BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER No.: Order/SS/VS/2019-20/6385-6413]

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

In respect of:

1. **Paras Vinod Jain** (PAN No.: APGPJ5037B)
2. **Ranju Devi Jain** (PAN No.: AESPJ4540C)
3. **Rachana Govind Attal** (PAN No.: ATOPA7028B)
4. **Shilpa Jain** (PAN No.: AKJPJ8448G)
5. **Benu Mimani** (PAN No.: AJJPM3609B)
6. **Shalini Agarwal** (PAN No.: AGMPA9745Q)
7. **Akhileshwar Kumar Mishra** (PAN No.: ALLPM9190R)
8. **Sonu** (PAN No.: AQLPK4848H)
9. **Sanjay Kumar Sharma** (PAN No.: BALPS1713C)
10. **Sunil Singhal** (PAN No.: BGKPS9637L)
11. **Amaresh Pathak** (PAN No.: AFVPP5617G)
12. **Ramesh Baheti** (PAN No.: AHPPB1754L)
13. **Rupesh Kumar Srivastava** (PAN No.: BHUPS3428J)
14. **Vinodkumar Chotamal Jain** (PAN No.: AACPJ4690H)
15. **Parinay Somani** (PAN No.: CKDPS9760A)
16. **Kuldeep Singh** (PAN No.: APNPS1283B)
17. **Janardhan Rama Bhunesar** (PAN No.: AMDPB0019K)
18. **Pawan Somani** (PAN No.: AWJPS6689Q)
19. **Dev Kishan Mal** (PAN No.: ARUPM1933H)
20. **Pradip Basu** (PAN No.: AMNPB1572F)
21. **Debashis Sur Chowdhury** (PAN No.: BIVPS1639D)
22. **Tapan Kumar Dey** (PAN No.: AJDPD4775H)
23. **Kamal Baid** (PAN No.: AIRPB0872C)
24. **Vishnu Khaitan** (PAN No.: BIWPK7819Q)
25. **Susmita Pathak** (PAN No.: APBPP7550G)
26. **Samaresh Pathak** (PAN No.: AFQPP7243D)
27. **Kusum Devi Baid** (PAN No.: AEAPB6261J)
28. **Narayan Dass Rathi** (PAN No.: ADFPR9281A)
29. **Devinder Kumar** (PAN No.: BCFPK2068C)

In the matter of
Dhanleela Investment and Trading Company Limited
(Formerly known as Ratni Investments Company Limited)

1. Dhanleela Investments & Trading Company Ltd. (Formerly known as Ratni Investments Company Limited) (hereinafter referred to as 'Dhanleela'), a company having its shares listed on Bombay Stock Exchange Ltd. (BSE). Securities and Exchange Board of India (SEBI) had conducted investigation in the matter of trading in the scrip of Dhanleela by certain entities during the period

February 26, 2013 to March 02, 2015 (hereinafter referred to as the 'investigation period') to ascertain whether there was any violation of the provisions of SEBI Act and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities market) Regulations, 2003 (hereinafter referred to as 'PFUTP Regulations'). During the investigation, the price volume data of the scrip at BSE for the period before, during and after the investigation period was noted as mentioned in following chart and table:

