BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/AN/HP/2023-24/29914-29945]

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:

Noticee No.	Noticee Name	Noticee No.	Noticee Name
1.	**Ambalal Jhaverbhai Patel** (PAN- CTBPP8185P)	2.	**Anurodh Infrastructure Ltd** (PAN- AAJCA1464E)
3.	**Arpita Ilesh Patel** (PAN- CZTPP4427Q)	4.	**Glorious Vincom Pvt Ltd** (PAN- AADCG3846Q)
5.	**Highgrowth Vincom Private Limited** (PAN- AACCH1789A)	6.	**Jitendra Bhogilal Parikh** (PAN- DEYPP9464L)
7.	**Kamlesh Bhikhabhai Shah** (PAN- GLBPS9410L)	8.	**Kapila Vaghela** (PAN- AZDPV6862H)
9.	**Mahesh Bhailal Parmar** (PAN- CVLPP8362C)	10.	**Narayandas Dipchand Shah** (PAN- GVHPS7507C)
11.	**Nilesh Rameshchandra Shah** (PAN- GTPPS2917N)	12.	**Original Fashion Traders Pvt Ltd** (PAN- AABCO4133G)
13.	**Pattammal Murlidharan** (PAN- DDGPP1706N)	14.	**Pradip Jayantilal Mehta** (PAN- CXDPM3499M)
15.	**Rudramukhi Infrastructure Pvt Ltd** (PAN- AAGCR0172D)	16.	**Vijaya Parsharam Salvi** (PAN- GFDPS9389C)
17.	**Vinitkumar Popatlal Parikh** (PAN- CYNPP0545E)	18.	**Vivek Shivaram Kale** (PAN- DWIPK5478R)
19.	**Bakul Garments LLP** (PAN- AAQFB5938G)	20.	**Ritudhara Retailers Pvt Ltd** (PAN- AAGCR0169Q)
21.	**Primary Iron Traders Pvt Ltd** (PAN- AAFCP8289C)	22.	**Deepsikha Dealers Pvt Ltd** (PAN- AACCD9756H)

23.	**Namaskar Dealcom Pvt Ltd** (PAN- AACCN8485F)	24.	**Hulbert Tracom Pvt Ltd** (PAN- AACCH9303G)
25.	**Viewlink Fashion Pvt Ltd** (PAN- AAECV1493R)	26.	**Swarnamahal Infratech Pvt Ltd** (PAN- AARCS9963Q)
27.	**Starwise Housing Private Limited** (PAN- AARCS9077M)	28.	**Goodview Auto Distributor Pvt Ltd** (PAN-AAECG0987B)
29.	**Dwitiya Trading Ltd** (PAN- AABCB4470B)	30.	**Faithful Cloth Merchant** (PAN- AABCF6670P)
31.	**Pel Soft Labs Pvt Ltd** (PAN- AADCP9992N)	32.	**Ismail Mehtar (PAN not available)** **Driving License No. GJ04/013449/02**

In the matter of trading by certain entities in the scrip of Econo Trade (India) Ltd.

BRIEF BACKGROUND

1. Securities and Exchange Board of India ("**SEBI**") initiated Adjudication Proceedings against Ambalal Jhaverbhai Patel (**Noticee 1**), Anurodh Infrastructure Ltd (**Noticee 2**), Arpita Ilesh Patel (**Noticee 3**), Glorious Vincom Pvt Ltd (**Noticee 4**), Highgrowth Vincom Private Limited (**Noticee 5**), Jitendra Bhogilal Parikh (**Noticee 6**), Kamlesh Bhikhabhai Shah (**Noticee 7**), Kapila Vaghela (**Noticee 8**), Mahesh Bhailal Parmar (**Noticee 9**), Narayandas Dipchand Shah (**Noticee 10**), Nilesh Rameshchandra Shah (**Noticee 11**), Original Fashion Traders Pvt Ltd (**Noticee 12**), Pattammal Murlidharan (**Noticee 13**), Pradip Jayantilal Mehta (**Noticee 14**), Rudramukhi Infrastructure Pvt Ltd (**Noticee 15**), Vijaya Parsharam Salvi (**Noticee 16**), Vinitkumar Popatlal Parikh (**Noticee 17**), Vivek Shivaram Kale (**Noticee 18**), Bakul Garments LLP (**Noticee 19**), Ritudhara Retailers Pvt Ltd (**Noticee 20**), Primary Iron Traders Pvt Ltd (**Noticee 21**), Deepsikha Dealers Pvt Ltd (**Noticee 22**), Namaskar Dealcom Pvt Ltd (**Noticee 23**), Hulbert Tracom Pvt Ltd (**Noticee 24**), Viewlink Fashion Pvt Ltd (**Noticee 25**),

Swarnamahal Infratech Pvt Ltd (**Noticee 26**), Starwise Housing Private Limited (**Noticee 27**), Goodview Auto Distributor Pvt Ltd (**Noticee 28**), Dwitiya Trading Ltd (**Noticee 29**), Faithful Cloth Merchant (**Noticee 30**), Pel Soft Labs Pvt Ltd (**Noticee 31**) and Ismail Mehtar (**Noticee 32**) pursuant to investigation in the matter of trading by certain entities in the scrip of Econo Trade (India) Ltd. (**ETL / ETIL / Company / Scrip**). The Noticees 1 to 32 are collectively referred to as **'Noticees'**.

2. Adjudication proceedings were initiated against the Noticees for the alleged violation of various provisions as per details given hereunder:

   a) Noticees 1 to 18 and 20 to 30 under Section 15HA of SEBI Act, 1992 ('**SEBI Act**') for alleged violation of Section 12A (a), (b), (c) of SEBI Act and Regulation 3 (a), (b), (c), (d), Regulation 4(1), 4(2)(a), (b), (e) and (g) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market Regulations), 2003 ('**PFUTP Regulations**').

   b) Noticee 19 under Section 15HA of SEBI Act for alleged violation of Section 12A (a), (b), (c) of SEBI Act and Regulation 3 (a), (b), (c), (d), Regulation 4(1), 4(2) (b) and (e) of PFUTP Regulations.

   c) Noticees 31 and 32 under Section 15A(a) of SEBI Act for alleged violation of Section 11C(3) of SEBI Act.

APPOINTMENT OF ADJUDICATING OFFICER

3. Upon being satisfied that there are sufficient grounds to inquire and adjudicate upon the alleged violations of provisions of SEBI Act and PFUTP Regulations, as stated, by the Noticees, SEBI, in exercise of powers under Section 19 of the SEBI Act, read with Section 15-I of the SEBI Act and Rule 3 of SEBI (Procedure For Holding Inquiry And Imposing Penalties) Rules, 1995 ("**Adjudication Rules**"), appointed Ms. Maninder Cheema, CGM, SEBI as the Adjudicating Officer ("**AO**")

in the matter, vide communique dated July 09, 2021 to inquire into and adjudge under section 15HA and 15A(a) of SEBI Act, as applicable, the aforesaid alleged violations by the Noticees. Pursuant to transfer of Ms. Maninder Cheema, Dr. Anitha Anoop, CGM, SEBI was appointed as Adjudicating Officer vide Communique dated June 07, 2022. Pursuant to transfer of Dr. Anitha Anoop, undersigned was appointed as Adjudicating Officer vide communique dated September 05, 2022.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. A common Show Cause Notice No. EAD5/AA/HP/26809/1-37/2022 dated June 30, 2022 ("**SCN**") 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 against the Noticees and penalty not be imposed against Noticees 1 to 30 under Section 15HA and against Noticee 31 and Noticee 32 under section 15A(a) of SEBI Act for the aforesaid alleged violations.

5. The following was inter alia observed and/or alleged per the SCN :

"…

4. SEBI received complaints wherein the complainants made allegations of manipulation in the scrip through promotions via calls and SMSs.

5. SEBI carried out investigation to ascertain whether there was any violation of the provisions of PFUTP Regulations by the Noticees in the scrip for the period from October 05, 2016 to February 17, 2017 (hereinafter referred to as, 'Investigation Period' or 'IP').

Background of company:

6. The company was incorporated on November 20, 1982 in West Bengal. The Company registered itself as NBFC with RBI in 1998. The company is listed on BSE and CSE.

***Management of the company**:*

7. The details of the Directors of the company during the investigation period are as under:

Name	Designation	Original Date of Appointment	Date of Cessation
Sujay Rakshit	Director	27.08.2002	26.10.2018
Suresh Kumar Jain	Director	24.02.2014	27.07.2018
Pradip Kumar Agrawal	Director	27.08.2002	26.10.2018
Murari Agarwal	Wholetime Director	12.06.2012	27.07.2018
Tuhina Rakshit	Director	14.05.2015	27.07.2018
Sourav Kedia	Managing Director	06.02.2017	27.07.2018
Bhawani Shankar Darak	Director	24.02.2014	02.05.2017
Siddharth Sharma	Company Secretary	30.03.2015	-

Shareholding Pattern:

Particular	Quarter ended Sept, 2016			Quarter ended Dec, 2016			Quarter ended Mar, 2017		
	No. of shareholders	**No. of shares**	**%**	**No. of shareholders**	**No. of shares**	**%**	**No. of shareholders**	**No. of shares**	**%**
Promoter Holding	3	27,79,975	14.89	3	27,72,075	14.85	3	27,72,075	14.85
Non Promoter Holding	612	1,58,89,690	85.11	736	1,58,97,500	85.11	2331	1,58,97,500	85.15
Total share capital	**615**	**1,86,69,665**	**100**	**739**	**1,86,69,575**	**100**	**2334**	**1,86,69,575**	**100**

The Promoter wise shareholding is tabulated below:

Sr. No.	Entity Name	Quarter ended Sept, 2016		Quarter ended Dec, 2016		Quarter ended Mar, 2017	
		No. of Shares	**% of Holding**	**No. of Shares**	**% of Holding**	**No. of Shares**	**% of Holding**
1	Associated Cereals Ltd	8,500	0.05	600	0.00	600	0.00
2	Onestop Mercantile Pvt Ltd	11,21,475	6.01	11,21,475	6.01	11,21,475	6.01
3	Proteck Export & Commercial Pvt Ltd	16,50,000	8.84	16,50,000	8.84	16,50,000	8.84
Total		**27,79,975**	**14.89**	**27,72,075**	**14.85**	**27,72,075**	**14.85**

Financial Results:

Description	Quarter ended Sept 2016	Quarter ended Dec 2016	Quarter ended Mar 2017
Net sales	1.19	2.51	10.34
Other Income	0.00	0.00	0.00
Total income	1.19	2.51	10.34
Net Profit	0.06	0.40	-0.78

(Rs. in Crore)

Corporate Announcements:

8. *Details of major corporate announcements made by company during the investigation period, is placed below:*

Date	Announcement
October 1, 2016	Outcome of AGM held on 30.09.2016
November 4, 2016	Board Meeting Intimation for Results on 14.11.2016
November 14, 2016	Standalone & Consolidated Financial Results Ltd Review Report for September 30 2016
January 18, 2017	Board Meeting Intimation for Results on 27.01.2017 regarding appointment of Managing director of the company
January 27, 2017	Outcome of Board Meeting held on 27.01.2017
January 28, 2017	Board Meeting on Feb 06 2017
February 6, 2017	Standalone & Consolidated Financial Results Ltd Review Report for December 31 2016

Price Volume Analysis:

9. *It was observed that there was no trading on CSE in the scrip of ETL during the IP. The opening, closing, low and high price of the scrip along with average number of shares traded during the IP at BSE are given below:*

Period	Opening Price /volume on first day of the period	Closing price/volume on last day of the period	Low price/volume during the period	High Price/volume during the period	Avg. no. of (shares) traded daily during the period
05.10.2016-17.02.2017	Rs. 42.55	Rs. 58.9	Rs. 35.1	Rs. 62	1,00,713
	16,491	80,252	1	8,34,102	

10. ***The price volume chart:***

11. *Connection among 54 suspected entities is as mentioned below:*

Group No.	Sr. No.	Name of entity	Reason for connection
1	1	Original Fashion Traders Pvt Ltd	• Common no. 9163866569 between Original Fashion Traders Pvt Ltd, Ritudhara Retailers Pvt Ltd and Rudramukhi Infrastructure Pvt Ltd. • Common email id - companies26roc@gmail.com. • Off market transaction between Indrakshi Sales Pvt Ltd and Ritudhara Retailers Pvt Ltd. • Off market transaction between Concord Vinimay Pvt Ltd and Primary Iron Traders Pvt. Ltd. • Off market transfer by Anand Potato Cold Storage Pvt. Ltd. to Anurodh Infrastructure Ltd and Original Fashion Traders Ltd. • Off market transaction by Glorious Vincom Pvt Ltd with Highgrowth Vincom Pvt Ltd and Ritudhara Retailers Pvt Ltd. • Onestop Mercantile Pvt. Ltd. and Associated Cereals Ltd. are promoter entities for Econo Trade India Ltd and Sujay Rakshit is director in all these entities. • Anand Shakti Cement Pvt. Ltd., Anurodh Infrastructure Ltd, SWAL Ltd, Ishwar Distributors Pvt Ltd and Promoter entity, Proteck Export and Commercial Pvt Ltd are/ were shareholders in Kites Infraprojects Pvt Ltd. • Dayanidhi Tradelink Pvt Ltd is shareholder in Anand Shakti Cement Pvt. Ltd. • SWAL Tradelink Ltd is shareholder in Lilac Vincom Pvt. Ltd. Upendra Kumar Singh is director in SWAL Ltd and SWAL Tradelink Ltd. • Kailash Chandra Parhi (02475276) was director in promoter Company, Onestop Mercantile Pvt Ltd (from March 19, 2010 – December 28, 2011) and also director in Anand Potato Cold Storage Pvt Ltd (from February 1, 2011 – December 7, 2012). • Off market transactions by Ideal Plywood, Wonder Vinimay Pvt Ltd and Faithful Cloth Merchants Pvt Ltd with Anurodh Infrastructure Ltd.
	2	Ritudhara Retailers Pvt Ltd	
	3	Rudramukhi Infrastructure Pvt Ltd	
	4	Primary Iron Traders Pvt Ltd	
	5	Anurodh Infrastructure Ltd	
	6	Indrakshi Sales Pvt Ltd Indrakshi	
	7	Concord Vinimay Pvt Ltd	
	8	Wonderland Paper Suppliers Pvt Ltd	
	9	Anand Potato Cold Storage Pvt Ltd	
	10	Glorious Vincom Pvt Ltd	
	11	Highgrowth Vincom Pvt Ltd	
	12	Anand Shakti Cement Pvt. Ltd.	
	13	Dayanidhi Tradelink Pvt. Ltd.	
	14	Ishwar Distributors Pvt Ltd	
	15	Lilac Vincom Pvt Ltd	
	16	SWAL Ltd.	
	17	Kites Infraprojects Pvt Ltd	
	18	Proteck Export and Commercial Pvt Ltd	
	19	Onestop Mercantile Pvt Ltd	
	20	Associated Cereals Ltd.	
	21	Sujay Rakshit	
	22	Ideal Plywood Traders Pvt. Ltd.	
	23	Wonder Vinimay Pvt Ltd	
	24	Faithful Cloth Merchants Pvt Ltd	
	25	Ambalal Jhaverbhai Patel	

Group No.	Sr. No.	Name of entity	Reason for connection
	26	Vinitkumar Popatlal Parikh	• Kamlesh Bhikhabhai Shah had off market transactions with Headfirst Vintrade Pvt Ltd, Indrawati Commosales Pvt Ltd and Vinahast Dealcom Pvt Ltd. • Common no. 7383913459 between Ambalal Jhaverbhai Patel, Vinitkumar Popatlal Parikh, Pradip Jayantilal Mehta and Pattammal N. Murlidharan. • Common no. 7779082715 between Vinitkumar Popatlal Parikh, Kale Vivek Shivaram and Kamlesh Bhikhabhai Shah.
	27	Pattammal N. Murlidharan	
	28	Kale Vivek Shivaram	
	29	Kamlesh Bhikhabhai Shah	
	30	Pradip Jayantilal Mehta	
	31	Indrawati Nirman Pvt Ltd	• Ritudhara Retailers Pvt Ltd had off market transaction with Headfirst Vintrade Pvt Ltd. • Common address - 18b Brabourne Road, 2nd Floor, Kolkata, West Bengal, India, 700001 between Indrawati Nirman Pvt Ltd, Padmawati Tradevin Pvt Ltd and Darswana Vinmay Pvt. Ltd. • Common telephone number - 9748808656033, 9748808656 between Vinahast Trading Pvt Ltd and Padmawati Tradevin Pvt Ltd. • 7059127274 common between Remac Fabrics Pvt Ltd and Darswana Vinmay Pvt Ltd • Common address- 4, 1st Floor N.s.road Kolkata 700001, between Rochak Vinimay Privite Limted and Hanshika Dealers Pvt Ltd. • Common address - 8/3 Rupchand Roy Street 1st Floor Kolkata - 700007 between Onceover Deal Trade Pvt Ltd, Sandarshika Vanijya Pvt Ltd, Outstripe Suppliers Pvt Ltd, Goldensight Vinimay Pvt Ltd, Vinahast Dealcom Pvt Ltd, Ekaparnik Vintrade Pvt Ltd, Headfirst Vintrade Pvt Ltd and Indrawati Commosales Pvt Ltd. • Common address - Room No-5 D, 2nd Floor, Surendra Mohan Ghosh Sarani, Kolkata, West Bengal, India, 700001 between Artview Vintrade Pvt Ltd, Darshwana Trading Pvt Ltd and Samudhita Sales Pvt Ltd. • 9831668064011, 9831668064 – common between Rochak Vinimay Privite Limted and Darshwana Trading Pvt Ltd
	32	Padmawati Tradevin Pvt Ltd	
	33	Darswana Vinmay Pvt Ltd	
	34	Vinahast Trading Pvt Ltd	
	35	Remac Fabrics Pvt Ltd	
	36	Rochak Vinimay Privite Limted	
	37	Hanshika Dealers Pvt Ltd	
	38	Onceover Deal Trade Pvt Ltd	
	39	Sandarshika Vanijya Pvt Ltd	
	40	Outstripe Suppliers Pvt Ltd	
	41	Goldensight Vinimay Pvt Ltd	
	42	Vinahast Dealcom Pvt Ltd	
	43	Ekaparnik Vintrade Pvt Ltd	
	44	Headfirst Vintrade Pvt Ltd	
	45	Indrawati Commosales Pvt Ltd	
	46	Artview Vintrade Pvt Ltd	
	47	Darshwana Trading Pvt Ltd	
	48	Samudhita Sales Pvt Ltd	
2	1	Deepsikha Dealers Pvt Ltd	• As per UCC, Common email id - aromavintrade21@gmail.com. Between Deepsikha Dealers Pvt Ltd and Aroma Vintrade Pvt Ltd. • Common address - 2a, Ganesh Chandra Avenue Commerce House 7th Floor, Room No 1 Kolkata West Bengal India 700013, between Aroma Vintrade Pvt Ltd, Lagan Barter Pvt Ltd and Namaskar Dealcom Pvt Ltd. • Common email id - arvind.jha.arvind@gmail.com between Deepsikha Dealers Pvt Ltd and Lagan Barter Pvt Ltd. • Intercity Buildcon Pvt. Ltd. is shareholder in Aroma Vintrade, Deepesh Infrahomes Pvt Ltd and Jevanjyoti Commosales Pvt Ltd. • Deepesh Infrahomes Pvt Ltd is shareholder of Denevo Merchants Pvt Ltd
	2	Aroma Vintrade Pvt Ltd	
	3	Lagan Barter Pvt Ltd	
	4	Namaskar Dealcom Pvt Ltd	
	5	Denevo Merchants Pvt Ltd	
	6	Jevanjyoti Commosales Pvt Ltd	

12. *In view of the above, two Groups who had traded during IP, had been identified* :

Group 1:

Sr.No.	PAN	Name of entity	Basis of connection
1	AABCO4133G	Original Fashion Traders Pvt Ltd	1. Common email id -Companies26roc@gmail.com between Original Fashion Traders Pvt Ltd (1), Rudramukhi Infrastructure Pvt Ltd (3), Primary Iron Traders Pvt Ltd (4), Anurodh Infrastructure Ltd (5) and Wonderland Paper Suppliers Pvt Ltd(6) 2. Common contact number viz. 7779082715 of Ambalal Jhaverbhai Patel (9), Vinitkumar Popatlal Parikh (10) ,Vivek Kale (12) and Kamlesh Bhikhabhai Shah(13). 3. Common contact number viz. 9512112086 between Kapila (19) and Pradip Mehta (14) 4. Common contact number viz. 7383913459 between Ambalal Jhaverbhai Patel (9), Vinitkumar Popatlal Parikh (10), Pattammal N. Murlidharan (11) and Pradip Jayantilal Mehta (14). 5. Common Address: 106 Kiran Chandra Singha Road Block-B8 Ground Floor Howrah Wb 711102 between Rudramukhi Infrastructure Pvt Ltd (3), Primary Iron Traders Pvt Ltd (4) and Wonderland Paper Suppliers Pvt Ltd (6) 6. Common Address: 71,Park Plaza ,Park Street Room No 21 Kolkata 700016 between Highgrowth Vincom Pvt Ltd(7) and Glorious Vincom Pvt Ltd(8). 7. Common Address: 111 112 Plot No 74 House No 74shiv Shaktinagar Near J K Parkchandlodiya between Kamelsh shah (13) and Pradip (14). 8. Common address: E 102 Swagat Rainforest 1 Vill Kudasan Gandhinagar Gujarat 382421 between Mahesh Bhailal Parmar and Vivek Kale (12), Ambalal Patel (9). 9. Common Address: 215 Stadium House Nr Das Khaman Navrang Pura Ahmedabad, between Arpita Ilesh Patel (22) and Jitendra Parikh (20) 10. Fund transfer between Arpita Ilesh Patel (22) and Nilesh shah (18), Viajaya Salvi (21) and Vinitkumar Popatlal Parikh(10) 11. Fund transfer between Kamlesh Bhikhabhai Shah(13)and Vinitkumar Popatlal Parikh(10) 12. Off market between Kapila (19) and Jitendra Parikh (20) 13. Off market between Bakul Garments (15) and Arpita Ilesh Patel (22) 14. Off market transactions of Ritudhara Retailers Pvt Ltd (2) with Headfirst Vintrade Pvt Ltd which had off market with Kamlesh Bhikhabhai Shah(13). 15. Off market transactions of Glorious Vincom Pvt Ltd (8) with Highgrowth Vincom Pvt Ltd (7) and Ritudhara Retailers Pvt Ltd (2).
2	AAGCR0169Q	Ritudhara Retailers Pvt Ltd	
3	AAGCR0172D	Rudramukhi Infrastructure Pvt Ltd	
4	AAFCP8289C	Primary Iron Traders Pvt Ltd	
5	AAJCA1464E	Anurodh Infrastructure Ltd	
6	AABCW0544K	Wonderland Paper Suppliers Pvt Ltd	
7	AACCH1789A	Highgrowth Vincom Pvt Ltd	
8	AADCG3846Q	Glorious Vincom Pvt Ltd (Amu Thapa)	
9	CTBPP8185P	Ambalal Jhaverbhai Patel	
10	CYNPP0545E	Vinitkumar Popatlal Parikh	
11	DDGPP1706N	Pattammal N. Murlidharan	
12	DWIPK5478R	Vivek Shivaram Kale	
13	GLBPS9410L	Kamlesh Bhikhabhai Shah	
14	CXDPM3499M	Pradip Jayantilal Mehta	
15	AAQFB5938G	Bakul Garments LLP	
16	GVHPS7507C	Narayandas Dipchand Shah	
17	CVLPP8362C	Mahesh Bhailal Parmar	
18	GTPPS2917N	Nilesh Rameshchandra Shah	
19	AZDPV6862H	Kapila Vaghela	
20	DEYPP9464L	Jitendra Bhogilal Parikh	
21	GFDPS9389C	Vijaya Parsharam Salvi	
22	CZTPP4427Q	Arpita Ilesh Patel	

			16. Off market transactions of Rudramukhi Infrastructure Pvt Ltd (3) with Original Fashion Traders Pvt Ltd (1), Ritudhara Retailers Pvt Ltd (2), Primary Iron Traders Pvt Ltd(4) and Anurodh Infrastructure Ltd (5). 17. Common director viz., Ashutosh Dey among Ritudhara Retailers Pvt Ltd (2), Rudramukhi Infrastructure Pvt Ltd (3) and Primary Iron Traders Pvt Ltd (4). 18. Common director viz., Sujan Laha between Ritudhara Retailers Pvt Ltd (2) and Anurodh Infrastructure Ltd (5).

Group 2:

Sr.No.	PAN	Name of entity	Basis of connection
1	AACCD9756H	Deepsikha Dealers Pvt Ltd	1. Common address - 2a, Ganesh Chandra Avenue Commerce House 7th Floor, Room No 1 Kolkata West Bengal India 700013 and contact number – 8583086582 between Aroma Vintrade Pvt Ltd and Namaskar Dealcom Pvt Ltd 2. Common email id - arvind.jha.arvind@gmail.com between Deepsikha Dealers Pvt Ltd and Lagan Barter Pvt Ltd 3. Common email Id: jevanjyoti21@gmail.com between Namaskar Dealcom Pvt Ltd and Jevanjyoti Commosales Pvt Ltd 4. Common director Prem Chand Thakur between Deepsikha Dealers Pvt Ltd and Jevanjyoti Commosales Pvt Ltd 5. Deepesh Infrahomes Pvt Ltd is one of the shareholder in Denevo Merchants Pvt Ltd and Deepesh Infrahomes Pvt Ltd shares same director Dipak Kumar Singh with Lagan Barter Pvt Ltd.
2	AAKCA0956E	Aroma Vintrade Pvt Ltd	
3	AABCL5159M	Lagan Barter Pvt Ltd	
4	AACCN8485F	Namaskar Dealcom Pvt Ltd	
5	AADCD9494P	Denevo Merchants Pvt Ltd	
6	AACCJ6576B	Jevanjyoti Commosales Pvt Ltd	

(Detailed connections is palced as Annexure 1)

***Brokers' Concentration**:*

13. *Details of top 10 buy and sell brokers and their concentration on BSE during IP is provided below:*

Broker Name	Gross Buy	% of Gross Buy to Mkt. Volume	Broker Name	Gross Sell	% of Gross Sell to Mkt. Volume
Kotak Securities Ltd.	506016	5.84%	Ashika Stock Broking Ltd.	1240164	14.32%
Giriraj Stock Broking Pvt. Ltd.	485383	5.60%	Giriraj Stock Broking Pvt. Ltd.	1050341	12.13%
Bhansali Value Creations Pvt. Ltd.	477094	5.51%	Bhansali Value Creations Pvt. Ltd.	477094	5.51%
Canon Capital & Finance Ltd.	399204	4.61%	Canon Capital & Finance Ltd.	399204	4.61%
Guiness Securities Ltd.	374645	4.33%	Bma Wealth Creators Ltd.	353516	4.08%
Indrakshi Sales Pvt. Ltd.	323267	3.73%	Indrakshi Sales Pvt. Ltd.	326254	3.77%
Asnani Stock Broker Pvt.Ltd.	297719	3.44%	Asnani Stock Broker Pvt.Ltd.	297719	3.44%
Jainam Share Consultants Pvt.Ltd.	290726	3.36%	Marfatia Stock Broking Pvt.Ltd.	283491	3.27%
Marfatia Stock Broking Pvt.Ltd.	283491	3.27%	Jainam Share Consultants Pvt.Ltd.	282656	3.26%
Bma Wealth Creators Ltd.	278213	3.21%	Rainbow Securities Pvt Ltd	274615	3.17%
Total	**3715758**	**42.90%**	**Total**	**4985054**	**57.56%**
Market Total	**8661354**	**100.00%**	**Market Total**	**8661354**	**100.00%**

14. *It was observed that top 10 buy brokers contributed 42.90% to market volume. Kotak Securities Ltd. was the top buy broker with 5.84% contribution to market volume. Top 10 sell brokers contributed 57.56% to market volume. Ashika Stock Broking Ltd. was the top sell broker with 14.32% contribution to market volume.*

***Clients' Concentration**:*

15. *Details of top 10 buy and sell clients and their concentration on BSE during IP are provided below:*

Client Name	Gross Buy	% of Gross Buy to Mkt. Volume	Client Name	Gross Sell	% of Gross Sell to Mkt. Volume
Vivek Shivaram Kale	325759	3.76%	Anurodh Infrastructure Ltd	642124	7.41%
Anurodh Infrastructure Ltd	309059	3.57%	Namaskar Dealcom Pvt Ltd	387706	4.48%
Ambalal Jhaverbhai Patel	259896	3.00%	Vivek Shivaram Kale	325759	3.76%
Narayandas Dipchand Shah	242725	2.80%	Ambalal Jhaverbhai Patel	259896	3.00%
Kapila Vaghela	226918	2.62%	Bakul Garments LLP	251950	2.91%
Highgrowth Vincom Pvt Ltd	215800	2.49%	Narayandas Dipchand Shah	242725	2.80%
Mahesh Bhailal Parmar	212018	2.45%	Deepsikha Dealers Pvt Ltd	232654	2.69%
Vinitkumar Popatlal Parikh	194225	2.24%	Nilesh Rameshchandra Shah	231577	2.67%
Nilesh Rameshchandra Shah	188980	2.18%	Tirupati Cottex Pvt Ltd	226935	2.62%
Pradip Jayantilal Mehta	162266	1.87%	Kapila Vaghela	226918	2.62%
Total	**2337646**	**26.99%**	**Total**	**3028244**	**34.96%**
Market Total	**8661354**	**100.00%**	**Market Total**	**8661354**	**100.00%**

16. *It was observed that top 10 buyers contributed 26.99% to market volume. Noticee 18 was the top buyer with 3.76% contribution to market volume. Top 10 sellers contributed 34.96% to market volume. Noticee 2 was the top seller with 7.41% contribution to market volume. All top ten Gross buy clients belongs to Group 1 entities. Out of total top ten Gross sell clients, 7 belongs to Group 1 entities and 2 belongs to group 2.*

17. *The trading details of top 10 net sellers during IP are as follows:*

Sr.No.	Sellers	Buy Traded Quantity (A)	%Buy Trade Quantity to market	Sell Traded Quantity (B)	%Sell Traded Quantity to market	Net Sell Quantity (C=B-A)
1	Anurodh Infrastructure Ltd	309059	3.57%	642124	7.41%	3,33,065
2	Namaskar Dealcom Pvt Ltd .	0	0.00%	387706	4.48%	3,87,706
3	Bakul Garments Llp	0	0.00%	251950	2.91%	251,950
4	Deepsikha Dealers Pvt Ltd	0	0.00%	232654	2.69%	2,32,654
5	Tirupati Cottex Pvt Ltd	0	0.00%	226935	2.62%	2,26,935
6	Lagan Barter Pvt Ltd .	0	0.00%	140123	1.62%	140,123
7	Aroma Vintrade Pvt Ltd .	0	0.00%	123000	1.42%	1,23,000
8	Rudramukhi Infrastructure Pvt Ltd	3290	0.04%	114210	1.32%	1,10,920
9	Primary Iron Traders Pvt Ltd	0	0.00%	85485	0.99%	85,485
10	Ritudhara Retailers Pvt.Ltd	0	0.00%	80049	0.92%	80,049
	Total	**312349**	**3.61%**	**2284236**	**26.37%**	**19,71,887**
	Market total	**8661354**	**100.00%**	**8661354**	**100.00%**	**22.77%**

18. *It was observed that 9 out of 10 entities of top ten net sellers belong to Group 1 or Group 2 (Sr.Nos 1, 3, 8, 9 and 10 belong to Group 1 and Sr. No. 2,4, 6 and 7 belong to Group 2).*

19. ***Trading details of Group 1 entities**:*

Sr.No.	Client Name	Buy Traded Quantity	Sell Traded Quantity
1	Vivek Shivaram Kale	3,25,759	3,25,759
2	Anurodh Infrastructure Ltd	3,09,059	6,42,124
3	Ambalal Jhaverbhai Patel	2,59,896	2,59,896
4	Narayandas Dipchand Shah	2,42,725	2,42,725
5	Kapila Vaghela	2,26,918	2,26,918
6	Highgrowth Vincom Pvt Ltd	2,15,800	2,25,178
7	Mahesh Bhailal Parmar	2,12,018	2,12,018
8	Vinitkumar Popatlal Parikh	1,94,225	1,94,225
9	Nilesh Rameshchandra Shah	1,88,980	2,31,577
10	Pradip Jayantilal Mehta	1,62,266	1,62,266
11	Original Fashion Traders Pvt Ltd	1,61,604	1,75,719
12	Kamlesh Bhikhabhai Shah	1,40,046	1,40,046
13	Pattammal Murlidharan	1,23,671	1,23,671
14	Glorious Vincom Pvt Ltd	1,08,499	1,37,700
15	Arpita Ilesh Patel	94,480	94,480
16	Jitendra Bhogilal Parikh	72,191	72,191
17	Vijaya Parsharam Salvi	55,717	55,717
18	Wonderland Paper Suppliers Pvt Ltd	5,000	31,891
19	Rudramukhi Infrastructure Pvt Ltd	3,290	1,14,210
20	Ritudhara Retailers Pvt.Ltd	0	80,049
21	Primary Iron Traders Pvt Ltd	0	85,485
22	Bakul Garments LLP	0	2,51,950
	Total	**31,02,144**	**40,85,795**
	Total Market	**86,61,354**	**86,61,354**
	% to Total Market	**35.81%**	**47.17%**

It was observed from the above table that Group 1 had gross buy of 35.81% and gross sell of 47.17% of total market during IP.

20. ***Reversal Trades**: Reversal trades are trades when the trades are reversed with the same counterparties/group entities on the same day.*

21. *Reversal Trades of Group 1 entities among themselves:*

Buyer Name	Seller Name	Gross Buy	Gross Sell	Reversal Quantity	Number Of Days	%Market Volume	% Reversal Quantity to total reversal quantity
Original Fashion Traders Pvt Ltd	Highgrowth Vincom Pvt Ltd	24500	24500	49000	5	0.57%	6.61%
Highgrowth Vincom Pvt Ltd	Glorious Vincom Pvt Ltd	3957	3957	7914	1	0.09%	1.07%
Highgrowth Vincom Pvt Ltd	Rudramukhi Infrastructure Pvt Ltd	5000	3000	6000	1	0.07%	0.81%
Highgrowth Vincom Pvt Ltd	Anurodh Infrastructure Ltd	25500	7000	14000	2	0.16%	1.89%
Glorious Vincom Pvt Ltd	Anurodh Infrastructure Ltd	15	6043	30	1	0.00%	0.00%
Anurodh Infrastructure Ltd	Kapila Vaghela	600	1173	1200	1	0.01%	0.16%
Anurodh Infrastructure Ltd	Vivek Shivaram Kale	704	1790	1408	1	0.02%	0.19%
Anurodh Infrastructure Ltd	Kamlesh Bhikhabhai Shah	808	332	664	1	0.01%	0.09%
Kapila Vaghela	Ambalal Jhaverbhai Patel	14266	10070	20010	5	0.23%	2.70%
Kapila Vaghela	Mahesh Bhailal Parmar	7982	12438	11378	5	0.13%	1.53%

Buyer Name	Seller Name	Gross Buy	Gross Sell	Reversal Quantity	Number Of Days	%Market Volume	% Reversal Quantity to total reversal quantity
Kapila Vaghela	Pradip Jayantilal Mehta	13463	10428	19344	4	0.22%	2.61%
Kapila Vaghela	Vinitkumar Popatlal Parikh	13062	14135	24202	3	0.28%	3.26%
Kapila Vaghela	Pattammal Murlidharan	6856	9884	10550	2	0.12%	1.42%
Kapila Vaghela	Vivek Shivaram Kale	65733	30014	57392	8	0.66%	7.74%
Kapila Vaghela	Vijaya Parsharam Salvi	12265	10305	20152	2	0.23%	2.72%
Kapila Vaghela	Kamlesh Bhikhabhai Shah	4769	15529	8184	5	0.09%	1.10%
Kapila Vaghela	Narayandas Dipchand Shah	10465	9972	18992	4	0.22%	2.56%
Ambalal Jhaverbhai Patel	Mahesh Bhailal Parmar	6701	5803	10622	4	0.12%	1.43%
Ambalal Jhaverbhai Patel	Pradip Jayantilal Mehta	33223	26436	33988	8	0.39%	4.58%
Ambalal Jhaverbhai Patel	Vinitkumar Popatlal Parikh	2000	2000	4000	1	0.05%	0.54%
Ambalal Jhaverbhai Patel	Pattammal Murlidharan	4222	5034	8444	2	0.10%	1.14%
Ambalal Jhaverbhai Patel	Vivek Shivaram Kale	14329	14237	26294	5	0.30%	3.55%
Ambalal Jhaverbhai Patel	Kamlesh Bhikhabhai Shah	11298	11729	12616	4	0.15%	1.70%
Ambalal Jhaverbhai Patel	Nilesh Rameshchandra Shah	1558	4750	3116	1	0.04%	0.42%
Ambalal Jhaverbhai Patel	Narayandas Dipchand Shah	25410	15306	26652	4	0.31%	3.59%
Mahesh Bhailal Parmar	Pradip Jayantilal Mehta	4967	4365	8020	3	0.09%	1.08%
Mahesh Bhailal Parmar	Vinitkumar Popatlal Parikh	4178	4638	8356	2	0.10%	1.13%
Mahesh Bhailal Parmar	Arpita Ilesh Patel	8000	6944	11000	2	0.13%	1.48%
Mahesh Bhailal Parmar	Pattammal Murlidharan	6393	6528	7440	2	0.09%	1.00%
Mahesh Bhailal Parmar	Jitendra Bhogilal Parikh	250	250	500	1	0.01%	0.07%
Mahesh Bhailal Parmar	Vivek Shivaram Kale	6250	7100	11000	2	0.13%	1.48%
Mahesh Bhailal Parmar	Kamlesh Bhikhabhai Shah	1619	1909	3132	3	0.04%	0.42%
Mahesh Bhailal Parmar	Narayandas Dipchand Shah	480	558	960	1	0.01%	0.13%
Pradip Jayantilal Mehta	Vinitkumar Popatlal Parikh	3336	6553	5116	3	0.06%	0.69%
Pradip Jayantilal Mehta	Pattammal Murlidharan	416	434	832	1	0.01%	0.11%
Pradip Jayantilal Mehta	Vivek Shivaram Kale	18334	16087	30044	5	0.35%	4.05%
Pradip Jayantilal Mehta	Kamlesh Bhikhabhai Shah	9446	10674	12770	6	0.15%	1.72%
Pradip Jayantilal Mehta	Nilesh Rameshchandra Shah	2500	4447	5000	1	0.06%	0.67%
Pradip Jayantilal Mehta	Narayandas Dipchand Shah	34140	23834	38592	7	0.45%	5.20%
Vinitkumar Popatlal Parikh	Pattammal Murlidharan	8000	12376	13420	3	0.15%	1.81%
Vinitkumar Popatlal Parikh	Jitendra Bhogilal Parikh	1255	1000	2000	2	0.02%	0.27%
Vinitkumar Popatlal Parikh	Vivek Shivaram Kale	19015	22512	38030	3	0.44%	5.13%
Vinitkumar Popatlal Parikh	Kamlesh Bhikhabhai Shah	207	175	350	1	0.00%	0.05%
Vinitkumar Popatlal Parikh	Narayandas Dipchand Shah	16078	13510	25518	5	0.29%	3.44%
Pattammal Murlidharan	Vivek Shivaram Kale	11103	11286	11868	2	0.14%	1.60%
Pattammal Murlidharan	Kamlesh Bhikhabhai Shah	128	845	256	1	0.00%	0.03%
Pattammal Murlidharan	Narayandas Dipchand Shah	4973	5135	9946	2	0.11%	1.34%
Jitendra Bhogilal Parikh	Vivek Shivaram Kale	1907	1155	2310	1	0.03%	0.31%
Jitendra Bhogilal Parikh	Vijaya Parsharam Salvi	774	944	1548	1	0.02%	0.21%
Jitendra Bhogilal Parikh	Nilesh Rameshchandra Shah	3445	3862	6890	1	0.08%	0.93%
Jitendra Bhogilal Parikh	Narayandas Dipchand Shah	3193	4128	3726	3	0.04%	0.50%
Vivek Shivaram Kale	Vijaya Parsharam Salvi	15938	20337	31792	3	0.37%	4.29%
Vivek Shivaram Kale	Kamlesh Bhikhabhai Shah	12170	9597	11754	4	0.14%	1.59%
Vivek Shivaram Kale	Nilesh Rameshchandra Shah	1	2	2	1	0.00%	0.00%
Vivek Shivaram Kale	Narayandas Dipchand Shah	2499	3392	4998	3	0.06%	0.67%
Kamlesh Bhikhabhai Shah	Nilesh Rameshchandra Shah	3015	5017	6030	1	0.07%	0.81%
Kamlesh Bhikhabhai Shah	Narayandas Dipchand Shah	16119	18342	23686	7	0.27%	3.19%
Nilesh Rameshchandra Shah	Narayandas Dipchand Shah	4263	4370	8526	1	0.10%	1.15%
		533078	**488171**	**741564**	**33**	**8.56%**	**100.00%**

22. *In view of the above, it is observed that the following Noticees of Group 1 did reversal trades among themselves on 33 days and contributed 8.56% to market volume during IP.*

Sr.No.	Noticee Name
1	Ambalal Jhaverbhai Patel
2	Anurodh Infrastructure Ltd
3	Arpita Ilesh Patel
4	Glorious Vincom Pvt Ltd
5	Highgrowth Vincom Pvt Ltd
6	Jitendra Bhogilal Parikh
7	Kamlesh Bhikhabhai Shah

Sr.No.	Noticee Name
8	Kapila Vaghela
9	Mahesh Bhailal Parmar
10	Narayandas Dipchand Shah
11	Nilesh Rameshchandra Shah
12	Original Fashion Traders Pvt Ltd
13	Pattammal Murlidharan
14	Pradip Jayantilal Mehta
15	Rudramukhi Infrastructure Pvt Ltd
16	Vijaya Parsharam Salvi
17	Vinitkumar Popatlal Parikh
18	Vivek Shivaram Kale

23. *Hence, it is alleged that by executing reversal trades among themselves the aforementioned Noticees 1 to 18 have manipulated the volume in the scrip by creating false and misleading appearance of trading in the scrip of ETL without intention of performing it and thereby, violated Section 12A (a), (b) and (c) of SEBI Act and Regulation 3(a), (b), (c), (d), 4(1) and 4(2) (a) and (g) of PFUTP Regulations.*

24. *It was further observed that all the aforesaid 18 Noticees have also contributed to Last Traded Price (LTP). The details of LTP contribution by these 18 Noticees are provided in subsequent paragraphs of the SCN.*

25. ***LTP Analysis**:*
Based on the variance in the price movement of the scrip during the IP, the following patches were identified, details of which are given as under;

Patch (Period)	Closing Price movement (Start to end)
Patch I (05.10.2016 -26.01.2017)	Rs. 42.55 - Rs. 45.95
Patch II (27.01.2017 -17.02.2017)	Rs. 44.65 - Rs. 58.9

26. ***Patch I - 05.10.2016 - 26.01.2017 (Price rise):***
Details of LTP contribution by Group 1 during the investigation period is given below:

	All trades			Positive LTP trades			Negative LTP trades			Zero LTP trades		%
Client Name	**Ltp Rate**	**Traded Quantity**	**No. Of Trades**	**Ltp Rate**	**Traded Quantity**	**No. Of Trades**	**Ltp Rate**	**Traded Quantity**	**No. Of Trades**	**Traded Quantity**	**No. Of Trades**	**Positive Ltp to market LTP**
Anurodh Infrastructure Ltd	8.90	129191	182	19.45	24983	54	-10.55	50241	50	53967	78	6.93%
Arpita Ilesh Patel	5.40	94480	695	7.30	10847	20	-1.90	8262	9	75371	666	2.60%
Original Fashion Traders Pvt Ltd	5.25	161604	898	54.90	36044	129	-49.65	52942	341	72618	428	19.55%
Pradip Jayantilal Mehta	3.55	52195	248	3.80	7296	14	-0.25	500	3	44399	231	1.35%
Narayandas Dipchand Shah	1.90	134809	10355	4.80	22524	33	-2.90	16729	29	95556	10293	1.71%
Jitendra Bhogilal Parikh	1.30	53164	5633	2.40	5729	14	-1.10	12992	12	34443	5607	0.85%
Vivek Shivaram Kale	1.05	106896	451	3.55	5166	14	-2.50	2988	9	98742	428	1.26%
Kamlesh Bhikhabhai Shah	0.55	47672	84	0.95	11300	7	-0.40	8814	4	27558	73	0.34%
Pattammal Murlidharan	0.50	73614	525	3.75	5881	20	-3.25	6407	19	61326	486	1.34%
Kapila Vaghela	0.20	45835	258	0.60	626	4	-0.40	5262	2	39947	252	0.21%
Rudramukhi Infrastructure Pvt Ltd	0.15	3290	54	0.20	100	1	-0.05	5	1	3185	52	0.07%
Glorious Vincom Pvt Ltd	0.10	48800	30	0.85	9900	6	-0.75	12100	4	26800	20	0.30%
Nilesh Rameshchandra Shah	0.05	6625	12	0.45	2533	3	-0.40	2753	3	1339	6	0.16%
Mahesh Bhailal Parmar	-0.25	140219	300	4.20	26831	22	-4.45	36918	31	76470	247	1.50%
Ambalal Jhaverbhai Patel	-0.40	154129	693	3.95	19892	41	-4.35	22365	36	111872	616	1.41%
Vinitkumar Popatlal Parikh	-1.35	96189	4007	3.80	14337	31	-5.15	14929	29	66923	3947	1.35%
Highgrowth Vincom Pvt Ltd	-1.65	122455	243	2.55	28695	13	-4.20	39463	20	54297	210	0.91%
Total	**25.25**	**1471167**	**24668**	**117.50**	**232684**	**426**	**-92.25**	**293670**	**602**	**944813**	**23640**	**41.84%**
Market total	**3.65**	**3234252**	**61018**	**280.80**	**562376**	**834**	**-277.15**	**647192**	**998**	**2024684**	**59186**	**100.00%**

27. *It was observed that aforesaid Noticees contributed Rs.25.25 to net LTP and Rs.117.50 to positive LTP in 426 positive LTP trades. Anurodh Infrastructure Ltd and Original Fashion Traders Pvt Ltd had contributed more than 5% to total market positive LTP. Further, 13 out of 17 Noticees had contributed positive net LTP contribution as buyers. On an analysis of the counterparties of the aforesaid 13 Noticees, it was observed that Counterparties to positive LTP trades*

of these 13 Noticees were group entities and they contributed 8.84% to market positive LTP through trading among themselves.

