i.e. Rs. 9.23 (+ve LTP as buyer and seller was Rs. 7.20 and Rs. 2.03 respectively) is too miniscule in comparison to the total market positive LTP contribution. Further, the total positive LTP during the entire period of Investigation was more than Rs. 15335. The alleged contribution by it i.e. Rs. 9.23 (+ve LTP as buyer and seller was Rs. 7.20 and Rs. 2.03 respectively) is too miniscule in comparison to the total market positive LTP contribution during entire period of Investigation.

h) Further, trades executed by it in the scrip had been executed in the normal course of trading and there was no intention to artificially increase the price of the scrip. For example, on 16.02.2010 it had placed buy order at Rs. 70.50/- for purchase of 500 shares at 13:16:59 PM and the said buy order had matched with the sell order placed by one Mr. Sanjay Kumar Sahu. Mr. Sanjay Kumar Sahu placed the sell order at 12:41:02 PM at Rs. 70.25/-. The trade executed at 13:16:59 PM at Rs. 70.25 and the time difference was 00:35:57. Mr. Sanjay Kumar Sahu placed the sell order when the LTP was Rs. 70.25. By executing the aforesaid trades, it is alleged that it had contributed Rs. 2.75 to positive LTP. The price of the scrip was quoting around Rs. 70.25 before the execution of the alleged trade. Since price had already touched to Rs. 70.25 on same day just 8 trades before it executed the alleged trade, no allegation of price manipulation should be made against it for executing trades at Rs. 70.25 i.e. Rs. 2.75 above the LTP. There is one more reason to falsify the allegation of price manipulation that it had no connection with Mr. Sanjay Kumar Sahu. Thus, the allegation made in the SCN are based on surmises and conjectures and are liable to be dropped.

26. **Noticee 9:**

a) Noticee 9 submitted that she had executed trades during patches 1, 2 and 3 during the investigation period. During patch 1, the sum of LTP difference of her 3614 buy trades was negative Rs. 40.90 (sum of +ve LTP difference (+ve) Rs. 519.05 - (-ve) Rs.559.95). No allegation has been made for +ve contribution for buy trades executed during Patch 1. Similarly, the sum of LTP difference of her 4502 sell trades was positive Rs. 807.70 (sum of +ve LTP difference (+ve) Rs. 1040.05 - (-ve) Rs.232.35). Her net contribution to LTP was positive Rs. 766.80 during patch 1. However, allegation has been made for +ve contribution of Rs. 326.15 by executing sell trades during patch 1 period of the Investigation.

b) During patch 1, 6055 trades had been executed by her were either below LTP or at par to LTP. No allegation has been made against her in the SCN for execution of 1596 trades i.e. above LTP during patch 1. It means, SEBI has given her clean chit for 7651 trades out of total 8116 trades executed during patch 1. She further submitted that there were huge time difference in between placing of the sell orders by her and buy orders of counterparties for the alleged 465 trades.

c) She had executed 8116 trades in the scrip during patch 1. Her trades had been matched with 100's of entities including 29 purported Noticees. Out of the alleged 465 trades, 347 trades had contributed Rs. 113.50 to +ve LTP (Trades contributed to +ve LTP in the range of Rs. 0.05 to Rs. 0.50).

d) SEBI could not produce a single documents / data showing her direct connection with 297 entities including Noticees.

e) The price of the scrip had increased to multiple fold before the alleged trades in the scrip got executed in her trading account.

f) it is alleged that Adinath Shares and Commodities Private Limited, Rita Jain, Sanjay Jain and Sanjai Jain Huf have same address viz. 32/47 Ghumani Bazar, Kanpur, Uttar Pradesh - 208001. In this regard, Noticee 9 submitted that she share common address with 2-3 entities but she had no off market transactions with these entities. There is no allegation of synchronized trade or circular trades with these entities. Few of her trades matched with the aforesaid entities but it was only coincidence as there were huge time difference in between placing of orders. In the SCN, it has not been explained that how she became connected with other 297 entities including Noticees. Hence, the entire basis of purported connection is totally misconceived.

g) The first alleged trade got executed on 27.01.2010 at the then prevailing market price of Rs. 62.50/-. As per the SCN, the price of the scrip had started increasing from Rs. 11.60. Therefore, the price of the scrip had already increased multifold before the alleged trades got executed.

h) She had net purchase of 30768 shares during patch 1. It may be one of the genuine reason of +ve LTP. She had executed 8742 buy/sell trades in the scrip during the entire Investigation Period. Out of the said 8742 buy/sell trades, 2153 trades were executed above LTP, 926 trades executed below LTP and 5663 trades were executed at par to LTP. However, allegation has been made against 465 trades only out of total 8742 total trades executed by her. Her 94.69% trades have not been alleged in the SCN. It is thus established that she had executed trades including alleged trades during the normal course of trading as SEBI has not found any inconsistency in the alleged trades except above LTP and matched with purported connected Noticees.

i) During patch 1, she had executed 8116 buy/sell trades. Out of the said 8116 trades, 2061 trades only were above LTP. However, allegation has been made for 465 trades only which were above LTP. Thus, most of the trades in patch 1 either at par to LTP or below LTP or above LTP i.e. not alleged.

j) The allegation has been made for 465 trades only which were above LTP. All of her trades have not been considered while making allegation in the SCN. Most of her transactions including trades above LTP has not been alleged in the SCN.