Chart-1: Price-Volume movement at BSE

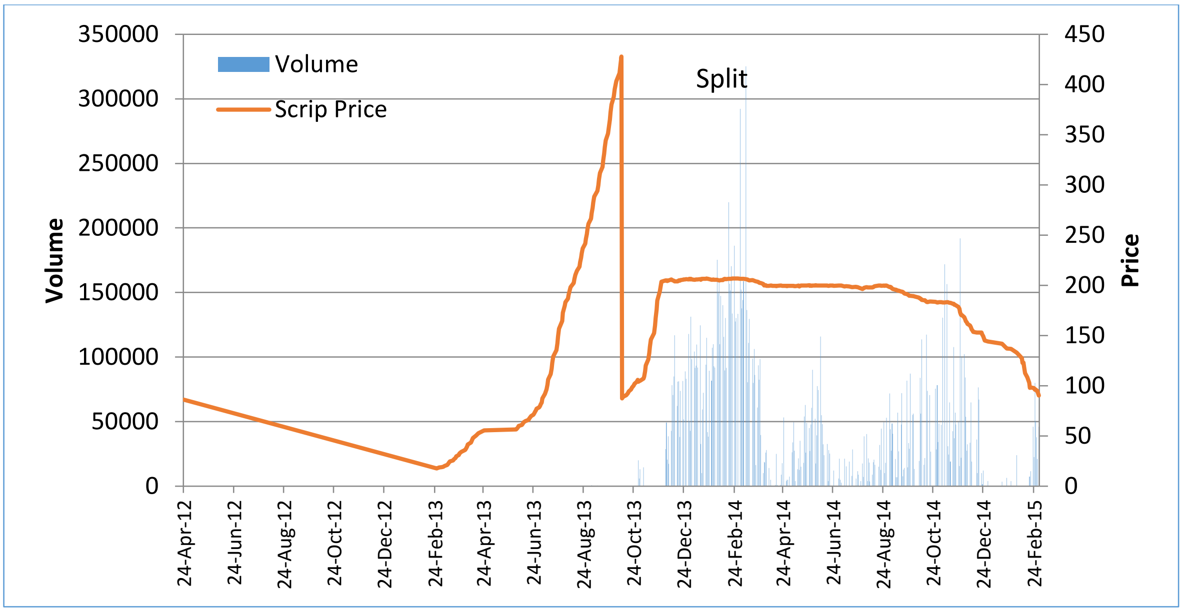


Table-1: Price-Volume movement at BSE

Period	Dates		Open (₹)	Close (₹)	Low (₹) (Date)	High (₹) (Date)	Avg. no. of (shares) traded daily during the period.
Before Investigation	17/04/2012-25/02/2013	No trading					
During Investigation	*26/02/13-09/10/2013 (Patch-I)	Price	17.50	427.85	17.50 (26 Feb 13)	427.85 (09 Oct 13)	20
		Vol.	1	3	1 (26 Feb 13)	605 (03 Sep 13)	
	10/10/2013–05/12/2013 (Patch-II)	Price	87.25	205.00	87.25 (10 Oct 13)	213.95 (05 Dec 13)	5793
		Vol.	5	38,520	1 (17 Oct 13)	49,250 (03 Dec 13)	
	06/12/13-02/03/15 (Patch-III)	Price	205.00	90.35	90.35 (02 Mar 15)	207.10 (26 Feb 14)	55187
		Vol.	17,201	46,125	5 (11 Apr 14)	325,106 (10 Mar 14)	
After Investigation	(03/03/2015-09/06/2015)	Price	92.00	91.00	83.25 (23 Apr 15)	101.75 (23 Apr 15)	71738
		Vol.	82,241	2	2 (09 Jun 15)	279,331 (25 Mar 15)	

* There was only one trade in scrip on April 24, 2012. Next trade in scrip happened only on February 26, 2013. There was no trading in scrip before April 24, 2012 since suspension on 11 September 2006.

2. It was noted that:-
    a. During the investigation period, no major corporate announcements were made by the company other than split announcement, bonus issue, and declaration of financial results and meeting of the Board of Directors of the Company.

    b. The trading in the scrip was suspended since September 11, 2006 for non-payment of listing fees. Suspension in trading of the scrip was revoked with effect from April 16, 2012. Thereafter, on April 24, 2012, there was only one trade in the scrip at the price ₹86.00 and then there was no trading in the scrip till February 26, 2013.

    c. After bonus issue of four shares for each share on February 05, 2013, by the company, price of the scrip opened at ₹17.50 on February 26, 2013 and reached a price of ₹427.85 on October 09, 2013. After stock split in 5:1 ratio, price of scrip opened at ₹87.25 on October 10, 2013, thereafter reached a high of ₹213.95 on December 05, 2013 and closed at ₹90.35 on March 02, 2015.

    d. The price of the scrip reached its highest level on December 05, 2013, when market capitalization value of the company stood at ₹1,012.51 crore. However, the company had revenue of only ₹16.83 crore, ₹24.21 crore and ₹12.80 crore in the Financial Years 2012-13, 2013-14 and 2014-15, respectively and it had Net Profits of ₹0.32 crore, ₹0.42 crore and ₹0.13 crore in Financial Years 2012-13, 2013-14 and 2014-15, respectively. The summary of financial performance of the company is shown in the following table:

Table-2: Annual financial results during the investigation period

Particulars	Year Ended		
	2012-13	**2013-14**	**2014-15**
Sales (₹ in Crore)	16.83	24.21	12.80
Other Income (₹ in Crore)	0.27	0.17	0.00
Total Sales (₹ in Crore)	17.10	24.38	12.80
Profit /Loss after Tax (₹ in Crore)	0.32	0.42	0.13

(Source – bseindia.com, annual reports)