28. *Following are the details of positive LTP trades where the Group 1 had traded among themselves:*

Buy Client Name	Sell Client Name	Positive LTP	Traded Quantity	No. of Trades	% of Positive LTP to Total Market Positive LTP	% of Traded quantity to Total traded quantity contributing to LTP
Original Fashion Traders Pvt Ltd	Glorious Vincom Pvt Ltd	0.1	4940	1	0.04%	6.11%
	Highgrowth Vincom Pvt Ltd	6.5	23608	9	2.31%	29.18%
	Rudramukhi Infrastructure Pvt Ltd	1.7	14	2	0.61%	0.02%
Original Fashion Traders Pvt Ltd		**8.3**	**28562**	**12**	**2.96%**	**35.30%**
Arpita Ilesh Patel	Mahesh Bhailal Parmar	1.8	4342	7	0.64%	5.37%
	Pradip Jayantilal Mehta	1.55	524	2	0.55%	0.65%
	Vinitkumar Popatlal Parikh	1	500	1	0.36%	0.62%
Arpita Ilesh Patel		**4.35**	**5366**	**10**	**1.55%**	**6.63%**
Narayandas Dipchand Shah	Jitendra Bhogilal Parikh	2.2	1699	1	0.78%	2.10%
	Kamlesh Bhikhabhai Shah	0.2	644	2	0.07%	0.80%
	Mahesh Bhailal Parmar	0.4	8750	4	0.14%	10.82%
	Pattammal Murlidharan	0.1	500	1	0.04%	0.62%
	Pradip Jayantilal Mehta	0.15	400	2	0.05%	0.49%
	Vinitkumar Popatlal Parikh	0.25	1120	3	0.09%	1.38%
Narayandas Dipchand Shah		**3.3**	**13113**	**13**	**1.17%**	**16.21%**
Glorious Vincom Pvt Ltd	Anurodh Infrastructure Ltd	0.6	9500	4	0.21%	11.74%
	Highgrowth Vincom Pvt Ltd	0.05	200	1	0.02%	0.25%
	Original Fashion Traders Pvt Ltd	0.2	200	1	0.07%	0.25%
Glorious Vincom Pvt Ltd		**0.85**	**9900**	**6**	**0.30%**	**12.24%**
Jitendra Bhogilal Parikh	Narayandas Dipchand Shah	0.4	1750	4	0.14%	2.16%
	Pattammal Murlidharan	0.1	500	1	0.04%	0.62%
	Rudramukhi Infrastructure Pvt Ltd	0.05	35	1	0.02%	0.04%
	Vinitkumar Popatlal Parikh	0.05	500	1	0.02%	0.62%
Jitendra Bhogilal Parikh		**0.6**	**2785**	**7**	**0.22%**	**3.44%**
Kamlesh Bhikhabhai Shah	Ambalal Jhaverbhai Patel	0.35	4350	3	0.12%	5.38%
	Anurodh Infrastructure Ltd	0.3	2250	2	0.11%	2.78%
	Kapila Vaghela	0.25	200	1	0.09%	0.25%
	Vivek Shivaram Kale	0.05	4500	1	0.02%	5.56%
Kamlesh Bhikhabhai Shah		**0.95**	**11300**	**7**	**0.34%**	**13.97%**
Kapila Vaghela	Mahesh Bhailal Parmar	0.2	52	1	0.07%	0.06%
	Vivek Shivaram Kale	0.1	262	1	0.04%	0.32%
Kapila Vaghela		**0.3**	**314**	**2**	**0.11%**	**0.39%**
Pattammal Murlidharan	Ambalal Jhaverbhai Patel	0.2	550	4	0.07%	0.68%
	Kapila Vaghela	0.05	250	1	0.02%	0.31%

Buy Client Name	Sell Client Name	Positive LTP	Traded Quantity	No. of Trades	% of Positive LTP to Total Market Positive LTP	% of Traded quantity to Total traded quantity contributing to LTP
	Narayandas Dipchand Shah	0.15	250	1	0.05%	0.31%
	Pradip Jayantilal Mehta	0.05	250	1	0.02%	0.31%
	Vinitkumar Popatlal Parikh	1.6	981	4	0.57%	1.21%
Pattammal Murlidharan		**2.05**	**2281**	**11**	**0.73%**	**2.82%**
Pradip Jayantilal Mehta	Ambalal Jhaverbhai Patel	1.1	700	3	0.39%	0.87%
	Narayandas Dipchand Shah	0.25	920	4	0.09%	1.14%
	Pattammal Murlidharan	0.05	200	1	0.02%	0.25%
	Vinitkumar Popatlal Parikh	0.35	20	1	0.12%	0.02%
	Vivek Shivaram Kale	0.15	2500	1	0.05%	3.09%
Pradip Jayantilal Mehta		**1.9**	**4340**	**10**	**0.67%**	**5.36%**
Vivek Shivaram Kale	Arpita Ilesh Patel	0.15	292	1	0.05%	0.36%
	Kamlesh Bhikhabhai Shah	1.1	1862	2	0.39%	2.30%
	Mahesh Bhailal Parmar	0.2	762	2	0.07%	0.94%
	Vinitkumar Popatlal Parikh	0.8	26	1	0.28%	0.03%
Vivek Shivaram Kale		**2.25**	**2942**	**6**	**0.79%**	**3.64%**
	Total	**24.85**	**80903**	**84**	**8.84%**	**100.00%**

29. *In view of the above, it is alleged that by trading among themselves, following 16 Noticees belonging to Group 1 have contributed 8.84% to market positive LTP and hence contributed to price rise in fraudulent manner in the scrip of ETL.*

Sr.No.	Noticee Name
1	Ambalal Jhaverbhai Patel
2	Anurodh Infrastructure Ltd
3	Arpita Ilesh Patel
4	Glorious Vincom Pvt Ltd
5	Highgrowth Vincom Pvt Ltd
6	Jitendra Bhogilal Parikh
7	Kamlesh Bhikhabhai Shah
8	Kapila Vaghela
9	Mahesh Bhailal Parmar
10	Narayandas Dipchand Shah
11	Original Fashion Traders Pvt Ltd
12	Pattammal Murlidharan
13	Pradip Jayantilal Mehta
14	Rudramukhi Infrastructure Pvt Ltd
15	Vivek Shivaram Kale
16	Vinitkumar Popatlal Parikh

30. *Hence, it is alleged that by trading among themselves aforesaid 16 Noticees (Noticees 1 to 10, Noticees 12 to 15, Noticee 17 and Noticee 18) have manipulated the price of the scrip of ETL and thereby violated Section 12A (a), (b) and (c) of SEBI Act and Regulation 3(a), (b), (c), (d), 4(1) and 4(2) (b) and (e) of PFUTP Regulations.*

31. *Further, it is also alleged in above paragraphs no. 21 to 23 of the SCN that aforesaid 16 Noticees had also manipulated the volume in the scrip. Further, 12 out of aforesaid 16 Noticees had also contributed to LTP during patch 2 (explained in paragraph 38).*

32. *Noticee 8 who had contributed less than 1% of total quantity traded among themselves and less than 5% of market positive LTP, is alleged to have manipulated the volume in the scrip of ETL and contributed to LTP during Patch 2.*

33. ***New High Price (NHP) Analysis**:*

Detail of NHP contribution by Group 1 during Patch 1 is tabulated below:

Client Name	Quantity	Number Of Trades	Contribution To Market NHP	% Of Market NHP	Contribution Among Group
Original Fashion Traders Pvt Ltd	601	3	4.10	66.67%	2.45
Glorious Vincom Pvt Ltd	200	1	0.05	0.81%	0.05
Total	**801**	**4**	**4.15**	**67.48%**	**2.50**
Market total	**4662**	**13**	**6.15**	**100.00%**	**6.15**

34. *It is observed from the above table that the Noticees 4 and 12 have contributed Rs.4.15 to market NHP. This was 67.48% of total market NHP. In trades within Group1, Group1 contributed Rs.2.50 to market NHP which is 40.65% of market NHP. Hence, this corroborates the fact that Group 1 had manipulated price in the scrip of ETL during Patch 1.*

35. ***First Trade Analysis**:*

Details of first trades (as buyers) by Group 1 Noticees during Patch 1 are given below:

Client Name	Total Number Of First Trades	Traded Quantity First Trades	Number Of First Trades At Positive Ltp	Net Ltp	Positive Ltp	Number Of First Trades Among Group	Positive Ltp Contribution In First Trades Among Group
Original Fashion Traders Pvt Ltd	18	2222	13	18.65	21.15	3	3.45
Pattammal Murlidharan	2	2288	2	1.7	1.7	1	1.1
Vivek Shivaram Kale	1	26	1	0.8	0.8	1	0.8
Arpita Ilesh Patel	1	500	1	1	1	1	1
Pradip Jayantilal Mehta	1	200	1	1	1	1	1
Total	**23**	**5236**	**18**	**23.15**	**25.65**	**7**	**7.35**
Market total	**70**	**45790**	**43**	**23.1**	**50.85**	**7**	**7.35**

36. *Noticees of Group 1 were buyers in 23 first trades and contributed Rs.25.65 to market positive LTP which amounts to 50.44% to market positive LTP. In 7 first trades the counterparty was a group entity. In first trades among themselves, Group 1 contributed Rs.7.35 to positive LTP amounting to 14.45% of market positive LTP.*

37. *Hence, this corroborates the fact that Group 1 had manipulated price in the scrip of ETL during patch 1.*

38. ***<u>Patch II - 27.01.2017 - 17.02.2017 (Price rise)</u>**:*

Details of LTP contribution of Group 1 as buyers:

	All trades			Positive LTP trades			Negative LTP trades			Zero LTP trades		
Client Name	**LTP Rate**	**Traded Quantity**	**No of trades**	**LTP Rate**	**Traded Quantity**	**Client Name**	**LTP Rate**	**Traded Quantity**	**No of trades**	**LTP Rate**	**Traded Quantity**	**Client Name**
Ambalal Jhaverbhai Patel	13.90	105767	856	15.85	33285	273	-1.95	2078	25	70404	558	6.87%
Vinitkumar Popatlal Parikh	12.20	98036	1165	12.70	29359	244	-0.50	1989	7	66688	914	5.51%
Pattammal Murlidharan	11.45	50057	663	13.00	15592	200	-1.55	7952	16	26513	447	5.64%
Kamlesh Bhikhabhai Shah	7.95	92374	765	10.80	26365	202	-2.85	12539	56	53470	507	4.68%
Pradip Jayantilal Mehta	7.60	110071	1024	11.10	25681	206	-3.50	7706	62	76684	756	4.81%
Mahesh Bhailal Parmar	6.70	71799	672	13.05	10937	69	-6.35	12829	115	48033	488	5.66%
Jitendra Bhogilal Parikh	5.45	19027	288	5.45	8837	108	0.00	0	0	10190	180	2.36%
Vijaya Parsharam Salvi	5.35	55717	583	6.40	11194	128	-1.05	1825	21	42698	434	2.77%
Wonderland Paper Suppliers Pvt Ltd	0.05	5000	2	0.05	2776	1	0.00	0	0	2224	1	0.02%
Glorious Vincom Pvt Ltd	-0.15	59699	23	0.65	15195	6	-0.80	26699	10	17805	7	0.28%
Highgrowth Vincom Pvt Ltd	-1.00	93345	36	0.00	0	0	-1.00	7276	3	86069	33	0.00%
Kapila Vaghela	-2.30	181083	2781	17.10	34732	257	-19.40	33585	302	112766	2222	7.41%

Narayandas Dipchand Shah	-5.45	107916	992	5.25	7259	103	-10.70	29441	210	71216	679	2.28%
Anurodh Infrastructure Ltd	-9.85	179868	393	4.75	27003	44	-14.60	43559	140	109306	209	2.06%
Nilesh Rameshchandra Shah	-15.80	182355	777	4.35	10984	43	-20.15	55324	375	116047	359	1.89%
Vivek Shivaram Kale	-20.90	218863	1490	5.85	16777	44	-26.75	60794	457	141292	989	2.54%
Total	**15.20**	**1630977**	**12510**	**126.35**	**275976**	**1928**	**-111.15**	**303596**	**1799**	**1051405**	**8783**	**54.78%**
Market total	**13.65**	**5427102**	**23340**	**230.65**	**688911**	**3134**	**-217.00**	**612502**	**3166**	**4125689**	**17040**	**100.00%**

39. *It was observed that aforesaid entities have contributed Rs.15.20 to net LTP and Rs.126.35 to positive LTP in 1928 positive LTP trades. 9 out of them had contributed positive net LTP contribution as buyers. On an analysis of the counterparties of the aforesaid 9 entities, it was observed that Counterparties to positive LTP trades of these 9 entities were group entities and they contributed 28.51% to market positive LTP through trading among themselves.*

40. *Following are the details of positive LTP trades where the entities belonging to Group 1 had traded among themselves:*

Buy Client Name	Sell Client Name	Positive LTP	Traded Quantity	No. of Trades	% of Positive LTP to Total Market Positive LTP	% of Traded quantity to Total traded quantity contributing to LTP
Ambalal Jhaverbhai Patel	Kamlesh Bhikhabhai Shah	1.15	3108	20	0.50%	2.62%
	Kapila Vaghela	2.3	2583	31	1.00%	2.18%
	Mahesh Bhailal Parmar	0.9	1704	18	0.39%	1.44%
	Narayandas Dipchand Shah	2.8	9544	55	1.21%	8.04%
	Nilesh Rameshchandra Shah	1.7	1485	34	0.74%	1.25%
	Pattammal Murlidharan	0.15	124	3	0.07%	0.10%
	Pradip Jayantilal Mehta	0.6	1394	12	0.26%	1.17%
	Vivek Shivaram Kale	2.55	5374	44	1.11%	4.53%
Ambalal Jhaverbhai Patel		**12.15**	**25316**	**217**	**5.28%**	**21.33%**
Pattammal Murlidharan	Ambalal Jhaverbhai Patel	0.75	1332	15	0.33%	1.12%
	Kamlesh Bhikhabhai Shah	0.05	17	1	0.02%	0.01%
	Kapila Vaghela	3.05	5793	49	1.32%	4.88%
	Mahesh Bhailal Parmar	1.75	1344	34	0.76%	1.13%
	Narayandas Dipchand Shah	2	1604	40	0.87%	1.35%
	Pradip Jayantilal Mehta	0.05	2000	1	0.02%	1.69%
	Vivek Shivaram Kale	3.9	2783	51	1.69%	2.34%
Pattammal Murlidharan		**11.55**	**14873**	**191**	**5.01%**	**12.53%**
Mahesh Bhailal Parmar	Anurodh Infrastructure Ltd	0.1	10	1	0.04%	0.01%
	Kapila Vaghela	0.4	178	5	0.17%	0.15%
	Pattammal Murlidharan	11.2	3146	38	4.86%	2.65%
	Pradip Jayantilal Mehta	0.1	60	2	0.04%	0.05%
	Vivek Shivaram Kale	0.05	40	1	0.02%	0.03%
Mahesh Bhailal Parmar		**11.85**	**3434**	**47**	**5.13%**	**2.89%**
Kamlesh Bhikhabhai Shah	Ambalal Jhaverbhai Patel	0.05	200	1	0.02%	0.17%
	Glorious Vincom Pvt Ltd	0.05	50	1	0.02%	0.04%
	Anurodh Infrastructure Ltd	0.15	42	3	0.07%	0.04%
	Bakul Garments LLP	0.95	3776	19	0.41%	3.18%
	Kapila Vaghela	0.75	1086	8	0.33%	0.92%

Buy Client Name	Sell Client Name	Positive LTP	Traded Quantity	No. of Trades	% of Positive LTP to Total Market Positive LTP	% of Traded quantity to Total traded quantity contributing to LTP
	Mahesh Bhailal Parmar	0.1	58	2	0.04%	0.05%
	Narayandas Dipchand Shah	2.65	8094	53	1.15%	6.82%
	Nilesh Rameshchandra Shah	0.75	2575	15	0.33%	2.17%
	Pradip Jayantilal Mehta	0.5	1559	10	0.22%	1.31%
	Vivek Shivaram Kale	1.2	2696	18	0.52%	2.27%
Kamlesh Bhikhabhai Shah		**7.15**	**20136**	**130**	**3.11%**	**16.97%**
Pradip Jayantilal Mehta	Ambalal Jhaverbhai Patel	0.5	591	5	0.22%	0.50%
	Glorious Vincom Pvt Ltd	0.15	464	3	0.07%	0.39%
	Anurodh Infrastructure Ltd	0.15	189	3	0.07%	0.16%
	Kamlesh Bhikhabhai Shah	0.45	1497	9	0.20%	1.26%
	Kapila Vaghela	1.25	3515	22	0.54%	2.96%
	Mahesh Bhailal Parmar	0.25	251	5	0.11%	0.21%
	Narayandas Dipchand Shah	2	6811	40	0.87%	5.74%
	Nilesh Rameshchandra Shah	0.6	2104	12	0.26%	1.77%
	Pattammal Murlidharan	0.25	187	4	0.11%	0.16%
	Vivek Shivaram Kale	1.65	4035	32	0.72%	3.40%
Pradip Jayantilal Mehta		**7.25**	**19644**	**135**	**3.17%**	**16.55%**
Vijaya Parsharam Salvi	Kapila Vaghela	0.8	1541	16	0.35%	1.30%
	Narayandas Dipchand Shah	0.25	186	5	0.11%	0.16%
	Pradip Jayantilal Mehta	0.4	412	8	0.17%	0.35%
	Vivek Shivaram Kale	2.45	5349	49	1.06%	4.51%
Vijaya Parsharam Salvi		**3.9**	**7488**	**78**	**1.69%**	**6.31%**
Vineet Kumar Popatlal Parikh	Kamlesh Bhikhabhai Shah	0.05	25	1	0.02%	0.02%
	Kapila Vaghela	1.4	3619	24	0.61%	3.05%
	Mahesh Bhailal Parmar	0.55	878	11	0.24%	0.74%
	Narayandas Dipchand Shah	1.45	3135	29	0.63%	2.64%
	Pradip Jayantilal Mehta	0.8	1137	13	0.35%	0.96%
	Vivek Shivaram Kale	2.25	4903	45	0.98%	4.13%
Vineet Kumar Popatlal Parikh		**6.5**	**13697**	**123**	**2.83%**	**11.54%**
Jitendra Bhogilal Parikh	Glorious Vincom Pvt Ltd	0.1	45	2	0.04%	0.04%
	Bakul Garments Llp .	0.3	1500	6	0.13%	1.26%
	Nilesh Rameshchandra Shah	2.05	2024	40	0.89%	1.71%
	Vijaya Parsharam Salvi	0.55	292	11	0.24%	0.25%
	Vivek Shivaram Kale	0.35	1053	7	0.15%	0.89%
Jitendra Bhogilal Parikh		**3.35**	**4914**	**66**	**1.45%**	**4.14%**
Vivek Shivaram Kale	Anurodh Infrastructure Ltd	0.3	25	2	0.13%	0.02%
	Kamlesh Bhikhabhai Shah	0.1	262	1	0.04%	0.22%

Buy Client Name	Sell Client Name	Positive LTP	Traded Quantity	No. of Trades	% of Positive LTP to Total Market Positive LTP	% of Traded quantity to Total traded quantity contributing to LTP
	Kapila Vaghela	0.8	7240	5	0.35%	6.10%
	Mahesh Bhailal Parmar	0.05	250	1	0.02%	0.21%
	Pattammal Murlidharan	0.7	1400	1	0.30%	1.18%
Vivek Shivaram Kale		**1.95**	**9177**	**10**	**0.84%**	**7.73%**
Grand Total		**65.65**	**118679**	**997**	**28.51%**	**100%**

41. *In view of the above, it is alleged that by trading among themselves, following 15 Noticees have contributed to 28.51% of market positive LTP and was thus part of price rise in fraudulent manner in the scrip of ETL.*

Sr.No.	Noticee Name
1	Ambalal Jhaverbhai Patel
2	Anurodh Infrastructure Ltd
3	Bakul Garments LLP
4	Glorious Vincom Pvt Ltd
5	Jitendra Bhogilal Parikh
6	Kamlesh Bhikhabhai Shah
7	Kapila Vaghela
8	Mahesh Bhailal Parmar
9	Narayandas Dipchand Shah
10	Nilesh Rameshchandra Shah
11	Pattammal Murlidharan
12	Pradip Jayantilal Mehta
13	Vijaya Parsharam Salvi
14	Vineet Kumar Popatlal Parikh
15	Vivek Shivaram Kale

42. *Therefore, it is alleged that by trading among themselves the aforesaid 15 Noticees (Noticees 1, 2, 4, 6 to 11, 13, 14 and 16 to 19) have manipulated the price of the scrip of ETL and thereby, violated Section 12A (a), (b) and (c) of SEBI Act and Regulation 3(a), (b), (c), (d), 4(1) and 4(2) (b) and (e) of PFUTP Regulations.*

43. ***Analysis of Net Sellers**:*

On an analysis of net sellers, it is observed that 9 net sellers out of top ten net sellers belong to either Group 1 or Group 2. With respect to 7 net sellers, the following trail of funds with LTP contributors was observed upon analysis of bank statements, analysis of trades and information received from the banks and brokers (copies placed as Annexure 2):

Sr. No.	Net Seller	Trail of funds
1	Deepsikha Dealers Pvt Ltd	1. During IP, Deepsikha sold shares in ETL with net trade value of Rs. 124 lakhs which was credited by the broker through various transactions. 2. In one such transaction from the broker, the broker transferred approx. Rs. 27.63 Lakhs to the account of Deepsikha on 13.02.2017. 3. Rs. 15 lakhs was transferred from the account of Deepsikha to Viewlink fashion pvt ltd on 14.02.2017. 4. As per the bank statement of Viewlink fashion, Viewlink also received Rs. 19.5 lakhs from other net seller viz., Namaskar and then transferred of Rs. 26 lakhs to Nilesh R Shah and Rs 2 lakhs to Glorious Vincom. Both entities Nilesh R Shah and to Glorious Vincom are part of Group 1 and alleged to have manipulated price and volume in the scrip.
2	Namaskar Dealcom Pvt Ltd	1. During IP, Namaskar sold shares in ETL with net trade value of. Rs 228.19 lakhs which was credited by the broker through various transactions. 2. In one transaction, the broker transferred Rs 48.08 lakhs on 13.02.2017 to the account of Namaskar. 3. Rs 19.5 lakhs was transferred from the account of Namsakar to Viewlink fashion pvt ltd on 14.02.2017. 4. As per the bank statement of Viewlink fashion, Viewlink also received Rs 15 lakhs from other net seller viz., Deepsikha and then transferred Rs 26 lakhs to Nilesh R Shah and Rs 2 lakhs to Glorious Vincom. Both entities Nilesh R Shah and Glorious Vincom are part of Group 1 and alleged to have manipulated price and volume in the scrip. 5. In another transaction from the broker, the broker transferred approx. Rs 49.68 lakhs on 17.02.2017 and 18.02.2017 to the account of Namsakar. 6. Rs 48.5 Lakhs were transferred from the account of Namsakar to the account of Hulbert (Rs 25 lakhs on 18.02.2017, Rs 9.5 Lakhs on 20.02.2017 and Rs 14 Lakhs on 21.02.2017). Further, as per the bank account of Hulbert (refer para 14.4), Hulbert received Rs 21 lakhs from other net seller viz., Lagan and transferred Rs 69 lakhs to Highgrowth Vincom Pvt Ltd through various transactions. Highgrowth Vincom Pvt Ltd is part of Group 1 and alleged to have manipulated price and volume in the scrip.

3	Lagan Barter Pvt Ltd	1. During IP, Lagan sold shares in ETL with net trade value of. Rs 85.59 lakhs which was credited by the broker through various transactions. 2. In one such transactions, the broker had transferred Rs 38.12 lakhs to the account of Lagan on 18.02.2017. 3. Rs 21 lakhs was transferred from the account of Lagan to the account of Hulbert (Rs 12 lakhs on 21.02.2017, Rs 9 Lakhs on 20.02.2017).) 4. As per the bank account of Hulbert (refer para 14.4), Hulbert received Rs 48.5 lakhs from other net seller viz.,Namsakar and transferred Rs 69 lakhs to Highgrowth Vincom Pvt Ltd through various transactions. Highgrowth Vincom Pvt Ltd is part of Group 1 and alleged to have manipulated price and volume in the scrip.
4	Rudramukhi Infrastructure Pvt Ltd	1. During IP, Rudramukhi sold shares in ETL with net trade value of around Rs 47.43 lakhs which was credited by the broker through various transactions. 2. In one such transaction, the broker transferred Rs 9 lakh into the account of Rudramukhi on 24.10.2016. 3. As per the bank statement of Rudramukhi (corporation bank), Rs 5 lakhs out of Rs 9 lakhs was transferred to Swarnmahal Infratech Pvt Ltd on 24.10.2016. 4. As per the bank statement of Swarnmahal Infratech Pvt Ltd (corporation bank), Rs 5 lakhs (excluding bank charges) was transferred to Original Fashion Pvt Ltd. Original Fashion Pvt Ltd is part of Group1 and contributed to LTP. 5. In another such transaction from the broker, the broker transferred Rs10.25 lakhs on 14.12.2016 into the account of Rudramukhi. 6. As per the bank statement of Rudramukhi, Rs 10 lakhs (excluding bank charges) lakhs was transferred to Starwise Housing Pvt Ltd on 14.12.2016. 7. As per the bank statement of Starwise Housing Pvt Ltd (corporation bank), on 14.12.2016, it received 5 lakhs from Ritudhara (another net seller) and 10 lakhs from Rudramukhi totalling Rs 15 lakhs on 14.12.2016. Further, 4 lakhs was transferred to Glorious Vincom Pvt Ltd and Rs 5 lakhs was transferred to Highgrowth vincom pvt ltd on 14.12.2016 from the account of Starwise. Both entities Glorious Vincom Pvt Ltd and Highgrowth vincom pvt ltd are part of Group 1 and alleged to have manipulated price and volume in the scrip.
5	Ritudhara Retailers Pvt.Ltd	1. During IP, Ritudhara sold shares in ETL with trade value of around Rs 33.29 lakhs which was credited by the broker through various transactions. 2. In one such transaction, the broker transferred Rs 5 lakhs on 14.12.2016 into the account of Ritudhara. 3. As per the bank statement of Ritudhara (corporation bank), 5 lakhs (excluding bank charges) were transferred to Starwise Housing Pvt Ltd on 14.12.2016. 4. As per the bank statement of Starwise Housing Pvt Ltd (corporation bank), on 14.12.2016, it received Rs 5 lakhs from Ritudhara and Rs 10 lakhs from Rudramukhi (another net seller) totalling Rs 15 lakhs on 14.12.2016. Further, Rs 4 lakhs was transferred to Glorious Vincom Pvt Ltd and Rs 5 lakhs was transferred to Highgrowth vincom pvt ltd on 14.12.2016 from the account of Starwise. Both entities Glorious Vincom Pvt Ltd and Highgrowth vincom pvt ltd are part of Group 1 and had had manipulated price and volume in the scrip. .
6	Primary Iron Traders Pvt Ltd	1. During IP, Primary sold shares in ETL with trade value of around Rs 43.7 lakhs which was credited by the broker through various transactions. 2. In one such transaction, the broker transferred around Rs 43.6 lakhs to the account of Primary on 08.02.2017. 3. As per the bank statement of Primary (corporation bank), Rs 43.6 lakhs (excluding bank charges) was transferred to the account of Faithful Cloth Merchant Pvt Ltd on 08.02.2017 4. As per the bank statement of Faithful Cloth Merchant Pvt (State bank of India) , Rs 43.6 lakhs was transferred to the account of Dwitya Trading Pvt Ltd. on 08.02.2017 5. As per the bank statement of Dwitya Trading Pvt Ltd. (State bank of India) , Rs 43.6 lakhs was transferred to the account of Original Fashion Traders on 08.02.2017. Original Fashion Traders is part of Group 1 and alleged to have manipulated price and volume in the scrip.
7	Anurodh Infrastructure Ltd	1. During IP, Anurodh sold shares in ETL with net trade value of around Rs 154.04 lakhs which was credited by the broker through various transactions. 2. In one such transaction, the broker transferred approx. Rs 34.5 lakhs on 30.12.2016 into the account of Anurodh. 3. As per the bank statement of Anurodh, Rs 21 lakh (excluding bank charges) was transferred to View Link Fashion Pvt Ltd and Rs 10 lakhs was transferred to Goodview Auto Distributor Pvt Ltd on 30.12.2016. 4. As per the bank statement of View Link Fashion Pvt Ltd (Corporation bank), Rs 21 lakh was transferred to Glorious Vincom pvt ltd on 30.12.2016. Glorious Vincom pvt ltd is part of Group 1 and alleged to have manipulated price and volume in the scrip. 5. As per the bank statement of Goodview Auto Distributor Pvt Ltd (Corporation bank), Rs 10 lakh was transferred to Highgrowth vincom pvt ltd on 30.12.2016. Highgrowth vincom pvt ltd is part of Group 1 and alleged to have manipulated price and volume in the scrip.

44. *Flow of funds with respect to four net sellers of Group 1:*

4 net sellers of Group 1 are divided into two, based on the trails of fund in different patches:

a) *3 net sellers viz., Rudramukhi Infrastructure Pvt Ltd, Ritudhara Retailers Pvt.Ltd and Anurodh Infrastructure Ltd in Patch 1*
b) *1 net seller viz. Primary Iron Traders Pvt Ltd in Patch 2.*

45. *Flow of funds for three net sellers viz., Rudramukhi Infrastructure Pvt. Ltd., Ritudhara Retailers Pvt. Ltd. and Anurodh Infrastructure Ltd. is shown as below:*
……..

46. *Based on the analysis of trading by Group 1 and the flow of fund from three net sellers to Group 1 pursuant to sale of shares, following is observed:*

a) Rudramukhi Infrastructure Pvt Ltd, Ritudhara Retailers Pvt. Ltd. and Anurodh Infrastructure Ltd are part of Group 1. Out of these 3 Noticees, two Noticees viz., Rudramukhi Infrastructure Pvt Ltd and Anurodh Infrastructure Ltd of Group 1 are alleged to have manipulated the price and volume in the scrip as mentioned in paragraphs 21 to 23 and 28 to 30 of the SCN.

b) Rs. 45 Lakhs out of net trade value i.e Rs 234.77 Lakhs of three connected net sellers viz., Rudramukhi Infrastructure Pvt Ltd, Ritudhara Retailers Pvt.Ltd and Anurodh Infrastructure Ltd was observed to have reached Glorious Vincom, Highgrowth Vincom Pvt Ltd and Original Fashion Pvt Ltd of Group 1. Glorious Vincom, Highgrowth Vincom Pvt Ltd and Original Fashion Pvt Ltd of Group 1 were alleged to have manipulated the price and volume in the scrip as mentioned in paragraphs 21 to 23 and 28 to 30 of the SCN.

47. The above trail of funds among certain Noticees of Group 1 (from two net sellers viz. Rudramukhi Infrastructure Pvt Ltd and Anurodh Infrastructure Ltd to the entities viz., Glorious Vincom Pvt Ltd, Highgrowth Vincom Pvt Ltd and Original Fashion Pvt Ltd) corroborates the fact that the Noticees viz. Rudramukhi Infrastructure Pvt Ltd, Anurodh Infrastructure Ltd, Glorious Vincom Pvt Ltd, Highgrowth Vincom Pvt Ltd and Original Fashion Pvt Ltd allegedly manipulated the price and the volume of the scrip of ETL during patch 1.

48. Further, from the above trail of funds with respect to remaining net seller viz., Ritudhara Retailers Pvt. Ltd., it was observed that Ritudhara Retailers Pvt. Ltd. had provided funds to Glorious Vincom Pvt. Ltd. and Highgrowth Vincom Pvt. Ltd. from the sale of the shares of ETL and hence, it is alleged that Ritudhara Retailers Pvt. Ltd. assisted and facilitated Group 1 to manipulate the price and the volume in the scrip of ETL.

49. In view of the above, it is alleged that Noticee 20 had acted in concert with Group 1 and was part of the scheme, device and artifice to manipulate the price and volume in the scrip of ETL and hence violated Section 12A (a), (b) and (c) of SEBI Act and Regulation 3(a), (b), (c), (d), 4(1) and 4(2) (a), (b), (e) and (g) of PFUTP Regulations.

50. Flow of funds with respect to net seller viz., Primary Iron Traders Pvt. Ltd. is shown as below:
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51. Based upon the analysis of trading by Group 1, shareholding data and the flow of fund from net seller Primary Iron traders to Original Fashion traders pursuant to sale of shares, the following was observed:

a) Primary Iron Traders Pvt Ltd is part of Group 1.
b) Rs 43.6 Lakhs out of net trade value i.e Rs 43.7 Lakhs of net seller viz., Primary Iron traders have reached Original Fashion Pvt Ltd of Group 1. Original Fashion Pvt. Ltd. of Group 1 is alleged to have manipulated the price and volume in the scrip as mentioned in paragraphs 21 to 23 and 28 to 30 of the SCN.
c) Primary Iron traders Pvt Ltd was holding 85,485 shares of ETL as on 05.10.2016 which he had acquired through market since January 2015.

52. Primary Iron Traders had provided funds to Original Fashion Traders from the sale of shares of ETL and hence allegedly assisted and facilitated Group 1 to manipulate the price and volume in the scrip of ETL.

53. In view of the above, it is alleged that Noticee 21 had acted in concert with Group 1 and was part of scheme, device and artifice to manipulate volume and price of the scrip and hence violated Section 12A (a), (b) and (c) of SEBI Act and Regulation 3(a), (b), (c), (d), 4(1) and 4(2) (a), (b), (e) and (g) of PFUTP Regulations.

54. Flow of funds with respect to two net sellers of Group 2 is shown as below:
…..

55. Based upon the analysis of trading by Group 1, shareholding data and the flow of fund from net sellers Deepsikha Dealers Pvt. Ltd. and Namaskar Dealcom Pvt. Ltd. belonging to Group 2 pursuant to sale of shares, following was observed:
a) Net sellers viz., Namaskar Dealcom Pvt. Ltd. and Deepsikha Dealers Pvt. Ltd. were holding significant shares (more than 1% of total shareholding of ETL) of ETL since June 2014.
b) Thereafter, during the IP entities of Group 1 are alleged to have manipulated the volume and price of the scrip by trading among themselves.
c) Rs. 76.5 Lakhs out of net trade value i.e Rs 362.22 Lakhs of connected net sellers viz., Namaskar Dealcom Pvt. Ltd. and Deepsikha Dealers Pvt. Ltd. was transferred to Nilesh R shah, Glorious Vincom and Highgrowth Vincom Pvt Ltd. Nilesh R shah, Glorious Vincom and Highgrowth Vincom Pvt Ltd were alleged to have manipulated the price and volume in the scrip of ETL as mentioned in paragraphs 21 to 23, 28 to 30 and 40 to 42 of the SCN.

56. Hence, it is alleged that Group 1 had assisted and facilitated the sale of shares by two net sellers viz., Namaskar Dealcom Pvt. Ltd. and Deepsikha Dealers Pvt. Ltd. who were holding the shares of ETL for long time.

57. In view of the above, it is alleged that net sellers viz., Namaskar Dealcom Pvt. Ltd. and Deepsikha Dealers Pvt. Ltd. (Noticees 23 and 22) had acted in concert with Group 1 and were part of scheme, device and artifice to manipulate volume and price of the scrip of ETL and thereby, Noticee 22 and 23 violated Section 12A (a), (b) and (c) of SEBI Act and Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a), (b),(g) and (e) of PFUTP Regulations.

58. ***Role of other Noticees***:

It was observed that bank accounts of a few Noticees were used to transfer the fund from net sellers to certain entities of Group 1. Role of such Noticees are provided as under:

59. ***Hulbert Tracom Pvt Ltd***:

60. *It was observed that Sujan Laha is a common director of Hulbert Tracom Pvt Ltd (Noticee 24) and Group 1 entities viz., Anurodh Infrastructure Ltd and Rudramukhi.*

61. *As per the bank statement of Hulbert Tracom Pvt Ltd (SBI) and counterparty information received from SBI, following was observed with respect to the transactions in the bank account from 18.02.2017 to 27.02.2017:*

    a) *Opening balance on 18.02.2017 was around Rs. 14.7 thousands.*
    b) *From 18.02.2017 to 27.02.2017 money was received from Namaskar and Lagan and transferred to Highgrowth Vincom Pvt. Ltd.*
    c) *Total of Rs. 48.5 lakhs received from Namaskar and Rs. 21 lakhs from Lagan totalling Rs. 69.5 Lakhs and transferred total of Rs. 69 lakhs to Highgrowth Vincom Pvt Ltd.*

62. *In this regard, information regarding reason for flow of funds were sought from the Hulbert vide emails dated 19.05.2021 and 28.05.2021. However, no reply was received from it.*

63. *Further, as mentioned at paragraph 54 of the SCN, Namaskar transferred the amount received from sale of the shares in ETL to Hulbert and Hulbert had further transferred the amount to Highgrowth Vincom Pvt Ltd which was alleged to have manipulated the price and volume in the scrip of ETL. Hence, it is alleged that Hulbert had acted as a conduit to transfer the fund from the net seller Namaskar to Group 1 entities and hence assisted and facilitated Group 1 in manipulating the price and volume in the scrip of ETL.*

64. *In view of the above, it is alleged that Hulbert Tracom Pvt Ltd (Noticee 24) had acted in concert with Group 1 and was part of scheme, device and artifice to manipulate volume and price of the scrip of ETL and thereby, Noticee 24 had violated Section 12A (a), (b) and (c) of SEBI Act and Regulations 3(a), (b), (c), (d), 4(1) and 4(2) (a),(b), (g) and (e) of PFUTP Regulations.*

65. ***Viewlink fashion Pvt Ltd***:

66. *It was observed that Dipankar Roy is a common director of Viewlink Fashion Pvt. Ltd. (Noticee 25) and Group1 entity viz., Anurodh.*

67. *As per the bank statement of ViewLink Fashion Pvt Ltd (UBI) and counterparty information received from UBI, following was observed:*

    a) *Viewlink received Rs. 21 lakh from Anurodh on 30.12.2016 and on the same day, Rs. 21 Lakhs were transferred to Glorious Vincom Pvt. Ltd.*
    b) *Viewlink received Rs. 15 Lakhs from Deepshikha and Rs. 19.5 Lakhs from Namaskar on 14.02.2017 totalling Rs. 34.5 Lakhs on 14.02.2017 and bank balance become approximately Rs. 34.6 Lakhs. On next day i.e. 15.02.2017, Rs. 26 lakhs was transferred to Mr. Nilesh Shah and Rs. 2 Lakhs to Glorious Vincom Pvt Ltd.*

68. *In this regard, information regarding reason for flow of funds were sought from Viewlink vide emails dated 19.05.2021 and 28.05.2021. However, no reply has been received from it.*

69. *Further, as mentioned at paragraphs 45 and 54 above, Anurodh, Deepshika and Namaskar had transferred the amount received from sale of the shares in ETL to Viewlink on above mentioned dates and Viewlink had further transferred the amount to Glorious Vincom and Nilesh Shah. Also, Anurodh, Glorious Vincom Pvt Ltd and Nilesh Shah were alleged to have manipulated the price and volume in the scrip of ETL. Hence, it is alleged that Viewlink had acted as a conduit to transfer the fund from the net sellers viz., Deepshika, Namaskar and Anurudh to Group 1 entities and hence assisted and facilitated Group 1 in manipulating the price and volume of the scrip of ETL.*

70. *In view of the above, it is alleged that Noticee 25 had acted in concert with Group 1 and was part of scheme, device and artifice to have manipulated the price and volume in the scrip of ETL and thereby, Noticee 25 had violated Section 12A (a), (b) and (c) of SEBI Act and Regulations 3(a), (b), (c), (d), 4(1) and 4(2) (a),(b), (g) and (e) of PFUTP Regulations.*

71. ***Swarnamahal Infratech Pvt Ltd :***

72. *It was observed that Aushutosh Dey is a common director of Swarnamahal Infratech Pvt. Ltd. (Noticee 26) and Group 1 entities viz., Primary Traders Pvt. Ltd. and Rudramukhi Infrastructure Pvt. Ltd.*

73. *As per the bank statement of Swarnamahal (UBI) and counterparty information received from UBI, following was observed:*

    Swarnamahal received Rs. 5 lakh from Rudramukhi on 24.10.2016 (the balance was Rs. 1149.81 on 24.10.2016) and on same day, Rs. 5 Lakhs (excluding bank charges) were transferred to Original Fashion traders.

74. In this regard, information regarding reason for flow of funds were sought from Swarnamahal vide emails dated 19.05.2021 and 28.05.2021. However, no reply has been received from it.

75. Further, as observed in above paragraphs of the SCN, Rudramukhi had transferred the amount received from sale of the shares in ETL to Swarnamahal and Swarnamahal had further transferred the amount to Original Fashion Traders Pvt. Ltd. Original Fashion Traders is alleged to have manipulated the price and volume in the scrip of ETL as described at paragraphs 21 to 23 and 28 to 30 of the SCN. Hence, it is alleged that Swarnamahal had acted as a conduit to transfer the fund from net seller Rudramukhi to Group 1 entity who is alleged to have manipulated the price and volume in the scrip of ETL and hence assisted and facilitated Group 1 in manipulating the price and volume in the scrip of ETL.

76. In view of the above, it is alleged that Noticee 26 had acted in concert with Group 1 and was part of scheme, device and artifice to manipulate volume and price in the scrip and hence violated Section 12A (a), (b) and (c) of SEBI Act and Regulations 3(a), (b), (c), (d), 4(1) and 4(2) (a),(b), (g) and (e) of PFUTP Regulations.

*77. **Starwise Housing Pvt Ltd** :*

78. It was observed that Sanjoy Pandit is a common director of Starwise Housing Pvt Ltd (Noticee 27) and Group 1 entity viz., Original Fashion Pvt Ltd. Further, Starwise did not trade in the scrip of ETL during IP. As per the bank statement of Starwise (UBI) and counterparty information received from UBI, the following was observed:

Starwise received Rs. 10 Lakhs from Rudramukhi and Rs. 5 Lakhs from Ritudhara on 14.12.2016 (the balance was Rs. 10,662.83) and on same day, Rs. 5 Lakhs were debited to Glorious Vincom Pvt Ltd and Rs. 4 Lakhs was transferred to Highgrowth Vincom Pvt Ltd.

79. In this regard, information regarding reason for flow of funds were sought from Starwise vide emails dated 19.05.2021 and 28.05.2021. However, no reply has been received from it.

80. Further, as observed in above paragraphs of the SCN, Rudramukhi and Ritudhara had transferred the amount received from sale of the shares in ETL to Starwise on above mentioned dates and Starwise had further transferred the amount to Glorious Vincom Pvt Ltd and Highgrowth Vincom Pvt Ltd. Also, as mentioned at paragraphs 21 to 23 and 28 to 30 of the SCN, Glorious Vincom Pvt Ltd and Highgrowth Vincom Pvt Ltd were alleged to have manipulated the price and volume in the scrip of ETL. Hence, it is alleged that Starwise had acted as a conduit to transfer the fund from the net seller viz., Rudramukhi and Ritudhara to Group 1 and hence assisted and facilitated Group 1 in manipulating the price and volume in the scrip of ETL.

81. In view of the above, it is alleged that Noticee 27 had acted in concert with Group 1 and was part of scheme, device and artifice to manipulate volume and price in the scrip of ETL and hence, violated Section 12A (a), (b) and (c) of SEBI Act and Regulations 3(a), (b), (c), (d), 4(1) and 4(2) (a), (b), (g) and (e) of PFUTP Regulations.

*82. **Goodview Auto Distributor Pvt. Ltd**.:*

83. It was observed that Tanumay Laha and Rajesh Kurmi are common directors between Goodview Auto Distributor Pvt Ltd (Noticee 28) and Group 1 entity viz., Original Fashion traders Pvt Ltd.

84. As per the bank statement of Goodview (UBI) and counterparty information received from UBI, following was observed:

85. Goodview received Rs. 10 lakhs from Anurodh on 30.12.2016 and on same day, Rs. 10 Lakhs were transferred to Highgrowth Vincom Pvt Ltd and closing balance of the account was Rs. 10,659.55 on 30.12.2016.

86. In this regard, information regarding reason for flow of funds were sought from Goodview vide emails dated 19.05.2021 and 28.05.2021. However, no reply has been received from it.

87. Further, as observed in above paragraphs of the SCN, Anurodh had transferred the amount received from sale of the shares in ETL to Goodview and Goodview had further transferred the amount to Highgrowth Vincom Pvt Ltd. Also, Highgrowth Vincom Pvt. Ltd. was alleged to have manipulated the price and volume in the scrip of ETL. Hence, it is alleged that Goodview had acted as a conduit to transfer the fund from the net seller Anurodh to Group 1 and hence assisted and facilitated Group 1 in manipulating the price and volume in the scrip of ETL.

88. In view of the above, it is alleged that Noticee 28 had acted in concert with Group 1 and was part of scheme, device and artifice to manipulate volume and price in the scrip of ETL and hence, violated Section 12A (a), (b) and (c) of SEBI Act and Regulations 3(a), (b), (c), (d), 4(1) and 4(2) (a), (b), (g) and (e) of PFUTP Regulations.

*89. **Dwitiya Trading Ltd and Faithful Cloth Merchant** :*

90. It was observed that Aushutosh Dey is a common director of Dwitya Trading Ltd (Noticee 29) and Group 1 entities viz., Ritudhara, Primary and Rudramukhi.

91. Dipankar Roy and Dilip Dey are common directors in both Faithful Cloth Merchant and Group 1 entity viz., Anurodh Infrastructure Ltd.

92. As per the bank statements of Faithful and Dwitiya Trading (SBI) and counterparty information received from SBI, following was observed:

93. *Faithful received Rs. 43.6 Lakhs from Primary on 08.2.2017 taking its balance to Rs. 43,66,868.59 and on same day, Rs. 43.6 Lakhs were transferred to Dwitya Trading.*

94. *Dwitiya Trading received Rs. 43.6 Lakhs from Faithful on 08.02.2017 taking its balance to Rs 4395157.79. On the same day, Rs. 43.6 lakhs was transferred to Original Fashion Traders Pvt Ltd.*

95. *In this regard, information regarding reason for flow of funds were sought from Faithful and Dwitiya vide emails dated 19.05.2021 and 28.05.2021. However, no reply has been received from them.*

96. *Further, as observed in above paragraphs of the SCN, Primary had transferred the amount received from sale of the shares in ETL to Faithful on above mentioned dates which was further transferred to Dwitiya Trading and Dwitiya Trading had further transferred the amount to Original Fashion traders Pvt Ltd. Also, as mentioned at paragraphs 21 to 23 and 28 to 30 of the SCN, Original Fashion traders Pvt. Ltd. was alleged to have manipulated the price and volume in the scrip of ETL. Hence, it is alleged that Faithful and Dwitiya Trading had acted as a conduit to transfer the fund from the net seller Primary to Group 1 entities and hence assisted and facilitated Group 1 in manipulating the price and volume in the scrip of ETL.*

97. *In view of the above, it is alleged that Noticees 29 and 30 had acted in concert with Group 1 and were part of scheme, device and artifice to manipulate volume and price in the scrip and hence, violated Section 12A (a), (b) and (c) of SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2) (a), (b), (g) and (e) of PFUTP Regulations.*

98. ***Circulation of Bulk SMS**:*

99. *As mentioned in paragraph 4 of the SCN, SEBI received complaints wherein the complainants made allegations of manipulation in the scrip through promotions via calls and SMSs. Complaints were received against the website growthstock.in, wherein it was alleged that there were SMSs received and calls received from growthstock.in through mobile no. 7096205638 and 9586296196. The complainants were enquired about the SMS handle/sender ID and observed that SMS handle/ sender id viz. MM-GROWTH, VM-GROWTH and IM-GROWTH were used. Also, there was complaint against website marvelstocks.in.*

100. *It was observed from the information available on website i.e. www.scamadvisor. com/ whois.net that the website www.growthstock.in was created on January 27, 2017, the details of owner are Newrise Technosys having phone number 8460155257.*

101. *Based on the information received from Telecommunications Service Providers (TSPs), following was observed (Relevant copies placed as Annexure 3):*
    a) *Bulk SMSes were sent from Spectrum Technologies belonging to organization RouteSMS Solutions Ltd.*
    b) *Bulk SMSes were sent from resellers/telemarketers viz., RouteSMS, IndiSMS and Bluewaves and two end users: Mr. Nilay Desai and Mr. Vishal Shal.*
    c) *Based upon CAF, mobile numbers viz. 7096205638, 9586296196 and 8460155257 were registered with Mr. Ismail, Mr. Harshad and Mr. Ashish respectively.*

***Non-compliance of Summons by certain entities**:*

102. *Summons were issued to resellers/telemarketers viz., RouteSMS, IndiSMS and Bluewaves seeking information including SMS content of the bulk SMSes, details of client/telemarketers etc.*

103. *IndiSMS or ValueFirst had provided the details of its client as Pel Soft Labs Pvt Ltd copy placed as Annexure 4) to whom Sender ID "VM-GROWTH" was allotted (and it further stated that "ValueFirst as its standard policy only retain the logs of SMS Messages for a period of three (3) years, post which the said logs are deleted from our Systems." Subsequently, summons was issued to Pel Soft Labs Pvt Ltd seeking SMS content of the bulk SMSes, details of clients/telemarketers etc. However, no reply was received from Pel Soft Labs Pvt Ltd. Further, based on the details of CAF of mobile number (7096205638) from where calls were alleged to be made to the complainants, summon was issued to Mr. Ismail. However, no reply was received from Mr. Ismail.*

104. *Summons were issued to two entities viz., Pel Soft Labs Pvt Ltd and Ismail Mehtar for production of information and documents before Investigating Authority under section 11C(3) of SEBI Act.*

105. *The details of the summons issued to the Noticee 31 and 32 are as follows:*

Noticee 31			
	First Summon	**Reminder 1**	**Reminder 2**
Dates	30/03/2021	09/04/2021	22/04/2021
Mode of communication	Physical letter and email	Email only	Email only
Noticee 32			
Dates	26/02/2021	10/03/2021	22/03/2021
Mode of communication	Physical letter	Physical letter	Physical letter

106. *Copies of summons along with POD for said Noticees 31 and 32 are placed as Annexure 5.*

107. Summons\reminders sent through physical letters to Pel Soft Labs Pvt Ltd returned undelivered, however, the summons sent through emails did not bounce back. Further, Summons\reminders sent through physical letters to Ismail Mehtar were delivered. However, no reply has been received so far from Pel Soft Labs Pvt Ltd and Ismail Mehtar.

108. In view of the above, it is alleged that by not providing the information as sought Noticees 31 and 32 did not co-operate with the investigation and hampered the process of investigation and hence, they are in violation of Section 11C(3) of SEBI Act.

…"

6. The SCN was served to all the Noticees through Email at their respective email ids available / through Speed Post Acknowledgement Due (SPAD) at respective postal addresses as per records / through affixture at last known address as detailed hereinafter. The SCN issued by email got served to all the Noticees (except Noticee 24 to whom it got served through other modes). The SCN issued by SPAD got served to Noticees 5, 12, 28, 31 and 32 through SPAD. The SCN issued by email and SPAD to Noticee 24 was returned undelivered and accordingly the same was served through affixture.

7. It is noted from the material available on record / Ministry of Corporate Affairs (MCA) website that Noticees 20, 24, 25, 26, 27 and 28 were struck off from the Register of Companies, Kolkata.

   The applicable provision of the Companies Act, 2013 are reproduced for reference as follows:

   Effect of company notified as dissolved

   250.Where a company stands dissolved under section 248, it shall on and from the date mentioned in the notice under sub-section (5) of that section cease to operate as a company and the Certificate of Incorporation issued to it shall be deemed to have been cancelled from such date except for the purpose of realising the amount due to the company and for the payment or discharge of the liabilities or obligations of the company.

8. I note that it is an established fact that when a company is struck-off, it is a non-existing company and the adjudication proceedings against the non-existing company is not feasible. In this regard, reliance is placed on the following judgments:

8.1. Judgment of the Hon'ble Delhi High Court in the case of Commissioner of Income Tax (CIT) vs Vived Marketing Services (P) Ltd., ITA NO. 273/2009 dated September 17, 2009 in which it was held that -"*When the Assessing Officer passed the order of assessment against the respondent company, it had already been dissolved and struck off the register of the Registrar of companies under Section 560 of the Companies Act. In these circumstances, the Tribunal rightly held that there could not have been any assessment order passed against the company which was not in existence as on that date in the eyes of law it had already been dissolved. We are of the opinion that the view taken by the Tribunal is perfectly valid and in accordance with law."*

8.2. Decision of the ITAT in the matter of M/s. Anujay Hycare Products (P) Ltd. Vs The Income Tax Officer (ITAT Delhi) Date of Judgement/Order - 06/04/2018, Income Tax Appellate Tribunal, observed that "..........there could not have been any valid assessment order passed against the assessee-company which was not in existence as on the day of passing of the assessment order because it had already been dissolved. The assessment in the case of non-existing entity is thus nullity. Therefore, A.O. had no jurisdiction to pass the order against the non-existing company.......However, as on today, it is an established fact that assessee-company has already been dissolved and its name is struck-off from the Registrar of Companies. Therefore, it is a non-existing Company and as such, A.O. cannot pass the assessment order under section 143(3) of the I.T. Act, 1961 against the assessee-company. The issue is, therefore, covered in favour of the assessee-company by the above judgments of Hon'ble Delhi High Court, relied upon by the Learned Counsel for the Assessee."

8.3. Precedents of SEBI orders in respect of Raghukul Shares India Private Limited in the matter of dealings in Illiquid Stock Options at BSE on 24.05.2023.

9. I note that Strike off essentially means removing the name of the company from the Register maintained by the Registrar of Companies. As the Noticees 20, 24, 25, 26, 27 and 28 had been struck-off from the RoC and stands dissolved, it would not be appropriate to determine liability against them which no longer exists as on date of instant proceedings. In view of the foregoing, the instant adjudication proceedings against the Noticees 20, 24, 25, 26, 27 and 28 are hereby disposed of without going into the merits of the case. Should the Noticees 20, 24, 25, 26, 27 and 28 stand revived or restored at any stage, SEBI shall have the liberty to initiate proceedings afresh at that stage.

10. As regards reply to the SCN, replies in respect of five Noticees viz. Noticees 4, 5, 22, 23 and 31 were received. No reply to the SCN was received in respect of remaining Noticees.

11. In the interest of natural justice opportunity of hearing was provided and Hearing Notices dated December 06, 2022 were inter alia issued to the Noticees, other than noted as struck off. Vide email dated December 14 and 15, 2022, Noticees 4, 5, 22 and 23 requested for inspection of documents and copies thereof. Accordingly, opportunity of inspection of documents was provided to them on May 04, 2023. The opportunity of inspection of documents was availed by Authorized Representatives (ARs) of the Noticees on May 04, 2023. Further, relevant documents as requested by the ARs of the Noticees were provided to the Noticees 4, 5, 22 and 23 vide email dated May 15, 2023.

12. Thereafter, the hearing was rescheduled for Noticees 4, 5, 22 and 23 and vide email dated May 15, 2023, another opportunity of hearing was provided to them on May 23, 2023. Noticees 4, 5 and 22 requested for adjournment of hearing scheduled on May 23, 2023, accordingly, hearing was rescheduled to June 20, 2023. Noticees 4, 5, 22 and 23 availed the hearing scheduled and were represented through their Authorized Representative (AR) on June 20, 2023.

13. Out of total 32 Noticees in the instant matter, 4 Noticees availed the opportunity of hearing. The details in respect of which in brief are as under:

13.1. Four Noticees viz., Noticees 4, 5, 22 and 23 availed the opportunity of hearing scheduled on June 20, 2023 and appeared through their respective Authorized Representatives (AR).

13.2. During the hearing the common AR of Noticees 4 and 5 mentioned that the submissions of both the Noticees were common in nature. The AR relied upon and reiterated the submission made by the Noticee 4 vide letter dated June 18, 2023 and Noticee 5 vide letter dated June 06, 2023. Noticee 4 filed further written submissions vide letters dated June 23, 2023 and December 19, 2023 and Noticee 5 filed further written submissions vide letter dated December 19, 2023.

13.3. During the hearing the AR of Noticee 22 relied upon and reiterated the submission made vide letter dated June 18, 2023. Noticee 22 filed further written submissions vide letter dated June 24, 2023.

13.4. During the hearing the AR of Noticee 23 relied upon and reiterated the submission made vide letter dated May 20, 2023. Noticee 23 filed further written submissions vide letter dated June 22, 2023.

14. In response to Hearing Notice, Noticee 31 submitted the reply to the SCN vide email dated July 07, 2022, however, Noticee 31 did not appear on the scheduled date of hearing. Noticees 1, 2, 3, 6 to 19, 21, 29, 30 and 32 did not appear on the scheduled date of hearing.

15. No reply to the SCN was received from Noticees 1, 2, 3, 6 to 19, 21, 29 and 30. Nor did these Noticees avail the opportunity of hearing afforded to them, as detailed in foregoing. In this regard, vide email dated May 17, 2023 the said Noticees were inter alia informed that they had not avail the opportunity of

hearing provided to them and that no reply to the SCN was received from them and that the matter would be proceeded further on the basis of material available on record.

16. This apart, Noticee 32, vide his email dated July 07, 2022 stated that he is not having knowledge of English Language and also requested to provide the information with respect to the instant Adjudication Proceedings in Gujarati Language. In this regard, arrangements were made to explain to the Noticee and /or his Authorized Representative the offence alleged to have been committed by him indicating the provisions alleged to have been violated in Guajarati language by roping in an official conversant with the said language and accordingly Hearing Notice dated June 26, 2023, providing an opportunity of hearing was issued to Noticee 32 inter alia also indicating that Noticee 32 may appoint any person as his authorized representative to appear for the hearing on his behalf. However, Noticee 32 did not appear on the scheduled date of hearing nor reply to the SCN was received from him. In this regard, it is noted that while arrangements had been made to explain to the Noticee about the offence alleged and provisions violated in Guajarati language and that the opportunity of hearing was provided by either modes viz., physical /in person or through virtual mode, however, Noticee 32 failed to appear for the hearing. Had the Noticee 32 appeared for hearing he would have been explained about the offence alleged and provisions violated in the desired language. In any case, the Noticee was at liberty to appoint an authorized representative conversant with both English and Guajarati language. Further in this regard, I also note that multiple hearing opportunities were afforded to Noticee 32 viz., vide Hearing Notice dated June 26, 2023 sent by Speed Post Acknowledgement Due (SPAD) and also by email dated June 28, 2023 and subsequently vide Hearing Notice dated July 06, 2023 issued to the Noticee 32 by Speed Post Acknowledgement Due (SPAD). As per tracking details available on India post website the hearing notices sent by SPAD were delivered to the Noticee viz., Hearing Notice dated June 26, 2023 was delivered on July 01, 2023 and Hearing Notice dated July 06, 2023 was delivered on July 10, 2023. I also note that vide letter dated July 17, 2023 Noticee 32 was inter alia

informed that he had failed to avail the hearing opportunities provided and that the matter would be proceeded with further on the basis of facts /material available on record.