k) The total positive LTP during patch 1 was Rs. 6569.20. The alleged contribution by her i.e. Rs. 326.15 (4.96%) is miniscule in comparison to the total market positive LTP contribution. Further, the total positive LTP during the entire period of investigation was more than Rs. 15335/-. The alleged contribution by her i.e. Rs. 326.15 (2.12%) is too miniscule in comparison to the total market positive LTP contribution during entire period of investigation.

l) She submitted that one of the genuine reason behind +ve LTP contribution is large quantity of trades executed by her in the scrip. SEBI has not compared her total trades with the alleged trades before making the allegation against her. If she had more concentration in the scrip then she may have more contribution towards +ve LTP.

m) She had net contribution of Rs. 766.80 to +ve LTP during patch 1. Even, during entire period of investigation, she had net contribution of Rs. 817.30 to +ve LTP. However, in the SCN, allegation has been made for alleged +ve contribution of Rs. 326.15 only. The SCN completely ignored her other trades executed in the scrip. Thus, the allegations made in the SCN are not sustainable. She had suffered losses while trading in the scrip.

n) The allegation have been made in the SCN without any logic and based on wrong findings. For example, an allegation has been made in the SCN that she had increased the price of the scrip by Rs. 1.85 on 01.11.2010 by placing a sell order for 100 shares at Rs. 191.85 (Trade ID 1024). The said trade had been executed at 15:42:05. The market closes at 15:29:59. After closing of the market, trades can be executed in 20 minutes post-closing session i.e. start from15:40:00 and ends to 15:59:59. The trade can be executed only at closing price which is decided in between 15:29:59 to 15:39:59. Since it is next to impossible to increase or decrease the price of the scrip during post-closing session, the allegation made in the SCN for alleged contribution of Rs. 1.85 to +ve LTP is vague as it could be. She had executed trade at the closing price i.e. Rs. 191.85 on 01.11.2010. In another example, an allegation has been made in the SCN that she had increased the price of the scrip by Rs. 2.50 on 06.07.2010 by placing a sell order for 1000 shares at Rs. 143.50 (Trade ID 1126). At least 107 trades had been executed at the rate of Rs. 143.50 or above before she placed the Order to sell shares at the rate of Rs. 143.50. As many as 113 trades had been executed on or above Rs. 143.50 on 06.07.2010. In another example, the allegation has been made in the SCN that she had increased the price of the scrip by Rs. 4.00 on 26.07.2010 by placing a sell order for 54 shares at Rs. 160/- (Trade ID 1030). At least 13 trades had been executed at the rate of Rs. 160/- or above before she placed the Order to sell shares at the rate of Rs. 160/-. The opening price of the scrip on 26.07.2010 was Rs. 160/- i.e. Rs. 1.00 above the alleged trade price. In last two examples, it is clear that the price of the scrip was quoting around the alleged traded price and therefore the allegation of increase in the price of the scrip is vague. It further shows that the allegation made in the SCN are wholly misconceived and unjustified.

o) Further, there were time difference in between placing of the buy orders by her and sell orders of counterparties and vice versa.

p) The trades executed by her in the scrip had been executed in the normal course of trading and there was no intention to artificially increase the price of the scrip. There is one more reason to falsify the allegation of price manipulation that she had no connection with counterparties to the alleged trades executed in her trading account.Thus, the allegation made in the SCN are based on surmises and conjectures.

27. **Common submissions of Noticees 1 to 9:**

a) Noticees 1 to 9 submitted that the entire SCN and SSCN are discriminatory and is against the settled principle of Law and show classic case of arbitrariness and biased approach as against them. SSCN dated 05.07.2019 was issued after about 2 years from the issuance of SCN dated 31.08.2017. Further, SCN and SSCN are bad in law as the same has been issued after a period of more than 5 - 8 years after execution of trades by the 9 Noticees. The Hon’ble Supreme Court of India and the Hon’ble Securities Appellate Tribunal took a tough stand against inordinate delay and latches in quasi-judicial proceedings. Noticees relied up on two of such judgements passed by the Hon’ble SAT.

b) Though LTP contributions (+ve, -ve, zero LTP and Net LTP) have been given in the SSCN along with number of trades and quantity traded by the 90 entities, no details of buy trades of the said 90 entities have been provided. Thus, in absence of all relevant details for buy trades of the said 90 purportedly connected /

identified group during Patch 1 period, the Noticees 1 to 9 are unable to deal with the LTP analysis as given in the SSCN.

c) In Para 6 of the SSCN the observations on the basis of LTP details given in Para 5 have been made and it has been observed that the entities from Sr. No 1 to 59 have contributed positively to Net LTP significantly. Net LTP is a sum of +ve LTP minus –ve LTP. Simply because 9 Noticees have contributed positively to Net LTP significantly as alleged it cannot be surmised that the allegations of PFUTP violation as alleged in the SCN and SSCN are established against them.

d) In Para 7 of the SSCN details of benefits derived by 16 entities described as Directors/ Promoters/ Manipulators are given and it is alleged that the said 16 entities alleged to have indulged in price manipulation and were benefited from the price rise as they were Net Sellers in the scrip during the Investigation period with their Net Sale value of more than Rs.50 lakhs. However, none of the 9 Noticees are amongst the said 16 entities who had allegedly indulged in price manipulation and were benefited from the price rise during the investigation period.