3. It was observed that during Patch-I when price of the scrip opened at ₹17.50 on February 26, 2013 and reached a high of ₹427.85 on October 09, 2013 Paras Vinod Jain (Noticee No. 1), Ranju Devi Jain (Noticee No. 2), Rachana Govind Attal (Noticee No. 3), Shilpa Jain (Noticee No. 4), Benu Mimani (Noticee No. 5), Shalini Agarwal (Noticee No. 6), Akhileshwar Kumar Mishra (Noticee No. 7), Sonu (Noticee No. 8), Sanjay Kumar Sharma (Noticee No. 9), Sunil Singhal (Noticee No. 10), Amaresh Pathak (Noticee No. 11), Ramesh Baheti (Noticee No. 12), Rupesh Kumar Srivastava (Noticee No. 13), Vinodkumar Chotamal Jain (Noticee No. 14), Parinay Somani (Noticee No. 15),

Kuldeep Singh (Noticee No. 16), Janardhan Rama Bhunesar (Noticee No. 17), Pawan Somani (Noticee No. 18), Dev Kishan Mal (Noticee No. 19), Pradip Basu (Noticee No. 20), Debashis Sur Chowdhury (Noticee No. 21), Tapan Kumar Dey (Noticee No. 22), Kamal Baid (Noticee No. 23), Vishnu Khaitan (Noticee No. 24), Susmita Pathak (Noticee No. 25), Samaresh Pathak (Noticee No. 26) and Kusum Devi Baid (Noticee No. 27) had contributed to positive Last Trade Price (LTP) as sellers.

a. Details of trading by these Noticees (sellers) are given in the following table:

Table-3: Trading by Noticees No. 1 to 27 as seller

		All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of +LTP to Total Market +LTP (%)
S. No.	Entity Name	Net LTP	Sum of Qty	No of trades	LTP	QTY traded	No of trades	LTP	QTY	No of trade	QTY	No of trades	
1	Paras Vinod Jain	26.05	100	23	26.05	20	5	0	0	0	80	18	6.35%
2	Ranju Devi Jain	23.95	100	23	23.95	20	4	0	0	0	80	19	5.84%
3	Rachana Govind Attal	22.40	95	20	22.40	20	5	0	0	0	75	15	5.46%
4	Shilpa Jain	20.95	95	24	20.95	21	4	0	0	0	74	20	5.11%
5	Benu Mimani	15.10	95	16	15.10	28	3	0	0	0	67	13	3.68%
6	Shalini Agarwal	12.35	95	24	12.35	19	4	0	0	0	76	20	3.01%
7	Akhileshwar Kumar Mishra	12.00	6	2	12.00	6	2	0	0	0	0	0	2.92%
8	Sonu	11.55	5	2	11.55	5	2	0	0	0	0	0	2.81%
9	Sanjay Kumar Sharma	11.00	8	2	11.00	8	2	0	0	0	0	0	2.68%
10	Sunil Singhal	10.75	7	2	10.75	7	2	0	0	0	0	0	2.62%
11	Amaresh Pathak	10.55	95	11	10.55	14	2	0	0	0	81	9	2.57%
12	Ramesh Baheti	10.20	20	7	10.20	20	7	0	0	0	0	0	2.49%
13	Rupesh Kumar Srivastava	10.15	8	2	10.15	8	2	0	0	0	0	0	2.47%
14	Vinodkumar Chotamal Jain	9.70	95	19	9.70	18	3	0	0	0	77	16	2.36%
15	Parinay Somani	9.30	95	6	9.30	16	2	0	0	0	79	4	2.27%
16	Kuldeep Singh	9.10	20	7	9.10	20	7	0	0	0	0	0	2.22%
17	Janardhan Rama Bhunesar	8.35	95	11	8.35	14	2	0	0	0	81	9	2.03%
18	Pawan Somani	8.30	95	8	8.30	16	2	0	0	0	79	6	2.02%
19	Dev Kishan Mal	8.20	22	7	8.20	21	6	0	0	0	1	1	2.00%
20	Pradip Basu	5.85	95	5	5.85	7	1	0	0	0	88	4	1.43%
21	Debashis Sur Chowdhury	5.70	95	10	5.70	15	2	0	0	0	80	8	1.39%
22	Tapan Kumar Dey	5.45	95	10	5.45	14	2	0	0	0	81	8	1.33%
23	Kamal Baid	5.20	95	6	5.20	15	2	0	0	0	80	4	1.27%
24	Vishnu Khaitan	4.90	95	25	4.90	10	2	0	0	0	85	23	1.19%
25	Susmita Pathak	4.90	95	10	4.90	17	2	0	0	0	78	8	1.19%
26	Samaresh Pathak	4.65	95	10	4.65	15	2	0	0	0	80	8	1.13%
27	Kusum Devi Baid	4.60	95	6	4.60	18	2	0	0	0	77	4	1.12%
	Group-3 total	**291.20**	**1,911**	**298**	**291.20**	**412**	**81**	**0**	**0**	**0**	**1,499**	**217**	**70.96%**
	Market Total	**410.35**	**2,179**	**373**	**410.35**	**548**	**109**	**0**	**0**	**0**	**1,631**	**264**	**100%**

b. Above 27 Noticees traded on 82 days with total 298 trades. In 81 of 298 trades, they contributed positive LTP. Each of these positive LTP contributing trades was first trade of the day. Total LTP contribution by these Noticees was ₹291.20 (70.96% of the total market positive LTP).