17. As sufficient opportunity was given to Noticees 1, 2, 3, 6 to 19, 21, 29, 30 and 32 to submit reply and appear for hearing and no response was received from them, the adjudication proceedings against these Noticees are undertaken *ex-parte* on the basis of material available on record in terms of Rule 4(7) of the Adjudication Rules which reads as under: -

"

….

4(7) If any person fails, neglects or refuses to appear as required by sub-rule (3) before the Board or the adjudicating officer, the Board or the adjudicating officer may proceed with the inquiry in the absence of such person after recording the reasons for doing so.

…

"

18. As stated above, replies to SCN were received from 5 Noticees. The key submissions related to the SCN made by 5 Noticees viz. 4, 5, 22, 23 and 31 as part of their reply to the SCN are summarized as below:

Submissions of Noticee 4:

"…

1. *Pursuant to receipt of the SCN, Noticee No. 4 had addressed an email, interalia, seeking inspection of documents, which was provided May 4, 2023.*

2. *Before responding to the allegations set out in the SCN, Noticee No. 4 would like to assure SEBI of their commitment towards ensuring compliance with all applicable obligations. The findings and allegations set out in the SCN are not based on any specific breach by Noticee No. 4 of any applicable laws. Consequently, Noticee No. 4 urges that the SCN be disposed of wholly, without any adverse observation being made against Noticee No. 4 for the reasons set out in this reply.*
…….

3. *Based on a review of the SCN, it is Noticee No. 4's understanding that the core allegation made against them is that it undertook reversal trades and hence manipulated the volume in the scrip of ETL. Further, it is also alleged that Noticee No. 4 contributed to positive LTP trades by trading amongst 15 other noticees and hence contributed to price rise.*

4. *The entire allegation is based on the premise that Noticee No. 4 was connected with 54 other suspected entities and, therefore, it was alleged to have participated in the alleged fraud. It is also alleged that Noticee No. 4 has received funds from one Ritudhara Retailers Private Limited (Noticee No. 20) from sale of shares of Econo.*

5. *…. the allegation is ex-facie absurd as the SEBI has failed to show any wrongdoing on the part of Noticee No. 4.*

6. *Noticee No. 4 is a regular trader in the market and was engaged in trading of shares of Econo during the investigation period. During the same period, Noticee No. 4 has traded in about 100 scrips.*

7. *As mentioned hereinabove, the SEBI is basing its charge that Noticee No. 4 had participated in an alleged 'scheme with other noticees to manipulate volume and price of the scrip of Econo, based on the premise that Noticee No. 4 is somehow connected to Highgrowth Vincom Pvt Ltd ("Highgrowth") and Noticee No. 20 through off-market transactions.*

8. It is pertinent to note that Highgrowth is a group entity and Noticee had made fund transaction of Rs. 2000000/- on February 9, 2017 and Rs.39005/- on March 21, 2017. To settle internal obligation between said companies shares of Econo were transferred in off-market and there is nothing abnormal about the same.

9. It is respectfully submitted that the SCN does not demonstrate any connection of Noticee No. 4 with any of the other noticees arrayed in the SCN. Further, there is nothing brought on record to show as to how Noticee No. 4 participated in the alleged manipulation of the price of Econo. Additionally, it is Noticee No. 4's humble submission that except for Econo, Noticee No. 4 had traded in other stocks at the pertinent time. In the circumstance, it is unjust and arbitrary to single out trading in one scrip and make a negative allegation based on that.

……

17. The allegations framed in the SCN relate to Noticee No. 4's trades in Econo, which were more than five years before issuance of SCN. The SCN does not provide any explanation to justify the inordinate delay in initiation of proceedings against Noticee No. 4. It is respectfully submitted that the initiation of proceedings by SEBI after such a long delay, severely prejudices the ability of Noticee No. 4 to put up an adequate response to the allegations made by the SEBI. As such, Noticee No. 4's ability to adduce evidence has also materially been impacted.

18. The Hon'ble Supreme Court of India has held in the matter of Mohamad Kavi Mohamad Amin v. Fatmabai Ibrahim that wherever a power is vested in a statutorily authority without prescribing any time-limit, such power should be exercised within a reasonable time.

19. Similarly, in the matter of HB Stockholdings Ltd. V. SEBI as well the Hon'ble Securities Appellate Tribunal ("SAT") set aside an order holding the noticees guilty, inter alia, on the grounds of "unconscionable and unexplained delay of more than 12 years in initiating and completing the proceedings against the three Noticees in question.".

20. The SEBI's attention is also drawn to a decision of the Hon'ble SAT where the impugned order was set aside on the ground of the proceedings being initiated after more than five years. It was held as under:
"II. Having heard the learned counsel for the parties at some length we find that the respondent had investigated the scrips of Shree Global Trade& Ltd. for the period March 1, 2009 to January 10, 2011 in September 2011. Pursuant thereto, a show cause notice dated April 20, 2012 was issued for the violation found during the investigated period March 1, 2009 to November 30, 2009. The respondents thereafter waited for another five years to issue a second show cause notice dated July 20. 2017 for the investigated period April I, 2010 to January 10. 2011 which had been investigated in September 2011. We find that the respondents were aware of the alleged violation and thus there is no justification for waiting for more than five years to issue the second show cause notice dated July 20 2017. In our view, there is an inordinate delay in initiating the proceedings.

12. In Mr. Rakesh Kathotia & Ors. vs SEBI in Appeal No. 7 of 2016 decided by this Tribunal on May 27, 2019 it was held:-
"23. It is no doubt true that no period of limitation is prescribed in the Act or the Regulations for issuance of a show cause notice or for completion of the adjudication proceedings. The Supreme Court in Government of India vs, Citedal Fine Pharmaceuticals, Madras and Others, [AIR (1989) SC 1771j held that in the absence of any period of limitation, the authority is required to exercise its powers within a reasonable period. What would be the reasonable period would depend on the facts of each case and that no hard and fast rule can be laid down in this regard as the determination of this question would depend on the facts of each case. This proposition of law has been consistently reiterated by the Supreme Court in Bhavnagar University v. Pulliam Sugar Mill (2004) Vol.12 SCC 670, State of Punjab vs. Bhatinda District Coop. Milk P. Union Ltd (2007) Vold I SCC 363 and Joint Collector Ranga Reddy Dist. & Anr. vs. D. Narsing Rao & Ors. (2015) VoL 3 SCC 695. The Supreme Court recently in the case of Adjudicating Officer, SEBI vs. Bhavesh Pabari (2019) SCC Online SC 294 held:
"There are judgments which hold that when the period of limitation is not prescribed, such power must be exercised within a reasonable time. What would be reasonable time, would depend upon the facts and circumstances of the case, nature of the default/statute. prejudice caused, whether the third-party rights had been created etc."
The Tribunal on account of an inordinate delay in initiating the proceedings had quashed the penalty order. The same view was reiterated by this Tribunal in Ashok Shivlal Rupani & Anr. vs SEBI decided on August 22, 2019.
13. As a result, without going into the question of res judicata or estoppel raised by the appellants we are of the opinion that on account of the inordinate delay in initiating the proceedings, the impugned penalty order cannot be sustained"

21. The Hon'ble SAT in the matter of Libord Finance Ltd. v. Whole Time Member, SEBI, has held as under:

"Before concluding, we cannot resist observing that there has been an inordinate delay in initiating action against the appellant. It is alleged to have committed the irregularities in the earlier part of the year 1996 and the show cause notice was admittedly issued in June 2004. How could any one file a proper reply after a lapse of more than eight years. This long delay itself causes grave injustice to the delinquent and results in the violation of the principles of natural justice. Such delays defeat the very purpose of the proceedings. What is contended by the learned counsel for the Board is that investigations commenced only in May 2002 and were going on till the year 2003. This is no explanation for the delay. Why could they not commence earlier. Again, when investigations continue for years together, the very purpose of issuing the directions under section 11-B may be lost as in the instant case. In view of the inordinate delay in initiating action against the appellant and that too, when its certificate of registration had already expired, the impugned order cannot be sustained."

22. The position has now been crystallised and settled by the most recent decision of the Hon'ble SAT in the matter of Rajeev Bhanot and Ors v. SEBI. It has been categorically held as under:

18. We are constrained to observe that inspite of specific orders being issued from time to time on the question of delay the WTM chooses to ignore those decisions as if they do not exist or is not binding upon them. In the instant case, we find that the WTM has trenchantly asserted that it is a settled position that there is no time limit jor issuing notice and that an order cannot be set aside on the ground of delay. Such assertion being used time and again in the order passed by the AO or the WTM is patently erroneous. This Tribunal in a large number of appeals have set aside the orders only on the ground of *delay....As a result, without going into the merits of the case, we are of the opinion that on account of inordinate delay the initiation of proceedings by issuance of the show cause notice which culminated into a penalty order cannot be sustained. The show cause notice and the impugned orders passed by the AO are quashed. Both the appeals are allowed."*

23. *Admittedly, Noticee No. 4 would hereby like to place on record the fact that given the inordinate delay in issuance of the SCN, Noticee No. 4's ability to adequately respond to the SCN has been gravely jeopardized and, therefore, they cannot be called upon at this stage to respond to the SCN. It is also respectfully submitted that the gross delay was entirely attributable to SEBI and Noticee No. 4 has had no role to play in the same.*

24. *In cases of such serious offences, the ability to adduce evidence is the most crucial to prove a person's innocence. The courts have recognized that with passage of time, memory of an individual also fades out. While it is known that law of limitation does not apply in SERI proceedings, however, the same should at the bare minimum be initiated in a reasonable time frame. It cannot be that the proceedings are initiated so belatedly that the noticees are rendered handicapped and helpless in putting together an adequate response. Thus, the existence of unnatural and unexplained delay of more than five years and prejudice caused due to such undue delay is abundantly clear in the matter.*

25. *On this ground alone, the SCN stands vitiated and is liable to be set aside for violation of the principles of natural justice. In any event, the SEBI is now bound by the directions of the lion'ble SAT in the matter of Rajeev Bhutto: (supra), which, interalia, mandates SEBI to consider the ground of delay while adjudicating a matter.*

26. *Based on the review of the SCN, it is noted that the SEBI has alleged that Noticee No. 4 undertaken reversal trades to manipulate the volume in the scrip of Econo and that Noticee No. 4 contributed to positive LTP trades by trading with other noticees. Accordingly, as per SEBI, Noticee No. 4 has violated PFUTP Regulations.*

27. *On the face of the record, other than making blanket statements without explaining Noticee No. 4's involvement in the alleged default, the SCN has failed explained as to how Noticee No. 4's trades were manipulative. The SCN only provides summary of trades without actually giving trade details. Further, the so-called irregularities alleged in the SCN do not point to the facts or evidence on the basis of which such draconian conclusions were drawn by SEBI. It is respectfully submitted that in absence of any specific wrongdoing by Noticee No. 4 being pointed by the SEBI, the SCN stands vitiated and is liable to be set aside.*

28. *It is an established principle that a vague allegation which does not specifically set out the reason for such allegation cannot be sustained as the same does not provide an opportunity to a noticee to counter the charges and the same is contrary to the rules of natural justice. This principle has been confirmed by the Hon'ble SAT in the matter of Vikas Bengani v. SEBI.*
"What is being alleged against the appellant is that he played a fraud and committed an unfair trade practice within the meaning of the regulations while trading in the scrip of the company. It is a serious allegation and when fraud is being alleged the particulars thereof have to be indicated in the show cause notice. The least that is required of a body like the board is to tell the appellant about the manner in which he has played the fraud or committed the unfair trade practice. Except, for alleging that the provisions of Regulation 4(1) and 4(2) of the regulations had been violated, no Other details or particulars of the fraud had being indicated in the show cause notice. How can such a serious charge be allowed to stand without the particulars being provided in the show cause notice? On this ground also, the impugned order deserves to be set aside."

29. *In present case as well, the SCN merely makes loose allegation that Noticee No. 4 violated provisions of Sections 12A(a), (b), and (c) of the SEBI Act read with Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a), 4(2)(b), 4(2)(e) and 4(2)(g) of PFUTP Regulations. However, the SCN is silent as to how Noticee No. 4 had helped Noticee Nos. 1 and 2 in the alleged fraud. Merely stating that there were fraudulent trades or one instance of unrelated fund transfer is enough to allege violation of PFUTP Regulations.*

30. *In the case of Commissioner of Central Excise, Bangalore v. Brindavan Beverages Pvt. Ltd. and Ors. the Hon'ble Supreme Court has observed that:*
"show cause notice is the foundation on which the department has to build up its case. If the allegations in the show cause notice are not specific and are on the contrary vague, lack details and/ or unintelligible that is sufficient to hold that the noticee was not given proper opportunity to meet the allegations indicated in the show cause notice."

31. *In absence of any solid reasoning being carved out, Noticee No. 4 is constrained from addressing SEBI's grievance accurately. In Dhanalakshmi Bank Ltd. v. SEBI, the Hon'ble SAT has stated that:*
"The show cause notice issued to the Appellant in the case is vague. The notice merely stated violation o/'certain provisions or the rule/ regulations in a general manner without mentioning the particulars on which the charge against the appellant was based. Further, there is nothing in the adjudicating order to show that even at a later stage the Appellant was informed of the specific instances of default. Principles of natural justice demand that before adjudication starts, the authority concerned should give the affected party the basis of the charge against him so that he gets an opportunity to defend himself. A show cause notice should serve the purpose for which it is required. An abstract notice like the one in the instant case will not serve the purpose."

32. *Accordingly, the form and substance of the SCN has completely handicapped Noticee No. 4 in responding to the SCN. In fact, it appears that SEBI has already decided to hold Noticee No. 4 guilty. This is against the principles of natural justice. On this ground alone, the SCN ought to be set aside vis-à-vis Noticee No. 4.*

33. *Inconsequential connections drawn of Noticee No. 4 with other noticees:*

34. The SCN has purported to divide the 54 suspected entities in two groups i.e. Group 1 and Group 2. This grouping appears to be based on trades executed in the scrip of Econo. In this regard, it is alleged that Noticee No. 4 is connected with Noticee No. 20 through off-market transactions and Highgrowth through common office address.

35. Insofar as connection Highgrowth is concerned, it is true that Highgrowth and Noticee No. 4 have common address, both these entities are owned by same promoter. That being said, it is not clear as to how connection between Noticee Nos. 4 and 5 have any bearing in the present matter. As far as connection with Noticee No. 20 is concerned, the SEBI has not set out the rationale for drawing up the said connection. Even as per the annexure to the SCN, the off-market trade with Noticee No. 5 is after the Investigation Period. In the circumstance, the said connection is ex-facie without any bearing to the present matter.

36. Thus, the purported connections are inconsequential and serve no real purpose to further the allegations made in the SCN.

No inter se connection between Noticee No. 4 and counterparties in the alleged trades

37. The SCN alleges that Noticee No. 4 along with other noticees had fraudulent trades by executing reversal trades and contributing to positive LTP.

38. At the outset, Noticee No. 4 denies the allegation that it engaged in reversal trades and contributed to positive LTP and thereby manipulated the price and volume of the scrip of Econo which resulted in violation of the PFUTP Regulations.

39. The above allegation merely based on the fact that Noticee No. 4 received certain funds major net sellers from the funds received by virtue of sale of shares of Econo and that Noticee No. 4 is connected to Noticee No. 20. This circumstance is the only basis for the SEBI to conclude that Noticee No. 4's manipulated the price and volume of the scrip of Econo. Interestingly, these certain funds as mentioned in the SCN have not been shown to be transferred directly from the major net sellers to Noticee No. 4. Besides, the SEBI has not shown as to how the fund transfers had anything to do with the trades of Noticee No. 4. Thus, there is no clear connection established between Noticee No. 4 and other noticee in the SCN. This shows that such allegation against Noticee No. 4 has no meaning.

40. It is respectfully submitted that the allegations in the SCN are purely in the realm of conjecture and speculation, since the SCN does not contain any evidentiary basis or document in support of the allegation made against Noticee No. 4. The SCN has completely ignored several other key factors to conclude that the trades of Noticee No. 4 actually resulted in manipulation of the price and volume of Econo. One such key factor is interse connection between the parties. As is the settled law, for establishing a charge of fraud on the securities market, SEBI must establish that there was some connection between the parties. In the present case, SEBI has not shown any connection with any of the other noticees.

41. If the parties are not connected with each other and, there is no allegation for the same, there is no question of meeting of minds. In this regard, Noticee No. 4 stands guided by the Hon'ble SAT's order dated September 15, 2021 in Ashlesh Gunvantbhai Shahvs SEBI wherein, the Hon'ble SAT has observed that:
"13. The pattern of trading as indicated in table paragraph 25 of the impugned order shows inter se trades between the appellants but scattered and miniscule trades of one or two trades with the other noticees and therefore such sparse one or two trades would not make it a synchronizsd trade unless comparison with total trades volume is seen before holding it to be a synchronised trade or coincidental trade. We are further of the opinion that connection and pattern of trading must have an inter connection to establish meeting o/' mind. premeditated motive or synchronised trading and that volume of trading vis-à-vis the total market volume is required to be compared."

42. In the present case, the SCN does not establish meeting of minds or premeditated motive. Furthermore, nothing has been brought on record to demonstrate that Noticee No. 4 was in concert with any of the noticees and there is an absence of evidence of trades which the SEBI claims resulted in manipulation of volume and price of scrip of Econo. In this regard, a reference is drawn to the HB Stockholdings8 case, where the Hon'ble SAT while considering the charge of market manipulation observed:
"There has to be sufficient evidence on record to clearly prove connivance on the part of the Appellants with a counter party to prove the charge in question against the Appellants. In the absence of any such evidence and unambiguous findings by the learned WTM to this effect, we have no option but to quash the impugned order in question."

43. Reliance is also placed on the judgement of Nishith M. Shah HUF v. SEBI (Appeal No. 47 of 2019)9 wherein the Hon'ble SAT observed that:
"4(g)…
In order to apply the aforesaid test, the facts of the present case is, that there is no direct evidence of collusion between the appellant as a seller with that of the buyer. There is no finding that the appellant was known to the directors or promoters of the Company. Since no direct evidence is forthcoming we have to see the indirect connection which is that the appellant was selling small quantities of scrips. Trading in small quantities in scrips is per se not impermissible as held in Ajmera 's case (supra). If trading in miniscule amount leads to an increase in the price of the scrips one can presume or infer that the trading is manipulative but such trading cannot happen unilaterally. There must be evidence to show collusion between the buyer and the seller. In the instant case there is none. The principle of preponderance of probability cannot be exercised in the absence of any connection between the seller and the buyer.

…

(i) In Jagruti Securities Limtied vs Securities and Exchange Board of India (Appeal No. 42 of 2006 decided on October 27, 2008) and in Vikas Ganeshmal Bengani vs Whole Time Member, SEBI (Appeal No. 225 of 2009 decided on February 25, 2010) the Tribunal held that the charge of raising price artificially has to be established and the element collusion between the buyer and the seller is a sine quo non. We are in the entire agreement with the aforesaid decisions and reiterate that in the absence of any finding of collusion between the buyer and the seller the charge contributing to the LTP cannot be sustained."

44. *The judgement in the Nishith M. Shah case holds the law and is squarely applicable in the present case. Admittedly, the SCN has failed to adduce the most essential evidence i.e. of connection between the parties. In the circumstance, the SEBI is bound by the Nishith M. Shah case and, accordingly, the present proceedings out to be dropped vis-à-vis Noticee No. 4.*

45. *It is further submitted that the Hon'ble SAT has consistently held that mere trades are not enough to hold two parties connected, especially in case where there are multiple parties. In the present proceedings, there is no other connection with remaining noticees. In the matter of Baldevsinh Zala v. SEBI10, it has been held as under: "8. The WTM has found that the 13 entities are connected with each other on the basis of being introduced by one Mr. Paresh Doshi and through common address/telephone numbers, etc. The basis of connection has been given in paragraphs no. 17.1, 17.2, 17.3, 17.4 and 17.5. The connection drawn in our opinion is patently vague and erroneous and does not inspire confidence. Something more is required to be done in the order to prove that these 13 entities were working as a group. For example if 'A ' is connected to 'B' and 'C' is connected to 'D and 'D' is connected to 'F' it does not mean that 'A to 'F ' are all connected with each other or 'A is connected to 'L) ' or 'A ' is connected to 'E' or 'A ' is connected to 'C'. Thus, something more is required to be shown other than common address, telephone numbers etc. which in the instant case is also lacking inter se between the parties. In this regard, the learned senior counsel for the respondent fairly conceded that the findings of connection given by the WTM is very sketchy but submitted that connection can be drawn from the trading pattern which will show that the 13 entities were trading amongst themselves and, therefore, there was a pre meeting of minds and on preponderance of probability one could infer connection inter se between the noticees. This submission on inter se connection on the basis of trading pattern is also erroneous for the reasons stated hereunder.*

...

10. We find from a perusal of the show cause notice and the impugned order that the basic charge leveled against the 13 noticees/appellants is, that 13 out of 21 entities, as a group, traded amongst themselves which created artificial volume and misleading appearance in trading in the scrip which resulted in the increase in the price of the scrip from Rs.0.31/- to Rs.0.90/-. We find that there is no evidence in the impugned order to show that noticee nos. 1 to 13 traded amongst themselves which resulted in the creation of artificial volume and misleading appearance in the scrip. The WTM in para 18.6 of the impugned order has indicated one instance where trades of Mr. Baldevsinh Vijaysinh Zala matched with Mr. Ashwinbhai Prabhudas Ruparel. One instance of such trade cannot prove the charge of the 13 entities trading amongst themselves. In this regard, we have also perused the show cause notice and we find from table 3 of the show cause notice that it depicts certain entities trading inter se amongst themselves. Majority of these entities named in Table 3 except 2 of them are not noticees in the present proceedings. Therefore, in order to prove the charge against the appellants/noticees there must be sufficient material to show that these entities were trading amongst themselves. Except for the aforesaid instance of one trade, we do not find any evidence to show that the 13 noticees/appellants were trading amongst themselves on a continuous basis during the investigation period. In the absence of any evidence we are of the opinion that the charge of the 13 noticees/appellants trading amongst themselves cannot be proved. As a result, the creation of artificial volume, misleading appearance in the trading in the scrip and increase in the price of the scrip automatically fails and cannot be sustained."

46. *The above judgement also squarely applies in the present fact scenario. Clearly there is no evidence, other than an alleged sharing address between Highgrowth and Noticee No. 5 and off-market transfer between Noticee No. 4 and Noticee No. 20, which also transpired outside of the Investigation Period. Thus, there is no meeting of mind or collusion proved by the SEBI in the SCN.*

47. *There is clearly no material evidence adduced by the SEBI to prove Noticee No. 4's linkage to the other entities who might have engaged in fraudulent trades. Thus, Noticee No. 4 certainly deserves benefit of doubt from the regulator as the record made available in SCN proves no connivance or collusion or fraud by Noticee No. 4.*

48. *In addition to the above, on screen based trading platform, it is impossible for a party to know the counterparty while punching in trades on the floor of the exchange. In the circumstance, before sticking a charge of creation of misleading appearance of trades in Econo, there has to be a modicum of evidence to suggest that there was some connection/ meeting of minds between the parties. In absence thereof, the trades of Noticee No, 4 in the present case cannot be called into question.*

49. *Further, it is also submitted that the trading system does not make available the particulars — such as quantity of shares, prices and time — of counter party's keyed-in orders against which Noticee No. 4 orders got matched. In the absence of these particulars, Noticee No. 4 could not know or ascertain any pattern at the relevant time.*

50. *In view of all of the above, it is respectfully submitted that in the absence of any documentary basis supporting the allegation made by the SEBI, there is no reason to hold Noticee No. 4 guilty.*

No evidence to prove that the trades of Noticee No. 4 manipulated price and volume of Econo

51. *At the outset, the allegation in SCN only states that Noticee No. 4 engaged in reversal trades and contributed to positive LTP which resulted in manipulation of price and volume of Econo. It is respectfully submitted that the trades of Noticee No. 4 did not create any manipulation as alleged by the SEBI.*

52. *Insofar as reversal trades is concerned:*
    a. *The SEBI has only provided details of reversal quantity, however, no details about why the said trades are reversal.*
    b. *The counterparty to the trade of Noticee No. 4 is Anurodh Infrastructure Ltd, which is not connected to Noticee No. 4. Thus, how can the said trades be considered as reversal.*
    c. *Even the percentage of the alleged reversal trades to market volume is 0.00% as per the SEBI at paragraph 21 of the SCN. Thus, it certainly could not have manipulated the volume as is alleged.*

53. *Insofar as trades contributing to positive LTP is concerned, other than pointing to eight trades which allegedly contributed to positive LTP, there are no details about the trades that are shared in the SCN. Besides, Noticee No. 4 was the seller in most of the trades — thus Noticee No. 4 was a price taker. There is no way that Noticee No. 4 could have contributed to positive LTP. Also, the eight trades which contributed to positive LTP, other than Noticee No. 5 (i.e. two trades), there is no connection shown between Orignal Vincom Pvt Ltd, Anurodh Infrastructure Ltd and Original Fashion Trades Pvt Ltd. and, in fact, no proof of connection with the counterparty has been adduced by the SEBI.*

54. *It is also alleged that by trading amongst themselves, 16 noticees (including Noticee No. 4) contributed 8.84% to market positive LTP and hence contributed to price rise in fraudulent manner. This allegation is without any basis as positive LTP by itself cannot be treated as fraud. There has to be some fraudulent intent. In the present case, Noticee No. 4 had no reason to be part of some alleged fraud. Besides Noticee No. 4 is not even connected to any of the said 16 noticees (excluding Highgrowth).*

55. *Insofar as allegation of contribution to NHP in one trade is concerned, the SCN has not given any details of the trade. In any event, a contribution of 0.81% would have had no impact on the market volume or price of Econo.*

56. *With respect to alleged LTP contribution in Patch II i.e. six trades with Bhikabhai Shah, Pradip Jayantilal Mehta and Jitendra Bhogilal Parikh, none of these entities are connected with Noticee No. 4. Besides the percentage contribution to LTP is negligible.*

57. *From the above analysis, it is clear that the SEBI's allegations are purely based on circumstantial evidence. However, the evidence adduced must be compelling which can be inferred by logical process of reasoning from the totality of facts and circumstances surrounding the allegations. As held by the Hon'ble Supreme Court in the case of Hanumat v. State of Madhya Pradesh, that:*
    "11 ...In dealing with circumstantial evidence the rules specially applicable to such evidence must be borne in mind. In such cases there is always the danger that conjecture or suspicion may take the place of legal proof and therefore it is right to recall the warning addressed by Baron Alderson, to the jury in Reg v. Hodge ((1838) 2 Lew. 227), where he said:-
    "The mind was apt to take a pleasure in adapting circumstances to one another, and even in straining them a little, if need be, to force them to from parts of one connected whole; and the more ingenious the mind of the individual, the more likely was it, considering such matters to overreach and mislead itself to supply some little link that is wanting, to take for granted some fact consistent with its previous theories and necessary to render them complete."
    12. It is well to remember that in cases where the evidence in of a circumstantial nature, the circumstances from which the conclusion of guilt is to be drawn should in the first instance be fully established, and all the facts so established should be consistent only with the hypothesis of the guilt of the accused. Again, the circumstances should be of a conclusive nature and pendency and they should be such as to exclude every hypothesis but the one proposed to be proved. In other words. there must be a chain of evidence so far complete as not to leave any reasonable ground for a conclusion consistent with the innocence of the accused and it must be such as to show that within all human probability the act must have been done b)' the accused.."

58. *Thus, it is clear that the circumstantial evidence relied by a regulator to prove some allegation should lead to only one conclusion. It is respectfully submitted that in order for there to be a conclusion that Noticee No. 4 engaged in manipulation of price and volume of scrip of Econo, each and every ingredient of the allegation must necessarily be established by cogent evidence. However, from the analysis given above and lack of any connection between the parties, the circumstantial evidence is incomplete and not leading to only conclusion that Noticee No. 4's trades created any artificial volume or price.*

59. *The above position has now been crystallized by the instructive judgement of the Hon'ble Supreme Court in the matter of Balram Garg v. SEBI[12]. This judgement makes it clear as to how circumstantial evidence ought to be taken on record while appreciating evidence in a matter. The relevant extracts as under:*
    "40. We are also of the opinion that in the absence of any material available on record to show frequent communication between the parties, there could not have been a presumption of communication or UPSI by the appellant Balram Garg. The trading pattern of the appellants in C.A. No. 7590 of 2021 cannot be the circumstantial evidence to prove the communication of UPSI by the appellant Balram Garg to the other appellants in C.A. No. 7590 of 2021...
    47.
    … Reliance placed on the case of Kishore R. Ajmera (supra) to show that presumption can be drawn on the basis of immediate and relevant facts is contrary to law already settled by this Court in the case of Chintalapati Srinivasa Raju (supra) where it is held that "a reasonable expectation to be in the know of things can only be

based on reasonable inference drawn from foundational facts It has further been held that merely because a person was related to the connected person cannot itself be a foundational fact to draw an inference."

60. *Noticee No. 4's case is on a far better footing. There has been no connection of Noticee No. 4 with any of the parties to the SCN. Other than trading in Econo, there is nothing on record to show Noticee No. 4's involvement in alleged scheme, if any. It is humbly submitted that the SCN suffers from being based on inconclusive evidence whereas Noticee No. 4 has produced enough evidence.*

61. *In the case of Maharashtra State Board of Secondary and Higher Education v. KS Gandhi[13] the Hon'ble Supreme Court has held:*
"If there are no positive proved facts, oral, documentary or circumstantial from which the inferences can be made the method of inference fails and what is left is mere speculation or conjecture. Therefore, when an inference of proof that a fact in dispute has been held established there must be some material facts or circumstances on record from which such an inference could be drawn. The standard of proof is not proof beyond reasonable doubt "but" the preponderance of probabilities tending to draw an inference that the fact must be more probable. Standard of proof cannot be put in a straight jacket formula.

62. *The SEBI has recently held in one of its order dated May 31, 2022[14] as under:*
"10. I note from the above tables that the Noticees along with the remaining entities had executed synchronized trades where the buy order and sell order time was less than 60 seconds and there was no change in buy order and sell order rate. I note that the percentage of the synchronised trades to the total market volume during the IP was 9.48 % I also note from the table of connection that the Noticees alongwith the remaining entities are connected one way or other but there is no one to one connection among the entities…
"11. In the instant case I note that direct connection of the entities has not been established. From the submissions of the Noticees it is observed that there is change in beneficial ownership. I also note that the percentage of synchronized trades to the market volume is not significant for creation of artificial volume. As observed by Hon'ble SAT in the above judgment that synchronized trades ipso facto are not illegal unless executed with a view to manipulate the market. As no one to one connection. has been established and synchronized trades to the total market volume is insignificant there does not exist any meeting of mind or premeditative motive for synchronized trades I am of the view that charge of market manipulation as a result of synchronized trades should be made on the basis of strong and cogent evidence which is lacking in the instant case. In this regard it is pertinent to highlight that Hon'ble SAT in case of KSL & Industries Ltd V SEB/ (Appeal No. 4 of 2003) has held that "A wild allegation of market manipulation, in particular the charge of fraudulent action unsupported with convincing evidence are not sustained. Fraud cannot survive on mere conjecture and surmises."

63. *The above decision squarely applies to the present case. Clearly there is no direct or indirect connection of Noticee No. 4 with the counterparty buyer or the seller which would per se result in reversal trades and trades resulting in positive LTP. The only connection is with its own group company i.e. Highgrowth.*

64. *Even the allegation of fund movement is without any basis. It is alleged that Noticee No. 4 received Rs. 2 lakh from Viewlink on February 15, 2017 and Rs. 21 lakh from Viewlink on December 31, 2016. However, these funds were received from Viewlink for legitimate purposes. We keep entering into sale and purchase of private equity with Viewlink and these transactions are done in the routine business transaction.*

65. *As such, there is no connection of the receipt of fund from Viewlink and the trades undertaken by Noticee No. 4 in Econo. Besides, in a sale trade, there is no rationale for Noticee No. 4 to receive funds from Ritudhara Retailers and Anurodh (indirectly through Viewlink). As such, the fund transfer does not correspond with the trades of Noticee No. 4 had been undertaken for general market practice like in other scrips.*

66. *Similarly, receipt of Rs. 5 lakh on December 14, 2016 from Starwise Housing Private Limited has no relation to trades of Noticee No. 4 in Econo. We keep entering into sale and purchase of private equity with Starwise and these transactions are done in the routine business transaction.*

67. *In view of the above, it is abundantly clear that the trades of Noticee No. 4 were not fraudulent and, thus, provisions under Sections 12A(a), (b), and (c) of the SEBI Act read with Regulations 3(a), (b), (c), (d) and 4(2)(a), 4(2)(b), 4(2)(e) and 4(2)(g) of PFUTP Regulations are not applicable.*

No evidentiary basis for alleging fraud

68. *In addition to the aforementioned, it is important to take into account the evidence SEBI has presented before making any accusations, as stated in the SCN. In this regard, it is respectfully asserted that not a single shred of proof exists to back up the claims made in the SCN. In other words, the SCN accuses someone of major fraud based on merely having a suspect, completely disregarding the established legal precedents, such as the decisions of the Hon'ble SAT, which forbid the use of suspicion, conjecture, and speculation as evidence, particularly in cases of fraud. The SCN claims to treat suspicion and evidence as interchangeable terms while ignoring fundamental principles of the law of evidence, such as the requirement that the burden of proof for a charge of fraud be high enough to disprove the general presumption of honesty and good faith in dealings.*

69. *It is well settled that where fraud and collusion are alleged, it would be incumbent on the authority to set out the nature of the fraud along with full particulars. The SCN is however lacking in material particulars. The Hon'ble Supreme Court in Chief Engineer, MSEB and Anr. v. Suresh Raghunath Bhokare15 has gone into this aspect and held as under:*

"In the show cause notice no basis was laid to show what is the nature of fraud that was being attributed to the appellant. No particulars of the alleged fraud were given and the said pleadings did not even contain any allegation as to how the appellant was responsible for sending the so called fraudulent proposal or what role he had to play in such proposal being sent....It was the duty of the Board to have specifically produced the material to prove that the respondent himself had the knowledge of such a fraud and he knowingly or in collusion with other officials indulged in this fraud. Since there is no such material on record, on the facts of the instant case, the Industrial Court and the High Court have come to the right conclusion that the alleged fraud has not been established by the appellants, hence. this is not a fit case in which interference is called for. This appeal, therefore, fails and the same is dismissed."

70. *It is respectfully submitted that allegations of fraud cannot be based on wild allegations without any convincing evidence. Charges of fraud are of serious in nature and should not be made casually by regulators. The judicial precedents indisputably hold that fraud is a serious offence and, therefore, the standard of proof must be of a higher degree and mere conjectures and surmises will not be sufficient to hold a person liable for fraud. The Hon'ble SAT has held in the matter of KSL & Industries Ltd. v. SEBI that "A wild allegation of market manipulation, in particular the charge of fraudulent action unsupported with convincing evidences are not sustained. Fraud cannot survive on mere conjecture and surmises…".*

71. *The Hon'ble Supreme Court has also held that, "charges under the FUTP 2003 needs to be established as per the applicable standards rather than on mere conjectures and surmises.".17 Further, in Union of India v. Chaturbhai M. Patel & Co18. the Hon'ble Supreme Court had referred to A.L.N, Narayanan Chettyar v. Official Assignee, wherein it was held that "...However suspicious may be the circumstances, however, strange the coincidences, and however grave the doubts, suspicion alone can never take the place of proof..."*

72. *In Nandakishore Prasad v. State of Bihar19, the Hon'ble Supreme Court held that "…the minimum requirement of the rules of natural justice is that tribunal should arrive at its conclusion on the basis of some evidence i.e. evidential material which with some degree of definiteness points to the guilt of the delinquent in respect of the charges against him. Suspicion cannot be allowed to take the place of proof even in domestic inquiries."*

73. *In light of the above cases, it is submitted that it is an established jurisprudence that for proving charges of fraud under PFUTP Regulations, the evidence adduced must be compelling which can be inferred by logical process of reasoning from the totality of facts and circumstances surrounding the allegations. In the present case, the SCN neither adduces direct evidence nor does it set out circumstantial evidence to support its theory. It is not clear what was examined by SEBI to conclude the allegations.*

74. *In the present scenario, there is nothing on record which shows that Noticee No. 4 had participated in alleged fraud. In fact, the SEBI has not adduced a single shred of evidence to show that Noticee No. 4 was connected with other noticees or there was some fund movement or that Noticee No. 4 had acted in concert with other noticees. Merely on the ground of Noticee No. 4 receiving some funds from some of the noticees, SEBI has issued the SCN against Noticee No. 4.*

75. *Hence, it is submitted that in the absence of any evidence that Noticee No. 4 had indulged in fraudulent activities, SEBI erred in alleging that Noticee No. 4 violated SEBI Act read with the PFUTP Regulations, in any manner whatsoever. In view thereof, the charges under the PFUTP Regulations are vague, incomprehensible and unexplained.*

Element of Fraud Missing

76. *It is respectfully submitted that the requirement of 'intention' is a pre-requisite to prove 'fraud' for violation of PFUTP Regulations. It should be noted that the offences alleged under the PFUTP Regulations in the present case are serious offences which require evidence of 'fraud or deceit' and are not just ordinary civil defaults. It is a settled principle recognized by SEBI that "the necessity of 'intent' and the element of 'fraud' appears to be a pre-requisite in all parts of Regulation 3 and 4 of the PFUTP Regulations".*

77. *In view of the foregoing, it is well settled that when SEBI alleges a person of an offence involving 'fraud' it is essential that the accused had an 'intent' to commit such violation. In the present case, Noticee No. 4 merely engaged in trading of shares of Econo in the manner of its trades in other scrips. There is no deviation from trading pattern. This goes to show that Noticee No. 4 had no intention of manipulating the market. Therefore, Noticee No. 4 cannot be charged for fraud under the PFUTP Regulations.*

78. *Given the foregoing, it is evident that Noticee No. 4 was simply trading and had no intention of trying to influence the markets. Therefore, the benefit of the doubt should be given to Noticee No. 4, and it is manifestly obvious that Noticee 15 did not act in concert with other noticees and was not part of a scheme to manipulate volume and price of the scrip of GECPL and thereby, Noticee No. 4 did not violate Sections 12A(a), (b), and (c) of the SEBI Act read with Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a), and of PFUTP Regulations.*

79. *Noticee No. 4 has not taken the present regulatory proceedings in a nonchalant manner. Noticee No. 4 is not guilty of conduct which is contumacious or dishonest or acted in conscious disregard of law. Noticee No. 4 has not acted in defiance of law. The actions of Noticee No. 4 are not in any manner detrimental to the securities market.*

80. *Noticee No. 4 has not made any disproportionate gain or gained any unfair advantage, whether quantifiable or otherwise. Further, no loss has been caused to any investor or group of investors as a result of the alleged*

default. In fact, the present cause of action is the first time that a regulator has issued a show cause notice against Noticee No. 4.

81. *It is respectfully submitted that the alleged violation has not resulted in any harm or loss caused to the securities market. No such allegation sits in the SCN as well. The Hon'ble Supreme Court20 has held that a penalty should not be imposed for the sake of it and should be utilized to achieve a specific purpose, rather than as an end in itself. The relevant extract is as under:*
"8. Under the Act penalty may be imposed for failure to register as a dealer — Section 9(1) read with Section 25(l) (a) of the Act. But the liability to pay penalty does not arise merely upon proof of default in registering as a dealer. An order imposing penalty for failure to carry out a statutory obligation is the result of a quasi — criminal proceeding, and penalty will not ordinarily be imposed unless the party obliged either acted deliberately in defiance of law or was guilty of conduct contumacious or dishonest, or acted in conscious disregard o/' its obligation. Penalty will not also be imposed merely because it is law/ill to do so. Whether penalty should be imposed for failure to perform a statutory obligation is a matter of discretion of the authority to be exercised judicially and on a consideration of all the relevant circumstances. Even if a minimum penalty is prescribed. the authority competent to impose the penalty will be justified in refusing to impose penalty, where there is a technical or venial breach o/' the provisions of the Act or where the breach flows from a bona fide belief that the offender is not liable to be act in the manner prescribed by the statute."

82. *It is further submitted that the discretion granted by Parliament in terms of Section 15J of the SEBI Act only means that there has to be a reasonable exercise of it, rather than mechanically impose penalty regardless of the circumstances. Accordingly, the Hon'ble Supreme Court's ruling in SEBI v Bhavesh Pabari21 squarely applies to the present case. The relevant extract is hereunder:*
"8. This will require us to consider the first question referred. Having dealt with the submissions advanced by the rival parties, (both parties have actually canvassed for a wider and more expansive interpretation of Section 15J), we are inclined to take the view that the provisions of clauses (a), (b) and (c) of Section 15-J are illustrative in nature and have to be taken into account whenever such circumstances exist. But this is not to say that there can be no other circumstance(s) beyond those enumerated in clauses (a), (b) and (c) of Section 15-J that the Adjudicating Officer is precluded in law rom considering while deciding on the quantum of penalty to be imposed.
…
11. Therefore, to understand the conditions stipulated in clauses (a), (b) and (c) of Section 15-J to be exhaustive and admitting of no exception or vesting any discretion in the Adjudicating Officer would be virtually to admit/concede that in adjudications involving penalties under Sections IS-A, 15-13 and 15-C, Section 15-J will have no application. Such a result could not have been intended by the legislature. We therefore, hold and take the view that conditions stipulated in clauses (a). (b) and (c) ofSection 15- J are not exhaustive and in the given facts of a case, there can be circumstances beyond those enumerated by clauses (a), (b) and (c) of Section 15-J which can be taken note of by the Adjudicating Officer while determining the quantum of penalty."

83. *Further, in Maharashtra State Board of Secondary Education and Higher Secondary Education v. K.S. Gandhi & Ors., referred supra, the Hon'ble Supreme Court has ruled as under:*
"38. The question then is whether the rules relating to mode of punishment indicated in the Appendix 'A ' to the resolution are invalid. We have given our anxious thought to the contention and to the view of the High Court. In our view the punishments indicated in the last column is only the maximum from which it cannot be inferred that it left no discretion to the disciplinary authority. No axiomatic rule can be laid that the rule making authority intended that under no circumstances, the examination Committee could award lesser penalty. It depends on the nature and gravity of the misconduct to be dealt with by the disciplinary authority. In a given case, depending on the nature and gravity of the misconduct lesser punishment may be meted out."

84. *In the aforesaid circumstance it is humbly requested that SEBI considers the specific facts and circumstances of Noticee No. 4 and does not impose any penalty, given that any monetary penalty imposed on Noticee No. 4 will not meet ends of justice.*

……
"

Additional Submission of Noticee 4:

"

……

1. *In support of submission of para 11 of the Reply, please see enclosed as Annexure A. a list of scrips in which Noticee No. 4 has traded in FY 2016-17.*

2. *In respect of fund transactions with Viewlink and Starwise, the SCN erred in only pulling some transactions with those entities to infer that Noticee No. 4 was engaged in some fraudulent scheme. Noticee No. 4 is enclosing (Annexure B) Bank Statement for FY 16-1 7 tor perusal of all transactions which shows that Noticee No. 4 has had regular transactions with Viewlink and Starwise throughout the year and they are Noticee No. 4's regular clients.*

3. *In support of submission in para 65 of the Reply. Please see enclosed as Annexure C, is copy of the account confirmation tor FY 16-17 with Viewlink Fashion and all the bills that were exchanged during the year between the parties, which again proves that only selecting a particular transaction is wrong.*

4. *In support of submission in para 67 of the Reply. Please see enclosed as Annexure D, copies of the bills that were exchanged during the year between the parties, which again proves that only selecting a particular transaction is ex-facie erroneous. Noticee No. 4 has made both purchase and sale from Starwise and there are multiple transactions and selecting single or a few transactions is wrong.*

5. *Noticee No. 4 is not connected with the counterparties (since there was no meeting of mind) in respect of trades which contributed to so called positive LTP and reversal trades. In the circumstance, there is no question of these trades being treated as 'fraudulent'.*

6. *There cannot be an allegation of reversal trades being executed by Noticee No. 4 since these trades were not prevented/ stopped/ cancelled even though the BSE has Reversal Trade Prevention Check system in place, which auto-cancels trades, if at all they are reversal in nature. Thus, it cannot be said that there were any reversal trades to begin-with.*

7. *Noticee No. 4 is not connected with the counterparties to the trade (Anurodh Infrastructure Ltd), Even for the trades where Noticee No. 5 is the counterparty, there was no meeting of mind since:*
    - *The trade were done by separate entities (Mr. Sashi Bhushan Sharma and Shiv Prakash Chitlangia) with an independent thought process.*
    - *Both parties were dealing with separate broking houses (i.e. Indralakshi Sales Pvt Ltd and BMA Wealth Creators Ltd).*
    - *The trade were done on separate terminals in independent office spaces (i.e. Terminal 901 and Terminal 208) with an independent thought process.*
8. *Insofar as trades which have allegedly contributed to positive LTP is concerned, we submit that:*
    - *Mere Rs. 1.25 LTP has been impugned by SEBI. Out of 13 impugned trades, range of mere Rs. 0.05 to 0.35, which is meagre to impact the price of scrip. However, in addition to the amount being minuscule, it is not the SEBI's case that there was any NHP, Thus, on a stand-alone basis, allegation of LTP ought not be considered as fraudulent.*
    - *In any event, it is pertinent to note that other than 1 trade, in the rest of the trades, Noticee No. 4 was a price taker as is evident from the SEBI Email.*

    Thus, the allegation that Noticee No. 4 executed trade which resulted in contribution to positive LTP is unsustainable.

……
"

Submissions of Noticee 5 :

"

……

1. *Pursuant to receipt of the SCN, Noticee No. 5 had addressed an email, inter alia, seeking inspection of documents, which was provided May 4, 2023.*

2. *Before responding to the allegations set out in the SCN, Noticee No. 5 would like to assure SEBI of their commitment towards ensuring compliance with all applicable obligations. The findings and allegations set out in the SCN are not based on any specific breach by Noticee No. 5 of any applicable laws. Consequently, Noticee No. 5 urges that the SCN be disposed of wholly, without any adverse observation being made against Noticee No. 5 for the reasons set out in this reply.*
…….
3. *Based on a review of the SCN, it is Noticee No. 5's understanding that the core allegation made against them is that it undertook reversal trades and hence manipulated the volume in the scrip of ETL. Further, it is also alleged that Noticee No. 5 contributed to positive LTP trades by trading amongst 15 other noticees and hence contributed to price rise.*

4. The entire allegation is based on the premise that Noticee No. 5 was connected with 54 other suspected entities and, therefore, it was alleged to have participated in the alleged fraud. It is also alleged that Noticee No. 5 has received funds from one Ritudhara Retailers Private Limited (Noticee No. 20) from sale of shares of Econo, one Namaskar Dealcom Private Limited (Noticee No. 23) and Hulbert Tracom Private Limited (Noticee No. 24).

5. It is respectfully submitted that the allegation is ex-facie absurd as the SEBI has failed to show any wrongdoing on the part of Noticee No. 5.

6. Noticee No. 5 is a regular trader in the market and was engaged in trading of shares of Econo during the investigation period. During the same period, Noticee No. 5 has traded in more than 50 scrips in cash segment and also in FO segment. Illustrative ledgers / Reports of multiple brokers is enclosed as Annexure — "A".

7. As mentioned hereinabove, the SEBI is basing its charge that Noticee No. 5 had participated in an alleged 'scheme ' with other noticees to manipulate volume and price of the scrip of Econo, based on the premise that Noticee No. 5 is somehow connected to Noticee No. 4 and Noticee No. 20 through off-market transactions.

8. It is pertinent to note that Glorious Vincom is a group entity and Noticee had made payment of Rs. 2000000/- on February 9, 2017 and Rs.39005/- on March 21, 2017 to Glorious Vincom. To settle internal obligation between said companies Glorious transferred shares of Econo Trade in off-market and there is nothing abnormal about the same. We respectfully submit that the payment made by Noticee to Glorious can be verified from Noticee's bank statement. Additionally, there is no off-market transaction between Highgrowth & Ritudhara. Copy of relevant bank statement is enclosed as Annexure— "B"

9. It is respectfully submitted that the SCN does not demonstrate any connection of Noticee No. 5 with any of the other noticees arrayed in the SCN. Further, there is nothing brought on record to show as to how Noticee No. 5 participated in the alleged manipulation of the price of Econo. Additionally, it is Noticee No. 5's humble submission that except for Econo, Noticee had traded in other stocks at the pertinent time. In the circumstance, it is unjust and arbitrary to single out trading in one scrip and make a negative allegation based on that.
………

10. The SEBI is, therefore, requested to discharge the SCN insofar as it relates to Noticee No. 5 in light of the aforementioned background and the submissions presented hereunder.

11. Before dealing with the SCN on merit, Noticee No. 5 places on record the following preliminary objections which are without prejudice to the response on merits. These preliminary objections go to the root of the matter and as such the SCN is liable to be set aside on each and all of these grounds.

12. The allegations framed in the SCN relate to Noticee No. 5's trades in Econo, which were more than five years before issuance of SCN. The SCN does not provide any explanation to justify the inordinate delay in initiation of proceedings against Noticee No. 5. It is respectfully submitted that the initiation of proceedings by SEBI after such a long delay, severely prejudices the ability of Noticee No. 5 to put up an adequate response to the allegations made by the SEBI. As such, Noticee No. 5's ability to adduce evidence has also materially been impacted.

13. The Hon'ble Supreme Court of India has held in the matter of Mohamad Kavi Mohamad Amin v. Fatmabai Ibrahim that wherever a power is vested in a statutorily authority without prescribing any time-limit, such power should be exercised within a reasonable time.

14. Similarly, in the matter of HB Stockholdings Ltd. V. SEBI as well the Hon'ble Securities Appellate Tribunal ("SAT") set aside an order holding the noticees guilty, inter alia, on the grounds of "unconscionable and unexplained delay of more than 12 years in initiating and completing the proceedings against the three Noticees in question."

15. The SEBI's attention is also drawn to a decision of the Hon'ble SAT where the impugned order was set aside on the ground of the proceedings being initiated after more than five years. It was held as under:
"II. Having heard the learned counsel for the parties at some length we find that the respondent had investigated the scrips of Shree Global Tradefin Ltd. for the period March 1, 2009 to January 10, 2011 in September 2011. Pursuant thereto, a show cause notice dated April 20, 2012 was issued for the violation found during the investigated period March 1, 2009 to November 30, 2009. The respondents thereafter waited for another five years to issue a second show cause notice dated July 20, 2017 for the investigated period April 1, 2010 to January 10, 2011 which had been investigated in September 2011. We find that the respondents were aware of the alleged violation and thus there is no justification for waiting for more than five years to issue the second show cause notice dated July 20 2017. In our view there is an inordinate delay in initiating the proceedings.

12. In Mr. Rakesh Kathotia & Ors. vs SEBI in Appeal No. 7 of 2016 decided by this Tribunal on May 27, 2019 it was held: -
"23. It is no doubt true that no period of limitation is prescribed in the Act or the Regulations for issuance of a show cause notice or for completion of the adjudication proceedings. The Supreme Court in Government of India vs, Citedal Fine Pharmaceuticals, Madras and Others, [AIR (1989) SC 1771] held that in the absence of any period of limitation, the authority is required to exercise its powers within a reasonable period. What would be the reasonable period would depend on the facts of each case and that no hard and fast rule can be laid down in this regard as the determination of this question would depend on the facts of each case. This proposition of law has been consistently reiterated by the Supreme Court in Bhavnagar University v. Palitana Sugar Mill (2004) Vol. 12

SCC 670, State of Punjab vs. Bhatinda District Coop. Milk P. Union Ltd (2007) Vol. 11 SCC 363 and Joint Collector Ranga Reddy Dist. & Anr. vs. D. Narsing Rao & Ors. (2015) Vol. 3 SCC 695. The Supreme Court recently in the case of Adjudicating Officer, SEBI vs. Bhavesh Pabari (2019) SCC Online SC 294 held:

"There are judgments which hold that when the period of limitation is not prescribed, such power must be exercised within a reasonable time. What would be reasonable time, would depend upon the facts and circumstances of the case, nature of the default/statute, prejudice caused, whether the third-party rights had been created etc."

The Tribunal on account of an inordinate delay in initiating the proceedings had quashed the penalty order. The same view was reiterated by this Tribunal in Ashok Shivlal Rupani & Anr. vs SEBI decided on August 22, 2019.

13. As a result, without going into the question of res judicata or estoppel raised by the appellants we are of the opinion that on account of the inordinate delay in initiating the proceedings, the impugned penalty order cannot be sustained."