e) Further, the allegations made in the SCN and SSCN are based on purported connections with 301 entities / persons out of which only 109 entities / person have been made Noticees to the SCN and SSCN. Thus, the SCN and SSCN exhibits a classic case of arbitrariness and discrimination. In para 8 of the SCN the connected group entities are stated to be 301 entities alleged to be connected with each other and with the Company and alleged to have dealt in the scrip. However, SCN and SSCN were issued only to 109 Noticees, which does not include the Company. Thus, as many as 192 entities were exonerated at the investigation stage itself though they were allegedly connected with each other or with the Company and who had traded in the scrip and alleged to have made substantial contribution to gross +ve LTP during period of the investigation.

f) Noticees also submitted that the Ld. Whole Time Member (WTM) has passed an Order dated February 26, 2021 in the parallel proceedings initiated by the SEBI in the instant matter on the same allegations, which are identical to the allegations made in the captioned SCN and SSCN. The Ld. WTM in the said

Order has already exonerated as many as 99 Noticees and there is no adverse finding recorded in the said Order as against the sell trades executed by the Noticees / Non-Noticees. As regards allegation of purported connection between 301 entities out of which 192 entities were exonerated at Investigation stage and 99 Noticees have been given clean chit by the Ld. WTM in the said order. Noticees 1 to 9 placed reliance on the Order dated 13-01-2020 passed by the Hon'ble tribunal in the matter of Manish Suresh Joshi v/s SEBI (Appeal No. 2 of 2020).

g) Further, in the SCN, no allegation has been made that the said 9 Noticees had executed any trades in connivance with the sellers as the Ld. WTM in the said Order has not made any allegation against the sell trades. Hence, the allegation of connection made in the SCN and SSCN qua the said 9 Noticees does not survive in view of the Orders passed by the Hon'ble Tribunal in the aforesaid appeals. Further, complete evidentiary documents have not been provided to strengthen the allegation of connection amongst the alleged 301 group entities. Thus, the details of connection provided in the Annexure 3 and 4 of the SCN are not legally tenable.

h) They have further submitted that the basis of connection as given in the Annexure 3 and 4 enclosed with the SCN has been portrayed as an allegation simpliciter. If mere connection is an allegation then all 301 entities should have been made parties to the SCN. Mere connection cannot be an allegation. Alleged violation of PFTUP Regulations by the 9 Noticees has to be established and proved on the touch stone of connivance. However, the Investigation has failed to prove any connivance amongst the Noticees. Thus, the allegation of connection with the aforesaid purported connected entities have nothing to do with the trades executed by them in the scrip. In this regard, they placed reliance on the several Orders passed by the Hon'ble Tribunal.

i) Noticees 1 to 9 submitted that since SEBI has not initiated any proceeding against 192 entities and 99 Noticees have already exonerated by the Ld. WTM in the said Order, the chain of connection has been broken and therefore the allegation of connection against the 9 Noticees cannot sustain. The trades executed by the 9 Noticees in the scrip were in the normal course of trading and there was no intention of raising, decreasing or maintaining the price of the scrip. Thus, their total trades have to be considered while reaching on any conclusion.

j) Further, no adverse inference has been drawn against entities who had significantly contributed towards +ve LTP or –ve LTP during Patch 1 to 4 periods, whereas adverse inference has been drawn against 9 Noitcees with a biased approach and without application of judicious mind.

k) In paragraphs 6 and 7 of the SCN, it is stated that the Company, for Financial Years 2010, 2011, 2012, 2013, and 2014 had registered a profit of Rs. 0.01 Cr, Rs. 0.04 Cr, Rs. 0.03 Cr, Rs. 0.01 Cr and Rs. 0.01 Cr respectively. For the Financial Year 2015, the Company registered a loss of Rs. 0.31 Cr. During the investigation period, the Company had made corporate announcements of its financial results and meeting of its Board of Directors etc. During Patch 1 period the price of the scrip opened at Rs. 11.60, high of Rs. 375 and closed at Rs. 337.75. In case of all the 9 Noticees an adverse inference has been drawn for their trades executed during Patch 1 period of the investigation. However, no adverse inference has been drawn against any Noticees for their trades executed during 2, 3 and 4 Patches of the investigation when the price of the scrip had witnessed steep fluctuations i.e. reaching a low of Rs. 121/- from Rs. 375/- during Patch 2 period and thereafter recording a high of Rs. 980/- 27 during Patch 4 of the investigation. It is thus established that irrespective of unimpressive financial results of the Company, the price of the scrip increased on its own without any manual intervention.

l) The very foundation of the entire SCN and SSCN is based on analysis of top 10 entities in all the 4 Patches. During Patch 1 (01-07-2009 to 28-02-2012) the price of the scrip opened at Rs. 11.60, reached a high of Rs. 375 and closed at Rs. 337.75. During Patch 3 period (02-04-2012 to 04-12-2013) the price of the scrip opened at Rs. 126/- and reached a high of Rs. 950/- and closed at Rs. 950. In both the periods i.e. Patch 1 and 3, top 10 entities contributed significantly to positive LTP i.e. Rs. 1738.35 and Rs. 1344.20 respectively. However, surprisingly, contribution to positive LTP which was Rs. 1344.20 (23.86% of the market +ve LTP) in Patch 3 period as against Rs. 1738.35 (26.47% of the market +ve LTP) in Patch 1 period, no adverse inference has been drawn in view of insignificant positive LTP amongst the group. Further, inspite of contribution of huge –ve LTP during both the 2nd and 4th Patches, no adverse inference has been drawn considering the same as insignificant –ve LTP contribution to the market by connected entities.