c. Details of the positive LTP trades by these Noticees during Patch-I are given below:

<u>Table-4: Noticees No. 1 to 27 - Sell trades</u>

Trade Date	Seller Name	Buy Order Time	Sell Order Time	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	%LTP	Buy Order QTY	Sell Order QTY	Trade QTY
27/02/2013	Kuldeep Singh	09:00:00	13:49:35	17.85	0	17.85	0.35	0.09%	500	1	1
28/02/2013	Dev Kishan Mal	09:00:03	14:59:38	18.2	18.2	18.2	0.35	0.09%	1000	2	2
01/03/2013	Kuldeep Singh	09:00:02	14:50:49	18.55	18.55	18.55	0.35	0.09%	1000	3	3
04/03/2013	Ramesh Baheti	09:00:02	14:17:40	18.9	18.9	18.9	0.35	0.09%	5000	4	4
08/03/2013	Ramesh Baheti	09:00:02	15:15:39	20.2	20.2	20.2	0.95	0.23%	5000	3	3
11/03/2013	Dev Kishan Mal	09:00:01	15:25:02	21.2	21.2	21.2	1	0.24%	1000	3	3
13/03/2013	Kuldeep Singh	09:00:05	12:17:57	23.35	23.35	23.35	1.1	0.27%	500	4	4
18/03/2013	Ramesh Baheti	09:00:01	12:54:12	25.7	25.7	25.7	1.2	0.29%	5000	3	3
21/03/2013	Dev Kishan Mal	09:00:02	15:22:19	28.25	28.25	28.25	1.3	0.32%	900	5	5
22/03/2013	Kuldeep Singh	09:00:00	14:04:45	29.65	29.65	29.65	1.4	0.34%	5000	3	3
25/03/2013	Ramesh Baheti	09:00:00	12:39:26	31.1	31.1	31.1	1.45	0.35%	5000	2	2
26/03/2013	Dev Kishan Mal	09:00:00	11:43:54	32.65	32.65	32.65	1.55	0.38%	900	3	3
28/03/2013	Kuldeep Singh	09:00:00	12:54:31	34.25	34.25	34.25	1.6	0.39%	5000	4	4
02/04/2013	Ramesh Baheti	09:00:00	15:29:00	35.95	35.95	35.95	1.7	0.41%	5000	3	3
04/04/2013	Dev Kishan Mal	09:00:01	15:22:07	39.55	39.55	39.55	1.85	0.45%	5000	4	4
05/04/2013	Kuldeep Singh	09:00:00	12:31:17	41.5	41.5	41.5	1.95	0.48%	5000	2	2
09/04/2013	Ramesh Baheti	09:30:00	09:45:23	43.55	43.55	43.55	2.05	0.50%	900	3	3
10/04/2013	Dev Kishan Mal	09:30:00	10:01:30	45.7	45.7	45.7	2.15	0.52%	900	4	4
15/04/2013	Kuldeep Singh	12:30:00	12:46:29	50.3	50.3	50.3	2.35	0.57%	800	3	3
18/04/2013	Ramesh Baheti	11:30:00	12:12:03	52.8	52.8	52.8	2.5	0.61%	800	2	2
03/06/2013	Ranju Devi Jain	13:30:00	13:36:06	56.5	56.5	56.5	1.1	0.27%	800	10	10
04/06/2013	Vinodkumar Chotamal Jain	11:30:00	11:48:21	57.6	57.6	57.6	1.1	0.27%	800	8	8
05/06/2013	Vinodkumar Chotamal Jain	13:30:00	14:01:42	58.75	58.75	58.75	1.15	0.28%	500	5	5
06/06/2013	Kusum Devi Baid	14:30:00	14:52:41	59.9	59.9	59.9	1.15	0.28%	800	10	10
10/06/2013	Samaresh Pathak	12:30:00	13:05:50	61.05	61.05	61.05	1.15	0.28%	800	8	8
11/06/2013	Pawan Somani	12:30:00	13:11:16	62.25	62.25	62.25	1.2	0.29%	800	9	9
12/06/2013	Susmita Pathak	09:30:00	10:10:38	63.45	63.45	63.45	1.2	0.29%	500	10	10
14/06/2013	Shalini Agarwal	12:30:00	13:03:09	64.7	64.7	64.7	1.25	0.30%	500	6	6
24/06/2013	Vishnu Khaitan	14:30:00	14:52:01	71.25	71.25	71.25	1.35	0.33%	5000	5	5
25/06/2013	Kamal Baid	13:30:00	14:00:12	72.65	72.65	72.65	1.4	0.34%	5000	8	8
26/06/2013	Rachana Govind Attal	11:30:00	11:30:19	74.1	74.1	74.1	1.45	0.35%	5000	4	4
27/06/2013	Benu Mimani	10:30:00	10:35:19	75.55	75.55	75.55	1.45	0.35%	5000	10	10
28/06/2013	Shilpa Jain	10:30:00	11:02:53	77.05	77.05	77.05	1.5	0.37%	500	6	6
01/07/2013	Tapan Kumar Dey	12:30:00	12:48:40	78.55	78.55	78.55	1.5	0.37%	500	8	8
02/07/2013	Paras Vinod Jain	10:30:00	10:33:21	80.1	80.1	80.1	1.55	0.38%	5000	6	6
03/07/2013	Debashis Sur Chowdhury	13:30:00	13:40:14	81.7	81.7	81.7	1.6	0.39%	500	8	8
04/07/2013	Shalini Agarwal	11:30:00	11:30:44	83.3	83.3	83.3	1.6	0.39%	5000	5	5
05/07/2013	Janardhan Rama Bhunesar	12:30:00	12:42:07	87.45	87.45	87.45	4.15	1.01%	500	8	8
10/07/2013	Sanjay Kumar Sharma	13:30:00	13:37:07	96.35	96.35	96.35	4.55	1.11%	500	4	4
11/07/2013	Sonu	11:30:00	11:35:07	101.15	101.15	101.15	4.8	1.17%	500	3	3