16. *The Hon'ble SAT in the matter of Libord Finance Ltd. v. Whole Time Member, SEBI, has held as under:*

> *"Before concluding, we cannot resist observing that there has been an inordinate delay in initiating action against the appellant. It is alleged to have committed the irregularities in the earlier part of the year 1996 and the show cause notice was admittedly issued in June 2004. How could any one file a proper reply after a lapse of more than eight years. This long delay itself causes grave injustice to the delinquent and results in the violation of the principles of natural justice. Such delays defeat the very purpose of the proceedings. What is contended by the learned counsel for the Board is that investigations commenced only in May 2002 and were going on till the year 2003. This is no explanation for the delay. Why could they not commence earlier. Again, when investigations continue for years together, the very purpose of issuing the directions under section 11-B may be lost as in the instant case. In view of the inordinate delay in initiating action against the appellant and that too, when its certificate of registration had already expired, the impugned order cannot be sustained. "*

17. *The position has now been crystallised and settled by the most recent decision of the Hon'ble SAT in the matter of Rajeev Bhanot and Ors v. SEBI[5]. It has been categorically held as under:*

> *"18. We are constrained to observe that inspite of specific orders being issued from time to time on the question of delay the WTM chooses to ignore those decisions as if they do not exist or is not binding upon them. In the instant case, we find that the WTM has trenchantly asserted that it is a settled position that there is no time limit for issuing notice and that an order cannot be set aside on the ground of delay. Such assertion being used time and again in the order passed by the AO or the WTM is patently erroneous. This Tribunal in a large number of appeals have set aside the orders only on the ground of delay…. As a result, without going into the merits of the case, we are of the opinion that on account of inordinate delay the initiation of proceedings by issuance of the show cause notice which culminated into a penalty order cannot be sustained. The show cause notice and the impugned orders passed by the AO are quashed. Both the appeals are allowed."*

18. *Admittedly, Noticee No. 5 would hereby like to place on record the fact that given the inordinate delay in issuance of the SCN, Noticee No. 5's ability to adequately respond to the SCN has been gravely jeopardized and, therefore, they cannot be called upon at this stage to respond to the SCN. It is also respectfully submitted that the gross delay was entirely attributable to SEBI and Noticee No. 5 has had no role to play in the same.*

19. *In cases of such serious offences, the ability to adduce evidence is the most crucial to prove a person's innocence. The courts have recognized that with passage of time, memory of an individual also fades out. While it is known that law of limitation does not apply in SEBI proceedings, however, the same should at the bare minimum be initiated in a reasonable time frame. It cannot be that the proceedings are initiated so belatedly that the noticees are rendered handicapped and helpless in putting together an adequate response. Thus, the existence of unnatural and unexplained delay of more than five years and prejudice caused due to such undue delay is abundantly clear in the matter.*

20. *On this ground alone, the SCN stands vitiated and is liable to be set aside for violation of the principles of natural justice. In any event, the SEBI is now bound by the directions of the Hon'ble SAT in the matter of Rajeev Bhanot (supra), which, inter alia, mandates SEBI to consider the ground of delay while adjudicating a matter.*

21. *Based on the review of the SCN, it is noted that the SEBI has alleged that Noticee No. 5 undertaken reversal trades to manipulate the volume in the scrip of Econo and that Noticee No. 5 contributed to positive LTP trades by trading with other noticees. Accordingly, as per SEBI, Noticee No. 5 has violated PFUTP Regulations.*

22. *On the face of the record, other than making blanket statements without explaining Noticee No. 5's involvement in the alleged default, the SCN has failed explained as to how Noticee No. 5's trades were manipulative. The SCN only provides summary of trades without actually giving trade details. Further, the so-called irregularities alleged in the SCN do not point to the facts or evidence on the basis of which such draconian conclusions were drawn by SEBI. It is respectfully submitted that in absence of any specific wrongdoing by Noticee No. 5 being pointed by the SEBI, the SCN stands vitiated and is liable to be set aside.*

23. *It is an established principle that a vague allegation which does not specifically set out the reason for such allegation cannot be sustained as the same does not provide an opportunity to a noticee to counter the charges and the same is contrary to the rules of natural justice. This principle has been confirmed by the Hon'ble SAT in the matter of Vikas Bengani v. SEBI.*

"What is being alleged against the appellant is that he played a fraud and committed an unfair trade practice within the meaning of the regulations while trading in the scrip of the company. It is a serious allegation and when fraud is being alleged the particulars thereof have to be indicated in the show cause notice. The least that is required of a body like the board is to tell the appellant about the manner in which he has played the fraud or committed the unfair trade practice. Except for alleging that the provisions of Regulation 4(1) and 4(2) of the regulations had been violated, no other details or particulars of the fraud had being indicated in the show cause notice. How can such a serious charge be allowed to stand without the particulars being provided in the show cause notice? On this ground also, the impugned order deserves to be set aside. "

24. *In present case as well, the SCN merely makes loose allegation that Noticee No. 5 violated provisions of Section 12 A (a), (b), (c) of SEBI Act, Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations. However, the SCN is silent as to how Noticee No. 5 had helped Noticee Nos. 1 and 2 in the alleged fraud. Merely stating that there were fraudulent trades or one instance of unrelated fund transfer is enough to allege violation of PFUTP Regulations.*

25. *In the case of Commissioner of Central Excise, Bangalore v. Brindavan Beverages Pvt. Ltd. and Ors.[7] the Hon'ble Supreme Court has observed that:*
    "show cause notice is the foundation on which the department has to build up its case. If the allegations in the show cause notice are not specific and are on the contrary vague, lack details and/ or unintelligible that is sufficient to hold that the noticee was not given proper opportunity to meet the allegations indicated in the show cause notice."

26. *In absence of any solid reasoning being carved out, Noticee No. 5 is constrained from addressing SEBI's grievance accurately. In Dhanalakshmi Bank Ltd. v. SEBI, the Hon'ble SAT has stated that:*
    "The show cause notice issued to the Appellant in the case is vague. The notice merely stated violation of certain provisions of the rule/ regulations in a general manner without mentioning the particulars on which the charge against the appellant was based. Further, there is nothing in the adjudicating order to show that even at a later stage the Appellant was informed of the specific instances of default. Principles o natural justice demand that before adjudication starts the authority concerned should give the affected party the basis of the charge against him so that he gets an opportunity to defend himself. A show cause notice should serve the purpose for which it is required. An abstract notice like the one in the instant case will not serve the purpose."

27. *Accordingly, the form and substance of the SCN has completely handicapped Noticee No. 5 in responding to the SCN. In fact, it appears that SEBI has already decided to hold Noticee No. 5 guilty. This is against the principles of natural justice. On this ground alone, the SCN ought to be set aside vis-à-vis Noticee No. 5.*

28. *Notwithstanding and without prejudice to the preliminary objections raised above, a detailed response to the allegations made in the SCN has been set out in the paragraphs below based on the information supplied to Noticee No. 5 by SEBI as well as our memory.*

…….

29. *Inconsequential connections drawn of Noticee No. 5 with other noticees:*

30. *The SCN has purported to divide the 54 suspected entities in two groups i.e. Group 1 and Group 2. This grouping appears to be based on trades executed in the scrip of Econo. In this regard, it is alleged that Noticee No. 5 is connected with Noticee No. 20 through off-market transactions and Noticee No. 4 through common office address.*

31. *Insofar as connection Noticee No. 4 is concerned, it is true that Noticee No. 4 and Noticee No. 5 have common address, both these entities are owned by same promoter. That being said, it is not clear as to how connection between Noticee Nos. 4 and 5 have any bearing in the present matter. As far as connection with Noticee No. 20 is concerned, the SEBI has not set out the rationale for drawing up the said connection. In fact, as per the annexure to the SCN, the off-market trade with Noticee No. 5 is after the Investigation Period. In the circumstance, the said connection is ex-facie without any bearing to the present matter.*

32. *Thus, the purported connections are inconsequential and serve no real purpose to further the allegations made in the SCN.*

No inter se connection between Noticee No. 5 and counterparties in the alleged trades

33. *The SCN alleges that Noticee No. 5 along with other noticees had fraudulent trades by executing reversal trades and contributing to positive LTP.*

34. *At the outset, Noticee No. 5 denies the allegation that it engaged in reversal trades and contributed to positive LTP and thereby manipulated the price and volume of the scrip of Econo which resulted in violation of the PFUTP Regulations.*

35. *The above allegation merely based on the fact that Noticee No. 5 received certain funds major net sellers from the funds received by virtue of sale of shares of Econo and that Noticee No. 5 is connected to Noticee No. 23 and Noticee No. 24. This circumstance is the only basis for the SEBI to conclude that Noticee No. 5's manipulated the price and volume of the scrip of Econo. Interestingly, these certain funds as mentioned in the SCN have not been*

shown to be transferred directly from the major net sellers to Noticee No.5. Besides, the SEBI has not shown as to how the fund transfers had anything to do with the trades of Noticee No. 5. Thus, there is no clear connection established between Noticee No. 5 and other noticee in the SCN. This shows that such allegation against Noticee No. 5 has no meaning.

36. *It is respectfully submitted that the allegations in the SCN are purely in the realm of conjecture and speculation, since the SCN does not contain any evidentiary basis or document in support of the allegation made against Noticee No. 5. The SCN has completely ignored several other key factors to conclude that the trades of Noticee No. 5 actually resulted in manipulation of the price and volume of Econo. One such key factor is interse connection between the parties. As is the settled law, for establishing a charge of fraud on the securities market, SEBI must establish that there was some connection between the parties. In the present case, SEBI has not shown any connection with any of the other noticees.*

37. *If the parties are not connected with each other and, there is no allegation for the same, there is no question of meeting of minds. In this regard, Noticee No. 5 stands guided by the Hon'ble SAT's order dated September 15, 2021 in Ashlesh Gunvantbhai Shah vs SEBI wherein, the Hon'ble SAT has observed that:*

    "13. The pattern of trading as indicated in table of paragraph 25 of the impugned order shows inter se trades between the appellants but scattered and miniscule trades of one or two trades with the other noticees and therefore such sparse one or two trades would not make it a synchronizsd trade unless comparison with total trades volume is seen before holding it to be a synchronised trade or coincidental trade. We are further of the opinion that connection and pattern of trading must have an inter connection to establish meeting of mind premeditated motive or synchronised trading and that volume of trading vis-à-vis the total market volume is required to be compared."

38. *In the present case, the SCN does not establish meeting of minds or premeditated motive. Furthermore, nothing has been brought on record to demonstrate that Noticee No. 5 was in concert with any of the noticees and there is an absence of evidence of trades which the SEBI claims resulted in manipulation of volume and price of scrip of Econo. In this regard, a reference is drawn to the HB Stockholdings[8] case, where the Hon'ble SAT while considering the charge of market manipulation observed:*

    "There has to be sufficient evidence on record to clearly prove connivance on the part of the Appellants with a counter party to prove the charge in question against the Appellants. In the absence of any such evidence and unambiguous findings by the learned WTM to this effect, we have no option but to quash the impugned order in question."

39. *Reliance is also placed on the judgment of Nishith M. Shah HUF v. SEBI (Appeal No. 57 of 2019) wherein the Hon'ble SAT observed that:*

    "4 (g)…

    In order to apply the aforesaid test, the facts of the present case is, that there is no direct evidence of collusion between the appellant as a seller with that of the buyer. There is no finding that the appellant was known to the directors or promoters of the Company. Since no direct evidence is forthcoming we have to see the indirect connection which is that the appellant was selling small quantities of scrips. Trading in small quantities in scrips is per se not impermissible as held in Ajmera's case (supra). If trading in miniscule amount leads to an increase in the price of the scrips one can presume or infer that the trading is manipulative but such trading cannot happen unilaterally. There must be evidence to show collusion between the buyer and the seller. In the instant case there is none. The principle of preponderance of probability cannot be exercised in the absence of any connection between the seller and the buyer.

    …

    (i) In Jagruti Securities Limtied vs Securities and Exchange Board of India (Appeal No. 52 of 2006 decided on October 27, 2008) and in Vikas Ganeshmal Bengani vs Whole Time Member, SEBI (Appeal No. 225 of 2009 decided on February 25, 2010) the Tribunal held that the charge of raising price artificially has to be established and the element of collusion between the buyer and the seller is a sine quo non. We are in the entire agreement with the aforesaid decisions and reiterate that in the absence of any finding of collusion between the buyer and the seller the charge contributing to the LTP cannot be sustained."

40. *The judgment in the Nishith M. Shah case holds the law and is squarely applicable in the present case. Admittedly, the SCN has failed to adduce the most essential evidence i.e. of connection between the parties. In the circumstance, the SEBI is bound by the Nishith M. Shah case and, accordingly, the present proceedings out to be dropped vis-à-vis Noticee No. 5.*

41. *It is further submitted that the Hon'ble SAT has consistently held that mere trades are not enough to hold two parties connected, especially in case where there are multiple parties. In the present proceedings, there is no other connection with remaining noticees. In the matter of Baldevsinh Zala v. SEBI, it has been held as under:*

    "8. The WTM has found that the 13 entities are connected with each other on the basis of being introduced by one Mr. Paresh Doshi and through common address/telephone numbers, etc. The basis of connection has been given in paragraphs no. 17.1, 17.2, 17.3, 17.4 and 17.5. The connection drawn in our opinion is patently vague and erroneous and does not inspire confidence. Something more is required to be done in the order to prove that these 13 entities were working as a group. For example if 'A' is connected to 'B ' and 'C' is connected to 'D' and 'D' is connected to 'F' it does not mean that 'A ' to 'F' are all connected with each other or 'A' is connected to 'D' or 'A' is connected to 'E' or 'A ' is connected to 'C'. Thus, something more is required to be shown other than common address, telephone numbers etc. which in the instant case is also lacking inter se between the parties. In this regard, the learned senior counsel for the respondent fairly conceded that the findings of connection given by the

WTM is very sketchy but submitted that connection can be drawn from the trading pattern which will show that the 13 entities were trading amongst themselves and, therefore, there was a pre meeting of minds and on preponderance of probability one could infer connection inter se between the noticees. This submission on inter se connection on the basis of trading pattern is also erroneous for the reasons stated hereunder.

....

10. We find from a perusal of the show cause notice and the impugned order that the basic charge leveled against the 13 noticees/appellants is that 13 out of 21 entities, as a group, traded amongst themselves which created artificial volume and misleading appearance in trading in the scrip which resulted in the increase in the price of the scrip from Rs.O.31/- to Rs.0.90/- We find that there is no evidence in the impugned order to show that noticee nos. 1 to 13 traded amongst themselves which resulted in the creation of artificial volume and misleading appearance in the scrip. The WTM in para 18.6 of the impugned order has indicated one instance where trades of Mr. Baldevsinh Vijaysinh Zala matched with Mr. Ashwinbhai Prabhudas Ruparel. One instance of such trade cannot prove the charge of the 13 entities trading amongst themselves. In this regard, we have also perused the show cause notice and we find from table 3 of the show cause notice that it depicts certain entities trading inter se amongst themselves. Majority of these entities named in Table 3 except 2 of them are not noticees in the present proceedings. Therefore, in order to prove the charge against the appellants/noticees there must be sufficient material to show that these entities were trading amongst themselves. Except for the aforesaid instance of one trade, we do not find any evidence to show that the 13 noticees/appellants were trading amongst themselves on a continuous basis during the investigation period. In the absence of any evidence we are of the opinion that the charge of the 13 noticees/ apellants trading amongst themselves cannot be proved. As a result, the creation of artificial volume misleading appearance in the trading in the scrip and increase in the rice o the scrip automatically fails and cannot be sustained."

42. *The above judgment also squarely applies in the present fact scenario. Clearly there is no evidence, other than an alleged sharing address between Noticee No. 4 and 5 and off-market transfer between Noticee No. 5 and Noticee No. 20, which also transpired outside of the Investigation Period. Thus, there is no meeting of mind or collusion proved by the SEBI in the SCN*

43. *There is clearly no material evidence adduced by the SEBI to prove Noticee No. 5's linkage to the other entities who might have engaged in fraudulent trades. Thus, Noticee No. 5 certainly deserves benefit of doubt from the regulator as the record made available in SCN proves no connivance or collusion or fraud by Noticee No. 5.*

44. *In addition to the above, on screen based trading platform, it is impossible for a party to know the counterparty while punching in trades on the floor of the exchange. In the circumstance, before sticking a charge of creation of misleading appearance of trades in Econo, there has to be a modicum of evidence to suggest that there was some connection/ meeting of minds between the parties. In absence thereof, the trades of Noticee No. 5 in the present case cannot be called into question.*

45. *Further, it is also submitted that the trading system does not make available the particulars — such as quantity of shares, prices and time — of counter party's keyed-in orders against which Noticee No. 5 orders got matched. In the absence of these particulars, Noticee No. 5 could not know or ascertain any pattern at the relevant time.*

46. *In view of all of the above, it is respectfully submitted that in the absence of any documentary basis supporting the allegation made by the SEBI, there is no reason to hold Noticee No. 5 guilty.*

No evidence to prove that the trades of Noticee No. 5 manipulated rice and volume of Econo

47. *At the outset, the allegation in SCN only states that Noticee No. 5 engaged in reversal trades and contributed to positive LTP which resulted in manipulation of price and volume of Econo. It is respectfully submitted that the trades of Noticee No. 5 did not create any manipulation as alleged by the SEBI.*

48. *Insofar as reversal trades is concerned:*
    a. *The SEBI has only provided details of reversal quantity, however, no details about why the said trades are reversal.*
    b. *Other than Noticee No. 4, there is no connection of Noticee No. 5 with Original Fashion Traders Private Limited, Rudramukhil Infrastructure Private Limited and Anurodh Infrastructure Limited. Thus, how can the said trades be considered as reversal.*
    c. *Even the percentage of the alleged reversal trades to market volume is negligible. Thus, it certainly could not have manipulated the volume as is alleged.*

49. *Insofar as trades contributing to positive LTP is concerned, other than pointing to 10 trades which allegedly contributed to positive LTP, there are no details about the trades that are shared in the SCN. Besides, Noticee No. 5 was the seller — thus Noticee No. 5 was a price taker. There is no way that Noticee No. 5 could have contributed to positive LTP. Also, the nine trades which contributed to positive LTP with Original Vincom Private Limited is also without any proof of connection with the counterparty.*

50. *It is also alleged that by trading amongst themselves, 16 noticees (including Noticee No. 5) contributed 8.84% to market positive LTP and hence contributed to price rise in fraudulent manner. This allegation is without any basis*

as positive LTP by itself cannot be treated as fraud. There has to be some fraudulent intent. In the present case, Noticee No. 5 had no reason to be part of some alleged fraud. Besides Noticee No. 5 is not even connected to any of the said 16 noticees (excluding Noticee No. 4).

51. *From the above analysis, it is clear that the SEBI's allegations are purely based on circumstantial evidence. However, the evidence adduced must be compelling which can be inferred by logical process of reasoning from the totality of facts and circumstances surrounding the allegations. As held by the Hon'ble Supreme Court in the case of Hanumat v. State of Madhya Pradesh, that:*
"11 ...In dealing with circumstantial evidence the rules specially applicable to such evidence must be borne in mind. In such cases there is always the danger that conjecture or suspicion may take the place of legal proof and therefore it is right to recall the warning addressed by Baron Alderson, to the jury in Reg v. Hodge ((1838) 2 Lew. 227), where he said: -
"The mind was apt to take a pleasure in adapting circumstances to one another, and even in straining them a little, if need be, to force them to from parts of one connected whole; and the more ingenious the mind of the individual, the more likely was it, considering such matters to overreach and mislead itself, to supply some little link that is wanting, to take for granted some fact consistent with its previous theories and necessary to render them complete."

> *12. It is well to remember that in cases where the evidence in of a circumstantial nature, the circumstances from which the conclusion of guilt is to be drawn should in the first instance be fully established and all the facts so established should be consistent only with the hypothesis of the guilt of the accused. Again, the circumstances should be of a conclusive nature and pendency and they should be such as to exclude every hypothesis but the one proposed to be proved. In other words, there must be a chain of evidence so far complete as not to leave any reasonable ground for a conclusion consistent with the innocence of the accused and it must be such as to show that within all human probability the act must have been done by the accused…"*

52. *Thus, it is clear that the circumstantial evidence relied by a regulator to prove some allegation should lead to only one conclusion. It is respectfully submitted that in order for there to be a conclusion that Noticee No. 5 engaged in manipulation of price and volume of scrip of GECPL, each and every ingredient of the allegation must necessarily be established by cogent evidence. However, from the analysis given above and lack of any connection between the parties, the circumstantial evidence is incomplete and not leading to only conclusion that Noticee No. 5's trades created any artificial volume or price.*

53. *The above position has now been crystallized by the instructive judgment of the Hon'ble Supreme Court in the matter of Balram Garg v. SEBI. This judgment makes it clear as to how circumstantial evidence ought to be taken on record while appreciating evidence in a matter. The relevant extracts as under:*

> *"40. We are also of the opinion that in the absence of any material available on record to show frequent communication between the parties, there could not have been a presumption of communication of UPSI by the appellant Balram Garg. The trading pattern of the appellants in C.A. No. 7590 of 2021 cannot be the circumstantial evidence to prove the communication of UPSI b the appellant Balram Garg to the other appellants in C.A. No. 7590 Of 2021...*
> *47.*
> *…Reliance placed on the case of Kishore R. Ajmera (supra) to show that presumption can be drawn on the basis of immediate and relevant facts is contrary to law already settled this Court in the case of Chintalapati Srinivasa Raiu (supra) where it is held that "a reasonable expectation to be in the know of things can only be based on reasonable inference drawn from foundational facts." It has further been held that merely because a person was related to the connected person cannot by itself be a foundational fact to drawn inference."*

54. *Noticee No. 5's case is on a far better footing. There has been no connection of Noticee No. 5 with any of the parties to the SCN. Other than trading in Econo, there is nothing on record to show Noticee No. 5's involvement in alleged scheme, if any. It is humbly submitted that the SCN suffers from being based on inconclusive evidence whereas Noticee No. 5 has produced enough evidence.*

55. *In the case of Maharashtra State Board of Secondary and Higher Education v. KS Gandhi the Hon'ble Supreme Court has held:*

> *"If there are no positive proved facts, oral, documentary or circumstantial from which the inferences can be made the method of inference fails and what is left is mere speculation or conjecture. Therefore, when an inference of proof that a fact in dispute has been held established there must be some material facts or circumstances on record from which such an inference could be drawn. The standard of proof is not proof beyond reasonable doubt "but" the preponderance of probabilities tending to draw an inference that the fact must be more probable. Standard of proof cannot be put in a straight jacket formula."*

56. *The SEBI has recently held in one of its order dated May 31, 2022 as under:*

> *"10. I note from the above tables that the Noticees along with the remaining entities had executed synchronized trades where the buy order and sell order lime was less than 60 seconds and there was no change in buy order and sell order rate. I note that the percentage of the synchronized trades to the total market volume during the IP was 9.48% I also note from the table of connection that the Noticees along-with the remaining entities are connected one way or other but there is no one to one connection among the entities...*
> *"11. In the instant case I note that direct connection of the entities has not been established. From the submissions of the Noticees it is observed that there is change in beneficial ownership. I also note that*

the percentage of synchronized trades to the market volume is not significant for creation of artificial volume. As observed by Hon'ble SAT in the above judgment that synchronized trades ipso facto are not illegal unless executed with a view to manipulate the market. As no one to one connection, has been established and synchronized trades to the total market volume is insignificant there does not exist any meeting of mind or premeditative motive for synchronized trades I am of the view that charge of market manipulation as a result of synchronized trades should be made on the basis of strong and cogent evidence which is lacking in the instant case. In this regard it is pertinent to highlight that Hon'ble SAT in case of KSL & Industries Lid V. SEBI (Appeal No. 5 of 2003) has held that "A wild allegation of market manipulation, in particular the charge of fraudulent action unsupported with convincing evidence are not sustained. Fraud cannot survive on mere conjecture and surmises."

57. *The above decision squarely applies to the present case. Clearly there is no direct or indirect connection of Noticee No. 5 with the counterparty buyer or the seller which would per se result in reversal trades and trades resulting in positive LTP. The only connection is with its own group company i.e. Noticee No. 4.*

58. *Even the allegation of fund movement is without any basis. It is alleged that Noticee No. 5 received Rs. 69 lakh from Hulbert. However, these funds were received from Hulbert for legitimate purposes. Pertinently, Hulbert is a regular client to whom Noticee sells unquoted shares regularly. The investigating team of SEBI has considered only partial transaction of 69 lakhs, whereas in the whole year there are total transaction of 79.5L of sale of various unquoted equity shares. The relevant ledger along with bills is enclosed as Annexure — "C". Overall banking transaction are attached as Annexure B supra.*

59. *As such, there is no connection of the receipt of fund from Hulbert and the trades undertaken by Noticee No. 5 in Econo. Besides the fund transfer has occurred in February 2017 (after the Investigation Period), whereas the trades of Noticee No. 5 had been undertaken in the normal course of dealing in securities market.*

60. *Similarly, receipt of Rs. 5 lakh on December 14, 2016 from Starwise Housing Private Limited has no relation to trades of Noticee No. 5 in Econo. Pertinently, Starwise is a regular client to whom Noticee sells unquoted shares regularly. The investigating team of SEBI has considered only partial transaction of 5 lakhs , whereas in the whole year there are total transaction of 61.35 lakhs of sale of various unquoted equity shares. The relevant ledger along with bills is enclosed as Annexure — "D". Overall banking transaction are attached as Annexure B supra.*

61. *In view of the above, it is abundantly clear that the trades of Noticee No. 5 were not fraudulent and, thus, provisions under Sections 12A(a), (b), and (c) of the SEBI Act read with Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a), 4(2)(b) 4(2)(e) and 4(2)(g) of PFUTP Regulations are not applicable.*

No evidentiary basis for alleging fraud

62. *In addition to the aforementioned, it is important to take into account the evidence SEBI has presented before making any accusations, as stated in the SCN. In this regard, it is respectfully asserted that not a single shred of proof exists to back up the claims made in the SCN. In other words, the SCN accuses someone of major fraud based on merely having a suspect, completely disregarding the established legal precedents, such as the decisions of the Hon'ble SAT, which forbid the use of suspicion, conjecture, and speculation as evidence, particularly in cases of fraud. The SCN claims to treat suspicion and evidence as interchangeable terms while ignoring fundamental principles of the law of evidence, such as the requirement that the burden of proof for a charge of fraud be high enough to disprove the general presumption of honesty and good faith in dealings.*

63. *It is well settled that where fraud and collusion are alleged, it would be incumbent on the authority to set out the nature of the fraud along with full particulars. The SCN is however lacking in material particulars. The Hon'ble Supreme Court in Chief Engineer, MSEB and Anr. v. Suresh Raghunath Bhokare has gone into this aspect and held as under:*

    "In the show cause notice no basis was laid to show what is the nature of fraud that was being attributed to the appellant. No particulars of the alleged fraud were given and the said pleadings did not even contain any allegation as to how the appellant was responsible for sending the so called fraudulent proposal or what role he had to play in such proposal being sent.... It was the duty of the Board to have specifically produced the material to prove that the respondent himself had the knowledge of such a fraud and he knowingly or in collusion with other officials indulged in this fraud. Since there is no such material on record. on the facts of the instant case, the Industrial Court and the High Court have come to the right conclusion that the alleged fraud has not been established b)' the appellants, hence, this is not a fit case in which interference is called for. This appeal, therefore, flails and the same is dismissed. "

64. *It is respectfully submitted that allegations of fraud cannot be based on wild allegations without any convincing evidence. Charges of fraud are of serious in nature and should not be made casually by regulators. The judicial precedents indisputably hold that fraud is a serious offence and, therefore, the standard of proof must be of a higher degree and mere conjectures and surmises will not be sufficient to hold a person liable for fraud. The Hon'ble SAT has held in the matter of KSL & Industries Ltd. v. SEBI that "A" wild allegation of market manipulation, in particular the charge of fraudulent action unsupported with convincing evidences are not sustained. Fraud cannot survive on mere conjecture and surmises... ".*

65. *The Hon'ble Supreme Court has also held that, "charges under the FUTP 2003 needs to be established as per the applicable standards rather than on mere conjectures and surmises.". Further, in Union of India v. Chaturbhai M. Patel & Co. the Hon'ble Supreme Court had referred to A.L.N, Narayanan Chettyar v. Official Assignee, wherein*

it was held that "...However suspicious may be the circumstances, however, strange the coincidences, and however grave the doubts, suspicion alone can never take the place of proof... ".

66. *In Nandakishore Prasad v. State of Bihar, the Hon'ble Supreme Court held that "…the minimum requirement of the rules of natural justice is that tribunal should arrive at its conclusion on the basis of some evidence i.e. evidential material which with some degree of definiteness points to the guilt of the delinquent in respect of the charges against him. Suspicion cannot be allowed to take the place of proof even in domestic inquiries."*

67. *In light of the above cases, it is submitted that it is an established jurisprudence that for proving charges of fraud under PFUTP Regulations, the evidence adduced must be compelling which can be inferred by logical process of reasoning from the totality of facts and circumstances surrounding the allegations. In the present case, the SCN neither adduces direct evidence nor does it set out circumstantial evidence to support its theory. It is not clear what was examined by SEBI to conclude the allegations.*

68. *In the present scenario, there is nothing on record which shows that Noticee No. 5 had participated in alleged fraud. In fact, the SEBI has not adduced a single shred of evidence to show that Noticee No. 5 was connected with other noticees or there was some fund movement or that Noticee No. 5 had acted in concert with other noticees. Merely on the ground of Noticee No. 5 receiving some funds from some of the noticees, SEBI has issued the SCN against Noticee No. 5.*

69. *Hence, it is submitted that in the absence of any evidence that Noticee No. 5 had indulged in fraudulent activities, SEBI erred in alleging that Noticee No. 5 violated SEBI Act read with the PFUTP Regulations, in any manner whatsoever. In view thereof, the charges under the PFUTP Regulations are vague, incomprehensible and unexplained.*

Element of Fraud Missing

70. *It is respectfully submitted that the requirement of 'intention' is a pre-requisite to prove 'fraud' for violation of PFUTP Regulations. It should be noted that the offences alleged under the PFUTP Regulations in the present case are serious offences which require evidence of 'fraud or deceit' and are not just ordinary civil defaults. It is a settled principle recognized by SEBI that "the necessity of 'intent' and the element of 'fraud' appears to be a pre-requisite in all parts of Regulation 3 and 4 of the PFUTP Regulations".*

71. *In view of the foregoing, it is well settled that when SEBI alleges a person of an offence involving 'fraud' it is essential that the accused had an 'intent' to commit such violation. In the present case, Noticee No. 5 merely engaged in trading of shares of Econo in the manner of its trades in other scrips. There is no deviation from trading pattern. This goes to show that Noticee No. 5 had no intention of manipulating the market. Therefore, Noticee No. 5 cannot be charged for fraud under the PFUTP Regulations.*

Other Defences

72. *Given the foregoing, it is evident that Noticee No. 5 was simply trading and had no intention of trying to influence the markets. Therefore, the benefit of the doubt should be given to Noticee No. 5, and it is manifestly obvious that Noticee 15 did not act in concert with other noticees and was not part of a scheme to manipulate volume and price of the scrip of GECPL and thereby, Noticee No. 5 did not violate Sections 12A(a), (b), and (c) of the SEBI Act read with Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a), 4(2)(b), 4(2)(e) and 4(2)(g) of PFUTP Regulations.*

73. *Noticee No. 5 has not taken the present regulatory proceedings in a nonchalant manner. Noticee No. 5 is not guilty of conduct which is contumacious or dishonest or acted in conscious disregard of law. Noticee No. 5 has not acted in defiance of law. The actions of Noticee No. 5 are not in any manner detrimental to the securities market.*

74. *Noticee No. 5 has not made any disproportionate gain or gained any unfair advantage, whether quantifiable or otherwise. Further, no loss has been caused to any investor or group of investors as a result of the alleged default. In fact, the present cause of action is the first time that a regulator has issued a show cause notice against Noticee No. 5.*

75. *It is respectfully submitted that the alleged violation has not resulted in any harm or loss caused to the securities market. No such allegation sits in the SCN as well. The Hon'ble Supreme Court has held that a penalty should not be imposed for the sake of it and should be utilized to achieve a specific purpose, rather than as an end in itself. The relevant extract is as under:*
"8. Under the Act penalty may be imposed for failure to register as a dealer — Section 9(1) read with Section 25(1)(a) of the Act. But the liability 10 pay penalty does not arise merely upon proof of default in registering as a dealer. An order imposing penalty for failure to carry out a statutory obligation is the result of a quasi — criminal proceeding, and penalty will not ordinarily be imposed unless the party obliged either acted deliberately in defiance of law or was guilty of conduct contumacious or dishonest or acted in conscious disregard of its obligation. Penalty will not also be imposed merely because it is lawful to do so. Whether penalty should be imposed for failure to perform a statutory obligation is a matter of discretion of the authority to be exercised judicially and on a consideration of all the relevant circumstances. Even if a minimum penalty is prescribed the authority competent to impose the penalty will be refusing to impose penalty, where there is a technical or venial breach of the provisions of the Act or where the breach flows from a bona de belied that the o ender is not liable to be act in the manner prescribed by the statute."

76. It is further submitted that the discretion granted by Parliament in terms of Section 15J of the SEBI Act only means that there has to be a reasonable exercise of it, rather than mechanically impose penalty regardless of the circumstances. Accordingly, the Hon'ble Supreme Court's ruling in SEBI v Bhavesh Pabari squarely applies to the present case. The relevant extract is hereunder:

> *"8. This will require us to consider the first question referred. Having dealt with the submissions advanced by the rival parties, (both parties have actually canvassed for a wider and more expansive interpretation of Section 15.J), we are inclined to take the view that the provisions of clauses (a). (b) and (c) of Section 15-J are illustrative in nature and have to be taken into account whenever such circumstances exist. But this is not to say that there can be no other circumstance(s) beyond those enumerated in clauses (a). (b) and (c) of Section 15-J that the Adjudicating officer is precluded in law rom considering t' while deciding on the quantum of penalty to be imposed.*
>
> *…*
>
> *11. Therefore, to understand the conditions stipulated in clauses (a), (b) and (c) of Section 15-J to be exhaustive and admitting of no exception or vesting any discretion in the Adjudicating Officer would be virtually to admit/concede that in adjudications involving penalties under Sections 15-A, 15-B and 15-C, Section 15-J will have no application. Such a result could not have been intended by the legislature. We, therefore, hold and take the view that conditions stipulated in clauses (a), (b) and (c) of Section 15-J are not exhaustive and in the given facts of a case, there can be circumstances beyond those enumerated by clauses (a). (b) and (c) of Section 15-J which can be taken note of by the Adjudicating officer while determining the quantum of penalty."*

77. Further, in Maharashtra State Board of Secondary Education and Higher Secondary Education v. K.S. Gandhi & Ors., referred supra, the Hon'ble Supreme Court has ruled as under:

> *"38. The question then is whether the rules relating to mode of punishment indicated in the Appendix 'A' to the resolution are invalid. We have given our anxious thought to the contention and to the view of the High Court. In our view the punishments indicated in the last column is only the maximum from which it cannot be inferred that it left no discretion to the disciplinary authority. No axiomatic rule can be laid that the rule making authority intended that under no circumstances, the examination Committee could award lesser penalty. It depends on the nature and gravity of the misconduct to be dealt with by the disciplinary authority. In a given case, depending on the nature and gravity of the misconduct lesser punishment may be meted out."*

78. In the aforesaid circumstance it is humbly requested that SEBI considers the specific facts and circumstances of Noticee No. 5 and does not impose any penalty, given that any monetary penalty imposed on Noticee No. 5 will not meet ends of justice.

79. Accordingly, the SCN ought to be discharged vis-à-vis Noticee No. 5.

80. In light of the above, it is evident that the SCN and the allegations made out therein, is without any basis in law or under equitable considerations. It is submitted that the allegations against Noticee No. 5 are not sustainable and thus, no order/ direction can be passed/ issued against Noticee No. 5.

81. The submissions made and the case laws cited reaffirm that Noticee No. 5 has always acted within the letter and spirit of the applicable laws and regulations.

82. Thus, in the present facts and circumstances as stated hereinabove, since this reply of Noticee No. 5 demolishes the allegations against Noticee No. 5, it is humbly prayed that there is no case for any further actions in regard to the charges levied vide the impugned SCN and accordingly the matter be closed qua the Noticee No. 5.

83. Noticee No. 5 also seeks leave to submit such further explanations, clarifications, documents and expert opinions as may be considered necessary or appropriate in connection with the SCN and add to or amend this explanation/ reply and make such further legal submissions before the disposal of this matter.

84. In the meantime, should you have any questions or clarifications, please do not hesitate to reach out to the undersigned.

……

"

Additional Submission of Noticee 5:

"

……

1. *Noticee No. 5 is not connected with the counterparties (since there was no meeting of mind) in respect of trades which contributed to so called positive LTP and reversal trades. In the circumstance, there is no question of these trades being treated as 'fraudulent'.*

2. *There cannot be an allegation of reversal trades being executed by Noticee No. 5 since these trades were not prevented/ stopped/ cancelled even though the BSE has Reversal Trade Prevention Check system in place, which auto-cancels trades, if at all they are reversal in nature. Thus, it cannot be said that there were any reversal trades to begin-with.*

3. *Noticee No. 5 is not connected with the counterparties to the almost 100 trades (Original Fashion Traders-Pvt Ltd, Rudramukhi Infrastructure Pvt Ltd, Anurodh Infrastruture Ltd). Even for remaining 2 trades where Noticee No. 4 is the counterparty, there was no meeting of mind since:*

   - *The trade were done by separate entities (Mr. Sashi Bhushan Sharma and Shiv Prakash Chitlangia) with an independent thought process.*
   - *Both parties were dealing with separate broking houses (i.e. Indralakshi Sales Pvt Ltd and BMA Wealth Creators Ltd).*
   - *The trade were done on separate terminals in independent office spaces (i.e. Terminal 901 and Terminal 208) with an independent thought process.*

4. *Insofar as trades which have allegedly contributed to positive LTP is concerned, we submit that mere Rs. 6.55 LTP has been impugned by SEBI. Out of 10 impugned trades, range of mere Rs. 0.05 to 3.4, which is meagre to impact the price of scrip. However, in addition to the amount being minuscule, it is not the SEBI's case that there was any NHP. Thus, on a stand-alone basis, allegation of LTP ought not be considered as fraudulent. Thus, the allegation that Noticee No. 5 executed trade which resulted in contribution to positive LTP is unsustainable.*

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Submissions of Noticee 22 :

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1. *During the IP, Noticee No. 22 sold shares in ETL with a net trade value of Rs.1.24 crores. Noticee No. 22 is also a regular trader in the securities market and, therefore, Noticee No. 22 traded in ETL in the ordinary course of business. Further, the SEBI has also raised concerns on two fund transactions i.e. of RS. 27.63 lakh received from its broker Shilpa Stock Broker on February 13, 2017 and the other of transfer of Rs.15 lakhs to Viewlink Fashions Pvt Ltd (Noticee No. 25) on February 14. 2017. The transactions being in ordinary course of business is purported to be impugned by the SEBI without providing any rationale whatsoever.*

2. *The claims made in the SCN concern Noticee No. 22 made in ETL that occurred more than five years ago. The SCN offers no justification for the excessive delay in starling legal action against Noticee No. 22. It is respectfully argued that Noticee No. 22's ability to adequately refute the charges is adversely harmed bv this unconscionable delay on the part of the SEBI. Noticee -No. 22 places reliance on the judgements the Hon'ble Securities Appellate Tribunal ("SAT"), where it is, interalia, held1 I that in the absence of any period of limitation, the authority is required to exercise its powers within a reasonable period.*

3. *As a result of the inordinate delay by the SEBI, the ability of Noticee No. 22 to defend itself has been severely hampered. Right of putting up an adequate defence is an inherent right in any and all quasi-judicial and administrative proceedings. In absence of being afforded this right, principle of natural justice is abhorrently violated. These proceedings certainly are in violation of principles of natural justice.*

   No charge of PFUTP Regulations violation established

4. *It is however, unclear how Noticee No. 22 was a part of any scheme with Group I. Pertinently, Noticee had purchased and held Econo shares for substantial period. Hence, to allege that said shares were sold for manipulative purposes is arbitrary and unsubstantiated.*

5. *Additionally, there is no substantial evidence to even show that Noticee No. 22 had participated in some scheme to defraud the market. In addition, in relation to the allegation set out in part c of paragraph 55 of the SCN, the said allegation of transferred funds to Nilesh R Shah, Glorious Vincom and Highgrowth Vincom Ltd is also false since the account statements of Noticee No. 22 as well the paragraph 54 of the SCN itself which shows there was no direct transfer of funds to either of these parts. Not only are the allegations false but also vague as the SCN mentions allegations relating to Noticee No. 22 along with Namaskar Dealcom Pvt Ltd as it also does not point out to any specific wrongdoing by the Noticee No, 22 and thereby it is submitted that the SCN stands vitiated and is liable to be set aside.*

6. *It is a generally recognized principle that a vague allegation that does not precisely state the reason for the allegation cannot be upheld since it denies the noticee the chance to refute the charges and is against the principles of natural justice. This principle has been confirmed bv the Hon'ble SAT in the matter of Vikas Bengani SEB12 viz. as under:*
   "What is being alleged against the appellant is that he played a fraud and committed unfair trade practice within the meaning of the regulations while trading in the scrip of the company. It is serious allegation and when fraud is being alleged the particulars thereof have to be indicated in the show cause notice. The least that is required of a body like the board is to tell the appellant about the manner in which he has played the fraud or committed the unfair trade practice. Except for alleging that the provisions Regulation 4(1) and 4(2) of the regulation had been violated, no other details or particulars of the fraud had been indicated in the show cause notice. How can such a serious charge be allowed to stand without the particulars being provided in the show cause notice? On this ground also, the impugned order deserves to be set aside."

7. *The present case is covered by the aforementioned decision as Noticee No. 22's ability to respond to the SCN has been severely hampered bv the form and substance of the SCN. in the circumstance, the allegation that Noticee No. 22 transferred funds amounting to RS. 15 lakhs to Viewlink Fashion Pvt Ltd on February 14, 2017 and, therefore, to conclude that Noticee No. 22 acted in concert with Group 1 and was part of the scheme, is. ex-facie bizzare since the SCN lacks any evidence or documentation to back up the claim made against Noticee No, 22.*

8. *In any event, the SCN alleges how Noticee No. 22 is connected to various companies. However, the connection to these companies is irrelevant as these companies are not even parties to the SCN and the SEBI has not made any claims against them. These connections are inconsequential and serve no purpose to further the allegation« made in the SCN.*

9. *One such instance in the SCN is stated in Paragraph 11 which states that, "As per UCC, Common email id – aromavintrade21@gmail.com between Deepsikha Dealers Pvt Ltd and Aroma Vintrade Pvt Ltd." and "Common email id arvind.jha.arvind@gmail.com between Deepsikha Dealers Pvt Ltd and Lagan Barter Pvt Ltd." The claim that Noticee No. 22 and Aroma Vintrade Pvt Ltd. share an email id, is not of any consequence. This is because Aroma Vintrade is not even a party to this SCN. Paragraph 11 and the SCN in its entirety fails to show how this claim of a common email id has had any sort of impact so as to make Noticee No. 22 guilty. The information given is therefore irrelevant and does not require to be contested further as it is vague and consists of no specific allegation, Similarly, the claim that Noticee No. 22 and Lagan Barter Pvt Ltd share common email id is of no consequence as Lagan Barter is also not a party to the SCN and is mentioned in the SCN with no specific allegation against it. Furthermore, the claim of a common email id is vague and does not provide for its impact in the entirety of the SCN and thereby there exists not a claim that the noticee can contest.*

10. *Similarly, in paragraph 12 of the SCN from which I have redacted the following statements:" Common email id - arvind.jha.arvind@gmail.com between Deepsikha Dealers Pvt Ltd and Lagan Barter Pvt Ltd." and "Common director perm Chand Thakur between Deepsikha Dealers and Jeevan Jyoti commosales Pvt Ltd."*

11. *The first, once again claims the presence of common email id between Noticee No. 22 and Lagan Barter, this very claim is also mentioned in Paragraph 11 and has been contested in the above paragraph and thereby to avoid redundancy, Noticee No. 22 will not specifically respond to this. Coming to the next claim of a common director Prem Chand Thakur between Noticee No. 22 and Jeevan Jyoti Commosales Pvt Ltd. as Jeevan Jyoti Commosales Pvt Ltd. is not a party to the SCN. Having a common director in no way proves that the two were acting in concert with one another. In fact, two companies having a common director is not prohibited in law and is instead something that can be observed commonly.*

12. *It is sincerely submitted that the claims therein are limited to conjecture and speculation. To come to the conclusion that the trades were a result of manipulation of price and volume of the scrip of ETL, the SCN utterly disregarded a number of other important variables. The parties' interpersonal relationships are one of these important factors. As is the case with settled law, SEBI must prove that there was some sort of connection between the parties in order to prove the parties were acting in concert with one another. Thus, there is no possibility of a meeting of the minds if the parties are unrelated to one another. In this regard, Noticee 22 is led by the Hon'ble SAT's order of Ashlesh Gunvantbhai Shah v. SEBI dated September 15, 2021, in which the Hon'ble SAT noted that: "13. The pattern of trading as indicated in table of paragraph 25 of the impugned order shows inter se trades between the appellants but scattered and miniscule trades of or two trades with the other noticees and therefore such sparse one or two trades would not make it synchronizsd trade unless comparison with total trade volume is seen before holding it to be a synchronised trade or coincidental trade. We are further of the opinion that connection and pattern of trading must have an inter connection to establish meeting of mind, premeditated motive or synchronised trading and that volume of trading vis-à-vis the total market volume is required to be compared."*

13. *Paragraph 43 of the SCN provides for the analysis of Net Sellers showcasing the trail of funds, the same trail of funds that the SEBI is relying on to prove concert between Noticee No. 22 and members of Group 1.*

14. *The first point provides for the net trade value and that this value was credited to Noticee No. 22's account via various transactions by the broker. Upon having a look at Noticee No. 22's bank statement it can be seen that this amount was credited through four transactions. The first transaction dated February 10, 2017 and of the amount Rs. 6143556.67, the second transaction on February 13, 2017 of 27620993.93, the third transaction on February 13, 2017 amounting to Rs. 1932237.15 and the fourth transaction amounting to RS.1450122.73.*

15. *From the above four transactions, it is not clear as to why the SEBI has cherry-picked the transaction which occurred on February 13, 2017. It was clearly part of the trade settlement. The intention of mentioning only the second transaction of February 13, 2017 is to only cross-link the transfer by Noticee No. 22 of Rs. 15 lakhs to Viewlink Fashion Pvt Ltd. The transactions relating to the broker and Viewlink are separate business transactions that are not interconnected in any manner whatsoever. Lastly, the fourth point with reference to the bank statement of Viewlink fashion, transactions. The first one is receiving payment from Namaskar of RS. 19.5 lakhs then transfer of Rs. 26 lakhs to Nilesh Shah and RS 2 lakh to Glorious Vincom, both of whom are part of Group 1. Using this point the SFBI is trying to connect members of Group 1 with Noticee No. 22.*

16. *For this, a reference is drawn to Baldevsinh Zala. SEBI3, in which matter it has been held that:*
"8. The WTM has found that the 13 entities are connected with each other on the basis being introduced by one Mr. Paresh Doshi and through common address/telephone numbers, etc. The basis of connection has been given in paragraphs no.17.1, 17.2, 17.3, 17.4 and 17.5. The connection drawn in our opinion is patently vague and erroneous and does not inspire confidence. Something more required to be done in the that these 13 entities were working as a group, For example if' 'A' is connected to 'B' and 'C' is connected to 'D' and 'D' is connected to 'F' it does not mean that 'A' to 'F' are all connected with each other or 'A' is connected to 'D' or 'A is connected to 'E' or 'A' is connected to 'C.' Thus, something more is required to be shown other than common address, telephone number etc."

17. *As per the SCN the alleged main connection between Noticee No. 22 and Group 1 entities is Viewlink Fashion as shown in paragraphs 67 and 69 of the SCN. However, once again SEBI has taken in account very selected transaction in account to try to establish this connection. There was only one instance on February 14, 2017 where Namaskar and Noticee No. 22 on the same day transferred funds to Viewlink Fashion and on the next day that is February '15, 2017 a part of the funds was transferred to Nilesh R Shah and Glorious Vincom Pvt Ltd. One such transaction cycle can be treated as nothing but a coincidence and in no way or form establishes a pattern that can indicate a connection between the sellers and the buyers that is Group 2 and Group 1. For instance, as can also been seen in the accounts of Fashion Pvt Ltd on February 22, 2017, Rs. 14 Lakh was transferred from Noticee No. 22 to Viewlink Fashion Pvt Ltd. On the next day, transfers of Rs. 16 Lakh and Rs. 11 Lakh was made to Taru Pallav Project and Sunstone Developers and two other transactions were made as well, none of which were to the Group 1 entities mentioned before. This instance showcases that the transactions occurring on February 14, 2017 and February '15, 2017 were isolated in nature in the way that there no interconnection between the two after or before that. Taking up an isolated incident such as that to try and establish connection between Noticee No. 22 and Group 1 is presumptuous and unfair. These transactions in no way prove a connection between the aforementioned entities.*
18. *Further, the SCN does not prove a consensus of opinion or a deliberate motive in the current instance. The counterparties to Noticee No. 22's sale deal are also unrelated Noticee No. 22. Therefore, no evidence has been presented to indicate that Noticee No. 22 knew the names of any of the counterparties to the trade. In this context, the case HB Stockholding4 is brought up, where the Hon'ble SAT made observations regarding the allegation of market manipulation, where it was held that "There has to be sufficient evidence on record to clearly prove connivance on the part of the Appellants. In the absence of any such evidence and unambiguous finding by the learned WTM to this effect, we have no option but to quash the impugned order in question."*

19. *Given the foregoing, it is evident that the SEBI has not shown any substantial evidence to demonstrate the connection between Noticee No. 22 and any other or organisation that may have engaged in fraudulent trading. As a result, Noticee No. 22 should be given the benefit of the doubt by the regulator because the evidence made public in SCN does not show that Noticee No. 22 conspired or colluded with others.*

20. *Furthermore, when entering deals on the market floor using an on-screen trading interface, it is impossible for one side to known the counterparty. Before making a claim that artificial volume was created, there must be some proof that the parties had a relationship or agreement before the accusation can be made. In the absence of such evidence, Noticee 22's trades in the current matter cannot be contested. Furthermore, it is asserted that the trading system does not provide the details of the counter party's keyed-in orders, such as the number of shares, prices and time, against which Noticee No. 22 sales were matched.*

21. *In light of the aforementioned, it is humbly asserted that Noticee No. 22 cannot be found guilty because there is no documentary evidence to back up the claim made by the SEBI.*

    No evidence to prove that the trades were fraudulent 22.

22. *The allegation in the SCN only states that Noticee No. 22 part of a scheme, device and artifice to manipulate volume and price of the scrip of ETL. However, there is nothing on record which shows that as to how the alleged trades resulted in the creation of such manipulation of price and volume. Noticee No. 22 executed only sale trades with regards to the scrip of ETL during the Investigation Period. These trades amounted to a mere 2.69%, of traded quantity to market. However, with regards to the trade logs there was no more data given in the SCN.*

23. *The allegations however have no substantial evidence and the allegations are purely based on circumstantial evidence. However, such evidence adduced must be compelling which can be inferred by logical process of reasoning from the totality of facts and circumstances surrounding the allegations. As held by the Hon'ble Supreme Court in the cage of Hanumat. State of MadhayPradesh, that:*
    "11…. In dealing with circumstantial evidence the rules specially applicable to such evidence must be borne in mind, In such there is always the danger that conjecture or suspicion may take the of legal proof and therefore it is right to recall the warning addressed Baron Alderson, to the jury in Reg. Hodge ((1838)2 Lew. 227), where he said:
    "The mind was opt to take pleasure in adapting circumstances to one another, and even in straining them little, if need be, to farce them to from parts of one connected whole; and the more ingenious the mind of the individual, the more likely was it, considering' such matters to overreach and mislead itself, to supply some little link that is wanting, to take for granted some fact consistent with its previous theories and necessary to render them complete."
    12. It is well to remember that in cases where the evidence in of a circumstantial nature, the circumstances from which the conclusion of guilt is to be drawn should in the first instance be fully established, and all the facts so established should be consistent only with the hypothesis of the guilt of the accused. Again, the circumstances should be of a conclusive nature and pendency and they should be such as to exclude every hypothesis but the one proposed to be proved. In other words, there must be a chain of evidence so far complete as not to leave any reasonable ground for a conclusion consistent with the innocence of the accused and it must be such as to show that within all human probability the act must have been done by the accused…"
24. *Thus, it is clear that the circumstantial evidence relied by a regulator to prove some allegation should only lead to one conclusion. In the case at hand, there is a severe lack of evidence which can categorize the trades done by Noticee No. 22 as fraudulent, the evidence at best is circumstantial in nature. It is respectfully submitted that in order for there to be a conclusion that Noticee No. 22 engaged in fraudulent trades, each and every ingredient of the allegation must necessarily be established cogent evidence. However, from the analysis given above and lack of any connection between the parties, the circumstantial evidence is incomplete and not leading to an only conclusion that Noticee No. 22 was involved in a scheme to manipulate price and volume.*

25. *There is nothing to show involvement of Noticee No, 22's involvement in the scheme. In fact. The main evidence the SEBI has relied on is a mere transaction from the Noticee's account to Viewlink Fashion Pvt Ltd. There was only one instance on February 14, 2017 where Namaskar and Noticee No. 22 on the same day transferred funds to Viewlink Fashion and on the*

next day that is February 15, 2017 a part of the funds was transferred to Nilesh R Shah and Glorious Vincom Pvt Ltd. One such transaction cycle can be treated as nothing but a coincidence and in no way or form establishes a pattern that can indicate a connection between the sellers and the buyers that Group 2 and Group 1. This further dilutes SEBI's circumstantial evidence.