m) In the SCN an allegation has been made for execution of certain trades after closing of the normal market hours. It is an admitted fact that during the Post Closing Session (15:40:00 to 15:59:59), no one can influence the price of the scrip as during the Post Closing Session trades are executed at closing price of the scrip only. Thus, such allegation against the Noticees that they had influenced the price of the scrip through +ve LTP are vague as could be.

n) None of the Noticees in the SCN and SSCN are facing allegation of synchronized trades, reversal of trade, structured trades, self-trade, first trade and new high price. Thus, the only allegation made in the SCN and SSCN is price manipulation through +ve LTP trades. Further, there is no mention about any meeting of mind with counterparties to trades of the 9 Noticees.

o) On perusal of the Investigation Report dated 17-05-2017, it is revealed that in the SCN, the contribution of several non Noticees/Entities to +ve LTP has deliberatively been skipped. On perusal of the Trade Log data it is revealed that one single entity i.e. M/s Kanudia Capital and Management Services Private Limited which had generated huge positive LTP of Rs. 2532.15 during the entire investigation period in the scrip but has been left scot-free whereas the 109 Noticees including 9 Noticees have been issued SCN for alleged violation of PFUTP Regulation for alleged positive LTP contribution of Rs. 754.23 i.e. comparably much lower from the contribution of the one single entity i.e. M/s Kanudia Capital and Management Services Private Limited. Apart from this, +ve LTP contribution by 4 entities out of top 10 positive LTP contributors in Patch-1, has been considered insignificant as compared to the market +ve LTP and therefore no adverse inference has been drawn against them. It is travesty of the fact that these entities had contributed Rs. 184.65, Rs. 125.45, Rs. 76.95 and

Rs. 78.50 respectively to gross +ve LTP which was termed as insignificant whereas contribution to gross +ve LTP by the 9 Noticees has been considered significant and such entities have been impleaded as Noticees to the SCN. Positive LTP contribution of aforesaid 4 entities is not only the instances where no adverse inference has been drawn as quoted above a classic case of contribution to +ve LTP by M/s Kanudia Capital and Management Services Private Limited whose +ve LTP contribution was as high as Rs. 2532.15 during investigation period but in that case also no adverse inference has been drawn.

p) The several entities which were shown as part of 301 purported connected group entities and had contributed to +ve LTP during the Investigation Period were not made parties to the SCN despite their significant contribution to +ve LTP. Thus, the contribution of top 10 entities is not only skewed as there are umpteen number of instances where several other entities out of 301 entities which had significantly contributed to +ve LTP but they have been left scot free.

q) Noticees 1 to 9 submitted that total volume during the period of Investigation was 2,32,88,290 shares and percentage of delivery volume was very high i.e. 83% to the market volume. Thus, most of the trades were delivery based and beneficial ownership had transferred from one hand to another. Further, total positive LTP during the Patch 1 period of Investigation was Rs. 6569.20. The alleged individual contribution by the Noticees is too miniscule in comparison to the total market positive LTP contribution. Total positive LTP during the entire period of Investigation was more than Rs. 15335/-. The alleged individual contribution by the Noticees is too miniscule in comparison to the total market positive LTP contribution.

r) They further submitted that there were huge time difference in between placing of the buy/sell orders by them to their trades. The Noticees had placed Orders at prevailing market prices. Even when the Noticees were not trading, the price of the scrip was increasing. This was mainly due to gap between the demand and supply. The price of the scrip witnessed sharp increase during Patch 3 period of the Investigation. Thus, it is abundantly clear that the price of the scrip was increasing due to pressure of demand and inadequate supply of shares in the market. Their total trades have not been considered while making allegation against them. Several of them had actually net –ve contribution to LTP though allegation of +ve LTP contribution has been made against them. Further, several counterparties to their trades are admittedly not part of the present SCN. Their contribution to +ve LTP in the scrip is too minuscule to influence the market equilibrium.

s) In the SCN an allegation has been made for execution of certain trades after closing of the normal market hours. It is an admitted fact that during the Post Closing Session (15:40:00 to 15:59:59), no one can influence the price of the scrip as during the Post Closing Session trades are executed at closing price of the scrip only. Thus, such allegation against them that they had influenced the price of the scrip through +ve LTP are vague.

t) In Para 12 of the SCN, it is alleged that by trading amongst themselves the group of 109 connected entities had contributed Rs. 754.23 which is 11.48% of the market positive LTP during the Patch 1 period of investigation. It is beyond the comprehension how +ve LTP contribution of Rs. 754.23 i.e. 11.48% of the market +ve LTP could draw adverse inference when in Patch 3 period there was substantial multiple +ve LTP contribution but no adverse inference has been drawn in view of insignificant +ve LTP contribution. Thus, the entire basis of adverse inference drawn is vague and faulty and such allegations cannot sustain in eyes of law.

u) Noticees 1 to 9 submitted that there are no allegations that they had any collusion with the counterparties to their trades. In absence of any collusion no allegation of price manipulation can be alleged against them. In this regard they relied up on several Orders passed by the Hon'ble Securities Appellate Tribunal.