Trade Date	Seller Name	Buy Order Time	Sell Order Time	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	%LTP	Buy Order QTY	Sell Order QTY	Trade QTY
12/07/2013	Rupesh Kumar Srivastava	13:30:00	13:55:30	106.2	106.2	106.2	5.05	1.23%	500	5	5
15/07/2013	Parinay Somani	12:30:00	12:49:00	111.5	111.5	111.5	5.3	1.29%	500	8	8
16/07/2013	Rachana Govind Attal	09:30:00	09:54:36	117.05	117.05	117.05	5.55	1.35%	250	4	4
17/07/2013	Pradip Basu	12:30:00	12:59:06	122.9	122.9	122.9	5.85	1.43%	250	7	7
18/07/2013	Amaresh Pathak	13:30:00	13:38:07	129	129	129	6.1	1.49%	500	7	7
22/07/2013	Ranju Devi Jain	13:30:00	13:54:43	135.45	135.45	135.45	6.45	1.57%	500	5	5
24/07/2013	Pawan Somani	10:30:00	10:43:03	149.3	149.3	149.3	7.1	1.73%	500	7	7
25/07/2013	Vinodkumar Chotamal Jain	13:30:00	13:48:12	156.75	156.75	156.75	7.45	1.82%	500	5	5
29/07/2013	Benu Mimani	10:30:00	10:34:09	164.55	164.55	164.55	7.8	1.90%	250	8	8
30/07/2013	Shilpa Jain	12:30:00	12:52:59	172.75	172.75	172.75	8.2	2.00%	500	5	5
31/07/2013	Kusum Devi Baid	12:30:15	13:06:03	176.2	176.2	176.2	3.45	0.84%	1000	8	8
01/08/2013	Samaresh Pathak	13:31:01	14:04:11	179.7	179.7	179.7	3.5	0.85%	992	7	7
02/08/2013	Vishnu Khaitan	13:37:13	13:40:52	183.25	183.25	183.25	3.55	0.87%	985	5	5
05/08/2013	Paras Vinod Jain	11:45:41	11:39:03	186.9	186.9	186.9	3.65	0.89%	25	5	5
06/08/2013	Susmita Pathak	13:34:25	13:50:47	190.6	190.6	190.6	3.7	0.90%	300	7	7
07/08/2013	Kamal Baid	15:06:05	15:02:22	194.4	194.4	194.4	3.8	0.93%	50	7	7
08/08/2013	Shalini Agarwal	12:32:03	12:39:33	198.25	198.25	198.25	3.85	0.94%	50	5	5
12/08/2013	Tapan Kumar Dey	14:53:26	14:55:02	202.2	202.2	202.2	3.95	0.96%	10	6	6
13/08/2013	Parinay Somani	13:30:10	13:32:04	206.2	206.2	206.2	4	0.97%	10	8	8
14/08/2013	Debashis Sur Chowdhury	10:07:16	09:36:10	210.3	210.3	210.3	4.1	1.00%	50	7	7
16/08/2013	Janardhan Rama Bhunesar	10:10:28	10:06:13	214.5	214.5	214.5	4.2	1.02%	43	6	6
19/08/2013	Rachana Govind Attal	13:45:19	14:10:22	218.75	218.75	218.75	4.25	1.04%	30	4	4
21/08/2013	Amaresh Pathak	09:39:43	09:48:30	227.55	227.55	227.55	4.45	1.08%	25	7	7
22/08/2013	Sunil Singhal	09:30:36	10:02:38	232.1	232.1	232.1	4.55	1.11%	25	2	2
26/08/2013	Akhileshwar Kumar Mishra	10:31:21	11:04:38	241.4	241.4	241.4	4.7	1.15%	25	4	4
30/08/2013	Rupesh Kumar Srivastava	10:48:14	11:06:55	261.2	261.2	261.2	5.1	1.24%	25	3	3
03/09/2013	Shilpa Jain	09:30:13	09:31:17	271.7	271.7	271.7	5.3	1.29%	100	5	5
04/09/2013	Rachana Govind Attal	14:30:00	14:37:50	277.1	277.1	277.1	5.4	1.32%	50	3	3
05/09/2013	Paras Vinod Jain	14:30:00	14:39:37	282.6	282.6	282.6	5.5	1.34%	47	4	4
06/09/2013	Shalini Agarwal	09:30:01	09:34:51	288.25	288.25	288.25	5.65	1.38%	43	3	3
10/09/2013	Rachana Govind Attal	12:30:02	12:37:08	294	294	294	5.75	1.40%	50	5	5
11/09/2013	Benu Mimani	09:30:49	09:38:28	299.85	299.85	299.85	5.85	1.43%	50	10	10
12/09/2013	Shilpa Jain	09:30:01	09:40:02	305.8	305.8	305.8	5.95	1.45%	250	5	5
16/09/2013	Sunil Singhal	11:41:43	11:59:43	318.1	318.1	318.1	6.2	1.51%	200	5	5
18/09/2013	Sanjay Kumar Sharma	09:32:36	09:49:27	330.9	330.9	330.9	6.45	1.57%	200	4	4
20/09/2013	Sonu	10:30:00	11:02:20	344.25	344.25	344.25	6.75	1.64%	40	2	2
26/09/2013	Akhileshwar Kumar Mishra	10:42:18	10:51:33	372.55	372.55	372.55	7.3	1.78%	20	2	2
30/09/2013	Paras Vinod Jain	09:30:38	09:53:05	387.6	387.6	387.6	7.6	1.85%	20	2	2
01/10/2013	Paras Vinod Jain	09:34:47	09:51:53	395.35	395.35	395.35	7.75	1.89%	20	3	3
07/10/2013	Ranju Devi Jain	14:30:56	14:45:08	411.3	411.3	411.3	8.05	1.96%	15	2	2
09/10/2013	Ranju Devi Jain	13:32:33	13:54:16	427.85	427.85	427.85	8.35	2.03%	11	3	3
	Total						**291.2**	**70.96%**			**412**