26. *In addition to the aforementioned, it is important to take into account the evidence SEBI has presented before making any accusations, as stated in the SCN. In this regard, it is respectfully asserted that not a single shred of proof exists to back up the claims made in the SCN. The SCN claims to treat suspicion and evidence as interchangeable terms while fundamental principles of the law of evidence, such as the requirement that the burden of proof for a charge of fraud be high enough to disprove the general presumption of honesty and good faith in dealings.*

27. *In view of all of the above, it abundantly clear that the trades of Noticee No. 22 were not fraudulent and, thus, provisions under Sections 12A (a), (b) and (c) of SEBI Act and Regulations 3(a), (b), (c), (d), 4(1) and 4(2) (a), (b)(g) and (e) of PFUTP Regulations, are not applicable.*

28. *Finally, it is also respectfully submitted that the requirement of 'intention' is a pre-requisite to prove 'fraud' for violation of PFUTP Regulations. It should be noted that the offences alleged under the PFUTP Regulations in the present case are serious offences which require evidence of 'fraud or deceit' and are not just ordinary civil defaults. It is a settled principle recognized by SEBI that "the necessity of 'intent' and the element of 'fraud' appears to be a pre-requisite in all part of Regulation 3 and 4 of the PFUTP Regulation".*

29. *In view of the foregoing, it is well settled that when SEBI alleges a person of an offence involving 'fraud' it is essential that the accused had an 'intent' to commit such violation. In the present case, Noticee No. 22 merely traded to earn some profits. This goes to show that Noticee No. 22 had no intention of manipulating the market. Therefore, Noticee No. 22 cannot be charged for fraud under the PFUTP Regulations.*

Mitigating Factor

30. *In view of the afore-stated submissions, it is respectfully submitted that no monetary penalty is attracted in the present case. Without prejudice to this submission, it is respectfully submitted that in terms of Section 15J of the SEBI Act, no monetary penalty is imposable even if the SEBI comes to a conclusion of any wrongdoing. Noticee No. 22 merely executed a few trades in the scrip of ELT and coincidently, Noticee No. 22's trades came under the scanner of the SEBI. Noticee No. 22 had no intention of trying to influence the markets. Therefore, the benefit of the doubt should be given to Noticee No. 22, and it is manifestly obvious that Noticee 22 did not act in concert Group 1 and was not part of scheme, device and artifice to manipulate volume and price of the scrip of ETL.*

31. *As such, Noticee No. 22's trades have had no impact on the securities market, and no such details have been provided in the SCN. Noticee No. 22 has not made any disproportionate gain or gained any unfair advantage, whether quantifiable or otherwise. Further, no loss has been caused to any investor or group of investors as a result of the default.*

32. *In view thereof, it is humbly submitted that a lenient view ought to be taken the regulator as it will not meet the ends of justice if a monetary penalty is imposed on Noticee No. 22. A reference is drawn to decision of M/S Hindustan Steel Ltd. v. State of Orissa reported in (1969) 2 SCC 627 and Hon'ble Supreme Court in SEBI v Bhavesh Pabari (2019) 5 SCC 90, where it is encouraged, that monetary penalty should not be imposed for the sake of it and, should be only imposed when it is necessary. In the present case, there is no necessity to impose a monetary penalty given the facts and circumstance.*

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Additional Submission of Noticee 22:

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1. *We are enclosing as Annexure –A, which are two purchase bills of saree from Viewlink Fashion. There are in respect of two banking transaction of Rs. 14L and 15L with Viewlink Fashion. SEBI has cherry picked [as already stated in reply] only one transaction. Hence we have provided both bills and account confirmation for the entire year. This shows that there are genuine transactions with Viewlink Fashion.*

2. *Please also see enclosed as Annexure – B our Stock broking ledger for FY 16-17. This justifies that we are very small trader and not involved in any kind of fraudulent activities as alleged.*

3. *As stated in the reply, we had purchased shares of ELT at a very high price in FY 11-12 and FY 12-13. Thus, there was need to offload shares. When in FY 16-17 there was liquidity in the scrip, we sold the shares of ELT. Thus, our trades in ELT were justified. Copies of the book of account of FY 11-12 and FY 12-13 are enclosed herewith as Annexure – C.*

4. *In view of the aforesaid, it is respectfully submitted that the fund transactions with Viewlink Fashion were genuine and for legitimate purpose and the sale of shares of ELT were also genuine. Accordingly, the SCN is not maintainable as against us.*

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Submissions of Noticee 23 :

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1. We are a regular investor in the securities market and have been investing for more than a decade. In normal course of our investment, way back in the year 2012-13; we decided to invest in the scrip of Econo as we were given to understand that the company had good prospects.

2. Appositely, there was no bar whatsoever in investing in the said scrip by any of the regulators (SEBI / BSE).

3. Since we could not fetch good prices and there was low liquidity; our investment in Econo could not be liquidated for some years. After almost 7 years; when we noticed some liquidity / price; we decided to self-off our shares, albeit at some loss, so as to get some liquidity of funds for fresh investments / churning portfolio.

4. It is pertinent to note that there were almost 291 different counterparties to the impugned trades with whom we have no connection or relationship whatsoever.

5. We were never aware of the counter-parties to our trades, and it not even alleged that any of our trades were synchronized with any party. Therefore, on this short ground alone we cannot even be alleged to be a part of any alleged "scheme" or "artifice" or "device" to manipulate the price or volume of Econo.

6. There is no specific allegation that any of our trades manipulated the price or volume of Econo. Moreover, there are no allegations whatsoever that there were any reversal trades or allegations of manipulating the LTP, or creating a New High Price, as alleged against several other parties in the SCN.

7. We have been alleged to be a part of a "scheme" on the sole basis of some transfer of funds with third parties. However, these transfers have nothing to do, and have no correlation to our sale of shares. Therefore, to merely assume that we were part of any alleged scheme is a pure assumption, and is completely false and denied.

8. Without prejudice to anything-else stated herein, it is submitted that the present proceedings are vitiated by gross and inordinate delay. The period of investigation is 05.10.2016 to 17.22017, whereas the SCN has been issued after an unexplained delay of 6 years (i.e. in June 2022). Undoubtedly, we are not in a position to recollect the exact facts or any documents which relate to the impugned sales, and therefore we are severely prejudiced by such unexplained delay. Therefore, on this short ground alone, the SCN ought to be set aside.

9. As per paragraphs 11 and 12 of the SCN, we are shown to have a common address with one, Aroma Vintrade Private Ltd. and one, Lagan Barter Pvt. Ltd. In this regard, we submit that:

We fail to understand the significance of the same as the said 2 parties are not even co-Noticees in the present SCN.

In any event, it is submitted that it is settled law that merely sharing a common address does not in any manner show a common meeting of minds for any alleged fraudulent purposes.

10. Further, in paragraph 12 we are alleged to have a common email id with one Jevanjyoti Commosales Pvt. Ltd. However, once again we do not find that the said Jevanjyoti Commosales is even a Noticee to the SCN, which makes the purported connection to us meaningless and perfunctory. It is, therefore, pertinent to note that we are not shown to have any connection with any of the Noticees in the SCN, and therefore no question can ever arise of us being a part of any alleged scheme, or acting in concert with any of the other Noticees, as falsely alleged or otherwise.

11. As per paragraphs 15 and 17 of the SCN, we are purported to have sold 4.48% of the gross market sales. In this regard, we submit that:

The mere fact that there were sales by us without showing any alleged manipulation in the said trades, or showing that they were matched with any of the other Noticees would make any overall allegation arbitrary.

We repeat and reiterate that the SCN has allegations of reversal trades, LTP contribution and New High Price against several parties, but no such allegations are made against us.

In fact, para 28 of the SCN identifies the other parties who have traded and their counterparties, but nowhere does the SCN make any allegations against us or our trades.

12. With reference to paragraph 43 of the SCN: it is alleged that we have transferred certain funds to one, Viewlink Fashion Pvt. Ltd ("Viewlink") and one, Hulbert Tracom Pvt. Ltd ("Hubert"). In this regard we submit that:

The same was a completely separate independent transaction and nothing to do with our trades in Econo.

We had purchased around 13,600 (9,700 + 3,900) shares of a company called Jaguar Infra Developers Ltd from Viewlink and Hulbert respectively. Hence, we had transferred the purchase amounts of Rs. 19.5 lakhs and 48.5 lakhs to respective entity. Hence, the said fund transfer had nothing to do with our dealing in Econo shares.

Moreover, it is settled law that a mere separate business connection cannot ever be deemed to be a "conspiracy"
In any event, the main allegation is of price and volume manipulation, however no fault is found with our trades. In fact, the said Viewlink and Hulbert are not even alleged to have traded in any shares.
Merely because the SCN alleges that they in-turn transferred some funds to other parties, is no reason to hold that we were part of any alleged price or volume conspiracy.

The SCN does not even give any particulars of which part of our funds, if any, were ever used by any party for their trades, or the details of such trades. The SCN is silent in this regard and gives no particulars which belies all allegations against us.

Therefore, to stretch the allegations to unrelated fund transfers is completely untenable.

13. *With reference to paragraph 56 of the SCN, it is completely false and denied that any purported Group 1 Seller had all assisted or facilitated any sale of shares by us. The SCN does not identify any such counterparty to our trades, or even alleges that the same were synchronized with any person or entity from the purported Group 1. Therefore, in the absence of any such evidence it can never ever be alleged much less held that Group 1 had ever assisted or facilitated any of our sales.*

14. *With reference to paragraph 57 of the SCN, it is completely false and denied that we have at all "acted in concert" in concert with any party from the purported Group 1 or any other party, as falsely alleged or otherwise. It is further completely false and denied that we have at all violated Section 12 (A) (a), (b), or (c), or any other section of the SEBI Act, or Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a), (b), (g) (e) or any other Regulation of the PFUTP Regulations, or any other provision of law, as falsely alleged or otherwise.*

15. *In view thereof, the present proceedings ought to now be finally concluded without any adverse observations or recommendations or penalty against us.*

16. *We may state here that through the aforesaid sale of shares, we have incurred a loss. Therefore, the same completely belies any reason why we would want to be part of any such alleged conspiracy, as alleged by SEBI.*

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Additional Submission of Noticee 23:

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1. *It was submitted that we were regular investor, and had invested in the scrip of Econo way back in the FY 2012 – 13. This is most relevant as stated the SCN itself the period of investigation is from 5.10.2016 to 17.2.2017, i.e. several years after our initial investment. This by itself completely belies the charges that we could have been part of any alleged conspiracy in the year 2016 - 17. HERETO annexed and marked as Annexure "A" is a copy of our Books of Accounts for FY 2012 – 13, which clearly evidence the purchase of the said shares at that time. For convenience, we have highlighted the relevant entries evidencing our said investment.*

2. *It is also most pertinent to note that Econo was not the only scrip that we had dealt with at the time of our sales in February 2017, but we had also dealt in several other scrips, as is evidenced by the relevant extract of our brokers ledger, which is hereto annexed and marked as "Annexure B". Thus, it is indisputable that trading and investing in securities / investments was our major business. In the present case, we merely sold shares on the market, and we had no reason to even remotely be involved in, or even be aware of any alleged fraud in the scrip of Econo.*

3. *As regards the fund transfers by us to one, Viewlink Fashion Pvt. Ltd. And Hulbert Tracom Pvt. Ltd., it is submitted that the said money transfers was towards payment of consideration for the purchase of the shares of one, Jaguar Infra Developers Ltd. {"Jaguar"}, an unlisted company. Hereto annexed and marked as Annexure "C" is a copy of the respective Bills / Invoice that was raised at the time of the sale of shares to us. Further, we are also annexing as Annexure "D" our Balance Sheet as of 31.3.2017, which expressly reveals the said investment in Jaguar by us. The relevant parts have been highlighted for SEBI's convenience. Therefore, we reiterate that the money transfers by us were for a complete separate and distinct transaction for purchase of shares of another company, and the same had no connection whatsoever with any alleged mischief that may have been done by any other party in the scrip of Econo. Therefore, no question arises of us acting in concert with, or being part of, or even being aware of any alleged scheme, device, or artifice in the scrip of Econo.*

4. *It is lastly also reiterated that the present proceedings are barred by inordinate delay. We refer to the recent judgment passed by the Hon'ble Securities Appellate Tribunal dated 19.2023 in the matter of Jolly Plastic Industries Ltd. & Ors V/s. SEBI, wherein referring to a catena of earlier judgments, the Hon'ble Tribunal has expressly held that "…long delay itself causes prejudice..", and on that basis alone set aside the Impugned Order in that matter.*

5. *In the year 2017, we were merely sellers of shares purchased way back in the year 2012 ;*

6. *There were hundreds of different counter-parties to our sales trades,*

7. *and we had no connection to the same ; We were not aware of and certainly not a part of any alleged scheme by any party ;*

8. *Our fund transfers were for transactions completely distinct and separate from our trades in Econo.*

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Submissions of Noticee 31 :

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“The notice states that we have not responded to the letters and mails sent by your esteemed institution. However, we are not in receipt of any information request as on date. We would like to explain that it seems the letters were sent to the old address of the company, that is A-33, New Krishna Park, Vikas Puri, New Delhi-110018, from where the company had shifted long back because the office was sealed by the MCD. Further, we also noticed that the emailid mentioned in the notice is chandrashekhar@pelsoftlabs.in which belongs to a ex-employee of the company which means that the emails were being sent to an ex employee's mail address because of which they were not read by anyone in the company. Hence, the company couldn't reply. We also confirm that no communication was being made to the registered office of the company”

….
”

19. I now proceed to decide the matter on the basis of facts and circumstances in the matter, SCN, replies of the Noticees to the SCN, received if any, and material available on record.

CONSIDERATION OF ISSUES AND FINDINGS

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

Issue No. I Whether:

a) Noticees 1 to 18 and 21 to 23, 29 and 30 violated Section 12A (a), (b), (c) of SEBI Act and Regulation 3 (a), (b), (c), (d), Regulation 4(1), 4(2)(a), (b), (e) and (g) of PFUTP Regulations, as alleged in the SCN?

b) Noticee 19 violated Section 12A (a), (b), (c) of SEBI Act and Regulation 3 (a), (b), (c), (d), Regulation 4(1), 4(2) (b) and (e) of PFUTP Regulations, as alleged in the SCN?

c) Noticees 31 and 32 violated Section 11C(3) of SEBI Act, as alleged in the SCN?

Issue No. II If yes, whether the failure on the part of the Noticees would attract monetary penalty under Section 15HA and Section 15A(a) of the SEBI Act, as applicable?

Issue No. III If yes, what should be the monetary penalty that can be imposed upon the Noticees?

21. I note that Noticee's 4, 5, 22 and 23, as part of their submissions had raised certain preliminary /technical contentions inter alia including with regard to delay in issuance of SCN and prejudice caused, therefore, it would be appropriate to first deal with said technical contention, before dealing the case on merits. As regards other contentions of the Noticee's the same have been dealt under respective paragraphs dealing with alleged violations.

22. As regards the preliminary technical contentions with regard to delay, broadly speaking, Noticees 4, 5, 22 and 23 had inter alia contended that the allegations framed in the SCN relate to the transactions, which were more than five /six years before the issuance of the SCN and initiation of proceedings after such a long delay, severely prejudices the ability of them to put up an adequate response to the allegations made in the SCN. Noticees also relied upon certain judgments of Hon'ble Supreme Court viz. in the matter of Mohamad Kavi Mohamad Amin v. Fatmabai Ibrahim (1997) 6 SCC 71, Ram Chand v. Union of India (1994) 1 SCC 44 and certain judgments of Hon'ble SAT viz. in the matter of HB Stockholdings Ltd. v. SEBI, Sanjay Soni v. SEBI, Mr. Rakesh Kathotia & Ors. vs SEBI, Libord Finance Ltd. v. SEBI. Noticees submitted that it has been crystallized and settled by the most recent decision of the Hon'ble SAT in the matter of Rajeev Bhanot and Ors. v. SEBI.

In this regard, I note from the contentions of the Noticees that they did not bring out how the facts and circumstances in Rajeev Bhanot and Ors. v. SEBI or for other judgments cited by the Noticees in this regard were applicable in the instant matter. In this regard, it would be relevant to state that the Hon'ble Supreme Court time and again held that reasonable period to initiate proceeding would depend on the facts of each case and that no hard and fast rule can be laid down in this regard as the determination of this question would depend on the facts of each case. Further, in the matter cited by the Noticees i.e. in Rajeev Bhanot and Ors. v. SEBI, Hon'ble SAT inter alia also held:

"15. Having heard the learned counsel for the parties at some length, we are of the opinion that the impugned order cannot be sustained for the following reasons;
16. In the instant case, the acquisition of shares was made in the financial year 2005-06. The show cause notice was issued in the year 2017. There is a lapse of 12 years. There is an inordinate delay in the initiation of proceedings. The acquisition made by the appellant was a fact which was in the public domain and was known to the Stock Exchange as well as to SEBI. Since they had information SEBI did not raise any query for several years. The first query was raised after more than 6 years in November, 2011. The details of the queries were provided by the target Company. Further, details were sought in July, 2014 and again in September, 2015. Information was supplied and it was also intimated that two of the acquirers have died. Inspite of receiving the information no steps were taken by the respondent to find out the heirs of the acquirers. On the other hand, the show cause notice was issued to dead persons inspite of having knowledge that the two acquirers have already died. The mere fact that the respondent made queries from time to time does not extend the period of limitation nor does it condone the delay. It only shows the lackadaisical attitude on the part of the respondent in handling the matter. The purpose of making a public offer is to bring relief to the shareholders on the creeping acquisition. Such relief is required to be made at the earliest opportune moment and the purpose is lost if steps are taken after 12 years."

I note from the above text of the Order of Hon'ble SAT in Rajeev Bhanot and Ors. v. SEBI that the facts and circumstances in the said matter are distinct from the instant matter in so far as the subject matter, period of delay involved, relief with regard to public offer was involved etc.

In this regard, I note that initiation of adjudication proceedings under the appropriate provisions of SEBI Act is a regulatory prerogative of SEBI depending upon the outcome of the fact finding exercise, which is the investigation done in this case, and just because the alleged violation was committed in a distant past cannot be a ground to vitiate initiation of the proceedings. I also note that the investigation in the instant matter was initiated pursuant to complaints received during March - June 2017. The investigation was done for the period from October 05, 2016 to February 17, 2017 and the investigation in the matter was completed in June 2021. Subsequently the competent authority had appointed Ms. Maninder Cheema, CGM as AO. Pursuant to transfer of Ms. Maninder Cheema, Ms. Anitha Anoop, CGM had been appointed as AO (erstwhile AO) in the matter and the SCN was issued on June 30, 2022. I note that, the investigation carried out in this case was quite complex due to multiple entities involved, detailed analysis to be carried out including that of trade log, bank transactions, fund movements, fund trails etc. I note from the material available on record that investigation in the instant matter inter alia involved seeking of various data and analysis thereof, to cite as example, analysis of various data like trading data, calling of call data records (CDRs), UCC data, bank statements, off market data etc. involving multiple entities. During the investigation, information was sought from various entities including but not limited to the stock exchanges, depositories, the Company, the directors/promoters of the Company, banks, stock brokers etc. I also note that certain entities from whom information had been sought by SEBI in the instant matter were non responsive, as also evident from the alleged violations. I also note that the intermittent period also involved period relating to /consequent to Covid-19 pandemic outbreak. In view of the above facts and circumstances, in particular that investigation is an exhaustive and time consuming process, which inter alia involves seeking of information and /or documents from various sources and analysis thereof. I also note that the relied upon documents relevant for the instant proceedings viz., annexures to the SCN, copy of the IR, relevant trade log had been provided to the Noticees. Further, I also note that the Noticees had also been provided the opportunity of inspection of relied upon documents and that the Noticees had also been afforded the opportunity of hearing.

In this regard, reliance is also placed upon following orders passed by the Hon'ble SAT:

(i) ***In Hemant Sheth and Ors. vs. SEBI,*** *Appeal No. 521 of 2021, decided on January 07, 2022,* the Hon'ble SAT held that:

> *"9. Insofar as the delay is concerned we find that after the observation made by the WTM in its order of May 10, 2013 SEBI took action and appointed the AO dated July 4, 2013. No doubt the show cause notice was issued in January 2016 but the delay in the issuance of the show cause notice in the instant case will not vitiate the proceedings initiated against the appellants in the peculiar facts and circumstances of the case. Consequently, we are not inclined to quash the proceedings only on the ground of inordinate delay as asserted by the learned counsel for the appellant."*

(ii) ***In Rajendra Aggarwal vs. SEBI*** (Misc. Application No. 426 of 2020 and Appeal No. 552 of 2019), dated September 17, 2021, the Hon'ble SAT held that:

> "*13. On issue of delay, we find that the show cause notice was issued in the year 2013 and the trades were executed in 2009. The investigation was against a large number of entities which apparently took time and ultimately notices were issued to 35 entities. Consequently, we do not find any inordinate delay in the issuance of the show cause notice nor do we find any merit in the contention that there was an inordinate delay in the delivery of the impugned order after the last date of hearing by the AO. We are of the opinion that after the conclusion of the arguments the data of 35 entities was required to be analysed and collated which took time and, therefore, we do not see any reason to vitiate the judgment only on the ground of delay in delivering the order. In any case, such delay in the delivery of the judgment does not cause any prejudice to the appellants*."

I also note that there is no provision in the SEBI Act, 1992 which lays down any limitation period for initiating any proceedings/ action under the SEBI Act, 1992.

Also, it is a settled principle that a delay in a particular case depends on the facts and circumstances of each case. In view thereof, in my view, the contentions of Noticee's in this regard are devoid of merit and cannot be accepted.

23. I now proceed to deal with the matter on merit as regards alleged violations in respect of the Noticees as per the SCN.

Issue No. I **Whether:**

a) **Noticees 1 to 18 and 21 to 23, 29 and 30 violated Section 12A (a), (b), (c) of SEBI Act and Regulation 3 (a), (b), (c), (d), Regulation 4(1), 4(2)(a), (b), (e) and (g) of PFUTP Regulations, as alleged in the SCN?**

b) **Noticee 19 violated Section 12A (a), (b), (c) of SEBI Act and Regulation 3 (a), (b), (c), (d), Regulation 4(1), 4(2) (b) and (e) of PFUTP Regulations, as alleged in the SCN?**

c) **Noticees 31 and 32 violated Section 11C(3) of SEBI Act, as alleged in the SCN?**

24. I note from the material available on the record that two groups were identified viz. Group 1 inter alia including Noticees 1 to 21 and Group 2 inter alia including Noticees 22 and Noticee 23. In this regard, I note from the material available on record that Group 1 and Group 2 were formed basis connection amongst them either directly and /or indirectly and that connection amongst them was established on the basis of common email ID, common phone number, common address, common director, off-market transfer, fund transfers etc. and hence they were all connected entities. In this regard, details of said Group 1 and Group 2 and the basis of connection are as follows:

Group 1:

<table>
<tr><th>Sr.No.</th><th>PAN</th><th>Name of entity</th><th>Basis of connection</th></tr>
<tr><td>1</td><td>AABCO4133G</td><td>Original Fashion Traders Pvt Ltd</td><td rowspan="22">1. Common email id -Companies26roc@gmail.com between Original Fashion Traders Pvt Ltd (1), Rudramukhi Infrastructure Pvt Ltd (3), Primary Iron Traders Pvt Ltd (4), Anurodh Infrastructure Ltd (5) and Wonderland Paper Suppliers Pvt Ltd(6)
2. Common contact number viz. 7779082715 of Ambalal Jhaverbhai Patel (9), Vinitkumar Popatlal Parikh (10) ,Vivek Kale (12) and Kamlesh Bhikhabhai Shah(13).
3. Common contact number viz. 9512112086 between Kapila (19) and Pradip Mehta (14)
4. Common contact number viz. 7383913459 between Ambalal Jhaverbhai Patel (9), Vinitkumar Popatlal Parikh (10), Pattammal N. Murlidharan (11) and Pradip Jayantilal Mehta (14).
5. Common Address: 106 Kiran Chandra Singha Road Block-B8 Ground Floor Howrah Wb 711102 between Rudramukhi Infrastructure Pvt Ltd (3), Primary Iron Traders Pvt Ltd (4) and Wonderland Paper Suppliers Pvt Ltd (6)
6. Common Address: 71,Park Plaza ,Park Street Room No 21 Kolkata 700016 between Highgrowth Vincom Pvt Ltd(7) and Glorious Vincom Pvt Ltd(8).
7. Common Address: 111 112 Plot No 74 House No 74shiv Shaktinagar Near J K Parkchandlodiya between Kamelsh shah (13) and Pradip (14).
8. Common address: E 102 Swagat Rainforest 1 Vill Kudasan Gandhinagar Gujarat 382421 between Mahesh Bhailal Parmar and Vivek Kale (12), Ambalal Patel (9).
9. Common Address: 215 Stadium House Nr Das Khaman Navrang Pura Ahmedabad, between Arpita Ilesh Patel (22) and Jitendra Parikh (20)
10. Fund transfer between Arpita Ilesh Patel (22) and Nilesh shah (18), Viajaya Salvi (21) and Vinitkumar Popatlal Parikh(10)
11. Fund transfer between Kamlesh Bhikhabhai Shah(13)and Vinitkumar Popatlal Parikh(10)
12. Off market between Kapila (19) and Jitendra Parikh (20)
13. Off market between Bakul Garments (15) and Arpita Ilesh Patel (22)
14. Off market transactions of Ritudhara Retailers Pvt Ltd (2) with Headfirst Vintrade Pvt Ltd which had off market with Kamlesh Bhikhabhai Shah(13).
15. Off market transactions of Glorious Vincom Pvt Ltd (8) with Highgrowth Vincom Pvt Ltd (7) and Ritudhara Retailers Pvt Ltd (2).
16. Off market transactions of Rudramukhi Infrastructure Pvt Ltd (3) with Original Fashion Traders Pvt Ltd (1), Ritudhara Retailers Pvt Ltd (2), Primary Iron Traders Pvt Ltd(4) and Anurodh Infrastructure Ltd (5).
17. Common director viz., Ashutosh Dey among Ritudhara Retailers Pvt Ltd (2), Rudramukhi Infrastructure Pvt Ltd (3) and Primary Iron Traders Pvt Ltd (4).
18. Common director viz., Sujan Laha between Ritudhara Retailers Pvt Ltd (2) and Anurodh Infrastructure Ltd (5).</td></tr>
<tr><td>2</td><td>AAGCR0169Q</td><td>Ritudhara Retailers Pvt Ltd</td></tr>
<tr><td>3</td><td>AAGCR0172D</td><td>Rudramukhi Infrastructure Pvt Ltd</td></tr>
<tr><td>4</td><td>AAFCP8289C</td><td>Primary Iron Traders Pvt Ltd</td></tr>
<tr><td>5</td><td>AAJCA1464E</td><td>Anurodh Infrastructure Ltd</td></tr>
<tr><td>6</td><td>AABCW0544K</td><td>Wonderland Paper Suppliers Pvt Ltd</td></tr>
<tr><td>7</td><td>AACCH1789A</td><td>Highgrowth Vincom Pvt Ltd</td></tr>
<tr><td>8</td><td>AADCG3846Q</td><td>Glorious Vincom Pvt Ltd (Amu Thapa)</td></tr>
<tr><td>9</td><td>CTBPP8185P</td><td>Ambalal Jhaverbhai Patel</td></tr>
<tr><td>10</td><td>CYNPP0545E</td><td>Vinitkumar Popatlal Parikh</td></tr>
<tr><td>11</td><td>DDGPP1706N</td><td>Pattammal N. Murlidharan</td></tr>
<tr><td>12</td><td>DWIPK5478R</td><td>Vivek Shivaram Kale</td></tr>
<tr><td>13</td><td>GLBPS9410L</td><td>Kamlesh Bhikhabhai Shah</td></tr>
<tr><td>14</td><td>CXDPM3499M</td><td>Pradip Jayantilal Mehta</td></tr>
<tr><td>15</td><td>AAQFB5938G</td><td>Bakul Garments LLP</td></tr>
<tr><td>16</td><td>GVHPS7507C</td><td>Narayandas Dipchand Shah</td></tr>
<tr><td>17</td><td>CVLPP8362C</td><td>Mahesh Bhailal Parmar</td></tr>
<tr><td>18</td><td>GTPPS2917N</td><td>Nilesh Rameshchandra Shah</td></tr>
<tr><td>19</td><td>AZDPV6862H</td><td>Kapila Vaghela</td></tr>
<tr><td>20</td><td>DEYPP9464L</td><td>Jitendra Bhogilal Parikh</td></tr>
<tr><td>21</td><td>GFDPS9389C</td><td>Vijaya Parsharam Salvi</td></tr>
<tr><td>22</td><td>CZTPP4427Q</td><td>Arpita Ilesh Patel</td></tr>
</table>

Group 2:

<table>
<tr><th>Sr.No.</th><th>PAN</th><th>Name of entity</th><th>Basis of connection</th></tr>
<tr><td>1</td><td>AACCD9756H</td><td>Deepsikha Dealers Pvt Ltd</td><td rowspan="3">1. Common address - 2a, Ganesh Chandra Avenue Commerce House 7th Floor, Room No 1 Kolkata West Bengal India 700013 and contact number – 8583086582 between Aroma Vintrade Pvt Ltd and Namaskar Dealcom Pvt Ltd
2. Common email id - arvind.jha.arvind@gmail.com between Deepsikha Dealers Pvt Ltd and Lagan Barter Pvt Ltd</td></tr>
<tr><td>2</td><td>AAKCA0956E</td><td>Aroma Vintrade Pvt Ltd</td></tr>
<tr><td>3</td><td>AABCL5159M</td><td>Lagan Barter Pvt Ltd</td></tr>
</table>

4	AACCN8485F	Namaskar Dealcom Pvt Ltd	3. Common email Id: jevanjyoti21@gmail.com between Namaskar Dealcom Pvt Ltd and Jevanjyoti Commosales Pvt Ltd 4. Common director Prem Chand Thakur between Deepsikha Dealers Pvt Ltd and Jevanjyoti Commosales Pvt Ltd 5. Deepesh Infrahomes Pvt Ltd is one of the shareholder in Denevo Merchants Pvt Ltd and Deepesh Infrahomes Pvt Ltd shares same director Dipak Kumar Singh with Lagan Barter Pvt Ltd.
5	AADCD9494P	Denevo Merchants Pvt Ltd	
6	AACCJ6576B	Jevanjyoti Commosales Pvt Ltd	

ALLEGED VIOLATION REGARDING REVERSAL TRADES:

25. In this regard, it was inter alia alleged in the SCN that Noticees 1 to 18 by executing reversal trades among themselves had manipulated the volume in the scrip by creating false and misleading appearance of trading without intention of performing it.

26. In this regard, I note that in respect of Noticees 1 to 18, except Noticee 4 and Noticee 5 no reply to the SCN was received from remaining 16 Noticees nor did they avail the opportunity of hearing afforded to them. Accordingly, as regards remaining 16 Noticees, I am constrained to deal with the matter based on material available on record, as also brought out in the foregoing.

27. In this regard, Noticees 4 and 5 had inter alia contended that other than making blanket statements without explaining their involvement in the alleged default, the SCN had failed to explain as to how their trades were manipulative. They further contended that the SCN only provided summary of trades without actually giving trade details and the so-called irregularities alleged in the SCN do not point to the facts or evidence on the basis of which such draconian conclusions were drawn. Noticees 4 and 5 relied upon certain judgments of Hon’ble Supreme Court and Hon’ble SAT. In this regard, I note that Noticee 4 and Noticee 5 were inter alia provided with the details of alleged reversal trades and LTP trades, following which time for making further additional submission was also allowed as sought by the said Noticee’s and that said Noticee’s also made additional submissions. In this regard, I also note that Noticee 4 and Noticee 5 were inter alia provided with the details of alleged violations and connection and relied upon documents

as part of the SCN and that copy of the investigation report and relevant trade log were also provided. This apart, opportunity of inspection of relied upon documents had also been availed by them.

28. Noticees 4 and 5 contended that the entire allegation against them is based on the premise that they were connected with fifty four other suspected entities. While, Noticee 4 contended that only connection alleged in the SCN was with Noticee 5 and Noticee 20, Noticee 5 contended that only connection alleged in the SCN was with Noticee 4 and Noticee 20. They contended that, the trades where they were counterparties to each other were done by separate entities with an independent thought process and they were dealing with separate broking houses wherein trades were done on separate terminals. Noticees 4 and 5, while accepting they were connected entities submitted that to settle internal obligation between them, Noticee 4 transferred shares of ETIL to Noticee 5 in off-market. Noticees 4 and 5 also contended that it is not clear as to how connection between them have any bearing in the present matter. They also contended that, if the parties are not connected with each other and, there is no allegation for the same, there is no question of meeting of minds. They also relied upon judgments of Hon'ble SAT. In this regard, I note that Noticee 4 and Noticee 5 were inter alia part of Group 1 and the same was formed basis connection amongst them directly and /or indirectly on the basis of common email ID, common phone number, common address, common director, off-market transfer, fund transfers etc., details of which were provided in the SCN. In this regard, I note that Noticees 4 and 5 have neither denied nor disputed the fund transfer /off market transfer between them and have rather accepted the same in so far as Noticee 4 had itself inter alia submitted that, *"…. Highgrowth is a group entity and Noticee had made fund transaction…. . To settle internal obligation between said companies shares of Econo were transferred in off-market … ".* I note similar submissions were made by Noticee 5 also. Further, Noticee 4 did not deny and /or dispute the off-market transaction with Noticee 20. I also note that the alleged violation regarding reversal trades was not just between Noticee 4 and 5 but amongst 18

connected Group 1 entities. Accordingly, the contentions of the Noticee 4 and Noticee 5 in this regard, are devoid of merit and cannot be accepted.

29. Noticees 4 and 5 contended that on screen based trading platform, it is impossible for a party to know the counterparty while punching in trades on the floor of the exchange, in the circumstance, before sticking a charge of creation of misleading appearance of trades in ETIL, there has to be a modicum of evidence to suggest that there was some connection /meeting of minds between the parties. In this regard, I note that it is a matter of record that Group 1 had been formed inter alia basis connection amongst them directly and /or indirectly on the basis of common email ID, common phone number, common address, common director, off-market transfer, fund transfers etc. and hence they were all connected entities and that both Noticee 4 and Noticee 5 were part of Group 1. As regards aspect relating to meeting of minds, the same has been dealt in detail in the paragraphs dealing with alleged violation with regard to reversal trades by Noticee 1 to 18. In view thereof, the contentions of Noticee 4 and Noticee 5 in this regard, in my opinion are devoid of merit and hence not acceptable.

30. Noticee 4 and Noticee 5 had inter alia contended that the percentage of the alleged reversal trades to market volume was negligible, thus, it certainly could not have manipulated the volume as is alleged. They further contended that only the details of reversal quantity was provided, and no details were provided about why the said trades were reversal. Noticee 4 contended that the counterparty to its trades was Noticee 2, which is not connected to Noticee 4, thus, how can the said trades be considered as reversal. They also contended that there cannot be an allegation of the reversal trades being executed by them since these trades were not prevented/ stopped/ cancelled even though the BSE has Reversal Trade Prevention Check system in place, which auto-cancels trades, if at all they are reversal in nature. In this regard, firstly I note that the submissions of the Noticee 4 and Noticee 5 are in nature of admission in so far as they have inter alia submitted that percentage of reversal trades to market volume was negligible. This apart, I note that reversal had been inter alia alleged not just

against Noticee 4 and Noticee 5 but against eighteen entities viz., Noticee 1 to 18 who all were connected entities being part of Group 1 formed inter alia basis connection amongst them either directly and/or indirectly on the basis of common email ID, common phone number, common address, common director, off-market transfer, fund transfers etc. and hence ought to be viewed accordingly. Further, I also note, as also brought out in the foregoing, that both Noticee 4 and Noticee 5 were inter alia provided with relevant documents as part of annexures to the SCN and that Noticee 4 and Noticee 5 had availed inspection of documents and had also been provided with copy of the Investigation Report, details of alleged reversal trades and relevant trade log. In view thereof, the contention of Noticee 4 and Noticee 5 in this regard are devoid of merit and hence cannot be accepted. As regards contention of the Noticee that there cannot be an allegation of the reversal trades being executed by them since these trades were not prevented/ stopped/ cancelled even though the BSE has Reversal Trade Prevention Check system in place, which auto-cancels trades, firstly in my opinion, generally speaking, the contention that a system could not prevent certain act, hence that act which otherwise was non genuine, would not be non genuine, as such in itself is without merit. In any case, in this regard, from the BSE Annual Report 2020-2021 as available on website of BSE (https://www. bseindia.com/downloads1/Annual%20Report%202020-21_20210729093311.pdf). I note that RTPC was introduced in BSE Equity Segment on securities exclusively available for trading on BSE trading platform with effect from Monday, 28 September 2020. Accordingly, the said contention of the Noticee is devoid of merit and hence not acceptable.

31. Details of reversal trades executed by the Noticees 1 to 18 during the Investigation period viz., October 05, 2016 to February 17, 2017 (hereinafter also referred to as “IP”) and its percentage to market volume and total reversal quantity are as follows:

Client/Counterparty Client Name	Client/Counterparty Client Name	Gross Buy	Gross Sell	Reversal Quantity	Number Of Days	%Market Volume	% Reversal Quantity to total reversal quantity
Original Fashion Traders Pvt Ltd	Highgrowth Vincom Pvt Ltd	24500	24500	49000	5	0.57%	6.61%
Highgrowth Vincom Pvt Ltd	Glorious Vincom Pvt Ltd	3957	3957	7914	1	0.09%	1.07%
Highgrowth Vincom Pvt Ltd	Rudramukhi Infrastructure Pvt Ltd	5000	3000	6000	1	0.07%	0.81%
Highgrowth Vincom Pvt Ltd	Anurodh Infrastructure Ltd	25500	7000	14000	2	0.16%	1.89%
Glorious Vincom Pvt Ltd	Anurodh Infrastructure Ltd	15	6043	30	1	0.00%	0.00%
Anurodh Infrastructure Ltd	Kapila Vaghela	600	1173	1200	1	0.01%	0.16%
Anurodh Infrastructure Ltd	Vivek Shivaram Kale	704	1790	1408	1	0.02%	0.19%
Anurodh Infrastructure Ltd	Kamlesh Bhikhabhai Shah	808	332	664	1	0.01%	0.09%
Kapila Vaghela	Ambalal Jhaverbhai Patel	14266	10070	20010	5	0.23%	2.70%
Kapila Vaghela	Mahesh Bhailal Parmar	7982	12438	11378	5	0.13%	1.53%
Kapila Vaghela	Pradip Jayantilal Mehta	13463	10428	19344	4	0.22%	2.61%
Kapila Vaghela	Vinitkumar Popatlal Parikh	13062	14135	24202	3	0.28%	3.26%
Kapila Vaghela	Pattammal Murlidharan	6856	9884	10550	2	0.12%	1.42%
Kapila Vaghela	Vivek Shivaram Kale	65733	30014	57392	8	0.66%	7.74%
Kapila Vaghela	Vijaya Parsharam Salvi	12265	10305	20152	2	0.23%	2.72%
Kapila Vaghela	Kamlesh Bhikhabhai Shah	4769	15529	8184	5	0.09%	1.10%
Kapila Vaghela	Narayandas Dipchand Shah	10465	9972	18992	4	0.22%	2.56%
Ambalal Jhaverbhai Patel	Mahesh Bhailal Parmar	6701	5803	10622	4	0.12%	1.43%
Ambalal Jhaverbhai Patel	Pradip Jayantilal Mehta	33223	26436	33988	8	0.39%	4.58%
Ambalal Jhaverbhai Patel	Vinitkumar Popatlal Parikh	2000	2000	4000	1	0.05%	0.54%
Ambalal Jhaverbhai Patel	Pattammal Murlidharan	4222	5034	8444	2	0.10%	1.14%
Ambalal Jhaverbhai Patel	Vivek Shivaram Kale	14329	14237	26294	5	0.30%	3.55%
Ambalal Jhaverbhai Patel	Kamlesh Bhikhabhai Shah	11298	11729	12616	4	0.15%	1.70%
Ambalal Jhaverbhai Patel	Nilesh Rameshchandra Shah	1558	4750	3116	1	0.04%	0.42%
Ambalal Jhaverbhai Patel	Narayandas Dipchand Shah	25410	15306	26652	4	0.31%	3.59%
Mahesh Bhailal Parmar	Pradip Jayantilal Mehta	4967	4365	8020	3	0.09%	1.08%
Mahesh Bhailal Parmar	Vinitkumar Popatlal Parikh	4178	4638	8356	2	0.10%	1.13%
Mahesh Bhailal Parmar	Arpita Ilesh Patel	8000	6944	11000	2	0.13%	1.48%
Mahesh Bhailal Parmar	Pattammal Murlidharan	6393	6528	7440	2	0.09%	1.00%
Mahesh Bhailal Parmar	Jitendra Bhogilal Parikh	250	250	500	1	0.01%	0.07%
Mahesh Bhailal Parmar	Vivek Shivaram Kale	6250	7100	11000	2	0.13%	1.48%
Mahesh Bhailal Parmar	Kamlesh Bhikhabhai Shah	1619	1909	3132	3	0.04%	0.42%
Mahesh Bhailal Parmar	Narayandas Dipchand Shah	480	558	960	1	0.01%	0.13%
Pradip Jayantilal Mehta	Vinitkumar Popatlal Parikh	3336	6553	5116	3	0.06%	0.69%
Pradip Jayantilal Mehta	Pattammal Murlidharan	416	434	832	1	0.01%	0.11%
Pradip Jayantilal Mehta	Vivek Shivaram Kale	18334	16087	30044	5	0.35%	4.05%
Pradip Jayantilal Mehta	Kamlesh Bhikhabhai Shah	9446	10674	12770	6	0.15%	1.72%
Pradip Jayantilal Mehta	Nilesh Rameshchandra Shah	2500	4447	5000	1	0.06%	0.67%
Pradip Jayantilal Mehta	Narayandas Dipchand Shah	34140	23834	38592	7	0.45%	5.20%
Vinitkumar Popatlal Parikh	Pattammal Murlidharan	8000	12376	13420	3	0.15%	1.81%
Vinitkumar Popatlal Parikh	Jitendra Bhogilal Parikh	1255	1000	2000	2	0.02%	0.27%
Vinitkumar Popatlal Parikh	Vivek Shivaram Kale	19015	22512	38030	3	0.44%	5.13%
Vinitkumar Popatlal Parikh	Kamlesh Bhikhabhai Shah	207	175	350	1	0.00%	0.05%
Vinitkumar Popatlal Parikh	Narayandas Dipchand Shah	16078	13510	25518	5	0.29%	3.44%
Pattammal Murlidharan	Vivek Shivaram Kale	11103	11286	11868	2	0.14%	1.60%
Pattammal Murlidharan	Kamlesh Bhikhabhai Shah	128	845	256	1	0.00%	0.03%
Pattammal Murlidharan	Narayandas Dipchand Shah	4973	5135	9946	2	0.11%	1.34%
Jitendra Bhogilal Parikh	Vivek Shivaram Kale	1907	1155	2310	1	0.03%	0.31%
Jitendra Bhogilal Parikh	Vijaya Parsharam Salvi	774	944	1548	1	0.02%	0.21%
Jitendra Bhogilal Parikh	Nilesh Rameshchandra Shah	3445	3862	6890	1	0.08%	0.93%
Jitendra Bhogilal Parikh	Narayandas Dipchand Shah	3193	4128	3726	3	0.04%	0.50%
Vivek Shivaram Kale	Vijaya Parsharam Salvi	15938	20337	31792	3	0.37%	4.29%
Vivek Shivaram Kale	Kamlesh Bhikhabhai Shah	12170	9597	11754	4	0.14%	1.59%
Vivek Shivaram Kale	Nilesh Rameshchandra Shah	1	2	2	1	0.00%	0.00%
Vivek Shivaram Kale	Narayandas Dipchand Shah	2499	3392	4998	3	0.06%	0.67%
Kamlesh Bhikhabhai Shah	Nilesh Rameshchandra Shah	3015	5017	6030	1	0.07%	0.81%
Kamlesh Bhikhabhai Shah	Narayandas Dipchand Shah	16119	18342	23686	7	0.27%	3.19%
Nilesh Rameshchandra Shah	Narayandas Dipchand Shah	4263	4370	8526	1	0.10%	1.15%
		533078	**488171**	**741564**	**33**	**8.56%**	**100.00%**

32. In this regard, I note from the above table that total reversal quantity among Noticees 1 to 18 during IP was 7,41,564 which was 8.56% of market volume during IP. I note from material available on record similar pattern in respect of reversal trades by Noticees 1 to 18, being connected Group 1 entities, wherein by executing reversal trades they generated artificial volume of 7,41,564. To illustrate the pattern adopted by the aforesaid Noticees, for brevity, certain of the instances of reversal trades between different pairs of Noticee's, as observed from analysis of trade log, as examples are being discussed as under:

Illustration 1:

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
18/10/2016	HIGHGROTH VINCOM PRIVATE LIMITED	ORIGINAL FASHION TRADERS PVT LTD	11:16:59	11:17:01	11:17:01	43.35	43.35	43.35	5000	5000	5000
18/10/2016	ORIGINAL FASHION TRADERS PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	11:17:20	11:17:19	11:17:20	43.4	43.4	43.4	5000	5000	5000
19/10/2016	ORIGINAL FASHION TRADERS PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	14:25:53	14:25:51	14:25:53	45.3	45.3	45.3	5000	5000	5000
19/10/2016	HIGHGROTH VINCOM PRIVATE LIMITED	ORIGINAL FASHION TRADERS PVT LTD	14:26:00	14:26:08	14:26:08	45.25	45.25	45.25	5000	5000	5000
24/11/2016	HIGHGROTH VINCOM PRIVATE LIMITED	ORIGINAL FASHION TRADERS PVT LTD	15:08:27	15:08:24	15:08:27	47.4	47.4	47.4	5000	5000	5000
24/11/2016	ORIGINAL FASHION TRADERS PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	15:09:26	15:09:24	15:09:26	47.3	47.3	47.3	5000	5000	5000
14/12/2016	HIGHGROTH VINCOM PRIVATE LIMITED	ORIGINAL FASHION TRADERS PVT LTD	13:37:16	13:37:17	13:37:17	38.8	38.8	38.8	2000	2000	2500
14/12/2016	HIGHGROTH VINCOM PRIVATE LIMITED	ORIGINAL FASHION TRADERS PVT LTD	13:37:27	13:37:17	13:37:27	38.8	38.8	38.8	500	500	2500
14/12/2016	HIGHGROTH VINCOM PRIVATE LIMITED	ORIGINAL FASHION TRADERS PVT LTD	13:37:42	13:37:43	13:37:43	38.8	38.8	38.8	1000	1000	1200
14/12/2016	ORIGINAL FASHION TRADERS PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	13:37:56	13:37:55	13:37:56	38.75	38.75	38.75	500	500	500
14/12/2016	ORIGINAL FASHION TRADERS PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	13:38:12	13:38:11	13:38:12	38.6	38.6	38.6	3000	3500	3000
14/12/2016	ORIGINAL FASHION TRADERS PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	13:38:42	13:38:41	13:38:42	38.8	38.8	38.8	2000	3000	2000
14/12/2016	ORIGINAL FASHION	HIGHGROTH VINCOM	13:38:42	13:38:51	13:38:51	38.8	38.8	38.8	1000	3000	1000

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
	TRADERS PVT LTD	PRIVATE LIMITED									
14/12/2016	HIGHGROTH VINCOM PRIVATE LIMITED	ORIGINAL FASHION TRADERS PVT LTD	13:39:09	13:39:23	13:39:23	38.5	38.5	38.5	1500	1500	1500
14/12/2016	HIGHGROTH VINCOM PRIVATE LIMITED	ORIGINAL FASHION TRADERS PVT LTD	13:39:54	13:39:55	13:39:55	38.65	38.65	38.65	1000	1000	1000
14/12/2016	HIGHGROTH VINCOM PRIVATE LIMITED	ORIGINAL FASHION TRADERS PVT LTD	13:40:06	13:40:07	13:40:07	38.8	38.8	38.8	500	500	500

33. I note from the above table that Noticee 5 and Noticee 12 did reversal trades between themselves on 18.10.2016, 19.10.2016, 24.11.2016 and 14.12.2016 in the scrip.

I also note that Noticee 5 and Noticee 12 did reversal trades in short period of time i.e., within seconds in three out of four trade days and in less than three minutes on one out of four trade days thereby generated artificial volume in the scrip with price difference of few paise between initial and reversal trades. I note from the above table that Noticee 5 and Noticee 12 did reversal trades in similar manner repetitively on 18.10.2016, 19.10.2016, 24.11.2016 and 14.12.2016. To briefly elaborate, on 18.10.2016, Noticee 5 places a limit buy order at 11:16:59 AM for quantity of 5000 shares in the scrip at price of Rs.43.35; and within two seconds i.e. at 11:17:01 AM, Noticee 12 places a limit sell order for exactly the same quantity viz., 5000 at exactly the same price as that of buyer viz., Rs. 43.35. The orders got executed at 11:17:01 AM for 5000 shares at the price of Rs.43.35. Thereafter within nineteen seconds i.e. at 11:17:20 AM this trade got reversed which is elaborated as follows: At 11:17:19 AM, Noticee 5 had put a limit sell order for quantity 5000 shares at price Rs. 43.40 and within one second Noticee 12 put a matching limit buy order with exactly same quantity and exact same price as that of Noticee 5 and the orders got executed. Likewise was the pattern for trades on 19.10.2016, 24.11.2016 and 14.12.2016.

On 19.10.2016, Noticee 5 places a limit sell order at 02:25:51 PM for quantity of 5000 shares in the scrip at price of Rs. 45.30; and within two seconds i.e. at

02:25:53 PM, Noticee 12 places a limit buy order for exactly same quantity viz., 5000 at exactly the same price as that of seller viz., Rs. 45.30. The orders got executed at 02:25:53 PM for 5000 shares at the price of Rs.45.30. Thereafter within fifteen seconds i.e. at 02:26:08 PM this trade got reversed which is elaborated as follows: At 02:26:00 PM, Noticee 5 had put a limit buy order for quantity 5000 shares at price Rs. 45.25 and within eight seconds Noticee 12 puts a matching limit sell order with exactly same quantity and exact same price as that of Noticee 5 i.e., for quantity 5000 and at Rs. 45.25 and the orders got executed.

On 24.11.2016, Noticee 12 places a limit sell order at 03:08:24 PM for quantity of 5000 shares in the scrip at price of Rs. 47.40; and within three seconds i.e. at 03:08:27 PM, Noticee 5 places a limit buy order for exactly same quantity viz., 5000 at exactly the same price as that of seller viz., Rs. 47.40. The orders got executed at 03:08:27 PM for 5000 shares at the price of Rs.47.40. Thereafter within less than a minute /fifty-nine seconds i.e. at 03:09:26 PM this trade got reversed which is elaborated as follows: At 03:09:24 PM, Noticee 5 had put a limit sell order for quantity 5000 shares at price Rs. 47.30 and within two seconds Noticee 12 puts a matching limit buy order with exactly same quantity and exact same price as that of Noticee 5 i.e., for quantity 5000 and at Rs. 47.30 and the orders got executed.

On 14.12.2016, Noticee 5 and Noticee 12 had ten trades involving total quantity of 13000 shares with six trades involving Noticee 5 as buyer and Noticee 12 as seller /counterparty and involving total quantity of 6500 shares and four trades involving Noticee 5 as seller and Noticee 12 as buyer and involving exactly same total quantity of 6500 shares details of which are elaborated as follows: Noticee 5 places a limit buy order at 01:37:16 PM for quantity of 2000 shares in the scrip at price of Rs. 38.80; and within just one second i.e. at 01:37:17 PM, Noticee 12 places a limit sell order for quantity viz., 2500 at exactly the same price as that of buyer viz., Rs. 38.80. The orders got executed at 01:37:17 PM for 2000 shares at the price of Rs. 38.80 leaving quantity of 500 as unexecuted. Thereafter within just ten seconds i.e. at 01:37:27 PM Noticee 5 places another buy order for quantity 500 shares (equivalent to differential quantity between earlier orders of Noticee 5 and Noticee 12 / unexecuted quantity of earlier sell order involving quantity of 2500 by Noticee 12) at exactly same price as that of earlier trade (earlier trade between Noticee 5 and 12 at 01:37:17 PM) viz., at Rs. 38.80 which matches with sell order of Noticee 12. In nutshell on 14.12.2016 there were six trades with Noticee 5 as buyer and Noticee 12 as seller involving total quantity 6500 and this exact same quantity viz., 6500 was reversed in four trades with Noticee 5 as seller and Noticee 12 as buyer. The ten trades between Noticee 5 and Noticee 12 had occurred at five different /distinct trade prices that too within less than three minutes with first trades between the two Noticees at 01:37:17 PM and last trade at 01:40:07 PM (time gap of 2 minutes 50 seconds). Of total ten trades between Noticee 5 and Noticee 12 on 14.12.2016, in six trades both the buy and the sell order were at same price viz., 38.80 and remaining four were at buy /sell order price of 38.50, 38.60, 38.65 and 38.75. In all the ten trades the order price by Noticee 5 and Noticee 12 for each of the respective trades was exactly the same including for instances when the traded price was different across the trades (difference in trade price being upto 30 paise on same trade day).