v) They submitted that foundation of allegation of violation of PFUTP Regulations is based on basis of connection as given in Annexures 3 and 4 of SCN, which is totally farfetched. The charge of violation of PFUTP Regulation is a serious charge in relation to securities market and such charge is necessarily to be proved and established beyond any shadow of doubt and higher must be preponderance of probabilities in establishing the same. The entire SCN lacks in establishing any preponderance of probabilities on the basis of which an allegation of PFUTP violation by them is proved or established. The Noticees relied up on on order of Hon’ble Tribunal dated 19/11/2009 in appeal no 80 of 2009 in the matter of Dilip. S Pendse Vs SEBI.

w) They submitted that the allegation of fraud cannot sustain against them as the 9 Noticees had not induced any person while trading in the scrip. The necessary ingredients of fraud are totally missing. They relied up on the judgement of the Hon’ble Supreme Court in the matter of **SEBI v/s Shri Kanaiyalal Baldevbhai Patel** in Civil Appeal No. 2595 of 2013.

28. **Additional submissions of Noticees 1 to 9**:

a) Noticees 1 to 9 submitted that in the para 6 of SSCN there is an observation simpliciter about +ve LTP, -ve LTP and at par to the LTP. Thus, there is no allegation about the trades executed by the Noticees.
b) They submitted that +ve/-ve LTP contribution per se not illegal. Further, trading for significant quantity also per se not illegal. Otherwise, SEBI would not have given clean chit to M/s Kanudia Capital and Management Services Private Limited who had contributed Rs. 2532.15 to +ve LTP out of Rs. 15335.30 of total market +ve LTP.
c) Noticees 1 to 9 submitted that they have challenged the Order of the Ld. WTM dated 26.02.2021 by filing respective appeals before the Hon'ble Tribunal and the said appeals of them are pending for disposal.
d) Further, the Ld. WTM, SEBI has considered +ve LTP contribution of more than 1% to the market +ve LTP contribution as significant in case of 10 Noticees including Noticees 1 to 9. However, in the entire SSCN, nowhere it is alleged that because of +ve LTP contribution of more than 1%, the Noticees including the 9 Noticee herein had made violation of PFUTP Regulations. Hence, SSCN is devoid of any allegation of violation of PFUTP Regulations.
e) Several Noticees as well as Non-Noticees (including entities out of 301 entities) had contributed +ve/-ve LTP contribution in the range of 1 % to 10% of the market

+ve/-ve LTP contribution though they were not made parties to the SCN. Thus, there is an apparent contradiction in the finding arrived at by the Ld. WTM in the said Order and the analysis made in the Investigation Report which was accepted by the Board of the SEBI.

f) Further, in the SCN and SSCN the trades executed during Patch 2 - 4 of the investigation periods are nowhere dealt with. Thus SCN and SSCN present a distorted picture as no adverse inference has been drawn for the trades executed during the said patches. Moreover, no allegation has been made against sell trades of any entities in the said Order passed by the Ld. WTM for the trades executed during Patch 1 period of the investigation. In the absence of any connivance with the counterparties seller, the allegation of contribution to +ve LTP by executing buy trades cannot be sustained against the 9 Noticees and therefore liable to be dropped.

g) Only buy trades of the Noticees 1 to 9 have been considered for Patch 1 period and not during the entire period of the investigation which completely has resulted in projecting a different picture of the contribution of them to +ve/-ve LTP. On analysis of the buy trades of them executed during the entire investigation period, it is revealed that only 3 out of 9 Noticees had contributed more than 1% of the +ve LTP contribution to the market. Further, out of the said 3 Noticees, 2 Noticees had contributed net negative LTP contribution. A Table showing the same is provided here in below:

BUY TRADES DURING ENTIRE INVESTIGATION PERIOD													
Sr. No.	***Name of the Entity***	***Total Buy Traders***			***LTP> 0 (Positive LTP)***			***LTP< 0 (Negative LTP)***			***LTP = 0***	
		Sum of LTP Diff.	***No. of Traders***	***Qty.***	***Sum of LTP Diff.***	***No. of Traders***	***Qty.***	***Sum of LTP Diff.***	***No. of Traders***	***Qty.***	***No. of Traders***	***Qty.***
1	Santosh Kumar Agarwal	**282.15**	3638	646041	558.55	601	107182	-276.4	305	40538	2732	498321
2	Kamta Prasad Pandey	**-6.4**	2112	308219	386.6	382	55636	-393	373	42059	1357	210524
3	Success Vyapar P. Ltd.	**75.85**	1614	375681	152	169	33401	-76.15	102	17097	1343	325183
4	Raj Kumar Agarwal	**56.5**	564	144289	82.1	115	29960	-25.6	42	5214	407	109115
5	Anant Fin Consultancy Pvt. Ltd.	**51.25**	613	364080	74.05	171	71987	-22.8	35	28210	407	263883

6	Rishi Kant Awasthi	**47.6**	513	247168	80.9	131	63446	-33.3	50	10149	332	173573
7	Adinath Shares and Commodities P. Ltd.	**78.35**	349	181029	86.85	78	38312	-8.5	14	6963	257	135754
8	Priyanshi Securities Ltd.	**66.86**	633	169353	93.5	167	39456	-26.64	67	19502	399	110395
9	Rita Jain	**-26.7**	3942	575657	584.4	524	80676	-611.1	647	62072	2771	432909
Overall Market		**103**	95306	23288290	***15335.3***	***12743***	***3678801***	***-15232.3***	***11485***	***2272632***	***71078***	***17336857***

h) Therefore, no allegation can be made against the 9 Noticees in the SCN as well as in SSCN.

i) Further, Noticees 1 to 9 relied up on several other SEBI Orders.