d. Summary of LTP contribution due to trades of aforesaid 27 Noticees, is given in the following table:

Table-5: Summary of Sell Trades

Sl. no	Seller Name	Total No. of trades	Total No. of trades (LTP >0)	Total no. of orders	Sell order qty range	Trade Quantity	Positive LTP contribution (₹)	% of positive LTP to Total Market positive LTP	No. of shares held before these trades
1	Paras Vinod Jain	23	5	23	2-6	100	26.05	6.35%	100
2	Ranju Devi Jain*	23	4	23	1-10	100	23.95	5.84%	1000
3	Rachana Govind Attal	20	5	19	3-20	95	22.40	5.46%	100
4	Shilpa Jain	24	4	24	2-6	95	20.95	5.11%	100
5	Benu Mimani	16	3	15	5-10	95	15.10	3.68%	100
6	Shalini Agarwal	24	4	24	2-9	95	12.35	3.01%	100
7	Akhileshwar Kumar Mishra	2	2	2	2-4	6	12.00	2.92%	25
8	Sonu	2	2	2	2-3	5	11.55	2.81%	25
9	Sanjay Kumar Sharma	2	2	2	4-4	8	11.00	2.68%	25
10	Sunil Singhal	2	2	2	2-5	7	10.75	2.62%	25
11	Amaresh Pathak	11	2	10	7-11	95	10.55	2.57%	100
12	Ramesh Baheti	7	7	7	2-4	20	10.20	2.49%	25
13	Rupesh Kumar Srivastava	2	2	2	3-5	8	10.15	2.47%	25
14	Vinodkumar Chotamal Jain	19	3	19	3-8	95	9.70	2.36%	1000
15	Parinay Somani	6	2	5	8-29	95	9.30	2.27%	100
16	Kuldeep Singh	7	7	7	1-4	20	9.10	2.22%	25
17	Janardhan Rama Bhunesar	11	2	11	6-13	95	8.35	2.03%	100
18	Pawan Somani	8	2	7	7-32	95	8.30	2.02%	100
19	Dev Kishan Mal	7	6	7	1-5	22	8.20	2.00%	25
20	Pradip Basu	5	1	5	7-25	95	5.85	1.43%	100
21	Debashis Sur Chowdhury	10	2	10	7-10	95	5.70	1.39%	100
22	Tapan Kumar Dey	10	2	10	6-11	95	5.45	1.33%	100
23	Kamal Baid	6	2	6	7-25	95	5.20	1.27%	100
24	Susmita Pathak	10	2	10	7-10	95	4.90	1.19%	100
25	Vishnu Khaitan	25	2	25	3-5	95	4.90	1.19%	100
26	Samaresh Pathak	10	2	10	7-10	95	4.65	1.13%	100
27	Kusum Devi Baid	6	2	6	8-25	95	4.60	1.12%	100
	Total	**298**	**81**	**293**		**1911**	**291.20**	**70.96%**	

e. It was observed from the demat transaction statements of the above Noticees that all of them were holding sizeable quantity of shares during the period of their respective sale transactions. Despite holding sizeable quantity of shares, these Noticees released limited number of shares and matched the buy orders which were above LTP with volume in small quantities or single digit in 77 instances as detailed above. In remaining four positive LTP trades they placed sell orders at price higher than LTP for small quantity before buy order. Thus, it is alleged that there was no *bona fide* intention on the part of these 27 Noticees to sell their holdings but to mark the price higher than LTP and manipulate the scrip price.