Further in this regard, I also note that, on simple calculation basis taking difference between the buy and sell trades, the net outflow /inflow of funds in respect of aforesaid trades across all the four days between Noticee 5 and Noticee 12 was just Rs. 25 (Noticee 5: inflow of Rs. 250 each for two trade days viz., 18.10.2016 and 19.10.2016, outflow of Rs. 500 for trade day 24.11.2016 and outflow of Rs. 25 for trade day 14.12.2016 thereby resulting in net outflow across four trade days being Rs.25; vice versa being applicable for Noticee 12). Considering the quantity involved in each of the sixteen trades across the four trade days, with just inflow /outflow of Rs. 25/-, Noticee 5 and Noticee 12 generated volume of 43000 shares in the scrip. Considering that both Noticee 5 and Noticee 12 were part of Group 1, even the involvement of Rs. 25/- would be notional, as owing to reversal between connected group entities, even the said meagre amount would just change hands within connected group entities itself.

Such pattern involving precise orders placement by the Noticee 5 and Noticee 12 considering proximity of time, quantity and price of the orders as explained above, evidently points to meeting of minds between them with a view to execute reversal trades thereby generating artificial volume and resulting in manipulation of volume in the scrip.

Illustration 2:

TRADE_DATE	CLIENT NAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
27/01/2017	VIVEK SHIVARAM KALE	KAPILA VAGHELA	11:36:48	11:36:45	11:36:48	45.5	45.5	45.5	262	262	3500
27/01/2017	VIVEK SHIVARAM KALE	KAPILA VAGHELA	11:36:49	11:36:45	11:36:49	45.5	45.5	45.5	131	131	3500
27/01/2017	VIVEK SHIVARAM KALE	KAPILA VAGHELA	11:36:50	11:36:45	11:36:50	45.5	45.5	45.5	252	252	3500
27/01/2017	VIVEK SHIVARAM KALE	KAPILA VAGHELA	11:36:50	11:36:45	11:36:50	45.5	45.5	45.5	363	363	3500
27/01/2017	VIVEK SHIVARAM KALE	KAPILA VAGHELA	11:36:51	11:36:45	11:36:51	45.5	45.5	45.5	252	252	3500
27/01/2017	VIVEK SHIVARAM KALE	KAPILA VAGHELA	11:36:52	11:36:45	11:36:52	45.5	45.5	45.5	141	141	3500
27/01/2017	VIVEK SHIVARAM KALE	KAPILA VAGHELA	11:36:55	11:36:45	11:36:55	45.5	45.5	45.5	252	252	3500
27/01/2017	VIVEK SHIVARAM KALE	KAPILA VAGHELA	11:36:56	11:36:45	11:36:56	45.5	45.5	45.5	363	363	3500
27/01/2017	VIVEK SHIVARAM KALE	KAPILA VAGHELA	11:36:56	11:36:45	11:36:56	45.5	45.5	45.5	252	252	3500
27/01/2017	VIVEK SHIVARAM KALE	KAPILA VAGHELA	11:36:57	11:36:45	11:36:57	45.5	45.5	45.5	141	141	3500
27/01/2017	VIVEK SHIVARAM KALE	KAPILA VAGHELA	11:36:58	11:36:45	11:36:58	45.5	45.5	45.5	252	252	3500
27/01/2017	VIVEK SHIVARAM KALE	KAPILA VAGHELA	11:36:59	11:36:45	11:36:59	45.5	45.5	45.5	363	363	3500
27/01/2017	VIVEK SHIVARAM KALE	KAPILA VAGHELA	11:37:00	11:36:45	11:37:00	45.5	45.5	45.5	252	252	3500
27/01/2017	VIVEK SHIVARAM KALE	KAPILA VAGHELA	11:37:02	11:36:45	11:37:02	45.5	45.5	45.5	200	200	3500

TRADE_DATE	CLIENT NAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
27/01/2017	VIVEK SHIVARAM KALE	KAPILA VAGHELA	11:37:03	11:36:45	11:37:03	45.5	45.5	45.5	24	24	3500
27/01/2017	KAPILA VAGHELA	VIVEK SHIVARAM KALE	14:30:57	14:30:40	14:30:57	44.75	45.05	44.75	100	2500	100
27/01/2017	KAPILA VAGHELA	VIVEK SHIVARAM KALE	14:30:57	14:30:54	14:30:57	45.05	45.05	45.05	2400	2500	3500
27/01/2017	KAPILA VAGHELA	VIVEK SHIVARAM KALE	14:31:01	14:30:54	14:31:01	45.05	45.05	45.05	500	500	3500
27/01/2017	KAPILA VAGHELA	VIVEK SHIVARAM KALE	14:31:02	14:30:54	14:31:02	45.05	45.05	45.05	500	500	3500

34. I note from the above table that Noticee 8 and Noticee 18 had multiple trades between themselves on 27.01.2017 in the scrip. On 27.01.2017, Noticee 8 put a limit sell order at 11:36:45 AM for quantity 3500 shares at the price of Rs.45.50 followed by Noticee 18 putting limit buy orders for the exact same quantity split into 15 orders during 11:36:48 AM to 11:37:03 AM at the exact same price i.e. Rs.45.5. 15 buy orders of Noticee 18 got matched with single sell order of Noticee 8 for 3500 shares at the price of Rs.45.5. These trades were reversed during 02:30:57 PM to 02:31:02 PM: At 02:30:40 PM and 02:30:54 PM, Noticee 18 put two limit sell orders for the quantity of 100 shares and 3500 shares at Rs. 44.75 and Rs.45.05 respectively; Noticee 8 put matching buy orders and the said trades got executed. I note that, by the said reversal of trades, Noticee 8 and Noticee 18 generated volume of 7000 in the scrip.

I note from the table above that on 27.01.2017 in all Noticee 8 and Noticee 18 had nineteen trades with fifteen trades involving Noticee 18 as buyer and Noticee 8 as seller and with four trades involving Noticee 18 as seller and Noticee 8 as buyer. It is noted that the sum total of quantity involved in the fifteen trades with Noticee 18 as buyer being 3500 was exact match of the order quantity of Noticee 8 as seller. I also note that Noticee 18 as buyer had placed the buy orders involving unique quantities viz., 24, 131, 141, 252, 262, 363, except for one order involving quantity 200. Generally speaking genuine common investor trades in market with quantities involving integers rounded off to nearest 100's and /or in multiples of 10, 25, 50, 100, 1000 etc., and not involving quantity of unique integers involving odd numerals, like in the instant case.

I note from the table above that on 27.01.2017 Noticee 8 and Noticee 18 had total nineteen trades involving total quantity /volume of 7000 shares in the scrip. Of these nineteen trades, in fifteen trades involving total quantity of 3500 shares, Noticee 18 was the buyer and Noticee 8 was the seller and in remaining four trades, also involving total quantity of 3500 shares, Noticee 18 was the seller and Noticee 8 was the buyer.

As regards the initial fifteen trades where Noticee 18 was buyer and Noticee 8 was the seller, I note that at 11:36:45 AM Noticee 8 placed a sell order with quantity 3500 which was matched by Noticee 18 through multiple orders placed within seconds (with first buy order of Noticee 18 being placed within three seconds of the sell order of Noticee 8) viz., fifteen buy orders involving unique quantity ranging from 24 to 363 and totaling to quantity 3500 viz., exact match of the sell order quantity of Noticee 8. I note that all the fifteen orders were placed at same price viz., 45.50 and that too within fifteen seconds viz., between 11:36:48 AM to 11:37:03 AM. In this regard, in my view, placement of fifteen orders by Noticee 18 within fifteen seconds with all orders being at exact same price, instead of placing a single order for quantity 3500 evidently points to non-genuine trading, as generally speaking any rationale investor intending to buy 3500 quantity at same price would not split and place fifteen different orders involving unique odd numbered quantities that too within fifteen seconds, as was in the instant case. I note that the quantity of 3500 through fifteen orders was reversed between the Noticee 8 and Noticee 18 subsequently on same day through four trades, with all four trades executed within just five seconds viz., between 2:30:57 PM to 2:31:02 PM.

I also note that the initial leg involving the fifteen trades totaling to quantity 3500 were at /around same time viz., between 11:36 to 11:37 AM and that the subsequent reversal leg involving four trades totaling to quantity 3500 were at

/around same time viz., between 02:30 PM to 2:31 PM and the buy and sell orders by the Noticee 8 and Noticee 18 in both the initial and reversal leg were placed almost simultaneously viz., during initial leg Noticee 8 having placed sell order at 11:36:45 AM followed by Noticee 18 having placed first of the fifteen buy orders within just three seconds i.e., at 11:36:48 AM. Likewise, in the reversal leg, Noticee 18 had placed the sell order at 02:30:40 PM followed by Noticee 8 having placed first buy order within seventeen seconds i.e., at 02:30:57 PM. By trading between themselves on 27.01.2017 as explained above, Noticee 8 and Noticee 18 had generated volume of quantity 7000 in the scrip on the day.

In case of this instance too, I note that, on simple calculation basis taking difference between the buy and sell trades, the net outflow /inflow of funds in respect of aforesaid trades on the day between Noticee 8 and Noticee 18 was just Rs. 1605. Considering the quantity involved in each of the nineteen trades on the day, with just inflow /outflow of Rs. 1605/-, Noticee 8 and Noticee 18 generated volume of 7000 shares in the scrip on the day. Considering that both Noticee 8 and Noticee 18 were part of Group 1, even the involvement of Rs. 1605/- would be notional, as owing to reversal between connected group entities, even the said amount would just change hands within connected group entities itself.

Such pattern involving precise orders placement by the Noticee 8 and Noticee 18 considering proximity of time, quantity and price of the orders as explained above, evidently points to meeting of minds between them with a view to execute reversal trades thereby generating artificial volume and resulting in manipulation of volume in the scrip.

Illustration 3:

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
30/01/2017	GLORIOUS VINCOM PRIVATE LIMITED	HIGHGROTH VINCOM PRIVATE LIMITED	2:46:12 PM	2:43:24 PM	2:46:12 PM	46.3	46.3	46.3	3957	10000	10000
30/01/2017	HIGHGROTH VINCOM PRIVATE LIMITED	GLORIOUS VINCOM PRIVATE LIMITED	3:05:57 PM	3:03:29 PM	3:05:57 PM	45.7	45.7	45.7	3957	3957	10000

35. I note from the above table that Noticee 4 and Noticee 5 did reversal trades on 30.01.2017 in the scrip. On 30.01.2017, Noticee 5 put a limit sell order at 02:43:24 PM for 10,000 shares at a rate of Rs.46.30; after two minutes and forty eight seconds i.e. 02:46:12 PM, Noticee 4 put a limit buy order for same quantity of shares at the same price. The order got executed at 02:46:12 PM for 3,957 shares at the rate of Rs.46.30. This trade got reversed within ten minutes. At 03:03:29 PM, Noticee 4 put a limit sell order for 10,000 shares at the price of Rs.45.70, when, Noticee 5 put a buy order at 03:05:57 PM for 3957 shares at a rate of Rs.45.70, the aforesaid trades got reversed for the quantity of 3957 shares and at the price of Rs.45.70. I note that, such precise order placement by the Noticees 4 and 5 considering time, quantity, and price of the orders indicates prior meeting of minds between them with a view to execute reversal trades. I also note that by reversal of trade within ten minutes, Noticee 4 and Noticee 5 generated artificial volume of 7914 shares, with a price difference of 60 paise.

Illustration 4:

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
31/01/2017	PRADIP JAYANTILAL MEHTA	VIVEK SHIVARAM KALE	13:06:44	13:04:28	13:06:44	47.5	47.5	47.5	75	300	2500
31/01/2017	PRADIP JAYANTILAL MEHTA	VIVEK SHIVARAM KALE	13:06:46	13:04:28	13:06:46	47.5	47.5	47.5	175	200	2500
31/01/2017	VIVEK SHIVARAM KALE	PRADIP JAYANTILAL MEHTA	13:04:23	13:06:50	13:06:50	47.45	47.45	47.45	160	2500	300
31/01/2017	VIVEK SHIVARAM KALE	PRADIP JAYANTILAL MEHTA	13:04:23	13:06:52	13:06:52	47.45	47.45	47.45	90	2500	200

36. I note from the above table that Noticee 14 and Noticee 18 did reversal trades on 31/01/2017 in the scrip. On 31/01/2017, Noticee 18 put a limit sell order at 01:04:28 PM for 2500 shares at a rate of Rs.47.50; after two minutes and sixteen seconds i.e. 01:06:44 PM, Noticee 14 put a limit buy order for 300 shares at the same price. The order got executed at 01:06:44 PM for 75 shares at the rate of Rs.47.50. Further, at 01:06:46 PM, Noticee 14 put a limit buy order for 200 shares at the same price i.e. Rs.47.50. The order got executed at 01:06:46 PM for 175 shares at the rate of Rs.47.50. These trades got reversed within eight seconds. Noticee 18 put a buy order at 01:04:23 PM for 2500 shares at a rate of Rs.47.45; Noticee 14 put two matching limit sell orders at 01:06:50 PM and 01:06:52 PM for total 500 shares and the aforesaid trades got reversed at Rs.47.45. I also note that by reversal of trade within eight seconds, Noticee14 and Noticee 18 generated artificial volume of 500 shares, with a price difference of 5 paise.

I note that, such precise order placement by the Noticee 14 and Noticee 18 considering time, quantity, and price of the orders indicates prior meeting of minds between them with a view to execute reversal trades.

Illustration 5:

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:21	11:32:19	11:32:21	45.75	46	45.75	25	25	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:22	11:32:19	11:32:22	45.75	45.75	45.75	25	25	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:22	11:32:19	11:32:22	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:23	11:32:19	11:32:23	45.75	45.75	45.75	12	12	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:24	11:32:19	11:32:24	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:24	11:32:19	11:32:24	45.75	45.75	45.75	20	20	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:25	11:32:19	11:32:25	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:26	11:32:19	11:32:26	45.75	45.75	45.75	20	20	2000

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:26	11:32:19	11:32:26	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:27	11:32:19	11:32:27	45.75	45.75	45.75	20	20	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:28	11:32:19	11:32:28	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:28	11:32:19	11:32:28	45.75	45.75	45.75	20	20	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:29	11:32:19	11:32:29	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:30	11:32:19	11:32:30	45.75	45.75	45.75	20	20	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:30	11:32:19	11:32:30	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:31	11:32:19	11:32:31	45.75	45.75	45.75	20	20	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:32	11:32:19	11:32:32	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:32	11:32:19	11:32:32	45.75	45.75	45.75	20	20	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:33	11:32:19	11:32:33	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:34	11:32:19	11:32:34	45.75	45.75	45.75	20	20	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:34	11:32:19	11:32:34	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:35	11:32:19	11:32:35	45.75	45.75	45.75	20	20	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:36	11:32:19	11:32:36	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:36	11:32:19	11:32:36	45.75	45.75	45.75	20	20	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:37	11:32:19	11:32:37	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:38	11:32:19	11:32:38	45.75	45.75	45.75	20	20	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:38	11:32:19	11:32:38	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:39	11:32:19	11:32:39	45.75	45.75	45.75	20	20	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:40	11:32:19	11:32:40	45.75	45.75	45.75	32	32	2000

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:41	11:32:19	11:32:41	45.75	45.75	45.75	20	20	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:41	11:32:19	11:32:41	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:42	11:32:19	11:32:42	45.75	45.75	45.75	20	20	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:43	11:32:19	11:32:43	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:43	11:32:19	11:32:43	45.75	45.75	45.75	20	20	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:44	11:32:19	11:32:44	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:44	11:32:19	11:32:44	45.75	45.75	45.75	20	20	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:45	11:32:19	11:32:45	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:46	11:32:19	11:32:46	45.75	45.75	45.75	20	20	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:47	11:32:19	11:32:47	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:47	11:32:19	11:32:47	45.75	45.75	45.75	20	20	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:48	11:32:19	11:32:48	45.75	45.75	45.75	32	32	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:49	11:32:19	11:32:49	45.75	45.75	45.75	50	50	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:50	11:32:19	11:32:50	45.75	45.75	45.75	35	35	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:51	11:32:19	11:32:51	45.75	45.75	45.75	50	50	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:52	11:32:19	11:32:52	45.75	45.75	45.75	65	65	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:52	11:32:19	11:32:52	45.75	45.75	45.75	50	50	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:53	11:32:19	11:32:53	45.75	45.75	45.75	65	65	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:54	11:32:19	11:32:54	45.75	45.75	45.75	50	50	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:54	11:32:19	11:32:54	45.75	45.75	45.75	65	65	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:55	11:32:19	11:32:55	45.75	45.75	45.75	50	50	2000

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:56	11:32:19	11:32:56	45.75	45.75	45.75	65	65	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:57	11:32:19	11:32:57	45.75	45.75	45.75	50	50	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:57	11:32:19	11:32:57	45.75	45.75	45.75	25	25	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:58	11:32:19	11:32:58	45.75	45.75	45.75	25	25	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:32:59	11:32:19	11:32:59	45.75	45.75	45.75	35	35	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:33:00	11:32:19	11:33:00	45.75	45.75	45.75	25	25	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:33:00	11:32:19	11:33:00	45.75	45.75	45.75	50	50	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:33:01	11:32:19	11:33:01	45.75	45.75	45.75	35	35	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:33:02	11:32:19	11:33:02	45.75	45.75	45.75	50	50	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:33:03	11:32:19	11:33:03	45.75	45.75	45.75	35	35	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:33:04	11:32:19	11:33:04	45.75	45.75	45.75	26	26	2000
17/01/2017	VINITKUMAR POPATLAL PARIKH	PATTAMMAL MURLIDHARAN	11:33:08	11:32:19	11:33:08	45.75	45.75	45.75	37	37	2000
17/01/2017	PATTAMMAL MURLIDHARAN	VINITKUMAR POPATLAL PARIKH	14:14:28	14:14:28	14:14:28	45.15	45.15	45.15	1999	1999	2000
17/01/2017	PATTAMMAL MURLIDHARAN	VINITKUMAR POPATLAL PARIKH	14:14:29	14:14:28	14:14:29	45.15	45.15	45.15	1	1	2000

37. I note from the above table that Noticee 13 and Noticee 17 had multiple trades between themselves on 17.01.2017 and did reversal trades between themselves in the scrip on the day.

On 17.01.2017, Noticee 13 put a limit sell order at 11:32:19 AM for quantity 2000 shares at the price of Rs.45.75 followed by Noticee 17 putting limit buy orders for the exact same quantity split into 62 orders within 47 seconds i.e., during 11:32:21 AM to 11:33:08 AM at the exact same price i.e. Rs.45.75 (in 61 out of 62 buy orders). 62 buy orders of Noticee 17 got matched with single sell order of

Noticee 13 for 2000 shares at the price of Rs.45.75. These trades got reversed during 02:14:28 PM to 02:14:29 PM. At 02:14:28 PM, Noticee 13 put limit sell order for the quantity of 2000 shares at Rs. 45.15, which got matched with the two buy orders of Noticee 17 viz., with simultaneous buy order of Noticee 17 placed at exact same time i.e., at 02:14:28 PM for quantity 1999 followed by another buy order within just one second at 02:14:29 PM for residual quantity of 1 share. I note that, by the said reversal of trades, Noticee 13 and Noticee 17 generated artificial volume of 4000 in the scrip.

I note from the table above that on 17.01.2017 in all Noticee 13 and Noticee 17 had sixty-four trades with sixty-two trades involving Noticee 17 as buyer and Noticee 13 as seller and with two trades involving Noticee 17 as seller and Noticee 13 as buyer.

It is noted that the sum total of quantity involved in the sixty-two trades with Noticee 17 as buyer being 2000 was exact match of the order quantity of Noticee 13 as seller. I also note that Noticee 17 as buyer had placed multiple buy orders (62 buy orders within 47 seconds – with 61 out of 62 buy orders being at exact same price) with most of the buy orders involving unique quantities like 12, 26, 32, 35, 37, 65 etc. Generally speaking genuine common investor trades in market with quantities involving integers rounded off to nearest 100's and /or in multiples of 10, 25, 50, 100, 1000 etc., and not involving quantity of unique integers involving odd numerals, like in the instant case.

As regards the initial sixty-two trades where Noticee 17 was buyer and Noticee 13 was the seller, I note that at 11:32:19 AM Noticee 13 placed a sell order with quantity 2000 which was matched by Noticee 17 through multiple orders placed within seconds (with first buy order of Noticee 17 being placed within two seconds of the sell order of Noticee 13). I note that 61 out of 62 buy orders of Noticee 17 were placed at same price viz., 45.75 and that too within forty-seven seconds viz., between 11:32:21 AM to 11:33:08 AM. In this regard, in my view, as also observed in respect of earlier similar instance involving different pair of Noticee's, placing of 62 buy orders by Noticee 17 within just 47 seconds with all orders being at exact same price (save for one buy order), instead of placing a single order for quantity 2000, evidently points to non-genuine trading, as generally speaking any rationale investor intending to buy 2000 quantity at same price would not split and place multiple orders involving unique odd numbered quantities that too within less than a minute, as was in the instant case. I note that the quantity of 2000 involved in 62 buy orders was reversed between the Noticee 17 and Noticee 13 subsequently on same day through two trades, with both trades executed within just one second viz., between 2:14:28 PM to 2:14:29 PM.

I also note that the initial leg involving the 62 trades totaling to quantity 2000 were in less than one minute viz., between 11:32 to 11:33 AM and that the subsequent reversal leg involving 2 trades totaling to quantity 2000 were within 1 second and the buy and sell orders by the Noticee 17 and Noticee 13 in both the initial and reversal leg were placed almost simultaneously viz., during initial leg Noticee 13 having placed sell order at 11:32:19 AM followed by Noticee 17 having placed first of the 62 buy orders within just 2 seconds i.e., at 11:32:21 AM. Likewise, in the reversal leg, Noticee 17 and Noticee 13 had placed the sell and buy orders at simultaneously at 02:14:28 PM. By trading between themselves on 17.01.2017 as explained above, Noticee 13 and Noticee 17 had generated volume of quantity 4000 in the scrip on the day, with a price difference of 60 paise.

I note that, on simple calculation basis taking difference between the buy and sell trades, the net outflow /inflow of funds in respect of aforesaid trades on the day between Noticee 17 and Noticee 13 was just Rs.120. Considering the quantity involved in each of the sixty-four trades on the day, with just inflow /outflow of Rs. 120/-, Noticee 13 and Noticee 17 generated volume of 4000 shares in the scrip on the day. Considering that both Noticee 13 and Noticee 17 were part of Group 1, even the involvement of Rs.120/- would be notional, as owing to reversal between connected group entities, even the said amount would just change hands within connected group entities itself.

Such pattern involving precise orders placement by the Noticee 13 and Noticee 17 considering proximity of time, quantity and price of the orders as explained above, evidently points to meeting of minds between them with a view to execute reversal trades thereby generating artificial volume and resulting in manipulation of volume in the scrip.

38. Such reversal trades amongst Noticees 1 to 18, being connected Group 1 entities, involving such pattern as illustrated in the foregoing evidently are non-genuine in nature as such trades would qualify to not have been executed in the normal course of trading and create false and misleading appearance of trading as such trades lead to generating artificial volume thereby resulting in manipulation of the volume in the scrip.

39. In view thereof, I find that the allegation in respect of Noticees 1 to 18 that they indulged in reversal trades amongst themselves during the IP and manipulated the volume in the scrip by creating false and misleading appearance of trading in the scrip without intention of performing, stands established. Therefore, I hold that Noticees 1 to 18 violated Section 12A(a),(b),(c) of SEBI Act and Regulations 3(a),(b),(c),(d) and 4(1) and 4(2) (a) and (g) of PFUTP Regulations.

ALLEGED VIOLATION REGARDING CONTRIBUTION TO PRICE RISE DURING PATCH 1 OF IP:

40. It was inter alia alleged in the SCN that during Patch 1 (October 05, 2016 – January 26, 2017), by trading among themselves Noticees 1 to 10, Noticees 12 to 15, Noticee 17 and Noticee 18 (collectively also referred to as ‘aforesaid Noticees’ / said 16 Noticees) had contributed 8.84% to market positive LTP and hence contributed to price rise in fraudulent manner and had manipulated the price of the scrip of ETL.

41. In this regard, I note that in respect of aforesaid Noticees, except Noticee 4 and Noticee 5, no reply to the SCN was received from remaining 14 Noticees nor did they avail the opportunity of hearing afforded to them, as also brought out in the foregoing. Accordingly, as regards remaining 14 Noticees, I am constrained to deal with the matter based on material available on record, as also brought out in the foregoing.

42. Noticee 4 and 5 contended that other than pointing to trades which allegedly contributed to positive LTP, there are no details about the trades that are shared in the SCN. Noticee 4 contended that mere Rs. 1.25 LTP has been impugned in the SCN, out of 13 impugned trades, range of mere Rs. 0.05 to 0.35, which is meagre to impact the price of scrip, while Noticee 5 contended that mere Rs. 6.55 LTP has been impugned in the SCN, out of 10 impugned trades, range of mere Rs. 0.05 to 3.4, which is meagre to impact the price of scrip. Noticees 4 and 5 were the sellers in most of the trades, therefore there is no way that they could have contributed to positive LTP. Further, no proof of connection with the counterparties has been adduced in the SCN. This allegation is without any basis as positive LTP by itself cannot be treated as fraud. There has to be some fraudulent intent. Further, there is no allegation of any NHP. In the present case, they had no reason to be part of some alleged fraud and that they were not even connected to any of the said 16 Noticees {excluding Noticee 5 (stated by Noticee 4) / excluding Noticee 4 (stated by Noticee 5)}. They also contended that the allegations are purely based on circumstantial evidence. However, the evidence adduced must be compelling which can be inferred by logical process of reasoning from the totality of facts and circumstances surrounding the allegations. In this regard, they inter alia cited judgments in the matter of Hanumat v. State of Madhya Pradesh; Balram Garg v. SEBI; Maharashtra State Board of Secondary and Higher Education v. KS Gandhi and contended that the circumstantial evidence relied by a regulator to prove some allegation should lead to only one conclusion.

In this regard, firstly I note, that the aforesaid Noticee's were inter alia provided with the details of the alleged LTP trades, following which time for making further additional submission as sought by the said Noticee's was also allowed and that said Noticee's also made additional submissions. Further in this regard, I also note that Noticee 4 and Noticee 5 were inter alia provided with the details of alleged violations and connection and relied upon documents as part of the SCN and that copy of the investigation report and relevant trade log were also provided. This apart, opportunity of inspection of relied upon documents had also been availed by them.

As regards Noticee's contention relating to LTP being meagre to impact the price of scrip, I note from the material available on record that the allegation with regard to LTP during Patch I and Patch 2, is in respect of not just Noticee 4 and Noticee 5 individually but in respect of 16 Noticees during Patch I and 15 Noticees during Patch 2, including Noticee 4 and 5 being connected Group 1 entities, having traded amongst themselves. Further in this regard, I note from the material available on record, as also brought out in the foregoing, that Group 1 and Group 2 were formed basis connection amongst them either directly and /or indirectly. As regards contention relating to impugned trades and LTP, the same has been dealt in detail in the paragraphs dealing with alleged violation with regard to contribution to price rise by the Noticees, as alleged.

As regards the judgments cited by the Noticee 4 and Noticee 5 inter alia contending that the circumstantial evidence relied by a regulator to prove some allegation should lead to only one conclusion, I note that data such as that relating to trades are factual in nature. I note that in the instant case, the LTP violation in respect of the Noticees, as alleged, relate to trades inter alia amongst the Noticees being connected Group 1 entities. In this regard, I note that Noticee 4 and Noticee 5 have neither disputed nor denied about having traded in the scrip during the period, as alleged. This apart, I note that the standard of proof in quasi-judicial proceedings are based on preponderance of probability, which has to be ascertained from the facts and circumstances of the matter. In this regard, reliance is placed on Hon'ble Supreme Court judgment in Kishore R. Ajmera wherein it was inter alia held that-

> *"...In the quasi-judicial proceeding before SEBI, the standard of proof is preponderance of probability. It is a fundamental principle of law that proof of an allegation levelled against a person may be in the form of direct substantive evidence or, as in many cases, such proof may have to be inferred by a logical process of reasoning from the totality of the attending facts and circumstances surrounding the allegations/charges made and levelled. While direct evidence is a more certain basis to come to a conclusion, yet, in the absence thereof the Courts cannot be helpless. It is the judicial duty to take note of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a reasonable conclusion therefrom. The test would always be that what inferential process that are as on able/prudent man would adopt to arrive at a conclusion. …"*

Further, in the matter of SEBI v/s Rakhi Trading, Hon'ble Supreme Court had inter alia held that:

> *"...Whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism will depend upon the intention of the parties which could be inferred from the attending circumstances because direct evidence in such cases may not be available. The nature of the transaction executed, the frequency with which such transactions are undertaken, the value of the transactions, whether they involve circular trading and whether there is real change of beneficial ownership, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn…."*

43. With respect to off-market transfer between Noticee 4 and Noticee 5 as alleged in the SCN, Noticee 5 contended that it had made payment of Rs. 2000000/- on 09.02.2017 and Rs.39005/- on 21.03.2017 to Noticee 4 and to settle internal obligation between said companies Noticee 4 transferred shares of Econo Trade in off-market and there is nothing abnormal about the same. Further, Noticee 5 contended that there was no off-market transaction between Noticee 5 and Noticee 20. In this regard, I note that both these Noticees, as part of their submissions, had inter alia submitted that they were owned by same promoter and that Noticee 5 did not dispute the alleged off-market transfer with Noticee 4. From the material available on record, I note that Noticee 4 had off-market transfer with Noticee 20. Further, Noticee 4, 5 and 20 were inter alia part of Group 1 being connected directly and /or indirectly as had also been already brought out in detail in the foregoing.

44. Noticees 4 and 5 contended that other than making blanket statements without explaining involvement of them in the alleged default, the SCN has failed to explain as to how their trades were manipulative. They further contended that the SCN only provides summary of trades without actually giving trade details, and the so-called irregularities alleged in the SCN do not point to the facts or evidence on the basis of which such draconian conclusions were drawn. Noticees 4 and 5 also contended that not a single shred of proof exists to back up the claims made in the SCN. The SCN accuses someone of major fraud based on merely having a suspect, completely disregarding the established legal precedents, such as the decisions of the Hon'ble SAT, which forbid the use of suspicion, conjecture, and speculation as evidence, particularly in cases of fraud. They also contended that the requirement of 'intention' is a pre-requisite to prove 'fraud' for violation of PFUTP Regulations. In this regard, I note from the SCN that details with regard to the alleged violations and provisions of law alleged to have been violated along with annexures containing relied upon documents had been provided to both the Noticees viz., Noticee 4 and Noticee 5, as part of SCN. Further, I also note, as also brought out in the foregoing, that both Noticee 4 and Noticee 5 had availed inspection of documents and had also been provided with copy of the Investigation Report and relevant trade log. In this regard, reliance is also placed on the matter of SEBI v/s Rakhi Trading wherein Hon’ble Supreme Court had inter alia held that:

> *“...Whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism will depend upon the intention of the parties which could be inferred from the attending circumstances because direct evidence in such cases may not be available. The nature of the transaction executed, the frequency with which such transactions are undertaken, the value of the transactions, whether they involve circular trading and whether there is real change of beneficial ownership, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one*

factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn…."

In view thereof, contentions of the Noticees 4 and 5, in this regard are devoid of merit and hence cannot be accepted.

45. Noticees 4 and 5 submitted that during IP they had traded in many other scrips in cash and FO segment. They have submitted ledger/reports of multiple brokers to support their submissions. They also contended that it is unjust and arbitrary to single out trading in one scrip and make a negative allegation based on that. In this regard, I note that trading by Noticees 4 and 5 in other scrips is not subject matter of the instant proceedings. The subject matter of instant proceedings is about their trading in the scrip of ETL. In view thereof, the contentions of the Noticee 4 and Noticee 5 in this regard are devoid of merit and hence cannot be accepted.

46. I note from the material available on record that Noticees 1 to 10, Noticees 12 to 15, Noticee 17 and Noticee 18 were inter alia part of Group 1 and the same was formed basis connection amongst them directly and /or indirectly, as also brought out in detail in the foregoing. I note that connection amongst them was established on the basis of common email ID, common phone number, common address, common director, off-market transfer, fund transfers etc. and hence they were all connected entities.

47. I note that as per material on record the aforesaid Noticees had inter alia by trading amongst themselves contributed to positive LTP. In this regard, following details of positive LTP trades where the Noticees 1 to 10, Noticees 12 to 15, Noticee 17 and Noticee 18 had traded among themselves:

Buy Client Name	Sell Client Name	Positive LTP	Traded Quantity	No. of Trades	% of Positive LTP to Total Market Positive LTP	% of Traded quantity to Total traded quantity contributing to LTP
Original Fashion Traders Pvt Ltd	Glorious Vincom Pvt Ltd	0.1	4940	1	0.04%	6.11%
	Highgrowth Vincom Pvt Ltd	6.5	23608	9	2.31%	29.18%
	Rudramukhi Infrastructure Pvt Ltd	1.7	14	2	0.61%	0.02%
Original Fashion Traders Pvt Ltd (Noticee 12)		**8.3**	**28562**	**12**	**2.96%**	**35.30%**
Arpita Ilesh Patel	Mahesh Bhailal Parmar	1.8	4342	7	0.64%	5.37%
	Pradip Jayantilal Mehta	1.55	524	2	0.55%	0.65%
	Vinitkumar Popatlal Parikh	1	500	1	0.36%	0.62%
Arpita Ilesh Patel (Noticee 3)		**4.35**	**5366**	**10**	**1.55%**	**6.63%**
Narayandas Dipchand Shah	Jitendra Bhogilal Parikh	2.2	1699	1	0.78%	2.10%
	Kamlesh Bhikhabhai Shah	0.2	644	2	0.07%	0.80%
	Mahesh Bhailal Parmar	0.4	8750	4	0.14%	10.82%
	Pattammal Murlidharan	0.1	500	1	0.04%	0.62%
	Pradip Jayantilal Mehta	0.15	400	2	0.05%	0.49%
	Vinitkumar Popatlal Parikh	0.25	1120	3	0.09%	1.38%
Narayandas Dipchand Shah (Noticee 10)		**3.3**	**13113**	**13**	**1.17%**	**16.21%**
Glorious Vincom Pvt Ltd	Anurodh Infrastructure Ltd	0.6	9500	4	0.21%	11.74%
	Highgrowth Vincom Pvt Ltd	0.05	200	1	0.02%	0.25%
	Original Fashion Traders Pvt Ltd	0.2	200	1	0.07%	0.25%
Glorious Vincom Pvt Ltd (Noticee 4)		**0.85**	**9900**	**6**	**0.30%**	**12.24%**
Jitendra Bhogilal Parikh	Narayandas Dipchand Shah	0.4	1750	4	0.14%	2.16%
	Pattammal Murlidharan	0.1	500	1	0.04%	0.62%
	Rudramukhi Infrastructure Pvt Ltd	0.05	35	1	0.02%	0.04%
	Vinitkumar Popatlal Parikh	0.05	500	1	0.02%	0.62%
Jitendra Bhogilal Parikh (Noticee 6)		**0.6**	**2785**	**7**	**0.22%**	**3.44%**

Kamlesh Bhikhabhai Shah	Ambalal Jhaverbhai Patel	0.35	4350	3	0.12%	5.38%
	Anurodh Infrastructure Ltd	0.3	2250	2	0.11%	2.78%
	Kapila Vaghela	0.25	200	1	0.09%	0.25%
	Vivek Shivaram Kale	0.05	4500	1	0.02%	5.56%
Kamlesh Bhikhabhai Shah (Noticee 7)		**0.95**	**11300**	**7**	**0.34%**	**13.97%**
Kapila Vaghela	Mahesh Bhailal Parmar	0.2	52	1	0.07%	0.06%
	Vivek Shivaram Kale	0.1	262	1	0.04%	0.32%
Kapila Vaghela (Noticee 8)		**0.3**	**314**	**2**	**0.11%**	**0.39%**
Pattammal Murlidharan	Ambalal Jhaverbhai Patel	0.2	550	4	0.07%	0.68%
	Kapila Vaghela	0.05	250	1	0.02%	0.31%
	Narayandas Dipchand Shah	0.15	250	1	0.05%	0.31%
	Pradip Jayantilal Mehta	0.05	250	1	0.02%	0.31%
	Vinitkumar Popatlal Parikh	1.6	981	4	0.57%	1.21%
Pattammal Murlidharan (Noticee 13)		**2.05**	**2281**	**11**	**0.73%**	**2.82%**
Pradip Jayantilal Mehta	Ambalal Jhaverbhai Patel	1.1	700	3	0.39%	0.87%
	Narayandas Dipchand Shah	0.25	920	4	0.09%	1.14%
	Pattammal Murlidharan	0.05	200	1	0.02%	0.25%
	Vinitkumar Popatlal Parikh	0.35	20	1	0.12%	0.02%
	Vivek Shivaram Kale	0.15	2500	1	0.05%	3.09%
Pradip Jayantilal Mehta (Noticee 14)		**1.9**	**4340**	**10**	**0.67%**	**5.36%**
Vivek Shivaram Kale	Arpita Ilesh Patel	0.15	292	1	0.05%	0.36%
	Kamlesh Bhikhabhai Shah	1.1	1862	2	0.39%	2.30%
	Mahesh Bhailal Parmar	0.2	762	2	0.07%	0.94%
	Vinitkumar Popatlal Parikh	0.8	26	1	0.28%	0.03%
Vivek Shivaram Kale (Noticee 18)		**2.25**	**2942**	**6**	**0.79%**	**3.64%**
	Total	**24.85**	**80903**	**84**	**8.84%**	**100.00%**

48. In this regard, analysis of data pertaining to positive LTP contributing trades in respect of certain pairs of the said 16 Noticees, as illustrations, as observed from the trade log, is given as under:

Noticees 12 and 5

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
18/10/2016	ORIGINAL FASHION TRADERS PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	11:17:20	11:17:19	11:17:20	43.4	0.05	43.4	43.4	5000	5000	5000
20/10/2016	ORIGINAL FASHION TRADERS PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	14:44:18	14:44:17	14:44:18	43.55	0.05	43.55	43.55	3500	3500	3500
30/10/2016	ORIGINAL FASHION TRADERS PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	18:31:15	18:38:33	18:38:33	46.95	2.05	46.95	46.95	88	88	200
10/11/2016	ORIGINAL FASHION TRADERS PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	12:27:34	12:27:22	12:27:34	46.8	0.2	46.8	46.8	10	10	1000
10/11/2016	ORIGINAL FASHION TRADERS PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	12:28:03	12:27:16	12:28:03	46.9	0.1	46.9	46.9	500	500	1000
08/12/2016	ORIGINAL FASHION TRADERS PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	15:05:21	15:05:18	15:05:21	39	3.4	39	39	5000	5000	5000
09/12/2016	ORIGINAL FASHION TRADERS PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	12:18:22	12:18:20	12:18:22	37.7	0.05	37.7	37.7	7500	7500	7507
14/12/2016	ORIGINAL FASHION TRADERS PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	13:38:42	13:38:41	13:38:42	38.8	0.2	38.8	38.8	2000	3000	2000
09/01/2017	ORIGINAL FASHION TRADERS PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	15:27:22	15:27:26	15:27:26	46.6	0.4	46.6	46.6	10	10	10
							6.5			**23608**		

During Patch 1, Noticee 12 and Noticee 5 contributed to positive LTP of 2.31% (LTP rate was Rs. 6.50) through 9 trades involving total quantity of 23608 by trading among themselves in eight trading days between 18/10/2016 to 09/01/2017. I note that on seven out of eight trading days the orders were placed with time difference of few seconds /less than one minute.

Noticees 3 and 9

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
28/12/2016	ARPITA ILESH PATEL	MAHESH BHAILAL PARMAR	10:15:35	10:15:32	10:15:35	45.35	0.25	45.35	45.35	1000	1000	1120

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
04/01/2017	ARPITA ILESH PATEL	MAHESH BHAILAL PARMAR	11:28:44	11:28:42	11:28:44	46	0.1	46	46	161	161	2000
04/01/2017	ARPITA ILESH PATEL	MAHESH BHAILAL PARMAR	12:41:11	12:41:09	12:41:11	46	0.4	46	46	2500	2500	2533
05/01/2017	ARPITA ILESH PATEL	MAHESH BHAILAL PARMAR	10:12:19	10:12:17	10:12:19	45.7	0.2	45.7	45.7	131	131	2055
12/01/2017	ARPITA ILESH PATEL	MAHESH BHAILAL PARMAR	11:34:24	11:34:21	11:34:24	46.5	0.4	46.5	46.5	262	262	3500
16/01/2017	ARPITA ILESH PATEL	MAHESH BHAILAL PARMAR	13:56:11	13:56:07	13:56:11	46.2	0.2	46.2	46.2	26	26	4000
19/01/2017	ARPITA ILESH PATEL	MAHESH BHAILAL PARMAR	10:12:13	10:12:09	10:12:13	46	0.25	46	46	262	262	4444
							1.8			**4342**		

During Patch 1, Noticee 3 and Noticee 9 contributed to positive LTP of 0.64% (LTP rate was Rs. 1.80) through 7 trades involving total quantity of 4342 by trading among themselves in six trading days between 28/12/2016 to 19/01/2017. I note that in all the seven instances of seven trades, the orders were placed with time difference of few seconds.

<u>Noticees 10 and 6</u>

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
28/10/2016	NARAYAN DAS DIPCHAND SHAH	JITENDRA BHOGILAL PARIKH	15:02:32	15:02:31	15:02:32	45	2.2	45	45	1699	1699	1700

During Patch 1, Noticee 10 and Noticee 6 contributed to positive LTP of 0.78% (LTP rate was Rs. 2.20) through the trade involving total quantity of 1699 by trading among themselves on the day and the orders were placed with time difference of one second.

Noticees 13 and 17

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	LTP_RATE	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
17/01/2017	PATTAMMAL MURLIDHARAN	VINITKUMAR POPATLAL PARIKH	9:44:03	9:44:00	9:44:03	1.1	46.5	46.5	46.5	66	66	2666
17/01/2017	PATTAMMAL MURLIDHARAN	VINITKUMAR POPATLAL PARIKH	9:44:13	9:44:00	9:44:13	0.4	46.5	46.5	46.5	65	65	2666
18/01/2017	PATTAMMAL MURLIDHARAN	VINITKUMAR POPATLAL PARIKH	13:53:03	13:53:00	13:53:03	0.05	45.75	45.75	45.75	500	500	2000
19/01/2017	PATTAMMAL MURLIDHARAN	VINITKUMAR POPATLAL PARIKH	14:20:17	14:20:00	14:20:17	0.05	45.95	45.95	45.95	350	350	710
						1.6				**981**		

During Patch 1, Noticee 13 and Noticee 17 contributed to positive LTP of 0.57% (LTP rate was Rs. 1.6) through 4 trades involving total quantity of 981 by trading among themselves in three trading days between 17/01/2017 and 19/01/2017. I note that in all the trades, the orders were placed with time difference of few seconds.

Noticees 14 and 1

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	LTP_RATE	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
20/01/2017	PRADIP JAYANTILAL MEHTA	AMBALAL JHAVERBHAI PATEL	14:12:21	14:12:16	14:12:21	0.05	45.5	45.5	45.5	300	300	1300
24/01/2017	PRADIP JAYANTILAL MEHTA	AMBALAL JHAVERBHAI PATEL	11:05:19	11:05:13	11:05:19	0.05	45.3	45.3	45.3	200	200	2500
25/01/2017	PRADIP JAYANTILAL MEHTA	AMBALAL JHAVERBHAI PATEL	10:34:20	10:34:17	10:34:20	1	45.5	45.5	45.5	200	200	3000
						1.1				**700**		

During Patch 1, Noticee 14 and Noticee 1 contributed to positive LTP of 0.39% (LTP rate was Rs. 1.10) through 3 trades involving total quantity of 700 by trading among themselves in three trading days between 20/01/2017 to 25/01/2017. I note that in respect of all the instances of trades, the orders were placed with time difference of few seconds.

As can be seen in almost all the instances the buy and sell orders by the respective Noticees were placed within few seconds which is indicative of the meeting of minds between the pair of Noticees. Similar pattern was observed across almost all such positive LTP contributing trades by the aforesaid Noticees.

49. Noticees 4, 5, 12 and 15:

I note from the material available on record and as briefly tabulated above that through 12 trades involving 28562 quantity, Noticee 12 had contributed to positive LTP of 2.96% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 12 trades were 3 connected group 1 entities viz. Noticee 4, Noticee 5 and Noticee 15. Therefore, I find that Noticee 12 as a buyer and Noticees 4, 5 and 15 as counterparty sellers, executed 12 trades involving 28562 quantity among themselves and being connected entities, they together contributed to positive LTP of 2.96% to total market positive LTP in the scrip.

50. Noticees 3, 9, 14 and 17:

I note from the material available on record and as briefly tabulated above that through 10 trades involving 5366 quantity Noticee 3 had contributed to positive LTP of 1.55% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 10 trades were 3 connected group 1 entities viz. Noticee 9, Noticee 14 and Noticee 17. Therefore, I find that Noticee 3 as a buyer and Noticees 9, 14 and 17 as counterparty sellers, executed 10 trades involving 5366 quantity among themselves and being connected entities, they together contributed to positive LTP of 1.55% to total market positive LTP in the scrip.

51. Noticees 6, 7, 9, 10, 13, 14 and 17:

I note from the material available on record and as briefly tabulated above that through 13 trades involving 13113 quantity Noticee 10 had contributed to positive

LTP of 1.17% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 13 trades were 6 connected group 1 entities viz. Noticee 6, Noticee 7, Noticee 9, Noticee 13, Noticee 14 and Noticee 17. Therefore, I find that Noticee 10 as a buyer and Noticees 6, 7, 9, 13, 14 and 17 as counterparty sellers, executed 13 trades involving 13113 quantity among themselves and being connected entities, they together contributed to positive LTP of 1.17% to total market positive LTP in the scrip.

52. Noticees 2, 4, 5, and 12:

I note from the material available on record and as briefly tabulated above that through 6 trades involving 9900 quantity Noticee 4 had contributed to positive LTP of 0.30% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 6 trades were 3 connected group 1 entities viz. Noticee 2, Noticee 5 and Noticee 12. Therefore, I find that Noticee 4 as a buyer and Noticees 2, 5 and 12 as counterparty sellers, executed 6 trades involving 9900 quantity among themselves and being connected entities, they together contributed to positive LTP of 0.30% to total market positive LTP in the scrip.

53. Noticees 6, 10, 13, 15 and 17:

I note from the material available on record and as briefly tabulated above that through 7 trades involving 2785 quantity Noticee 6 had contributed to positive LTP of 0.22% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 7 trades were 4 connected group 1 entities viz. Noticee 10, Noticee 13, Noticee 15 and Noticee 17. Therefore, I find that Noticee 6 as a buyer and Noticees 10, 13, 15 and 17 as counterparty sellers, executed 7 trades involving 2785 quantity among themselves and being connected entities, they together contributed to positive LTP of 0.22% to total market positive LTP in the scrip.

54. Noticees 1, 2, 7, 8 and 18:

I note from the material available on record and as briefly tabulated above that through 7 trades involving 11300 quantity Noticee 7 had contributed to positive LTP of 0.34% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 7 trades were 4 connected group 1 entities viz. Noticee 1, Noticee 2, Noticee 8 and Noticee 18. Therefore, I find that Noticee 7 as a buyer and Noticees 1, 2, 8 and 18 as counterparty sellers, executed 7 trades involving 11300 quantity among themselves and being connected entities, they together contributed to positive LTP of 0.34% to total market positive LTP in the scrip.

55. Noticees 8, 9, and 18:

I note from the material available on record and as briefly tabulated above that through 2 trades involving 314 quantity Noticee 8 had contributed to positive LTP of 0.11% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 2 trades were 2 connected group 1 entities viz. Noticee 9, and Noticee 18. Therefore, I find that Noticee 8 as a buyer and Noticees 9, and 18 as counterparty sellers, executed 2 trades involving 314 quantity among themselves and being connected entities, they together contributed to positive LTP of 0.11% to total market positive LTP in the scrip.

56. Noticees 1, 8, 10, 13, 14 and 17:

I note from the material available on record and as briefly tabulated above that through 11 trades involving 2281 quantity Noticee 13 had contributed to positive LTP of 0.73% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 11 trades were 5 connected group 1 entities viz. Noticee 1, Noticee 8, Noticee 10, Noticee 14 and Noticee 17. Therefore, I find that Noticee 13 as a buyer and Noticees 1, 8, 10, 14 and 17 as counterparty sellers, executed 11 trades involving 2281 quantity among themselves and being connected entities, they together contributed to positive LTP of 0.73% to total market positive LTP in the scrip.

57. Noticees 1, 10, 13, 14, 17 and 18:

I note from the material available on record and as briefly tabulated above that through 10 trades involving 4340 quantity Noticee 14 had contributed to positive LTP of 0.67% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 10 trades were 5 connected group 1 entities viz. Noticee 1, Noticee 10, Noticee 13, Noticee 17 and Noticee 18. Therefore, I find that Noticee 14 as a buyer and Noticees 1, 10, 13, 17 and 18 as counterparty sellers, executed 10 trades involving 4340 quantity among themselves and being connected entities, they together contributed to positive LTP of 0.67% to total market positive LTP in the scrip.

58. Noticees 3, 7, 9, 17 and 18:

I note from the material available on record and as briefly tabulated above that through 6 trades involving 2942 quantity Noticee 18 had contributed to positive LTP of 0.79% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 6 trades were 4 connected group 1 entities viz. Noticee 3, Noticee 7, Noticee 9 and Noticee 17. Therefore, I find that Noticee 18 as a buyer and Noticees 3, 7, 9 and 17 as counterparty sellers, executed 6 trades involving 2942 quantity among themselves and being connected entities, they together contributed to positive LTP of 0.79% to total market positive LTP in the scrip.

59. Details of the LTP contribution by aforesaid Noticees of Group 1 are given in table below:

	All trades			Positive LTP trades			Negative LTP trades			Zero LTP trades		%
Client Name	**Ltp Rate**	**Traded Quantity**	**No. Of Trades**	**Ltp Rate**	**Traded Quantity**	**No. Of Trades**	**Ltp Rate**	**Traded Quantity**	**No. Of Trades**	**Traded Quantity**	**No. Of Trades**	**Positive Ltp to market LTP**
Anurodh Infrastructure Ltd	8.90	129191	182	19.45	24983	54	-10.55	50241	50	53967	78	6.93%
Arpita Ilesh Patel	5.40	94480	695	7.30	10847	20	-1.90	8262	9	75371	666	2.60%
Original Fashion Traders Pvt Ltd	5.25	161604	898	54.90	36044	129	-49.65	52942	341	72618	428	19.55%
Pradip Jayantilal Mehta	3.55	52195	248	3.80	7296	14	-0.25	500	3	44399	231	1.35%
Narayandas Dipchand Shah	1.90	134809	10355	4.80	22524	33	-2.90	16729	29	95556	10293	1.71%
Jitendra Bhogilal Parikh	1.30	53164	5633	2.40	5729	14	-1.10	12992	12	34443	5607	0.85%
Vivek Shivaram Kale	1.05	106896	451	3.55	5166	14	-2.50	2988	9	98742	428	1.26%
Kamlesh Bhikhabhai Shah	0.55	47672	84	0.95	11300	7	-0.40	8814	4	27558	73	0.34%
Pattammal Murlidharan	0.50	73614	525	3.75	5881	20	-3.25	6407	19	61326	486	1.34%
Kapila Vaghela	0.20	45835	258	0.60	626	4	-0.40	5262	2	39947	252	0.21%
Rudramukhi Infrastructure Pvt Ltd	0.15	3290	54	0.20	100	1	-0.05	5	1	3185	52	0.07%
Glorious Vincom Pvt Ltd	0.10	48800	30	0.85	9900	6	-0.75	12100	4	26800	20	0.30%
Mahesh Bhailal Parmar	-0.25	140219	300	4.20	26831	22	-4.45	36918	31	76470	247	1.50%
Ambalal Jhaverbhai Patel	-0.40	154129	693	3.95	19892	41	-4.35	22365	36	111872	616	1.41%
Vinitkumar Popatlal Parikh	-1.35	96189	4007	3.80	14337	31	-5.15	14929	29	66923	3947	1.35%
Highgrowth Vincom Pvt Ltd	-1.65	122455	243	2.55	28695	13	-4.20	39463	20	54297	210	0.91%
Total	25.2	1464542	24656	117.05	230151	423	-91.85	290917	599	943474	23634	41.68%
Market total	**3.65**	**3234252**	**61018**	**280.80**	**562376**	**834**	**-277.15**	**647192**	**998**	**2024684**	**59186**	**100.00%**

60. From the above table it is noted that the aforesaid Noticees had contributed Rs. 117.05 to positive LTP through 423 trades contributing 41.68% of market positive LTP during Patch I of the IP. I note from the material available on record that during Patch I of the IP the total market contribution of Rs. 280.80 to positive LTP was through 165 clients. Thus said 16 Noticees being just 9.7% in numbers (16

out of 165 clients) had contributed 41.68% of the total market positive LTP. In other words, 41.68% of the market positive LTP was through 9.7% of the clients (viz., aforesaid Noticees) in the scrip during Patch I of the IP.