29. Vide email dated June 07, 2021, opportunity of hearing on June 22, 2021 was provided to the Noticees 1 to 9. Subsequently, the said hearing had been re-scheduled to June 23, 2021. Authorized Representatives of Noticees 1 to 9 attended the hearing on behalf of them. Dr. S. K. Jain and Mr. Vikas Bengani appeared for the hearing on June 23, 2021 as Authorized Representatives of the Noticees 1 to 9. Noticees 1 to 9 have also filed their common additional submissions on June 30, 2021.

30. Vide email dated October 18, 2021, opportunity of hearing on December 07, 2021 was provided to the Noticee 10. Noticee 10 was also informed that, if he failed to appear for the hearing, the matter would be proceeded further on the basis of evidence available on record in terms of sub-rule (7) of rule (4) of the Adjudication Rules. However, Noticee 10 neither appeared on the scheduled date of personal hearing nor any reply on merit to the SCN was received from Noticee 10. Noticee 10 in his letter dated November 20, 2021 stated that he filed an Appeal before Hon’ble SAT against Order dated February 26, 2021 passed by Learned WTM, SEBI on the same subject matter of present proceeding. Noticee 10 has requested to keep the present Adjudication Proceeding in abeyance till passing of final order by Hon’ble SAT. Further, Noticee 10 also stated that some data of SCN and SSCN is not matching to one another.

31. As sufficient opportunity was given to the Noticee 10 to submit reply on merit and appear for hearing and no response was received from it, the adjudication proceeding against the Noticee 10 is undertaken ex-parte on the basis of material available on record.

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

CONSIDERATION OF ISSUES AND FINDINGS

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

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

Issue No. I Whether Noticees are in violation of Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a) and (e) of PFUTP Regulations as alleged in the SCN?

34. Before going into the merits of the case, I note the contention of the Noticees 1 to 9 that SCN and SSCN are discriminatory and is against the settled principle of Law, as SSCN dated 05.07.2019 was issued after about 2 years from the issuance of SCN dated 31.08.2017. They also contended that SCN and SSCN

are bad in law as the same has been issued after a period of more than 5 - 8 years after execution of trades by the 9 Noticees. They further contended that some data of SCN and SSCN is not matching to one another. I note that the investigation in the matter of NGFL was initiated pursuant to a specific reference received by SEBI dated April 27, 2015, from the Principal Director of Income Tax (Inv), Kolkata and the investigation was completed in May 2017. The AO was appointed on May 20, 2017 and the SCN was issued on August 31, 2017. I note that the SSCN was issued on July 5, 2019, since some findings in investigation report were not included in the SCN. I further note that the findings mentioned in the SSCN were additional and complementary to the findings in the SCN, and therefore could not have been identical. Subsequently, the matter was assigned to the undersigned as Adjudicating Officer vide an order dated December 29, 2020. In this regard, I also note that no limitation is prescribed in SEBI Act or Regulations for issuance of SCN or for completion of the Adjudication proceedings. Hence, I note that there is no inordinate delay in completion of investigation or initiation of the instant proceedings.

35. Noticees also contended that they challenged the Order of the Ld. WTM dated 26.02.2021 by filing respective appeals before the Hon'ble Tribunal and the said appeals of them are pending for disposal. In this regard, I note that the proceedings before AO and WTM are independent proceedings and can proceed in a parallel manner. I further note that no stay has been granted by the Hon’ble SAT on the present proceedings. In the absence of any stay by the Hon’ble SAT, the present proceedings cannot be kept in abeyance.

36. Noticees 1 to 9 also contended that they have not been provided with the details of buy trades of the 90 purportedly connected / identified group. In this regard, I note that they have been provided with entire trade log of BSE and NSE. Further, sufficient time was provided to them to make additional submissions, after receipt of the said trade log data by them. Accordingly, Noticees 1 to 9 filed their additional submissions and the same has been taken on record.

37. Noticees 1 to 9 have made individual as well as common submissions. They have made similar contentions regarding alleged charges levied against them. The gist of their contentions is as follows:

a) 192 entities were exonerated at the investigation stage itself though they were allegedly connected with each other or with the Company and who had traded in the scrip and alleged to have made substantial contribution to gross +ve LTP during period of the investigation.
b) no adverse inference has been drawn against any Noticees for their trades executed during patch 3 of the investigation when the price of the scrip had witnessed steep fluctuations same as in Patch 1
c) the alleged individual contribution by the Noticees 1 to 9 is too miniscule in comparison to the total market positive LTP contribution
d) the SCN has failed to prove any connivance amongst the Noticees
e) The basis of connection as given in the SCN has been portrayed as an allegation simpliciter and mere connection cannot be an allegation
f) the chain of connection has been broken since 291 out of 301 connected entities have been exonerated
g) Most of their trades were not matched with the entities connected to them, some trades were matched coincidentally and the volume arising out of these trades was negligible
h) no adverse inference has been drawn against M/s Kanudia Capital and Management Services Private Limited whose +ve LTP contribution was as high as Rs. 2532.15

38. I note that while the present proceedings are limited to the price rise in the scrip of NGFL during Patch-1, none of the 192 connected entities who have been exonerated at the investigation stage traded in the scrip during patch 1, thus, the contention that other connected entities who made positive LTP contribution have not been charged cannot be accepted. In the instant case, during patch 1, the

price of the scrip of NGFL rose from Rs. 11.60 to Rs. 337.75 i.e. a rise 2836.95 %, whereas, during patch 3, the price of the scrip of NGFL rose from Rs. 126 to Rs. 950 i.e. a rise of 653.96%. Thus, the price rise during patch 1 and patch 3 is also not comparable.