f. It was observed from there trading pattern that these 27 Noticees were not acting as genuine sellers. By these trades, the Noticees were instrumental in establishing a price higher than the LTP and thus contributed to increased scrip price with each of their trades. Out of 109 trades that contributed to positive LTP, as a group, these 27 Noticees placed orders for 81 trades as enumerated above on 81 different days and contributed to price rise by ₹291.20 i.e., 70.96% of total market positive LTP. In view of the repeated nature of such trades by these 27 entities, it has been alleged that these Noticees have played major role in increasing the price during Patch-I. These 27 Noticees placed 81 orders on 81 trading days with volume in small quantities or single digits and price above LTP and with each trade manipulated the scrip price.

4. During Patch-II, price of the scrip opened at ₹87.25 on October 10, 2013 and reached a high of ₹213.95 on December 05, 2013 and closed at price of ₹205.00.

   a. It was observed that out of aforesaid 27 Noticees, who are alleged to have manipulated the price in Patch-I, the Noticees No. 3, 5, 6, 8, 9, 10, 14, 23, 24, 25 and 26 had contributed to positive LTP as seller during Patch-II also.

   b. Details of trading of these 11 Noticees as sellers are given below:

Table-6: Trading by 11 Noticees as seller

		All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of +LTP to Total Market +LTP
S. No.	**Entity Name**	**Net LTP**	**Sum of Qty**	**No of trades**	**LTP**	**QTY traded**	**No of trades**	**LTP**	**QTY**	**No of trade**	**QTY**	**No of trades**	
1	Sanjay Kumar Sharma	9.20	10	1	9.20	10	1	0.00	0	0	0	0	7.07%
2	Sonu	8.80	7	1	8.80	7	1	0.00	0	0	0	0	6.77%
3	Sunil Singhal	7.60	11	2	7.60	10	1	0.00	0	0	1	1	5.84%
4	Vishnu Khaitan	7.40	10	2	7.40	10	2	0.00	0	0	0	0	5.69%
5	Rachana Govind Attal	6.95	5	1	6.95	5	1	0.00	0	0	0	0	5.34%
6	Susmita Pathak	6.00	5	1	6.00	5	1	0.00	0	0	0	0	4.61%
7	Samaresh Pathak	5.70	5	1	5.70	5	1	0.00	0	0	0	0	4.38%
8	Shalini Agarwal	3.70	25	3	3.70	20	2	0.00	0	0	5	1	2.85%
9	Benu Mimani	2.10	10	1	2.10	10	1	0.00	0	0	0	0	1.61%
10	Kamal Baid	1.95	10	1	1.95	10	1	0.00	0	0	0	0	1.50%
11	Vinodkumar Chotamal Jain	1.75	23	3	1.75	6	1	0.00	0	0	17	2	1.35%
	Group-3 total	**61.15**	**121**	**17**	**61.15**	**98**	**13**	**0**	**0**	**0**	**23**	**4**	**47.02%**
	Market Total	**117.75**	**191175**	**405**	**130.05**	**7457**	**29**	**-12.3**	**2430**	**6**	**181288**	**370**	**100%**