61. I note from the analysis in table above that as regards number of positive LTP contributing trades in the scrip during Patch I of the IP, the aforesaid Noticees being just 9.7% of the market in terms of number of clients, contributed to 50.72% of the total number of positive LTP contributing trades in the scrip during Patch I of the IP. In other words, 50.72% of total positive LTP contributing trades were through 9.7% of the clients (viz., aforesaid Noticees) in the scrip during Patch I of the IP.

62. I also note from the table above that as regards quantity of positive LTP contributing trades in the scrip during Patch I of the IP, the aforesaid Noticees being just 9.7% of the market in terms of number of clients, contributed to 40.92% of the total quantity of positive LTP contributing trades in the scrip during Patch I of the IP. In other words, 40.92% of total quantity of positive LTP contributing trades was through 9.7% of the clients (viz., aforesaid Noticees) in the scrip during Patch I of the IP.

63. I note from the SCN that Noticees 4 and 12 had also allegedly contributed to market NHP during Patch 1 and Noticee 3, 12, 13, 14 and 18 had allegedly contributed to market positive LTP through First Trades.

64. As regards NHP, Noticee 4 contended that the SCN has not given any details of the trade and contribution of 0.81% would have had no impact on the market volume or price of ETL.

65. In this regard, I note that the submissions of the Noticee 4 are in nature of admission in so far as it has inter alia submitted that, "… contribution of 0.81% would have had no impact on the market volume or price of ETL …". Further, I note that contribution to NHP was attributed to not just Noticee 4 but against

Noticee 4 and Noticee 12 both having contributed 67.48% of total market NHP, being part of Group 1 and hence ought to be viewed accordingly. Further, I also note, as also brought out in the foregoing, that Noticee 4 had inter alia been provided with relevant documents as part of annexures to the SCN and that Noticee 4 had availed inspection of documents and had also been provided with copy of the Investigation Report and relevant trade log. In view thereof, the contention of Noticee 4 in this regard are devoid of merit and hence cannot be accepted.

66. In this regard, details of NHP Contributing Trades of Noticee 4 and Noticee 12 and details of First Trades of Noticee 3, 12, 13, 14 and 18, as observed from the material on record and relevant trade log are as under:

Detail of NHP contribution by Group 1 during Patch 1

Client Name	Quantity	Number Of Trades	Contribution To Market NHP	% Of Market NHP	Contribution Among Group
Original Fashion Traders Pvt Ltd	601	3	4.10	66.67%	2.45
Glorious Vincom Pvt Ltd	200	1	0.05	0.81%	0.05
Total	801	4	4.15	67.48%	2.50
Market total	4662	13	6.15	100.00%	6.15

Details of New High Price Trades of Noticee 4 and 12

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	TRADE_TIME	ORDER_LMTIME	CP_ORDER_LMTIME	TRADE_RATE	LTP_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY	NHP
19/10/2016	ORIGINAL FASHION TRADERS PVT LTD	RAJESH DWARKADAS BAJAJ	9:21:23	9:20:42	9:21:23	45.35	1.85	500	700	500	1.65
30/10/2016	ORIGINAL FASHION TRADERS PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	18:38:33	18:31:15	18:38:33	46.95	2.05	88	88	200	1.3
30/10/2016	GLORIOUS VINCOM PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	18:43:00	18:43:00	18:38:39	47	0.05	200	200	200	0.05
01/11/2016	ORIGINAL FASHION TRADERS PVT LTD	RUDRAMUKHI INFRASTRUCTURE PRIVATE LIMITED	9:21:22	9:15:53	9:21:22	48.2	1.2	13	120	13	1.15

Details of first trades (as buyers) by Group 1 Noticees during Patch 1:

Client Name	Total Number Of First Trades	Traded Quantity First Trades	Number Of First Trades At Positive Ltp	Net Ltp	Positive Ltp	Number Of First Trades Among Group	Positive Ltp Contribution In First Trades Among Group
Original Fashion Traders Pvt Ltd	18	2222	13	18.65	21.15	3	3.45

Client Name	Total Number Of First Trades	Traded Quantity First Trades	Number Of First Trades At Positive Ltp	Net Ltp	Positive Ltp	Number Of First Trades Among Group	Positive Ltp Contribution In First Trades Among Group
Pattammal Murlidharan	2	2288	2	1.7	1.7	1	1.1
Vivek Shivaram Kale	1	26	1	0.8	0.8	1	0.8
Arpita Ilesh Patel	1	500	1	1	1	1	1
Pradip Jayantilal Mehta	1	200	1	1	1	1	1
Total	23	5236	18	23.15	25.65	7	7.35
Market total	70	45790	43	23.1	50.85	7	7.35

Details of first trades by Noticee 3, 12, 13, 14, 18:

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
17/10/2016	ORIGINAL FASHION TRADERS PVT LTD	KALPANA RIT	9:47:32	9:29:45	9:47:32	41.5	0.6	41.5	41.5	1	145	1
19/10/2016	ORIGINAL FASHION TRADERS PVT LTD	RAJESH DWARKADAS BAJAJ	9:20:42	9:15:01	9:21:23	45.35	1.85	45.35	45.5	500	700	500
20/10/2016	ORIGINAL FASHION TRADERS PVT LTD	M.P.VORA SHARES SEC P LTD	9:06:14	9:00:19	9:07:09	45.05	-0.1	45	45.15	2	2	2
21/10/2016	ORIGINAL FASHION TRADERS PVT LTD	MOHAMMED ISMAIL DIN MOHAMMED SHAIKH	9:15:01	9:18:53	9:18:53	43.2	-0.3	43.2	43.5	100	133	100
25/10/2016	ORIGINAL FASHION TRADERS PVT LTD	AVANI VINIT DEDHIA	9:16:32	9:38:08	9:38:08	40.3	0.1	40.25	40.2	15	198	15
26/10/2016	ORIGINAL FASHION TRADERS PVT LTD	SUSANTA KUMAR CHAKRABORTY	9:15:35	9:18:31	9:18:31	42.1	1.7	42.1	40.4	88	1800	88
27/10/2016	ORIGINAL FASHION TRADERS PVT LTD	SARAMA RANI PYNE	9:20:38	9:20:33	9:20:38	43	1	43	43	100	1000	100
28/10/2016	ORIGINAL FASHION TRADERS PVT LTD	SUSANTA KUMAR CHAKRABORTY	9:15:04	9:40:59	9:40:59	44.9	1.3	44.9	43.6	120	1000	120
30/10/2016	ORIGINAL FASHION TRADERS PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	18:31:15	18:38:33	18:38:33	46.95	2.05	46.95	44.9	88	200	88
01/11/2016	ORIGINAL FASHION TRADERS PVT LTD	RUDRAMUKHI INFRASTRUCTURE PRIVATE LIMITED	9:15:53	9:21:22	9:21:22	48.2	1.2	48.2	47	13	120	13
02/11/2016	ORIGINAL FASHION TRADERS PVT LTD	SUSANTA KUMAR CHAKRABORTY	9:16:03	9:42:06	9:42:06	47	0	47	47	48	1000	48
03/11/2016	ORIGINAL FASHION TRADERS PVT LTD	SUSANTA KUMAR CHAKRABORTY	9:16:03	9:17:07	9:17:07	47.2	0.3	47.2	46.9	12	500	12
10/11/2016	ORIGINAL FASHION TRADERS PVT LTD	HIGHGROTH VINCOM PRIVATE LIMITED	12:27:34	12:27:22	12:27:34	46.8	0.2	46.8	46.8	10	1000	10
30/11/2016	ORIGINAL FASHION TRADERS PVT LTD	SATYENDRA NATH ROY	10:07:26	9:15:02	10:07:26	40.65	-2.1	40.65	40.65	500	45000	500

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
02/12/2016	ORIGINAL FASHION TRADERS PVT LTD	BOKKA RAMAMURTY	9:47:35	9:49:54	10:27:03	43.6	3.6	43.6	40	25	630	25
13/12/2016	ORIGINAL FASHION TRADERS PVT LTD	VENKATA NARAYANA KAMINENI	11:52:07	10:36:32	11:52:07	37.95	0	37.95	37.95	300	300	300
14/12/2016	ORIGINAL FASHION TRADERS PVT LTD	MITHU KUNDU	13:36:38	13:16:00	13:36:38	38.85	3.75	38.85	38.85	100	100	100
15/12/2016	ORIGINAL FASHION TRADERS PVT LTD	BIDHAN CHANDRA PATRA	11:30:32	9:39:06	11:30:32	38.6	3.5	38.6	38.6	200	2000	200
10/01/2017	PATTAMMAL MURLIDHARAN	DILIP MANUBHAI SHAH	9:33:14	9:32:37	9:33:14	46.8	0.6	46.8	46.8	2222	2222	2222
17/01/2017	PATTAMMAL MURLIDHARAN	VINITKUMAR POPATLAL PARIKH	9:44:03	9:44:00	9:44:03	46.5	1.1	46.5	46.5	66	2666	66
24/01/2017	VIVEK SHIVARAM KALE	VINITKUMAR POPATLAL PARIKH	9:44:43	9:44:26	9:44:43	46.5	0.8	46.5	46.5	26	2555	26
03/01/2017	ARPITA ILESH PATEL	VINITKUMAR POPATLAL PARIKH	10:14:21	10:14:15	10:14:21	46	1	46	46	500	1005	500
25/01/2017	PRADIP JAYANTILAL MEHTA	AMBALAL JHAVERBHAI PATEL	10:34:20	10:34:17	10:34:20	45.5	1	45.5	45.5	200	3000	200

67. In this regard, I note from above tables that during Patch I contribution of Noticees 4 and 12 to market NHP was Rs.4.15 out of Rs.6.15 of total market NHP and accordingly Noticee 4 and 12's NHP contribution was 67.48% of total market NHP and while trading amongst Group 1 the NHP contribution of Noticee 4 and 12 was 40.65% of market NHP, being Rs.2.50 out of market total of Rs.6.15. The NHP contribution by Noticee 4 and Noticee 12 being 67.48% points that majority of the New High Price during Patch I was contributed by Noticee 4 and 12. As regards First Trades, I note that Noticee 3, 12, 13, 14 and 18 during Patch I inter alia had 23 First Trades of which 18 had contributed to market positive LTP of Rs. 25.65 which was 50.44% of market positive LTP of Rs.50.85. In short, Noticee 3, 12, 13, 14 and 18 had major contribution to market positive LTP through first trades. Further, seven out of total 23 first trades were such in which the counterparty were Group 1 entities and positive LTP contribution through such first trades amongst Group 1 was Rs. 7.35 being 14.45% of market positive LTP. Accordingly, the high percentage of NHP and positive LTP through first trades by certain connected Group 1 Noticees, as discussed above,

substantiates and further corroborates the manipulation of price in the scrip of ETL during patch 1, as already dealt with in the foregoing.

68. In view thereof, I find that the allegation that by trading among themselves Noticees 1 to 10, Noticees 12 to 15, Noticee 17 and Noticee 18 by contributing 8.84% to market positive LTP had contributed to price rise in fraudulent manner and had manipulated the price of the scrip of ETL during Patch I of IP, stands established. Therefore, I hold that Noticees 1 to 10, Noticees 12 to 15, Noticee 17 and Noticee 18 violated Section 12A (a), (b) and (c) of SEBI Act and Regulation 3(a), (b), (c), (d), 4(1) and 4(2) (b) and (e) of PFUTP Regulations.

ALLEGED VIOLATION REGARDING CONTRIBUTION TO PRICE RISE DURING PATCH 2 OF IP:

69. It was inter alia alleged in the SCN that during Patch 2 (January 27, 2017 – February 17, 2017), by trading among themselves Noticees 1, 2, 4, 6 to 11, 13, 14 and Noticees 16 to 19 (hereinafter collectively also referred to as "said 15 Noticees") had contributed 28.51% to market positive LTP and hence contributed to price rise in fraudulent manner and had manipulated the price of the scrip of ETL.

70. In this regard, I note that in respect of said 15 Noticees, except Noticee 4 no reply to the SCN was received from remaining 14 Noticees nor did they avail the opportunity of hearing afforded to them, as has also been brought out in the foregoing.

71. I note from the material available on record that said 15 Noticees viz., Noticees 1, 2, 4, 6 to 11, 13, 14 and Noticees 16 to 19 were part of Group 1 and the same was formed basis connection amongst them directly and /or indirectly, as also brought out in detail in the foregoing. I note that connection amongst them was established on the basis of common email ID, common phone number, common

address, common director, off-market transfer, fund transfers etc. and hence they were all connected entities.

72. In this regard, details of LTP contribution inter alia by said 15 Noticees of Group 1 during Patch 2, as noted, are given below:

	All trades			Positive LTP trades			Negative LTP trades			Zero LTP trades		
Client Name	LTP Rate	Traded Quantity	No of trades	LTP Rate	Traded Quantity	No of trades	LTP Rate	Traded Quantity	No of trades	LTP Rate	Traded Quantity	% Positive Ltp to market LTP
Ambalal Jhaverbhai Patel	13.90	105767	856	15.85	33285	273	-1.95	2078	25	70404	558	6.87%
Vinitkumar Popatlal Parikh	12.20	98036	1165	12.70	29359	244	-0.50	1989	7	66688	914	5.51%
Pattammal Murlidharan	11.45	50057	663	13.00	15592	200	-1.55	7952	16	26513	447	5.64%
Kamlesh Bhikhabhai Shah	7.95	92374	765	10.80	26365	202	-2.85	12539	56	53470	507	4.68%
Pradip Jayantilal Mehta	7.60	110071	1024	11.10	25681	206	-3.50	7706	62	76684	756	4.81%
Mahesh Bhailal Parmar	6.70	71799	672	13.05	10937	69	-6.35	12829	115	48033	488	5.66%
Jitendra Bhogilal Parikh	5.45	19027	288	5.45	8837	108	0.00	0	0	10190	180	2.36%
Vijaya Parsharam Salvi	5.35	55717	583	6.40	11194	128	-1.05	1825	21	42698	434	2.77%
Glorious Vincom Pvt Ltd	-0.15	59699	23	0.65	15195	6	-0.80	26699	10	17805	7	0.28%
Kapila Vaghela	-2.30	181083	2781	17.10	34732	257	-19.40	33585	302	112766	2222	7.41%
Narayandas Dipchand Shah	-5.45	107916	992	5.25	7259	103	-10.70	29441	210	71216	679	2.28%
Anurodh Infrastructure Ltd	-9.85	179868	393	4.75	27003	44	-14.60	43559	140	109306	209	2.06%
Nilesh Rameshchandra Shah	-15.80	182355	777	4.35	10984	43	-20.15	55324	375	116047	359	1.89%
Vivek Shivaram Kale	-20.90	218863	1490	5.85	16777	44	-26.75	60794	457	141292	989	2.54%
Total	16.15	1532632	12472	126.3	273200	1927	-110.15	296320	1796	963112	8749	54.76%
Market total	**13.65**	**5427102**	**23340**	**230.65**	**688911**	**3134**	**-217.00**	**612502**	**3166**	**4125689**	**17040**	**100.00%**

73. From the above table it is noted that the said 15 Noticees had contributed Rs. 126.3 to positive LTP through 1927 trades contributing 54.76% of market positive

LTP during Patch 2 of IP. I note from the material available on record that during Patch 2 of the IP the total market contribution of Rs. 230.65 to positive LTP was through 2325 clients, of which said 15 Noticees though being just 0.65% in numbers had contributed 54.76% of the total market positive LTP. In other words, 54.76% of the market positive LTP was through 0.65% of the clients (viz., said Noticees) in the scrip during Patch 2 of the IP.

74. I note from the analysis in table above that as regards number of positive LTP contributing trades in the scrip during Patch 2 of the IP, the said 15 Noticees being just 0.65% of the market in terms of number of clients, contributed to 61.49% of the total number of positive LTP contributing trades in the scrip during Patch 2 of the IP. In other words, 61.49% of total positive LTP contributing trades were through 0.65% of the clients (viz., said 15 Noticees) in the scrip during Patch 2 of the IP.

75. I also note from the table above that as regards quantity of positive LTP contributing trades in the scrip during Patch 2 of the IP, the said 15 Noticees being just 0.65% of the market in terms of number of clients, contributed to 39.66% of the total quantity of positive LTP contributing trades in the scrip during Patch 2 of the IP. In other words, 39.66% of total quantity of positive LTP contributing trades was through 0.65% of the clients (viz., said 15 Noticees) in the scrip during Patch 2 of the IP.

76. I note that as per material on record the said 15 Noticees had inter alia by trading amongst themselves contributed to positive LTP. In this regard, following are the details of positive LTP trades where the Noticees 1, 2, 4, 6 to 11, 13, 14 and Noticees 16 to 19 had traded among themselves:

Buy Client Name	**Sell Client Name**	**Positive LTP**	**Traded Quantity**	**No. of Trades**	**% of Positive LTP to Total Market**	**% of Traded quantity to Total traded quantity contributing to LTP**

					Positive LTP	
Ambalal Jhaverbhai Patel	Kamlesh Bhikhabhai Shah	1.15	3108	20	0.50%	2.62%
	Kapila Vaghela	2.3	2583	31	1.00%	2.18%
	Mahesh Bhailal Parmar	0.9	1704	18	0.39%	1.44%
	Narayandas Dipchand Shah	2.8	9544	55	1.21%	8.04%
	Nilesh Rameshchandra Shah	1.7	1485	34	0.74%	1.25%
	Pattammal Murlidharan	0.15	124	3	0.07%	0.10%
	Pradip Jayantilal Mehta	0.6	1394	12	0.26%	1.17%
	Vivek Shivaram Kale	2.55	5374	44	1.11%	4.53%
Ambalal Jhaverbhai Patel		**12.15**	**25316**	**217**	**5.28%**	**21.33%**
Pattammal Murlidharan	Ambalal Jhaverbhai Patel	0.75	1332	15	0.33%	1.12%
	Kamlesh Bhikhabhai Shah	0.05	17	1	0.02%	0.01%
	Kapila Vaghela	3.05	5793	49	1.32%	4.88%
	Mahesh Bhailal Parmar	1.75	1344	34	0.76%	1.13%
	Narayandas Dipchand Shah	2	1604	40	0.87%	1.35%
	Pradip Jayantilal Mehta	0.05	2000	1	0.02%	1.69%
	Vivek Shivaram Kale	3.9	2783	51	1.69%	2.34%
Pattammal Murlidharan		**11.55**	**14873**	**191**	**5.01%**	**12.53%**
Mahesh Bhailal Parmar	Anurodh Infrastructure Ltd	0.1	10	1	0.04%	0.01%
	Kapila Vaghela	0.4	178	5	0.17%	0.15%
	Pattammal Murlidharan	11.2	3146	38	4.86%	2.65%
	Pradip Jayantilal Mehta	0.1	60	2	0.04%	0.05%
	Vivek Shivaram Kale	0.05	40	1	0.02%	0.03%
Mahesh Bhailal Parmar		**11.85**	**3434**	**47**	**5.13%**	**2.89%**
Kamlesh Bhikhabhai Shah	Ambalal Jhaverbhai Patel	0.05	200	1	0.02%	0.17%
	Glorious Vincom Pvt Ltd	0.05	50	1	0.02%	0.04%
	Anurodh Infrastructure Ltd	0.15	42	3	0.07%	0.04%
	Bakul Garments LLP	0.95	3776	19	0.41%	3.18%
	Kapila Vaghela	0.75	1086	8	0.33%	0.92%

	Mahesh Bhailal Parmar	0.1	58	2	0.04%	0.05%
	Narayandas Dipchand Shah	2.65	8094	53	1.15%	6.82%
	Nilesh Rameshchandra Shah	0.75	2575	15	0.33%	2.17%
	Pradip Jayantilal Mehta	0.5	1559	10	0.22%	1.31%
	Vivek Shivaram Kale	1.2	2696	18	0.52%	2.27%
Kamlesh Bhikhabhai Shah		**7.15**	**20136**	**130**	**3.11%**	**16.97%**
Pradip Jayantilal Mehta	Ambalal Jhaverbhai Patel	0.5	591	5	0.22%	0.50%
	Glorious Vincom Pvt Ltd	0.15	464	3	0.07%	0.39%
	Anurodh Infrastructure Ltd	0.15	189	3	0.07%	0.16%
	Kamlesh Bhikhabhai Shah	0.45	1497	9	0.20%	1.26%
	Kapila Vaghela	1.25	3515	22	0.54%	2.96%
	Mahesh Bhailal Parmar	0.25	251	5	0.11%	0.21%
	Narayandas Dipchand Shah	2	6811	40	0.87%	5.74%
	Nilesh Rameshchandra Shah	0.6	2104	12	0.26%	1.77%
	Pattammal Murlidharan	0.25	187	4	0.11%	0.16%
	Vivek Shivaram Kale	1.65	4035	32	0.72%	3.40%
Pradip Jayantilal Mehta		**7.25**	**19644**	**135**	**3.17%**	**16.55%**
Vijaya Parsharam Salvi	Kapila Vaghela	0.8	1541	16	0.35%	1.30%
	Narayandas Dipchand Shah	0.25	186	5	0.11%	0.16%
	Pradip Jayantilal Mehta	0.4	412	8	0.17%	0.35%
	Vivek Shivaram Kale	2.45	5349	49	1.06%	4.51%
Vijaya Parsharam Salvi		**3.9**	**7488**	**78**	**1.69%**	**6.31%**
Vineet Kumar Popatlal Parikh	Kamlesh Bhikhabhai Shah	0.05	25	1	0.02%	0.02%
	Kapila Vaghela	1.4	3619	24	0.61%	3.05%
	Mahesh Bhailal Parmar	0.55	878	11	0.24%	0.74%
	Narayandas Dipchand Shah	1.45	3135	29	0.63%	2.64%
	Pradip Jayantilal Mehta	0.8	1137	13	0.35%	0.96%
	Vivek Shivaram Kale	2.25	4903	45	0.98%	4.13%
Vineet Kumar Popatlal Parikh		**6.5**	**13697**	**123**	**2.83%**	**11.54%**
Jitendra Bhogilal Parikh	Glorious Vincom Pvt Ltd	0.1	45	2	0.04%	0.04%
	Bakul Garments Llp .	0.3	1500	6	0.13%	1.26%

	Nilesh Rameshchandra Shah	2.05	2024	40	0.89%	1.71%
	Vijaya Parsharam Salvi	0.55	292	11	0.24%	0.25%
	Vivek Shivaram Kale	0.35	1053	7	0.15%	0.89%
Jitendra Bhogilal Parikh		**3.35**	**4914**	**66**	**1.45%**	**4.14%**
Vivek Shivaram Kale	Anurodh Infrastructure Ltd	0.3	25	2	0.13%	0.02%
	Kamlesh Bhikhabhai Shah	0.1	262	1	0.04%	0.22%
	Kapila Vaghela	0.8	7240	5	0.35%	6.10%
	Mahesh Bhailal Parmar	0.05	250	1	0.02%	0.21%
	Pattammal Murlidharan	0.7	1400	1	0.30%	1.18%
Vivek Shivaram Kale		**1.95**	**9177**	**10**	**0.84%**	**7.73%**
Grand Total		**65.65**	**118679**	**997**	**28.51%**	**100%**

77. In this regard, details of positive LTP contributing trades in respect of certain pairs of Noticees, as observed from the trade log and analysis thereof is as under:

78. Noticees 1, 7, 8, 9, 10, 11, 13, 14 and 18:
I note from the material available on record and as briefly tabulated above that that through 217 trades involving 25316 quantity, Noticee 1 had contributed to positive LTP of 5.28% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 217 trades were 8 connected group 1 entities viz. Noticee 7, Noticee 8, Noticee 9, Noticee 10, Noticee 11, Noticee 13, Noticee 14 and Noticee 18. Therefore, I find that Noticee 1 as a buyer and Noticees 7, 8, 9, 10, 11, 13, 14, 18 as counterparty sellers, executed 217 trades involving 25316 quantity among themselves and being connected entities, they together contributed to positive LTP of 5.28% to total market positive LTP in the scrip.

79. Noticees 1, 7, 8, 9, 10, 13, 14 and 18:
I note from the material available on record and as briefly tabulated above that through 191 trades involving 14873 quantity, Noticee 13 had contributed to positive LTP of 5.01% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 191 trades were 7 connected group 1

entities viz. Noticee 1, Noticee 7, Noticee 8, Noticee 9, Noticee 10, Noticee 14, Noticee 18. Therefore, I find that Noticee 13 as a buyer and Noticees 1, 7, 8, 9, 10, 14, 18 as counterparty sellers, executed 191 trades involving 14873 quantity among themselves and being connected entities, they together contributed to positive LTP of 5.01% to total market positive LTP in the scrip.

80. Noticees 2, 8, 9, 13, 14 and 18:

I note from the material available on record and as briefly tabulated above that through 47 trades involving 3434 quantity, Noticee 9 had contributed to positive LTP of 5.13% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 47 trades were 5 connected group 1 entities viz. Noticee 2, Noticee 8, Noticee 13, Noticee 14 and Noticee 18. Therefore, I find that Noticee 9 as a buyer and Noticees 2, 8, 13, 14 and 18 as counterparty sellers, executed 47 trades involving 3434 quantity among themselves and being connected entities, they together contributed to positive LTP of 5.13% to total market positive LTP in the scrip.

81. Noticees 1, 2, 4, 7, 8, 9, 10, 11, 14, 18 and 19:

I note from the material available on record and as briefly tabulated above that through 130 trades involving 20136 quantity, Noticee 7 had contributed to positive LTP of 3.11% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 130 trades were 10 connected group 1 entities viz. Noticee 1, Noticee 2, Noticee 4, Noticee 8, Noticee 9, Noticee 10, Noticee 11, Noticee 14, Noticee 18 and Noticee 19. Therefore, I find that Noticee 7 as a buyer and Noticees 1, 2, 4, 8, 9, 10, 11, 14, 18 and 19 as counterparty sellers, executed 130 trades involving 20136 quantity among themselves and being connected entities, they together contributed to positive LTP of 3.11% to total market positive LTP in the scrip.

82. Noticees 1, 2, 4, 7, 8, 9, 10, 11, 13, 14, and 18:

I note from the material available on record and as briefly tabulated above that through 135 trades involving 19644 quantity, Noticee 14 had contributed to positive LTP of 3.17% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 135 trades were 10 connected group 1 entities viz. Noticee 1, Noticee 2, Noticee 4, Noticee 7, Noticee 8, Noticee 9, Noticee 10, Noticee 11, Noticee 13, and Noticee 18. Therefore, I find that Noticee 14 as a buyer and Noticees 1, 2, 4, 7, 8, 9, 10, 11, 13 and 18 as counterparty sellers, executed 135 trades involving 19644 quantity among themselves and being connected entities, they together contributed to positive LTP of 3.17% to total market positive LTP in the scrip.

83. Noticees 8, 10, 14, 16 and 18:

I note from the material available on record and as briefly tabulated above that through 78 trades involving 7488 quantity, Noticee 16 had contributed to positive LTP of 1.69% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 78 trades were 4 connected group 1 entities viz. Noticee 8, Noticee 10, Noticee 14 and Noticee 18. Therefore, I find that Noticee 16 as a buyer and Noticees 8, 10, 14 and 18 as counterparty sellers, executed 78 trades involving 7488 quantity among themselves and being connected entities, they together contributed to positive LTP of 1.69% to total market positive LTP in the scrip.

84. Noticees 7, 8, 9, 10, 14, 17 and 18:

I note from the material available on record and as briefly tabulated above that through 123 trades involving 13697 quantity, Noticee 17 had contributed to positive LTP of 2.83% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 123 trades were 6 connected group 1 entities viz. Noticee 7, Noticee 8, Noticee 9, Noticee 10, Noticee 14 and Noticee 18. Therefore, I find that Noticee 17 as a buyer and Noticees 7, 8, 9, 10, 14 and 18 as counterparty sellers, executed 123 trades involving 13697 quantity among themselves and being connected entities, they together contributed to positive LTP of 2.83% to total market positive LTP in the scrip.

85. Noticees 4, 6, 11, 16, 18 and 19:

I note from the material available on record and as briefly tabulated above that through 66 trades involving 4914 quantity, Noticee 6 had contributed to positive LTP of 1.45% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 66 trades were 5 connected group 1 entities viz. Noticee 4, Noticee 11, Noticee 16, Noticee 18 and Noticee 19. Therefore, I find that Noticee 6 as a buyer and Noticees 4, 11, 16, 18 and 19 as counterparty sellers, executed 66 trades involving 4914 quantity among themselves and being connected entities, they together contributed to positive LTP of 1.45% to total market positive LTP in the scrip.

86. Noticees 2, 7, 8, 9, 13 and 18:

I note from the material available on record and as briefly tabulated above that through 10 trades involving 9177 quantity, Noticee 18 had contributed to positive LTP of 0.84% to total market positive LTP as a buyer in the scrip. I also note that the counterparties to these 10 trades were 5 connected group 1 entities viz. Noticee 2, Noticee 7, Noticee 8, Noticee 9 and Noticee 13. Therefore, I find that Noticee 18 as a buyer and Noticees 2, 7, 8, 9 and 13 as counterparty sellers, executed 10 trades involving 9177 quantity among themselves and being connected entities, they together contributed to positive LTP of 0.84% to total market positive LTP in the scrip.

87. In this regard, analysis of data pertaining to positive LTP contributing trades in respect of certain pairs of the said 15 Noticees, as observed from the trade log, as illustration, is given as under:

<u>Noticee 9 and Noticee 13</u>

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	LTP_RATE	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
27/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	15:02:22	15:02:17	15:02:22	0.05	44.8	44.8	44.8	800	800	1600
30/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	14:06:21	14:05:45	14:06:21	0.05	45.6	45.6	45.6	48	50	500

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	LTP_RATE	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
30/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	14:06:22	14:05:47	14:06:22	0.05	45.6	45.6	45.6	28	50	500
30/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	14:06:33	14:05:49	14:06:33	0.05	45.6	45.6	45.6	4	32	500
30/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	14:06:59	14:05:42	14:06:59	0.05	45.6	45.6	45.6	25	25	500
30/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	14:07:11	14:05:47	14:07:11	0.05	45.6	45.6	45.6	20	50	500
30/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	14:07:22	14:05:44	14:07:22	0.05	45.6	45.6	45.6	10	32	500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:17	12:18:12	12:18:17	0.35	47.2	47.2	47.2	50	50	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:17	12:18:12	12:18:17	0.35	47.2	47.2	47.2	250	250	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:18	12:18:12	12:18:18	0.35	47.2	47.2	47.2	150	150	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:22	12:18:12	12:18:22	0.35	47.2	47.2	47.2	20	20	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:23	12:18:12	12:18:23	0.35	47.2	47.2	47.2	32	32	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:24	12:18:12	12:18:24	0.35	47.2	47.2	47.2	50	50	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:25	12:18:12	12:18:25	0.35	47.2	47.2	47.2	250	250	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:25	12:18:12	12:18:25	0.35	47.2	47.2	47.2	25	25	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:26	12:18:12	12:18:26	0.35	47.2	47.2	47.2	32	32	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:27	12:18:12	12:18:27	0.35	47.2	47.2	47.2	25	25	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:28	12:18:12	12:18:28	0.35	47.2	47.2	47.2	32	32	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:30	12:18:12	12:18:30	0.35	47.2	47.2	47.2	25	25	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:31	12:18:12	12:18:31	0.35	47.2	47.2	47.2	32	32	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:32	12:18:12	12:18:32	0.35	47.2	47.2	47.2	25	25	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:33	12:18:12	12:18:33	0.35	47.2	47.2	47.2	32	32	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:34	12:18:12	12:18:34	0.35	47.2	47.2	47.2	50	50	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:35	12:18:12	12:18:35	0.35	47.2	47.2	47.2	50	50	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:36	12:18:12	12:18:36	0.35	47.2	47.2	47.2	50	50	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:37	12:18:12	12:18:37	0.35	47.2	47.2	47.2	50	50	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:38	12:18:12	12:18:38	0.35	47.2	47.2	47.2	50	50	2500

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	LTP_RATE	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:39	12:18:12	12:18:39	0.35	47.2	47.2	47.2	50	50	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:40	12:18:12	12:18:40	0.35	47.2	47.2	47.2	50	50	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:42	12:18:12	12:18:42	0.35	47.2	47.2	47.2	450	450	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:44	12:18:12	12:18:44	0.35	47.2	47.2	47.2	31	31	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:45	12:18:12	12:18:45	0.35	47.2	47.2	47.2	50	50	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:46	12:18:12	12:18:46	0.35	47.2	47.2	47.2	50	50	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:47	12:18:12	12:18:47	0.35	47.2	47.2	47.2	50	50	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:48	12:18:12	12:18:48	0.35	47.2	47.2	47.2	50	50	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:48	12:18:12	12:18:48	0.35	47.2	47.2	47.2	50	50	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:49	12:18:12	12:18:49	0.35	47.2	47.2	47.2	50	50	2500
31/01/2017	MAHESH BHAILAL PARMAR	PATTAMMAL MURLIDHARAN	12:18:55	12:18:12	12:18:55	0.35	47.2	47.2	47.2	50	50	2500
						11.2				**3146**		

As seen from Table above, during Patch 2, Noticee 9 and Notice 13 contributed to positive LTP of 4.86% (LTP rate was Rs. 11.2) through 38 trades involving total quantity of 3146 by trading among themselves in three trading days i.e. 27.01.2017, 30.01.2017 and 31.01.2017. Out of total positive LTP rate of Rs.11.2 between Noticee 9 and Noticee 13, 96.8% viz., LTP rate of Rs.10.85 was contributed by the said 2 Noticees being connected Group 1 entities on 31.01.2017.

On 31.01.2017, Noticee 13 placed a limit sell order at 12:18:12 PM for quantity of 2500 shares in the scrip at price of Rs. 47.20 when market LTP was Rs. 46.85; exactly after five seconds i.e. at 12:18:17 PM Noticee 9 placed a limit buy order for quantity of 50 shares at the exact same price of Rs. 47.20, which resulted into the trade execution at Rs. 47.20 for quantity of 50 shares and generated LTP rate of 0.35. Likewise, during 12:18:17 PM to 12:18:55, Noticee 9 placed 37 limit buy orders for total quantity of 2500 shares (matching quantity with Noticee 13 as stated above) at the exact same price of Rs. 47.20 which resulted into the trades executed at Rs. 47.20 for quantity of 2500 shares. Out of aforesaid 37 limit buy orders placed by Noticee 9, on 31 occasions Noticee 9 placed limit buy orders at Rs. 47.20 i.e. 0.35 above LTP price (on each occasion market LTP was at Rs. 46.85) and thereby generated total positive LTP rate of 10.85 within 38 seconds.

Noticee 1 and Noticee 10

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
31/01/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:05:40	13:05:23	13:05:40	47.5	0.05	47.5	47.5	200	200	5000
31/01/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:05:41	13:05:23	13:05:41	47.5	0.05	47.5	47.5	20	20	5000
31/01/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:06:07	13:05:23	13:06:07	47.5	0.05	47.5	47.5	300	300	5000
31/01/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:06:09	13:05:23	13:06:09	47.5	0.05	47.5	47.5	100	100	5000
31/01/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:06:10	13:05:23	13:06:10	47.5	0.05	47.5	47.5	65	300	5000
31/01/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:06:26	13:05:23	13:06:26	47.5	0.05	47.5	47.5	100	100	5000
31/01/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:06:29	13:05:23	13:06:29	47.5	0.05	47.5	47.5	200	200	5000
31/01/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:10:10	13:05:23	13:10:10	47.5	0.05	47.5	47.5	200	200	5000
31/01/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:10:12	13:05:23	13:10:12	47.5	0.05	47.5	47.5	204	300	5000
31/01/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:10:33	13:05:23	13:10:33	47.5	0.05	47.5	47.5	200	200	5000
31/01/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:10:36	13:05:23	13:10:36	47.5	0.05	47.5	47.5	200	200	5000
31/01/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:10:39	13:05:23	13:10:39	47.5	0.05	47.5	47.5	4	74	5000
01/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	11:55:26	11:54:03	11:55:26	48.1	0.05	48.1	48.1	140	140	5000

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
01/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	11:55:27	11:54:03	11:55:27	48.1	0.05	48.1	48.1	300	300	5000
01/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	11:55:28	11:54:03	11:55:28	48.1	0.05	48.1	48.1	10	100	5000
01/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	11:55:31	11:54:03	11:55:31	48.1	0.05	48.1	48.1	152	300	5000
01/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	11:55:37	11:54:03	11:55:37	48.1	0.05	48.1	48.1	100	100	5000
01/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	11:55:42	11:54:03	11:55:42	48.1	0.05	48.1	48.1	150	300	5000
01/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	15:05:36	15:05:23	15:05:36	48.45	0.05	48.45	48.45	300	300	5000
02/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	12:33:17	12:33:14	12:33:17	48.6	0.05	48.6	48.6	200	200	2500
02/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	12:57:13	12:55:45	12:57:13	48.55	0.05	48.55	48.55	200	200	5000
02/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	12:57:17	12:55:45	12:57:17	48.55	0.05	48.55	48.55	300	300	5000
02/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	12:57:33	12:55:45	12:57:33	48.55	0.05	48.55	48.55	300	300	5000
02/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	12:57:39	12:55:45	12:57:39	48.55	0.05	48.55	48.55	100	210	5000
02/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	14:55:35	14:55:19	14:55:35	48.6	0.05	48.6	48.6	300	300	5000
02/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	14:55:37	14:55:19	14:55:37	48.6	0.05	48.6	48.6	100	100	5000
02/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	14:55:41	14:55:19	14:55:41	48.6	0.05	48.6	48.6	250	250	5000
02/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	14:56:05	14:55:19	14:56:05	48.6	0.05	48.6	48.6	75	250	5000
02/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	14:56:22	14:55:19	14:56:22	48.6	0.05	48.6	48.6	45	200	5000

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
02/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	14:56:40	14:55:19	14:56:40	48.6	0.05	48.6	48.6	62	200	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	09:49:35	09:49:31	09:49:35	48.85	0.05	48.85	48.85	20	20	2500
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	09:49:53	09:49:31	09:49:53	48.85	0.05	48.85	48.85	40	40	2500
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	11:59:12	11:59:08	11:59:12	48.85	0.1	48.85	48.85	200	200	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:01:42	13:00:53	13:01:42	48.65	0.05	48.65	48.65	100	100	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:01:43	13:00:53	13:01:43	48.65	0.05	48.65	48.65	50	300	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:02:09	13:00:53	13:02:09	48.65	0.05	48.65	48.65	300	300	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:02:11	13:00:53	13:02:11	48.65	0.05	48.65	48.65	50	300	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:03:27	13:00:53	13:03:27	48.65	0.05	48.65	48.65	30	30	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:03:29	13:00:53	13:03:29	48.65	0.05	48.65	48.65	116	300	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:04:53	13:04:48	13:04:53	48.65	0.05	48.65	48.65	200	200	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:04:55	13:04:48	13:04:55	48.65	0.05	48.65	48.65	20	20	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:04:56	13:04:48	13:04:56	48.65	0.05	48.65	48.65	100	300	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:04:58	13:04:48	13:04:58	48.65	0.05	48.65	48.65	100	100	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:04:59	13:04:48	13:04:59	48.65	0.05	48.65	48.65	300	300	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:05:10	13:04:48	13:05:10	48.65	0.05	48.65	48.65	300	300	5000

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:05:12	13:04:48	13:05:12	48.65	0.05	48.65	48.65	141	200	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:05:15	13:04:48	13:05:15	48.65	0.05	48.65	48.65	300	300	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:05:21	13:04:48	13:05:21	48.65	0.05	48.65	48.65	500	500	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:05:23	13:04:48	13:05:23	48.65	0.05	48.65	48.65	300	300	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:05:31	13:04:48	13:05:31	48.65	0.05	48.65	48.65	200	200	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:05:32	13:04:48	13:05:32	48.65	0.05	48.65	48.65	200	200	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:05:34	13:04:48	13:05:34	48.65	0.05	48.65	48.65	300	300	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:05:36	13:04:48	13:05:36	48.65	0.05	48.65	48.65	300	300	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	13:05:43	13:04:48	13:05:43	48.65	0.05	48.65	48.65	300	300	5000
03/02/2017	AMBALAL JHAVERBHAI PATEL	NARAYANDAS DIPCHAND SHAH	14:56:20	14:55:26	14:56:20	48.8	0.05	48.8	48.8	200	200	5000
							2.8			**9544**		

As seen from Table above, during Patch 2, Noticee 1 and Notice 10 contributed to positive LTP of 1.21% (LTP rate was Rs. 2.80) through 55 trades involving total quantity of 9544 by trading among themselves in four trading days i.e. 31.01.2017 to 03.02.2017.

On 31.01.2017, Noticee 10 placed a limit sell order at 13:05:23 PM for quantity of 5000 shares in the scrip at price of Rs. 47.50 when market LTP was Rs. 47.45; exactly within seventeen seconds i.e. at 13:05:40 PM Noticee 1 placed a limit buy order for quantity of 200 shares at the exact same price of Rs. 47.50, which resulted into the trade execution at Rs. 47.50 for quantity of 200 shares and generated LTP rate of 0.05.

Noticee 13 and Noticee 8

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
27/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:24:12	14:24:10	14:24:12	45.45	0.1	45.45	45.45	250	250	3500
30/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	13:45:28	13:45:03	13:45:28	45.1	0.05	45.1	45.1	25	25	300
30/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	13:45:30	13:45:03	13:45:30	45.1	0.05	45.1	45.1	25	25	300
30/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	13:45:31	13:45:03	13:45:31	45.1	0.05	45.1	45.1	25	25	300
30/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	13:45:32	13:45:03	13:45:32	45.1	0.05	45.1	45.1	25	25	300
30/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	13:46:05	13:45:37	13:46:05	45.15	0.05	45.15	45.15	19	25	500
30/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	13:46:15	13:45:12	13:46:15	45.15	0.1	45.15	45.15	5	5	450
30/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	13:46:16	13:45:12	13:46:16	45.15	0.1	45.15	45.15	5	5	450
30/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	13:46:17	13:45:12	13:46:17	45.15	0.1	45.15	45.15	5	5	450
30/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	13:46:18	13:45:12	13:46:18	45.15	0.1	45.15	45.15	5	5	450
30/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	13:46:19	13:45:12	13:46:19	45.15	0.1	45.15	45.15	2	2	450
30/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	13:46:21	13:45:12	13:46:21	45.15	0.1	45.15	45.15	2	2	450
30/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	13:46:22	13:45:12	13:46:22	45.15	0.1	45.15	45.15	3	3	450
30/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	13:46:25	13:45:37	13:46:25	45.15	0.1	45.15	45.15	5	5	500
30/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	13:46:27	13:45:12	13:46:27	45.15	0.1	45.15	45.15	6	6	450
30/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	13:46:29	13:45:12	13:46:29	45.15	0.1	45.15	45.15	3	3	450
30/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	13:46:30	13:45:19	13:46:30	45.15	0.1	45.15	45.15	6	6	500
30/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	15:16:17	15:16:16	15:16:17	46.75	0.05	46.75	46.75	5000	5000	5000
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:43:50	14:43:38	14:43:50	48.4	0.05	48.4	48.4	23	23	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:43:54	14:43:38	14:43:54	48.4	0.05	48.4	48.4	32	32	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:43:56	14:43:41	14:43:56	48.4	0.05	48.4	48.4	32	32	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:43:57	14:43:41	14:43:57	48.4	0.05	48.4	48.4	32	32	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:44:03	14:43:38	14:44:03	48.4	0.05	48.4	48.4	25	25	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:44:04	14:43:41	14:44:04	48.4	0.05	48.4	48.4	20	20	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:44:07	14:43:38	14:44:07	48.4	0.05	48.4	48.4	32	32	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:44:08	14:43:38	14:44:08	48.4	0.05	48.4	48.4	25	25	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:44:10	14:43:41	14:44:10	48.4	0.05	48.4	48.4	6	6	2500

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:44:23	14:43:38	14:44:23	48.4	0.05	48.4	48.4	5	5	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:44:24	14:43:41	14:44:24	48.4	0.05	48.4	48.4	5	5	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:44:28	14:43:38	14:44:28	48.4	0.05	48.4	48.4	5	5	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:44:28	14:43:38	14:44:28	48.4	0.05	48.4	48.4	5	5	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:44:30	14:43:41	14:44:30	48.4	0.05	48.4	48.4	50	50	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:44:36	14:43:38	14:44:36	48.4	0.05	48.4	48.4	6	6	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:45:21	14:43:38	14:45:21	48.4	0.05	48.4	48.4	1	1	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:45:21	14:43:38	14:45:21	48.4	0.05	48.4	48.4	1	1	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:45:22	14:43:38	14:45:22	48.4	0.05	48.4	48.4	1	1	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:45:23	14:43:38	14:45:23	48.4	0.05	48.4	48.4	1	1	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:45:23	14:43:38	14:45:23	48.4	0.05	48.4	48.4	1	1	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:45:24	14:43:38	14:45:24	48.4	0.05	48.4	48.4	1	1	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:45:24	14:43:38	14:45:24	48.4	0.05	48.4	48.4	1	1	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:45:25	14:43:38	14:45:25	48.4	0.05	48.4	48.4	1	1	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:45:26	14:43:38	14:45:26	48.4	0.05	48.4	48.4	1	1	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:45:26	14:43:38	14:45:26	48.4	0.05	48.4	48.4	1	1	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:45:27	14:43:38	14:45:27	48.4	0.05	48.4	48.4	1	1	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:45:27	14:43:38	14:45:27	48.4	0.05	48.4	48.4	1	1	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:45:29	14:43:38	14:45:29	48.4	0.05	48.4	48.4	1	1	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:45:33	14:43:41	14:45:33	48.4	0.05	48.4	48.4	25	25	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:45:37	14:43:41	14:45:37	48.4	0.05	48.4	48.4	25	25	2500
31/01/2017	PATTAMMAL MURLIDHARAN	KAPILA VAGHELA	14:45:38	14:43:41	14:45:38	48.4	0.05	48.4	48.4	11	65	2500
							3.05			**5793**		

As seen from Table above, During Patch 2, Noticee 8 and Noticee 13 contributed to positive LTP of 1.32% (LTP rate was Rs. 3.05) through 49 trades involving total quantity of 5793 by trading among themselves in three trading days i.e. 27.01.2017, 30.01.2017 and 31.01.2017. Out of total positive LTP rate of 3.05 between Noticee 8 and Noticee 13, 50.81% viz., LTP rate of 1.55 was contributed by the said 2 Noticees being connected Group 1 entities, on 31.01.2017.

On 31.01.2017, Noticee 8 placed two limit sell orders at 02:43:38 PM and at 02:43:41 PM each involving quantity 2500 in the scrip at price of Rs. 48.40 when market LTP was Rs. 48.35; exactly after 12 seconds i.e. at 2:43:50 PM Noticee 13 started placing multiple buy orders with small quantity to match the sell orders of Noticee 8 and thereby contributing positive LTP rate of 1.55 through 31 trades having been executed within less than 2 minutes of Noticee 8's sell order at 02:43:38 PM.

88. From the above, I note a distinct pattern whereby the seller Noticee places a sell order at higher than Last Traded Price with substantial quantity which is then matched by another group entity being connected by placing with multiple buy orders in miniscule /split quantity by successively with first such order being placed within seconds of seller Noticee's order. Further, in this regard, I also note that such a pattern is repeated in pairs by different set of Noticee's part of Group 1 entities being connected as buyer and seller.

89. To cite as example, as can be seen from analysis in table above, on 31.01.2017 pair of Noticee 9 and 13 initially established a high price of 47.20 by generating LTP of 0.35, Last Trade Price being 46.85 in which Noticee 13 had placed a sell order for quantity 2500 which was matched by Noticee 9 substantially through multiple buy orders viz., 31 buy orders successively within 38 seconds having split /small quantities. Thereafter on same day viz., on 31.01.2017 such pattern was continued by another set of pair of Noticees viz., Noticee 1 and Noticee 10, from amongst the illustrations of LTP tables as above, in which Noticee 10 as seller places a sell order at rate 47.50 for quantity 5000 which was matched by Noticee 1 substantially through multiple buy orders viz., 12 buy orders successively within 38 seconds having split /small quantities involving 4, 20, 65, 100, 200, 204, 300 shares with first such buy order having been placed immediately within 17 seconds of seller Noticee's order.

It is noteworthy that pair of Noticees being part of connected Group 1 entities trades successively /alternately. Say to cite as example for date 31.01.2017, from amongst the illustrations of LTP tables as above, around noon at 12:18 PM onwards initially pair of Noticee 9 and Noticee 13 traded between themselves at rate 47.20 contributing to LTP followed by another pair of Noticees viz., Noticee 1 and Noticee 10 around 01:05 PM onwards who traded between themselves at rate 47.50 contributing to LTP followed by yet another pair of Noticees viz., Noticee 8 and Noticee 13 around 02:43 PM onwards who traded between themselves at rate 48.40 contributing to LTP. I note that such pattern of have been repeatedly traded at higher than LTP, contributing to positive LTP was observed not only during the trade date but across successive trading days by different pair of Noticees, being connected Group 1 entities, during the period relevant to the patch. I also note that in the pattern as illustrated above Noticee 13 was common being seller initially and buyer subsequently on same day by trading with different Noticees being part of connected Group 1 entities. In the example explained as above for date 31.01.2017 itself, the price at which the pair of Noticees being connected Group 1 entities had traded, increased from 47.20 to 48.40. Further in this regard, I also note that Noticee 13 was seller initially and buyer subsequently in the example explained above and that in the initial leg his sell order was for quantity 2500 through single sell order, which was matched by connected Group 1 entity viz., Noticee 9 as counterparty through multiple buy orders, as also explained in the foregoing, and subsequently when Noticee 13 enters as a buyer by places his multiple buy orders in split quantity, the same are matched with such connected Group 1 entity whose single sell order was also for exact same quantity viz., 2500 (as was the quantity when Noticee 13 was seller). Such trading behavior involving Noticees on both sides being connected Group 1 entities, involving quantities in exact match and orders having been placed within few seconds despite the two legs being at different time, cannot be mere coincidence and renders such trades as non genuine and therefore manipulative and fraudulent trading in nature.