39. I note that while the 10 Noticees have been found to be directly / indirectly connected to the Company /directors/ promoters, no such connection is alleged to have been found in the SCN in respect of M/s Kanudia Capital and Management Services Private Limited. I also note that while calculating the +ve LTP contribution of M/s Kanudia Capital and Management Services Private Limited (Kanudia) mentioned in the submissions , it was calculated for the entire period of investigation, whereas, the alleged charges against the Noticees are restricted to their trading in patch 1 only. Therefore, positive LTP contribution of Kanudia for entire investigation period is not comparable with positive LTP contribution of Noticees 1 to 9 during patch 1.

40. The connection among the Noticees 1 to 10 based on UCC, Off-market transfers, fund transfers and MCA details are as mentioned in below table:

Noticee	**Connection**
Santosh Kumar Agarwal	Off market transfer of shares with Success Vyapar Pvt Ltd on 04/02/2014
Kamta Prasad Pandey	Anant Fin Consultancy Pvt Ltd, Madhu Rani Goenka, Sagar Net Mart P Ltd and Kamta Prasad Pandey have same email id viz. ankit_jain99999@rediffmail .com
M/s Success Vyapar Pvt Ltd	Anurag Khandelwal, Taurus Data Links Pvt Ltd and Subodh Agarwal (Director of NGFL) and Success Vyapar Pvt Ltd have same address viz. 16/19-A, Civil Lines, Kanpur, Uttar Pradesh – 208001
Raj Kumar Agarwal	Subodh Agarwal (Director of NGFL) and Raj Kumar Agarwal have same address viz. 35/48, Chak Na 035, Bangali Mohal, Kanpur, Uttar Pradesh – 208001

M/s Anant Fin Consultancy Pvt Ltd	Rishi Kant Awasthi was a director of Anant Fin Consultancy Pvt Ltd from 04/03/2009 to 15/12/2010
Rishi Kant Awasthi	Rishi Kant Awasthi is a director in Success Vyapar Pvt Ltd from 01/10/2007 till date
M/s Adinath Shares and Commodities Pvt Ltd	Anant Fin Consultancy Pvt Ltd and Adinath Shares and Commodities Private Limited have a common director i.e. Ankit Jain
MHDS Stone Edge Pvt. Ltd. (formarly known as Priyanshi Securities Limited)	Anant Fin Consultancy Pvt Ltd and Priyanshi Securities Limited share same address viz. 113/93, Shreeham Apt., Swaroop Nagar, Kanpur, Uttar Pradesh - 208001
Rita Jain	Sanjay Jain and Adinath Shares and Commodities Private Limited, Sanjai Jain Huf and Rita Jain have same adrress viz. 32/47 Ghumani Bazar, Kanpur, Uttar Pradesh - 208001
Surendra Kumar Gupta	Umesh Kumar Agarwal, Som Prakash Goenka, Rajni Gupta, Neharika Gupta and Surendra Kumar Gupta have same address viz. 51/40, Nayaanj, Goldie House, Kanpur, Uttar Pradesh - 208001 Som Prakash Goenka and Madhu Rani Goenka have same number

41. I note that the details of aforementioned basis of connection had been provided to all the Noticees as annexures to the SCN. I note from the submissions of the Noticees that they have not denied their connection with respective entities / Noticees to the SCN as stated in the SCN. I note that the connection among the Noticees is considered as one of the basis for alleging the violations against the Noticees and it is not considered as violation in itself. I also note that the trades of Noticees 1 to 10 have resulted into 31.24% of contribution to market positive LTP during patch 1 and 26.7% of the total market volume during Patch 1. Buy LTP analysis of Noticees 1 to 10 during patch 1 is tabulated below:

Sl.	Noticee	All trades			LTP > 0 (positive LTP)			LTP < 0 (negative LTP)			LTP = 0		% of +ve LTP to Mkt +ve LTP
		Sum of LTP diff	No of trades	Qty	Sum of LTP diff	No of trades	Qty	Sum of LTP diff	No of trades	Qty	No of trades	Qty	
1	Santosh Kumar Agarwal	293.55	3545	606322	545.55	594	105820	-252	295	40170	2656	460332	8.31
2	Success Vyapar Private Limited	78.05	1573	344198	151.05	166	30251	-73	96	12479	1311	301468	2.30
3	Priyanshi Securities Limited	67.21	621	164353	93.35	164	38462	-26.14	64	18647	393	107244	1.42
4	Adinath Shares And Commodities Private Limited	62.85	334	177729	71.35	72	36135	-8.50	14	6963	248	134631	1.09
5	Anant Fin Consultancy Pvt Ltd	57.65	526	265430	71.75	165	64253	-14.10	23	7884	338	193293	1.09
6	Kamta Prasad Pandey	56.95	1741	286460	339.75	327	50806	-282.80	325	40338	1089	195316	5.17
7	Raj Kumar Agarwal	56.50	564	144289	82.10	115	29960	-25.60	42	5214	407	109115	1.25
8	Rishi Kant Awasthi	47.60	513	247168	80.90	131	63446	-33.30	50	10149	332	173573	1.23
9	Surendra Kumar Gupta	46.12	767	220347	96.91	205	55231	-50.79	128	30775	434	134341	1.48
10	Rita Jain	-40.90	3614	538006	519.05	477	73831	-559.95	599	57898	2538	406277	7.90
Total		**725.58**	**13798**	**2994302**	**2051.76**	**2416**	**548195**	**-1326.18**	**1636**	**230517**	**9746**	**2215590**	**31.24**

42. Further, Noticee no. 1, 2, 3, 5, 7 and 8 were among the top 10 LTP contributors during patch 1. I also find that the trades by Noticees 1, 2, 3, 4, 5, 6, 7, 8 and 10 during patch 1, had resulted into net LTP contribution of Rs. 766.48 in comparison to the market net LTP of Rs. 326.15, during Patch 1. Therefore, the connection of the Noticees is also corroborated by their trading behavior, wherein they have traded in the scrip of NGFL wherein its poor financials did not justify the significant price rise of 2836.95% in patch 1 of the investigation period. They have also traded and contributed for significant volume in the scrip i.e. 26.7% of the total market volume while contributing 31.24% to market positive LTP during patch 1.

43. Noticees 1 to 9 contended that PFUTP Regulation is a serious charge in relation to securities market and such charge is necessarily to be proved and established beyond any shadow of doubt and higher must be preponderance of probabilities in establishing the same and in absence of any collusion no allegation of price manipulation can be alleged against them. Noticees 1 to 9 also relied upon

several orders passed by Hon'ble Supreme Court and Securities Appellate Tribunal. In this regard, I note that the substantial evidences against the Noticees with respect to connection amongst them and their significant contribution to LTP during patch 1 are clearly brought out in preceding paragraphs. As established in preceding paragraphs, fundamentals of the company did not justify the high prices of the scrip and there was no reasonable justification for making signnifcant purchases at sharply increasing prices unless motivated by ulterior purpose. The Noticees were connected to the company/ promoters/ directors, and their trades were responsible for significant artificial increase in the price as well as trading volumes during Patch 1 of the IP as established above.

44. In view of the above, I find that the allegations of violation of Regulation 3(a), (c) and Regulation 4(1), 4(2) (a) and (e) of PFUTP Regulations stand established against the Noticees 1 to 10.

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

And

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

45. Since the violation of Regulation 3 (a), (c) and Regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations has been established against the Noticees 1 to 10, as brought out in the foregoing paragraphs, the Noticees 1 to 10 are liable for monetary penalty under Section 15HA of SEBI Act.

<u>SEBI Act:</u>

Penalty for fraudulent and unfair trade practices.

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

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

    Factors to be taken into account by the adjudicating officer

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

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

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

    (c) the repetitive nature of the default.

47. I note that the material on record has not brought out any disproportionate gain made by the Noticees or loss caused to investors by the Noticees. In view of the above, taking into account the facts and circumstances of this matter, I find that a penalty of Rs.5,00,000/- (Rupees Five Lakh only) each on Noticees 1 to 10 under Section 15HA of the SEBI Act will be commensurate with the violations committed by them.

ORDER

48. After taking into consideration all the facts and circumstances of the case, in exercise of powers conferred upon me under Section 15-I of SEBI Act read with Rule 5 of the Adjudication Rules, I hereby impose a penalty of Rs.5,00,000/- (Rupees Five Lakh only) each on Santosh Kumar Agarwal (Noticee 1), Kamta Prasad Pandey (Noticee 2), M/s Success Vyapar Private Limited (Noticee 3), Raj Kumar Agarwal (Noticee 4), M/s Anant Fin Consultancy Pvt Ltd (Noticee 5), Rishi Kant Awasthi (Noticee 6), M/s Adinath Shares and Commodities Pvt Ltd (Noticee

7), MHDS Stone Edge Pvt. Ltd. (formarly known as Priyanshi Securities Limited) (Noticee 8), Rita Jain (Noticee 9) and Surendra Kumar Gupta (Noticee 10) i.e. total penalty of Rs. 50,00,000/- (Rupees Fifty Lakh only) under Section 15HA of the SEBI Act for violation of Regulation 3(a), (c) and Regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations.

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

ENFORCEMENT → Orders → Orders of AO → PAY NOW

50. The Noticees shall forward said Demand Draft or the details / confirmation of penalty so paid to the Enforcement Department – Division of Regulatory Action – IV of SEBI. The Noticees shall provide the following details while forwarding DD/ payment information:
    a) Name and PAN of the entity (Noticee)
    b) Name of the case / matter
    c) Purpose of Payment – Payment of penalty under AO proceedings
    d) Bank Name and Account Number
    e) Transaction Number

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

DATE: January 28, 2022
PLACE: MUMBAI

MANINDER CHEEMA
ADJUDICATING OFFICER