Noticee 7 and Noticee 10

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
30/01/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	15:10:51	15:10:44	15:10:51	46.2	0.05	46.2	46.2	250	500	2500
01/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	58:51.5	55:38.7	58:51.5	48.3	0.05	48.3	48.25	10	10	2500
01/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	58:52.1	55:38.7	58:52.1	48.3	0.05	48.3	48.25	10	10	2500
01/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	58:53.3	55:38.7	58:53.3	48.3	0.05	48.3	48.25	30	30	2500
01/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	58:54.4	55:38.7	58:54.4	48.3	0.05	48.3	48.25	10	10	2500
01/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	58:57.0	55:21.0	58:57.0	48.3	0.05	48.3	48.3	36	36	2500
01/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	59:20.0	55:38.7	59:20.0	48.3	0.05	48.3	48.25	8	8	2500
01/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	59:23.3	55:38.7	59:23.3	48.3	0.05	48.3	48.25	30	30	2500
02/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	56:03.6	55:45.2	56:03.6	48.55	0.05	48.55	48.55	65	300	5000
02/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	56:39.0	55:45.2	56:39.0	48.55	0.05	48.55	48.55	40	40	5000
02/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	56:39.6	55:45.2	56:39.6	48.55	0.05	48.55	48.55	20	20	5000
02/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	56:40.2	55:45.2	56:40.2	48.55	0.05	48.55	48.55	30	30	5000
02/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	56:40.8	55:45.2	56:40.8	48.55	0.05	48.55	48.55	40	40	5000
02/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	56:42.0	55:45.2	56:42.0	48.55	0.05	48.55	48.55	30	30	5000
02/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	56:44.6	55:45.2	56:44.6	48.55	0.05	48.55	48.55	60	60	5000
02/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	56:46.3	55:45.2	56:46.3	48.55	0.05	48.55	48.55	40	40	5000
02/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	56:46.9	55:45.2	56:46.9	48.55	0.05	48.55	48.55	20	20	5000
02/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	56:49.3	55:45.2	56:49.3	48.55	0.05	48.55	48.55	82	120	5000
02/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	56:50.6	55:18.8	56:50.6	48.6	0.05	48.6	48.6	85	300	5000
02/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	57:06.1	55:18.8	57:06.1	48.6	0.05	48.6	48.6	200	200	5000
02/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	57:07.6	55:18.8	57:07.6	48.6	0.05	48.6	48.6	108	200	5000
06/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	42:41.6	41:35.7	42:41.6	49.15	0.05	49.15	49.15	200	200	5000
06/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	42:43.2	41:35.7	42:43.2	49.15	0.05	49.15	49.15	48	500	5000
06/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	42:51.2	41:35.7	42:51.2	49.15	0.05	49.15	49.15	200	200	5000

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
06/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	42:52.8	41:35.7	42:52.8	49.15	0.05	49.15	49.15	170	500	5000
09/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	44:26.6	43:48.7	44:26.6	56.95	0.05	56.95	56.95	300	300	5000
09/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	44:28.3	43:48.7	44:28.3	56.95	0.05	56.95	56.95	300	300	5000
09/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	44:31.4	43:48.7	44:31.4	56.95	0.05	56.95	56.95	250	250	5000
09/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	44:37.8	43:48.7	44:37.8	56.95	0.05	56.95	56.95	300	300	5000
09/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	44:39.5	43:48.7	44:39.5	56.95	0.05	56.95	56.95	200	200	5000
09/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	44:41.1	43:48.7	44:41.1	56.95	0.05	56.95	56.95	300	300	5000
09/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	44:45.7	43:48.7	44:45.7	56.95	0.05	56.95	56.95	300	300	5000
09/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	44:47.3	43:48.7	44:47.3	56.95	0.05	56.95	56.95	300	300	5000
09/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	44:48.9	43:48.7	44:48.9	56.95	0.05	56.95	56.95	300	300	5000
09/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	44:50.5	43:48.7	44:50.5	56.95	0.05	56.95	56.95	200	200	5000
09/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	44:53.5	43:48.7	44:53.5	56.95	0.05	56.95	56.95	200	200	5000
09/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	45:06.1	43:48.7	45:06.1	56.95	0.05	56.95	56.95	1	1	5000
09/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	45:12.3	43:48.7	45:12.3	56.95	0.05	56.95	56.95	120	120	5000
10/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	43:04.7	42:58.7	43:04.7	57	0.05	57	57	200	200	3335
10/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	43:06.5	42:58.7	43:06.5	57	0.05	57	57	300	300	3335
10/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	43:08.0	42:58.7	43:08.0	57	0.05	57	57	100	100	3335
10/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	43:09.4	42:58.7	43:09.4	57	0.05	57	57	300	300	3335
10/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	43:12.1	42:58.7	43:12.1	57	0.05	57	57	300	300	3335
10/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	43:14.0	42:58.7	43:14.0	57	0.05	57	57	100	100	3335
10/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	43:15.7	42:58.7	43:15.7	57	0.05	57	57	300	300	3335
10/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	43:20.9	42:58.7	43:20.9	57	0.05	57	57	300	300	3335
10/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	43:22.3	42:58.7	43:22.3	57	0.05	57	57	200	200	3335
10/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	43:27.4	42:58.7	43:27.4	57	0.05	57	57	300	300	3335
10/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	43:35.5	42:58.7	43:35.5	57	0.05	57	57	200	200	3335

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
10/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	43:37.4	42:58.7	43:37.4	57	0.05	57	57	300	300	3335
10/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	43:43.3	42:58.7	43:43.3	57	0.05	57	57	80	80	3335
10/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	43:48.4	42:58.7	43:48.4	57	0.05	57	57	21	200	3335
10/02/2017	KAMLESH BHIKHABHAI SHAH	NARAYANDAS DIPCHAND SHAH	13:25.5	12:42.0	13:25.5	57	0.05	57	57	200	200	5000
							2.65			**8094**		

As seen from Table above, During Patch 2, Noticee 7 and Noticee 10 contributed to positive LTP of 1.15% (LTP rate was Rs. 2.65) through 53 trades involving total quantity of 8094 by trading among themselves on 6 trading days between 30.01.2017 to 10.02.2017. Out of total positive LTP rate of 2.65 between Noticee 7 and Noticee 10, 24.52% viz., LTP rate of 0.65 was contributed by the said 2 Noticees being connected Group 1 entities, on 09.02.2017.

On 09.02.2017, Noticee 10 placed one limit sell orders at 02:43:49 PM involving quantity 5000 in the scrip at price of Rs. 56.95 when market LTP was Rs. 56.90; exactly within 38 seconds i.e. at 2:44:27 PM Noticee 7 started placing multiple buy orders with small quantity to match the sell orders of Noticee 10 and thereby contributing positive LTP rate of 0.65 through 13 trades having been executed within 45 seconds of Noticee 10's sell order at 02:43:49 PM.

<u>Noticee 16 and Noticee 18</u>

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:00:31	9:59:40	10:00:31	49.15	0.05	49.15	49.15	238	262	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:00:39	9:59:46	10:00:39	49.15	0.05	49.15	49.15	23	23	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:00:41	9:59:46	10:00:41	49.15	0.05	49.15	49.15	16	16	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:00:46	9:59:46	10:00:46	49.15	0.05	49.15	49.15	49	66	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:01:14	9:59:33	10:01:14	49.15	0.05	49.15	49.15	58	75	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:01:15	9:59:40	10:01:15	49.15	0.05	49.15	49.15	46	46	2500

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:01:17	9:59:40	10:01:17	49.15	0.05	49.15	49.15	56	56	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:01:29	9:59:46	10:01:29	49.15	0.05	49.15	49.15	89	262	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:01:34	9:59:33	10:01:34	49.15	0.05	49.15	49.15	179	262	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:18:16	9:59:46	10:18:16	49.15	0.05	49.15	49.15	208	262	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:49:49	10:27:33	10:49:49	49.15	0.05	49.15	49.15	107	232	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:49:55	10:48:58	10:49:55	49.15	0.05	49.15	49.15	46	46	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:49:57	10:48:58	10:49:57	49.15	0.05	49.15	49.15	66	66	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:50:09	10:48:58	10:50:09	49.15	0.05	49.15	49.15	38	262	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:50:15	10:48:58	10:50:15	49.15	0.05	49.15	49.15	228	262	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:50:17	10:49:04	10:50:17	49.15	0.05	49.15	49.15	216	262	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:50:25	10:48:58	10:50:25	49.15	0.05	49.15	49.15	14	262	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:50:27	10:49:04	10:50:27	49.15	0.05	49.15	49.15	2	262	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:50:41	10:48:58	10:50:41	49.15	0.05	49.15	49.15	92	92	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:50:44	10:49:04	10:50:44	49.15	0.05	49.15	49.15	80	252	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:51:25	10:48:58	10:51:25	49.15	0.05	49.15	49.15	134	262	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:51:27	10:49:04	10:51:27	49.15	0.05	49.15	49.15	122	262	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:51:35	10:48:58	10:51:35	49.15	0.05	49.15	49.15	62	262	2500
06/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	10:51:36	10:49:04	10:51:36	49.15	0.05	49.15	49.15	50	262	2500
09/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	12:48:15	12:46:04	12:48:15	56.9	0.05	56.9	56.9	262	262	5000
09/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	12:48:20	12:46:04	12:48:20	56.9	0.05	56.9	56.9	161	161	5000
09/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	12:48:23	12:46:04	12:48:23	56.9	0.05	56.9	56.9	363	363	5000
09/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	12:48:26	12:46:04	12:48:26	56.9	0.05	56.9	56.9	26	26	5000
09/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	12:48:27	12:46:04	12:48:27	56.9	0.05	56.9	56.9	26	26	5000
09/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	12:48:29	12:46:04	12:48:29	56.9	0.05	56.9	56.9	52	52	5000
09/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	12:48:36	12:46:04	12:48:36	56.9	0.05	56.9	56.9	66	66	5000

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	LTP_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
09/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	12:48:48	12:46:04	12:48:48	56.9	0.05	56.9	56.9	63	63	5000
09/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	12:48:59	12:46:04	12:48:59	56.9	0.05	56.9	56.9	52	52	5000
09/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	12:49:32	12:46:04	12:49:32	56.9	0.05	56.9	56.9	52	52	5000
09/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	12:49:52	12:46:04	12:49:52	56.9	0.05	56.9	56.9	600	600	5000
09/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	14:45:52	14:44:32	14:45:52	56.95	0.05	56.95	56.95	66	66	5000
09/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	14:45:53	14:44:32	14:45:53	56.95	0.05	56.95	56.95	52	52	5000
09/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	14:45:54	14:44:32	14:45:54	56.95	0.05	56.95	56.95	52	52	5000
09/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	14:45:57	14:44:32	14:45:57	56.95	0.05	56.95	56.95	262	262	5000
13/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	11:36:07	11:35:16	11:36:07	57.35	0.05	57.35	57.35	56	56	2500
13/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	11:36:10	11:35:16	11:36:10	57.35	0.05	57.35	57.35	52	52	2500
13/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	11:36:12	11:35:16	11:36:12	57.35	0.05	57.35	57.35	34	46	2500
13/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	11:36:41	11:35:16	11:36:41	57.35	0.05	57.35	57.35	63	63	2500
13/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	11:36:44	11:35:51	11:36:44	57.35	0.05	57.35	57.35	26	26	2500
13/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	11:36:46	11:35:16	11:36:46	57.35	0.05	57.35	57.35	26	26	2500
13/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	11:37:00	11:35:16	11:37:00	57.35	0.05	57.35	57.35	52	52	2500
13/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	11:37:13	11:35:16	11:37:13	57.35	0.05	57.35	57.35	186	262	2500
13/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	11:37:17	11:35:51	11:37:17	57.35	0.05	57.35	57.35	246	262	2500
13/02/2017	VIJAYA PARSHARAM SALVI	VIVEK SHIVARAM KALE	11:37:19	11:35:16	11:37:19	57.35	0.05	57.35	57.35	234	262	2500
							2.45			**5349**		

As seen from Table above, during Patch 2, Noticee 16 and Noticee 18 contributed to positive LTP of 1.06% (LTP rate was Rs. 2.45) through 49 trades involving total quantity of 5349 by trading among themselves on 3 trading days between 06.02.2017 to 13.02.2017. Out of total positive LTP rate of 2.45 between Noticee 16 and Noticee 18, 20.4% viz., positive LTP rate of 0.50 was contributed by the said 2 Noticees being connected Group 1 entities, on 13.02.2017.

On 13.02.2017, Noticee 18 placed two limit sell orders at 11:35:16 PM and 11.35.51 PM each involving quantity 2500 in the scrip at price of Rs. 57.35 when market LTP was Rs. 57.30; exactly within 51 seconds i.e. at 11.36.07 PM Noticee 16 started placing multiple buy orders with small quantity to match the sell orders of Noticee 18 and thereby contributing positive LTP rate of 0.50 through 10 trades having been executed within less than 2 minutes viz., 1 minute 12 seconds of Noticee 18's sell order at 11:35:16 PM.

90. I note from the material available on record that Group 1 was formed basis connection amongst themselves either directly and /or indirectly. I note that connection among them were established on the basis of common email ID, common phone number, common address, common director, off-market transfer, fund transfers etc. Noticees 1, 2, 4, 6 to 11, 13, 14 and Noticees 16 to 19 were part of Group 1 and hence they were all connected entities. During January 27, 2017 to February 17, 2017 (Patch 2) price of the scrip had moved from Rs. 44.65 to Rs. 58.90. I note that during Patch 2, said 15 Noticees have contributed to positive LTP of 54.76% to market positive LTP. As detailed in the table above and foregoing paragraphs that Noticees 1, 2, 4, 6 to 11, 13, 14 and Noticees 16 to 19 have contributed to positive LTP of 28.51% to market positive LTP by trading among themselves, the connection established amongst them and their trading pattern evidently indicates towards meeting of minds amongst them in manipulating the price of the scrip.

91. I note a distinct pattern from the details of positive LTP contributing trades of said 15 Noticees as in tables above, whereby the seller Noticee places a sell order at higher than Last Traded Price with substantial quantity which is then matched by another Noticee from amongst connected group entities by placing multiple buy orders in miniscule /split quantity successively with first such order being placed within seconds of seller Noticee's order. Further, in this regard, I also note that such a pattern is repeated in pairs by different set of Noticee's part of Group 1 entities being connected as buyer and seller.

To cite as example, as also detailed above, on 31.01.2017 pair of Noticee 9 and 13 had traded with Noticee 13 having initially placed sell order at higher than Last Traded Price for quantity 2500 which is matched by Noticee 9 substantially through multiple buy orders placed successively within few seconds and involving small quantities. Thereafter on same day such behavior is shown by another set of pair of Noticees viz., Noticee 1 and Noticee 10 traded, in which Noticee 10 as seller having initially placed sell order at higher than Last Traded Price for quantity 5000 which is matched by Noticee 1 substantially through multiple buy orders placed successively within 38 seconds having small quantities (viz., 4, 20, 65, 100, 200, 204, 300 shares) with first such buy order having been placed immediately within 17 seconds of seller Noticee's order. It is noteworthy that different pair of Noticees trade alternately in above manner. Such pattern of having repeatedly trading at higher than LTP and thereby contributing to positive LTP, across successive trading days by different pair of Noticees, being connected Group 1 entities, during the period relevant to the patch cannot be mere coincidence and renders such trades as non genuine and therefore manipulative and fraudulent trading in nature.

Such trading behavior demonstrating whenever any of the Noticee, amongst the said 15 Noticees, trades as a seller, the sell order involving high quantity is placed first at higher than LTP after which invariably another Noticee from amongst the said 15 Noticees enters from buy side involving small quantities that too within short span i.e., mostly within few seconds as limit order at exactly same price as that of seller Noticee. Such pattern is observed even when the pair of Noticee's are different across various dates during the patch period, as evident from the tables above.

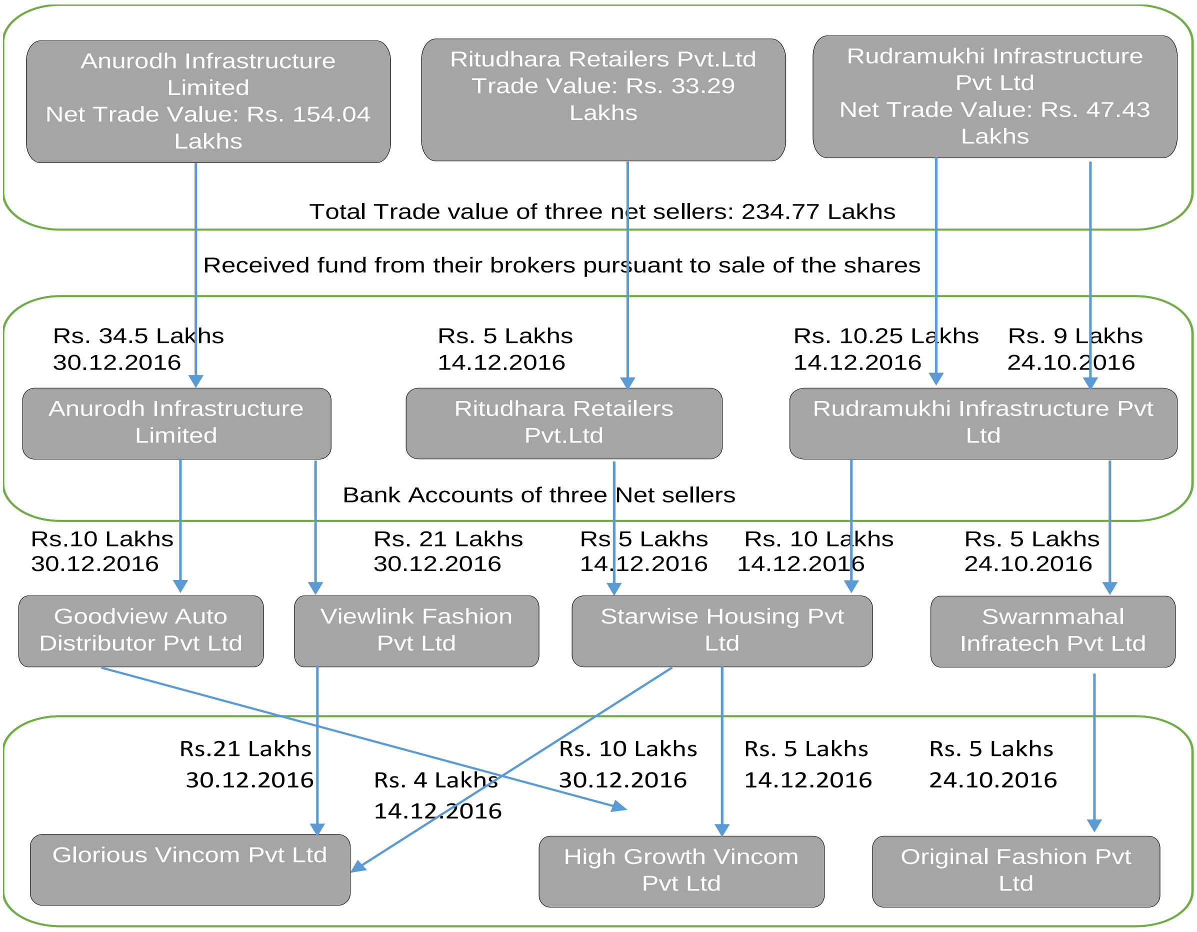
Logically speaking, it cannot be mere coincidence that when an entity enters market on sell side, the order is placed involving substantially high quantity and when the same entity enters market on buy side, multiple buy orders involving small quantities are placed as limit orders, at exactly same price as that of the sell side order, which match with the sell order of the connected entity and such behavior observed for all entities across the Group, across the patch. Such patterns, when observed across connected group entities, as observed and dealt with in the foregoing, in my opinion would not qualify as normal and /or genuine trading behavior and evidently points to the impugned trades being non genuine and hence manipulative and fraudulent in nature.

92. In view thereof, I find that the allegation that by trading among themselves Noticees 1, 2, 4, 6 to 11, 13, 14 and Noticees 16 to19, by contributing 28.51% to market positive LTP, had contributed to price rise in fraudulent manner and had manipulated the price of the scrip of ETL during Patch 2 of IP, stands established. Therefore, I hold that Noticees 1, 2, 4, 6 to 11, 13, 14 and Noticees 16 to19 violated Section 12A (a), (b) and (c) of SEBI Act and Regulation 3(a), (b), (c), (d), 4(1) and 4(2) (b) and (e) of PFUTP Regulations.

ALLEGED VIOLATION REGARDING FLOW OF FUNDS WITH RESPECT TO NET SELLERS OF GROUP 1:

93. In this regard, it was inter alia observed /alleged in the SCN that net sellers of Group 1 i.e., Noticee 2, 15, 21 had acted in concert with other Group 1 Noticee i.e., 4, 5, 12 and were part of the scheme, device and artifice to manipulate the price and volume in the scrip of ETL.

In this regard, the diagrammatic representations with regard to the flow of funds in respect of Noticee 2, 15, 21, as noted from material on record, are as below:



Total amount received to above three LTP contributors is Rs. 45 Lakhs from three net sellers

94. In this regard, following was inter alia observed in respect of Noticee 2:

During IP, Noticee 2 sold shares in ETL with net traded value of approx. Rs 154.04 lakhs which was credited by the broker through various transactions. In one such transaction, the broker transferred approx. Rs 34.5 lakhs on 30.12.2016 into the account of Noticee 2. As per the bank statement of Noticee 2, on same day viz., 30.12.2016, Rs 21 lakh was transferred to Noticee 25 and Rs 10 lakhs was transferred to Noticee 28. As per the bank statement of Noticee 25(Corporation bank), Rs 21 lakh was transferred to Noticee 4 on 30.12.2016. Noticee 4 was part of Group 1 and observed to have manipulated price and volume in the scrip. As per the bank statement of Noticee 28 (Corporation bank), Rs. 10 lakh was transferred to Noticee 5 on 30.12.2016. Noticee 5 was part of Group 1 and observed to have manipulated price and volume in the scrip.

In this regard, from bank statements of Noticee 25 and Noticee 28 it is noted that the amount in their bank account prior to receipt of funds from Noticee 2 was miniscule (viz., 10,786.42 and 10,659.55) and was same post transfer of funds to Noticee 4 and 5 respectively. This apart, it is also noted that in respect of both the Noticees viz., Noticee 25 and Noticee 28 the amount further transferred to Noticee 4 and Noticee 5 respectively was by way of cheque and that in respect of both, the transfer had resulted in Noticee 25 and Noticee 28's bank account running into debit balance and in respect of both Noticee 25 and Noticee 28 the amount from Noticee 2 is received thereafter. It is thus noted that the funds received by Noticee 2 from sale of shares of ETL, are transferred by Noticee 2 who was net seller in the scrip of ETL to two bank accounts of two different Noticee's, and the two different bank accounts pertaining to two different Noticee's viz., Noticee 25 and Noticee 28 in which such amount are received, reflect same pattern, and from both Noticee 25 and Noticee 28 the funds are further transferred to Noticee 4 and Noticee 5 both being connected group entities who had indulged in manipulation of the price and volume in the scrip of

ETL, as dealt with and established in the foregoing, cannot be mere coincidence and points to premeditated mind and all of them being part of same scheme.

95. In this regard, following was inter alia observed in respect of Noticee 15:

During IP, Noticee 15 sold shares in ETL with net traded value of around Rs. 47.43 lakhs which was credited by the broker through various transactions. In one such transaction, the broker transferred Rs. 9 lakh into the account of Noticee 15 on 24.10.2016. As per the bank statement of Noticee 15 (corporation bank), Rs. 5 lakhs out of Rs. 9 lakhs was transferred to Noticee 26 on 24.10.2016. As per the bank statement of Noticee 26 (corporation bank), Rs. 5 lakhs was transferred to Noticee 12 also one amongst the connected Group 1 Noticees and who was observed to have indulged in manipulation of the price and volume in the scrip of ETL, as dealt with and established in the foregoing.

In another such transaction, the broker transferred Rs.10.25 lakhs on 14.12.2016 into the account of Noticee 15. As per the bank statement of Noticee 15, on same day Rs 10 lakhs was transferred to Noticee 27. As per the bank statement of Noticee 27 (corporation bank), on same day viz., 14.12.2016, it had also received 5 lakhs from Noticee 20, another net seller. On same day, viz., 14.12.2016, from the account of Noticee 27, Rs.4 lakhs was transferred to Noticee 4 and Rs. 5 lakhs was transferred to Noticee 5. Both Noticee 4 and Noticee 5 are observed to have indulged in manipulation of the price and volume in the scrip of ETL, as dealt with in the foregoing. Here too, it is noted that the patter of transfer and receipt of funds was same i.e., amount received by Noticee 27 from net seller Noticee 15 and Noticee 20, was further transferred by Noticee 27 to Noticee 4 and Noticee 5, inter alia part of connected Group 1 Noticee's, by way of cheques and that the transfer had resulted in Noticee 27's bank account running into debit balance and that the amount from Noticee 15 and Noticee 20 was received thereafter through RTGS, as was also noted in respect of transfer of funds by other net seller viz., Noticee 2 to Noticee 4 and Noticee 5 through Noticee 25 and Noticee 28, as dealt with and established in the foregoing. Such pattern of receipt and transfer of funds in same fashion across different bank accounts of different Noticee's, being connected group entities and transfer of funds to common set of Noticee's viz., Noticee 4 and Noticee 5 cannot be mere coincidence and evidently points to premeditated mind and all of them being part of same scheme.

96. In this regard, following was inter alia observed in respect of Noticee 21:

During IP, Noticee 21 sold shares in ETL with net traded value of around Rs 43.7 lakhs which was credited by the broker through various transactions. In one such transaction, the broker transferred approx. Rs 43.6 lakhs on 08.02.2017 into the account of Noticee 21. As per the bank statement of Noticee 21(corporation bank), on same day viz., 08.02.2017, Rs 43.6 lakhs was transferred to Noticee 30. As per the bank statement of Noticee 30 (SBI), Rs 43.6 lakh was transferred to Noticee 29 on same day viz., 08.02.2017. On same day, Rs. 43.6 lakhs was transferred from bank account of Noticee 29 to the account of Noticee 12. It is noted that the balance in the bank account of Noticee 29 prior to receipt of funds from Noticee 30 was miniscule (viz., Rs. 35,157.79) and was same post transfer of funds to Noticee 12, thereby implying that the amount received by it from Noticee 30 only was transferred further to Noticee 12 and evident of meeting of minds. Noticee 12 was part of Group 1 and who is observed to have indulged in manipulation of the price and volume in the scrip of ETL, as dealt with and established in the foregoing.

97. To summarize briefly, it is noted that funds received by inter alia Noticee 2, Noticee 15, Noticee 21 being net sellers of the scrip of ETL, from their respective brokers are further transferred, in full /part, by the said net sellers inter alia through Noticee 29, 30 being conduits to Noticee 4, Noticee 5, Noticee 12 who are observed to have indulged in manipulation of the price and volume in the scrip of ETL, as dealt with and established in the foregoing. Such commonality and pattern as brought out above and the fact that funds received by different net sellers of Group 1, from respective brokers were further transferred on same day

of receipt to different Noticee's being connected and part of Group 1 was invariably through conduits despite the net sellers being different Noticees.

98. In view thereof, the allegation that net sellers Noticees 2, 15 and 21 being part of Group 1, and Noticee 29 and 30 having acted in concert with Group 1, were part of the scheme, device and artifice to manipulate the price and volume in the scrip of ETL, stands established. Therefore I hold that Noticee 2, 15, 21, 29 and 30 have violated Section 12A (a), (b) and (c) of SEBI Act and Regulation 3(a), (b), (c), (d), 4(1) and 4(2) (a), (b), (e) and (g) of PFUTP Regulations.

ALLEGED VIOLATION REGARDING FLOW OF FUNDS WITH RESPECT TO NET SELLERS OF GROUP 2:

99. It was inter alia alleged in the SCN that Group 1 had assisted and facilitated the sale of shares by two net sellers viz., Noticee 22 and Noticee 23, who were holding the shares of ETL since June 2014. Therefore, it was alleged that Noticees 22 and 23 had acted in concert with Group 1 and were part of scheme, device and artifice to manipulate volume and price of the scrip of ETL.

100. In this regard, Noticee 22 and 23, broadly stated, have inter alia primarily contended that they have been alleged to be a part of a "scheme" on the sole basis of some transfer of funds with third parties. The connection with various entities as mentioned in the SCN is irrelevant as they were not even parties to the SCN. The claims made in the SCN in this regard are limited to conjecture and speculation. To come to the conclusion that the trades were a result of manipulation of price and volume of the scrip of ETL, the SCN utterly disregarded a number of other important variables. The parties' interpersonal relationships are one of these important factors. As is the case with settled law, it must be proved that there was some sort of connection between the parties in order to prove the parties were acting in concert with one another. Thus, there is no possibility of a meeting of the minds if the parties are unrelated to one another. In this regard, they relied

upon certain judgments of Hon'ble SAT in Ashlesh Gunvantbhai Shah v. SEBI dated September 15, 2021. Merely sharing a common address does not in any manner show a common meeting of minds for any alleged fraudulent purposes.

101. Noticee 23 also submitted that it had also dealt in several other scrips. In this regard, I note that trading by Noticee 23 in other scrips is not subject matter of the instant proceedings. I note that the subject matter of instant proceedings is about its trading in the scrip of ETL, specifically with respect to its sale of shares in the scrip of ETL and transferring of the sale proceeds to other connected being part of Group 1 .

102. Noticee 22 inter alia also submitted that it had purchased the shares of ETL at very high price in FY 2011 – FY 2013 and when in FY 2016-2017 there was liquidity in the scrip, it sold the shares. As regard fund transfer, Noticee 22 contended that the alleged transaction was cherry picked, while there were 2 banking transactions with Noticee 25 for purchase of sarees. Noticee 22 has submitted document claiming to be copies of invoice towards purchase of sarees from Noticee 25.

In this regard, Noticee 23 contended that it had invested in the scrip in the FY 2012-13, this by itself completely belies the charges that it could have been part of any alleged conspiracy in the year 2016-17 when it had sold the shares in the scrip. As regards fund transfers with Noticee 24 and 25, Noticee 23 contended that the said money transfers was towards payment of consideration for the purchase of the shares of one, Jaguar Infra Developers Ltd., (JIDL). In this regard, Noticee 23 submitted document claiming to be copies of Bills /Invoice with regard to purchase of shares of JIDL.

103. As regards copy of invoice dated 14.02.2017 (invoice) and copy of bill dated 17.02.2017 (bill) submitted by Noticee 23 claimed to be relating to purchase of shares of JIDL, I note that save for submitting said copy of invoice /bill no other relevant details and /or documents whatsoever have been submitted by Noticee

23. For any such transaction involving purchase of shares of a corporate entity, generally speaking copy of share certificate and relevant page /document reflecting endorsement of transfer from erstwhile holder to new holder is basic and primary document. Noticee 23 has not even provided copy of such basic and primary documents like copy of share certificate(s) and document reflecting endorsement of transfer of shares in favor of Noticee 23. Further in this regard, I note that as regards the bill dated 17.02.2017 while the fund transfer of Rs.48.50 Lakhs, had happened on 3 dates i.e. Rs. 25 lakhs on February 18, 2017, Rs. 9.5 Lakhs on February 20, 2017 and Rs. 14 Lakhs on February 21, 2017 and Noticee 23 did not provide any details and /or reason as regards payment made in tranches.

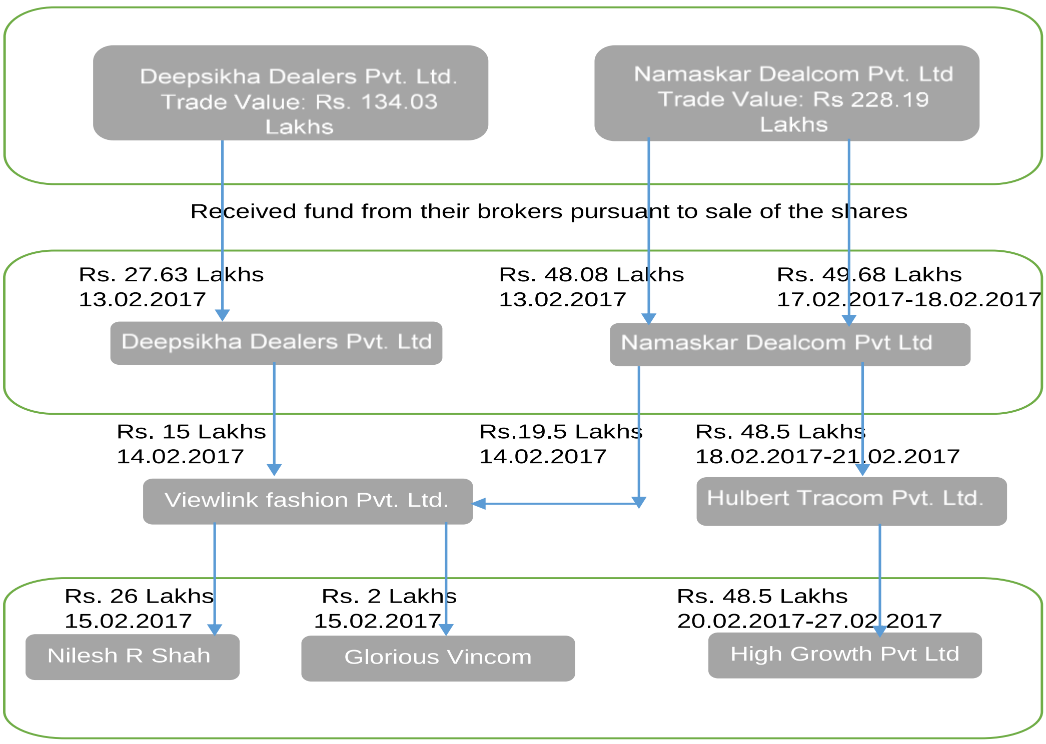
104. Further, in this regard, from the documents claimed to be copy of invoice for purchase of saree and copy of bill in respect of purchase of shares of JIDL, as submitted by respective Noticee's viz., Noticee 22 and Noticee 23, I note that the same do not bear any invoice /bill numbers on it. In this regard, in my view, bills /invoices relating to transactions involving corporate entities being essential documents for accounting and from point of view of proper books of accounts etc., carry a unique invoice number and an invoice /bill without a unique number, may not be considered a valid /legal document. I note that in the instant case the bills /invoice were not just for some miniscule amounts but related to transactions amounting to Rs. 48.50 Lakhs, Rs. 19.50 Lakhs, Rs. 15 Lakhs. I note that save for copy of invoice /bill (that too without bill /invoice number) no other relevant details or documents in support of their respective contentions, were submitted by the Noticee 22 and Noticee 23.

105. This apart, from the copy of bank account statement of Noticee 23, available on record, it is noted that besides the transfer of Rs. 48.5 lakhs to Noticee 24, it had other transaction with Noticee 24 in which the amount was received from Noticee 24 by Noticee 23 and in which case too it is noted that upon receipt of amount from Noticee 24, the same is transferred by Noticee 23 to same broker. In other words, when the amount is received by Noticee 23 from broker Ashika, the same

is immediately transferred to Noticee 24 and when amount is received from Noticee 24, the same is also immediately transferred to broker Ashika, in substantial part. I also note similar pattern in respect of all other transactions save for one instance viz., whenever amount is received from broker the same is transferred to one of the Noticees and whenever amount is received from one of the Noticees, the same is transferred to the broker.

106. In view thereof, I note that Noticees have not clearly demonstrated along with details and documents that the impugned fund transfers as observed in their respective bank accounts were related to purpose other than as observed and alleged in the SCN. In view thereof, in my opinion, the submissions of the Noticees 22 and 23 in this regard are devoid of merit and hence cannot be accepted.

107. Further, in this regard, as regards the flow of funds with respect to two net sellers of Group 2 viz., Noticee 22 and Noticee 23, the following is inter alia noted from the material available on record:



108. I note that two groups were identified as Group 1 and Group 2. Group 1 and Group 2 was formed basis connection among themselves directly and /or indirectly. The connection amongst Group 2 entities were established on the basis of common email ID, common phone number, common address, common director, etc. Accordingly, Noticee 22 and Noticee 23 were part of Group 2 and hence they were connected to each other and both Noticee 22 and Noticee 23 were inter alia net sellers of scrip.

109. I note from the material available on record that during IP, Noticee 22 had sold shares of ETL with traded value of Rs.134 lakhs. This amount was credited by the broker to Noticee 22 through various transactions. On February 13, 2017, the broker of Noticee 22 transferred approximately Rs. 27.63 lakhs of sale proceeds to Noticee 22. On next day i.e. on February 14, 2017, Noticee 22 transferred Rs. 15 lakhs to Noticee 25. Likewise, Noticee 23 had sold shares of ETL with traded value of Rs.228.19 lakhs. This amount was credited by the broker to Noticee 23 through various transactions. On February 13, 2017, the broker of Noticee 23 transferred Rs. 48.08 lakhs of sale proceeds to Noticee 23. On next day i.e. on February 14, 2017, Noticee 23 transferred Rs. 19.5 lakhs to Noticee 25.

110. I note from the bank statement of Noticee 25 available on record that on February 14, 2017, the credit balance in Noticee 25's bank account was only Rs. 10,117 before the aforesaid Rs.34.5 lakhs (Rs. 15 lakhs from Noticee 22 and Rs. 19.5 lakhs from Noticee 23) received by Noticee 25. On next day i.e. on February 15, 2017, Noticee 25 transferred Rs. 26 lakhs to Noticee 11 and Rs. 2 lakhs to Noticee 4. Since, Noticee 25 had credit balance of just Rs.10,117 before the said fund transfers by Noticee 22 and 23, it is logical to construe that funds received from Noticee 22 and 23 were itself transferred by Noticee 25 to other Noticees viz. Noticee 4 and Noticee 11, who had indulged in manipulation, being connected Group entities, as already dealt with and established in the foregoing.

In other similar transaction on February 17 and 18, 2017, the broker of Noticee 23 transferred approximately Rs. 49.68 lakhs of sale proceeds to Noticee 23. Noticee 23 transferred Rs. 48.5 lakhs (Rs. 25 lakhs on February 18, 2017, Rs. 9.5 Lakhs on February 20, 2017 and Rs. 14 Lakhs on February 21, 2017) to Noticee 24. Further, Noticee 24 received Rs. 21 Lakhs from other net seller in the scrip of ETL. I note from the bank statement of Noticee 24 available on record that on February 18, 2017, the balance in Noticee 24's bank account was only Rs. 14,704 before the aforesaid Rs.48.5 lakhs and Rs.21 Lakhs were received by Noticee 24. During February 20, 2017 to February 27, 2017, Noticee 24 transferred Rs. 69.5 lakhs to Noticee 5. Since, the balance in Noticee 24's bank account, before receipt of funds from net sellers and after transfer of funds to Noticee 5, as stated above was approx. Rs. 14,000/-. Considering there were no other fund transfers besides the ones as discussed above, it is logical to construe that funds inter alia received from Noticee 23 were itself transferred by Noticee 24 to other Noticee viz. Noticee 5, who had indulged in manipulation, being connected Group 1 entity, as already dealt with and established in the foregoing.

111. In this regard, that transfer of funds involved two different Noticee's who were connected Group entities, both were net sellers in the same scrip, funds related to sale of shares in the same scrip, transfer was instantaneous /within few days and that in respect of both the transfer of funds was through conduits, including common conduit between the two net sellers, and funds were transferred to different Noticee's who were connected Group entities and had indulged in manipulation in the scrip, as already dealt with and established in the foregoing, in my view, cannot be a mere coincidence and evident of meeting of minds amongst Noticee's involved in fund transfers.

112. In view of the above, I find that Noticee 22 and Noticee 23 had acted in concert with Group 1 entities and were part of scheme, device and artifice to manipulate volume and price of the scrip of ETL.

113. In view thereof, I find that the allegation in respect of Noticee 22 and Noticee 23 that they had acted in concert with Group 1 and were part of the scheme, device and artifice to manipulate the price and volume in the scrip of ETL, stands established. Therefore, I hold that Noticee 22 and Noticee 23 violated Section 12A (a), (b) and (c) of SEBI Act and Regulation 3(a), (b), (c), (d), 4(1) and 4(2) (a), (b), (e) and (g) of PFUTP Regulations.

ALLEGED VIOLATION REGARDING FAILURE TO PRODUCE INFORMATION AND DOCUMENTS SOUGHT THROUGH SUMMONS ISSUED UNDER SECTION 11C (3) OF THE SEBI ACT:

114. In this regard, it was inter alia alleged in the SCN that Noticee 31 (Pel Soft Labs Pvt Ltd), Noticee 32 (Ismail Mehtar), failed to produce information and documents sought through Summons issued under section 11C (3) of the SEBI Act:

Noticee 31:

115. It was inter alia observed that summons dated March 30, 2021 were sent to Noticee 31 through physical letter on available address and also through email available on record. Further reminder summons dated April 09, 2021 and April 22, 2021 were sent to Noticee 31 through email available on record. Summons sent through physical letters to Noticee 31 returned undelivered, however, the summons sent through emails did not bounce back. However, no reply was received from Noticee 31. Therefore, it was inter alia alleged that Noticee 31 failed to furnish the documents and information as sought under Summons/ reminder summons issued under section 11C (3) of the SEBI Act and therefore, it did not co-operate with the investigation and hampered the process of investigation and hence, alleged to have violated Section 11C(3) of SEBI Act.

116. Noticee 31 contended that, *“The notice states that we have not responded to the letters and mails sent by your esteemed institution. However, we are not in*

receipt of any information request as on date. We would like to explain that it seems the letters were sent to the old address of the company, that is A-33, New Krishna Park, Vikas Puri, New Delhi-110018, from where the company had shifted long back because the office was sealed by the MCD. Further, we also noticed that the emailid mentioned in the notice is chandrashekhar@pelsoftlabs.in which belongs to a ex-employee of the company which means that the emails were being sent to an ex employee's mail address because of which they were not read by anyone in the company. Hence, the company couldn't reply. We also confirm that no communication was being made to the registered office of the company"

117. In this regard, I note from the material available on record that the address and email ID of Noticee 31 was provided by ValueFirst Digital Media Private Limited. I note that the summons sent through physical mode were returned undelivered. As regards summons sent on email ID 'chandrashekhar@pelsoftlabs.in', Noticee 31 has contended that the said email ID belonged to an ex-employee of the company, therefore the same were not read by anyone in the company. Noticee 31 also inter alia submitted that the said summons were not sent on registered address of the Noticee 31. I note from the material on record that the registered address and email ID of the Noticee 31 were different from the one on which the said summons were sent.

118. In view thereof, having regard to the facts and circumstances, material on record, submissions of the Noticee 31, I am inclined to allow benefit of doubt to Noticee 31, in this regard Accordingly, the allegation that by not providing the information as sought, Noticees 31 did not co-operate with the investigation and hampered the process of investigation does not stand established.

Noticee 32:

119. It was inter alia observed that summons dated February 26, 2021 and reminder summons dated March 10, 2021 and March 22, 2021 were sent to Noticee 32

through physical letter on available address. Summons/reminders sent through physical letters to Noticee 32 were delivered to him. However, no reply to the said summons was received from Noticee 32. Therefore, it was inter alia alleged that Noticee 32 failed to furnish the documents and information as sought under Summons/ reminder summons issued under section 11C (3) of the SEBI Act and therefore, he did not co-operate with the investigation and hampered the process of investigation and hence, alleged to have violated Section 11C(3) of SEBI Act.

120. In this regard, I note that the SCN was duly served to Noticee 32. Vide his email dated July 07, 2022, Noticee 32 stated that he is not having knowledge of english language and also requested to provide the information with respect to the instant Adjudication Proceedings in Gujarati Language. It is noted that the said communication was made by Noticee in English language. In this regard, it was informed to said Noticee that there is no provision under the SEBI Act, 1992 or under Adjudication Rules made thereunder which mandates to provide the SCN in a regional language.

121. In this regard, an opportunity of hearing had been provided to Noticee 32, vide Hearing Notice dated June 26, 2023 and he was allowed to appoint any other person as his representative to appear for the hearing on behalf of him. However, Noticee 32 neither appeared on the scheduled date of hearing nor any reply to the SCN was received from Noticee 32. In absence of reply from the Noticees 32, I am constrained to deal the matter based on material available on record. It was alleged in the SCN that failure by Noticee 32 to provide the documents and information as sought under Summons/ reminder summons issued to him, hampered the process of investigation. In this regard, I find it relevant to draw reference to the contents of the Annexure to Summons issued to Noticee 32, reproduced as under:

> *“*
>
> *It has been alleged that calls were made on behalf of www.growthstock.in through the mobile number 7096205638 to various people recommending them to purchase stock Econo Trade (India) Ltd. during the period October 05, 2016 to February 17, 2017. It is*

observed that the aforementioned mobile number 7096205638 was registered in your name during the aforementioned period. In this regard, you are advised to clarify/confirm/provide true & complete details in respect of the following:

1. *Rationale/Reason for calling people and recommending them to purchase stock Econo Trade (India) Ltd. If such calls were made by you under someone else's instructions, provide the detail (name, address, email ids contact number) of such persons/entities*
2. *What were your incentives to make such calls? Provide the documentary evidence.*
3. *How are you related to the website www.growthstock.in? Provide details (name, address, email ids contact number) of all people owning/running/associated with the said website?*
4. *How do you know the company Econo Trade (India) Ltd? Details of your relationship/connection whether personal/financial or otherwise with the company Econo Trade (India) Ltd or its promoters/directors/key personnel*
5. *Details of your relationship/connection whether personal/financial or otherwise with the following entities:*

Sr. No.	***Name***
1	*Anurodh Infrastructure Ltd*
2	*Rudramukhi Infrastructure Pvt Ltd*
3	*Ritudhara Retailers Pvt.Ltd*
4	*Primary Iron Traders Pvt Ltd*
5	*Bakul Garments LLP*
6	*Lagan Barter Private Ltd*
7	*Deepsikha Dealers Private Ltd*
8	*Tirupati Cottex Private Limited*
9	*Namaskar Dealcom Private Ltd*
10	*Aroma Vintrade Private Ltd*

6. *Details of payment received for making such calls*
7. *Bank details for all the bank accounts held/ operated by you in the following format:*

Sr. No.	***Bank Name and address of Branch***	***Account Number***	***Account holder Name***	***PAN of account holder***
1				
2				

"

122. In this regard, I note that, as per material available on record, the name of Noticee 32 was provided to SEBI by the TSP, and the summons were issued to Noticee 32, based on the details of CAF of mobile number registered with Noticee 32 from

where calls were allegedly made to the complainants. I note from the contents of the Annexure to the Summons that the information and documents sought from the Noticee 32 during the ongoing investigation in the matter by SEBI then, were relevant and important for the said investigation. I also note from material available on record that the investigation report in the matter records that by not providing the information as sought, Noticee 32 did not co-operate with the investigation and hampered the process of investigation.

123. I note that the tracking details downloaded from India post website for confirmation of delivery of summons dated February 26, 2021 and reminder summons dated March 10, 2021 through Speed Post to Noticee 32 are available on record. Further, signed acknowledgment card confirming delivery of the summons dated March 22, 2021 to Noticee 32 are also available on record.

124. In view thereof, I find that the allegation that by not providing the information as sought, Noticees 32 did not co-operate with the investigation and hampered the process of investigation, stands established. Therefore, I hold that Noticee 32 violated Section 11C(3) of SEBI Act.

Issue No. II If yes, whether the failure on the part of the Noticees would attract monetary penalty under Section 15HA and 15A(a) of the SEBI Act, as applicable?

Issue No. III If yes, what should be the monetary penalty that can be imposed upon the Noticees?

125. It has been established in the foregoing paragraphs that Noticees 1 to 19, 21 to 23, 29 and 30 have violated provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market Regulations), 2003 and Noticee 32 has violated provisions of Section 11C(3) of SEBI Act, 1992.

126. In view of the foregoing, I conclude that the Noticees 1 to 19, 21 to 23, 29 and 30 are liable for monetary penalty under the provisions of Section 15HA of the SEBI

Act, 1992 and Noticee 32 is liable for monetary penalty under the provisions of 15A(a) of the SEBI Act, 1992 which reads as under:

<u>SEBI Act:</u>

Penalty for failure to furnish information, return, etc.

15A. *If any person, who is required under this Act or any rules or regulations made thereunder, —*

(a) to furnish any document, return or report to the Board, fails to furnish the same, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees;

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.*

127. While determining the quantum of penalty under Section 15A(a) and 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.

…..

"

128. In the instant matter, I note that the material on record does not indicate the amount of disproportionate gain or unfair advantage made by the Noticees, as a result of the aforesaid violation nor does it bring out the amount of loss caused to investor or group of investors. As regards, repetitive nature of default, I note that penalty had been imposed upon Noticee's 2, 3, 4, 7, 8, 12, 13, 16, 17, 30, in various other matters like Dwitiya Trading Ltd, Vani Commercials, Kushal Tradelink Ltd., Kuber Udyog Ltd, Jaisukh Dealers Ltd, Steel Exchange India Ltd., as applicable. In my opinion cases concerning non genuine trades involving manipulation of volume through reversal trades, manipulation of price through LTP contribution, violate the fundamental tenets of market integrity. As regards, Noticee 32, I note from material available on record that the investigation report in the matter records that by not providing the information as sought, Noticees 32 did not co-operate with the investigation and hampered the process of investigation. Such acts inter alia involving manipulation /non-cooperation by said Noticee's, as established in the instant case, inter alia involving repeat offenders if dealt with lightly, would in my view, not only be against the mandate of SEBI of ensuring orderly functioning of the securities markets but may also tantamount to encouraging repeat offenders involved in market misconduct and therefore ought to be dealt with firmly so as to act as a deterrent.

ORDER

129. The instant adjudication proceedings against the Noticees 20, 24, 25, 26, 27 and 28 are abated without going into the merits of the case.

130. With regard to Noticee 1 to 19, 21 to 23, 29, 30 and 32, after taking into consideration the facts and circumstances of the instant case, the material available on record, the factors mentioned in preceding paragraphs and in exercise of powers conferred upon me under Section 15-I of the SEBI Act 1992 read with Rule 5 of the Adjudication Rules, I hereby impose the following penalty, as per table below, on the Noticee 1 to 19, 21 to 23, 29, 30 and 32 for the

aforementioned violations, as discussed in this order. In my view, the said penalty is commensurate with the violation committed by the Noticees in this case.

S. No.	Name of the Noticees	Penalty under Section	Penalty Amount
1.	Ambalal Jhaverbhai Patel (Noticee 1)	Section 15HA of the SEBI Act	Rs.7,00,000 (Rupees Seven Lakhs Only)
2.	Anurodh Infrastructure Ltd (Noticee 2)	Section 15HA of the SEBI Act	Rs.8,00,000 (Rupees Eight Lakhs Only)
3.	Arpita Ilesh Patel (Noticee 3)	Section 15HA of the SEBI Act	Rs.7,00,000 (Rupees Seven Lakhs Only)
4.	Glorious Vincom Pvt Ltd (Noticee 4)	Section 15HA of the SEBI Act	Rs.8,00,000 (Rupees Eight Lakhs Only)
5.	Highgrowth Vincom Private Limited (Noticee 5)	Section 15HA of the SEBI Act	Rs.6,00,000 (Rupees Six Lakhs Only)
6.	Jitendra Bhogilal Parikh (Noticee 6)	Section 15HA of the SEBI Act	Rs.7,00,000 (Rupees Seven Lakhs Only)
7.	Kamlesh Bhikhabhai Shah (Noticee 7)	Section 15HA of the SEBI Act	Rs.8,00,000 (Rupees Eight Lakhs Only)
8.	Kapila Vaghela (Noticee 8)	Section 15HA of the SEBI Act	Rs.8,00,000 (Rupees Eight Lakhs Only)
9.	Mahesh Bhailal Parmar (Noticee 9)	Section 15HA of the SEBI Act	Rs.7,00,000 (Rupees Seven Lakhs Only)
10.	Narayandas Dipchand Shah (Noticee 10)	Section 15HA of the SEBI Act	Rs.7,00,000 (Rupees Seven Lakhs Only)
11.	Nilesh Rameshchandra Shah (Noticee 11)	Section 15HA of the SEBI Act	Rs.6,00,000 (Rupees Six Lakhs Only)
12.	Original Fashion Traders Pvt Ltd (Noticee 12)	Section 15HA of the SEBI Act	Rs.7,00,000 (Rupees Seven Lakhs Only)

S. No.	Name of the Noticees	Penalty under Section	Penalty Amount
13.	Pattammal Murlidharan (Noticee 13)	Section 15HA of the SEBI Act	Rs.8,00,000 (Rupees Eight Lakhs Only)
14.	Pradip Jayantilal Mehta (Noticee 14)	Section 15HA of the SEBI Act	Rs.7,00,000 (Rupees Seven Lakhs Only)
15.	Rudramukhi Infrastructure Pvt Ltd (Noticee 15)	Section 15HA of the SEBI Act	Rs.6,00,000 (Rupees Six Lakhs Only)
16.	Vijaya Parsharam Salvi (Noticee 16)	Section 15HA of the SEBI Act	Rs.7,00,000 (Rupees Seven Lakhs Only)
17.	Vinitkumar Popatlal Parikh (Noticee 17)	Section 15HA of the SEBI Act	Rs.8,00,000 (Rupees Eight Lakhs Only)
18.	Vivek Shivaram Kale (Noticee 18)	Section 15HA of the SEBI Act	Rs.7,00,000 (Rupees Seven Lakhs Only)
19.	Bakul Garments LLP (Noticee 19)	Section 15HA of the SEBI Act	Rs.5,00,000 (Rupees Five Lakhs Only)
20.	Primary Iron Traders Pvt Ltd (Noticee 21)	Section 15HA of the SEBI Act	Rs.5,00,000 (Rupees Five Lakhs Only)
21.	Deepsikha Dealers Pvt Ltd (Noticee 22)	Section 15HA of the SEBI Act	Rs.5,00,000 (Rupees Five Lakhs Only)
22.	Namaskar Dealcom Pvt Ltd (Noticee 23)	Section 15HA of the SEBI Act	Rs.5,00,000 (Rupees Five Lakhs Only)
23.	Dwitiya Trading Ltd (Noticee 29)	Section 15HA of the SEBI Act	Rs.5,00,000 (Rupees Five Lakhs Only)
24.	Faithful Cloth Merchant (Noticee 30)	Section 15HA of the SEBI Act	Rs.5,00,000 (Rupees Five Lakhs Only)
25.	Ismail Mehtar (Noticee 32)	Section 15A(a) of the SEBI Act	Rs.10,00,000 (Rupees Ten Lakhs Only)

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

ENFORCEMENT → Orders → Orders of AO → PAY NOW

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

133. 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: December 29, 2023
PLACE: MUMBAI

AMAR NAVLANI
ADJUDICATING OFFICER