   c. The Noticees traded on 15 days with total 17 trades. In 13 of 17 trades, they contributed positive LTP. Each of these positive LTP contributing trades was first trade of the day. Total LTP contribution by these Noticees is ₹61.15 (47.02% of the total market positive LTP).

d. Positive LTP trades by these Noticees during Patch-II is given in the following table:

Table-7: positive LTP sell trades of these 11 Noticees

TRADE DATE	Seller Name	Buy Order Time	Sell Order Time	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	%LTP	Buy Order QTY	Sell Order QTY	Trade QTY
11/10/2013	Shalini Agarwal	10:51:28	10:47:21	88.95	88.95	88.95	1.7	1.31%	6	6	6
15/10/2013	Vinodkumar Chotamal Jain	09:42:17	10:05:09	90.7	90.7	90.7	1.75	1.35%	6	6	6
28/10/2013	Kamal Baid	14:07:33	13:52:14	104.05	104	104	1.95	1.50%	100	10	10
29/10/2013	Vishnu Khaitan	13:49:06	13:44:58	106.05	106	106	2	1.54%	100	5	5
05/11/2013	Shalini Agarwal	12:12:42	12:07:57	107	107	107	2	1.54%	50	14	14
06/11/2013	Benu Mimani	12:01:40	11:53:49	109.1	109.1	109.1	2.1	1.61%	10	10	10
07/11/2013	Vishnu Khaitan	13:06:45	12:43:58	114.55	114.5	114.5	5.4	4.15%	10	5	5
08/11/2013	Samaresh Pathak	13:47:22	13:57:03	120.2	120	120.2	5.7	4.38%	100	5	5
11/11/2013	Susmita Pathak	11:30:26	11:49:51	126.2	126.2	126.2	6	4.61%	100	5	5
14/11/2013	Rachana Govind Attal	10:41:00	10:49:12	146.05	146.05	146.05	6.95	5.34%	100	5	5
19/11/2013	Sunil Singhal	10:30:20	10:39:45	159.85	159.85	159.85	7.6	5.84%	10	11	10
22/11/2013	Sonu	15:10:21	14:46:52	184.8	184.8	184.8	8.8	6.77%	10	7	7
25/11/2013	Sanjay Kumar Sharma	14:04:51	13:34:51	194	194	194	9.2	7.07%	10	10	10
	Total						**61.15**	**47.02%**			**98**

e. It was observed from that these 11 Noticees were repeatedly placing sell orders for small quantities at prices higher than LTP. The summary of trade details of aforesaid 11 Noticees is given in following table :

Table-8: Summary of Sell Trades of 11 Noticees

Sl. No	Seller Name	Total No. of trades	Total No. of trades (LTP >0)	Total no. of orders	Sell order qty range	Trade Quantity	Positive LTP contribution (₹)	% of positive LTP to Total Market positive LTP	No. of shares held before these trades
1	Sanjay Kumar Sharma	1	1	1	10	10	9.2	7.07%	85
2	Sonu	1	1	1	7	7	8.8	6.77%	100
3	Sunil Singhal	2	1	1	11	11	7.6	5.84%	90
4	Vishnu Khaitan	2	2	2	5	10	7.4	5.69%	25
5	Rachana Govind Attal	1	1	1	5	5	6.95	5.34%	25
6	Susmita Pathak	1	1	1	5	5	6	4.61%	25
7	Samaresh Pathak	1	1	1	5	5	5.7	4.38%	25
8	Shalini Agarwal	3	2	3	5-14	25	3.7	2.85%	5*
9	Benu Mimani	1	1	1	10	10	2.1	1.61%	25
10	Kamal Baid	1	1	1	10	10	1.95	1.50%	25
11	Vinodkumar Chotamal Jain	3	1	3	6-11	23	1.75	1.35%	25
	Total	**17**	**13**	**16**		**121**	**61.15**	**47.02%**	

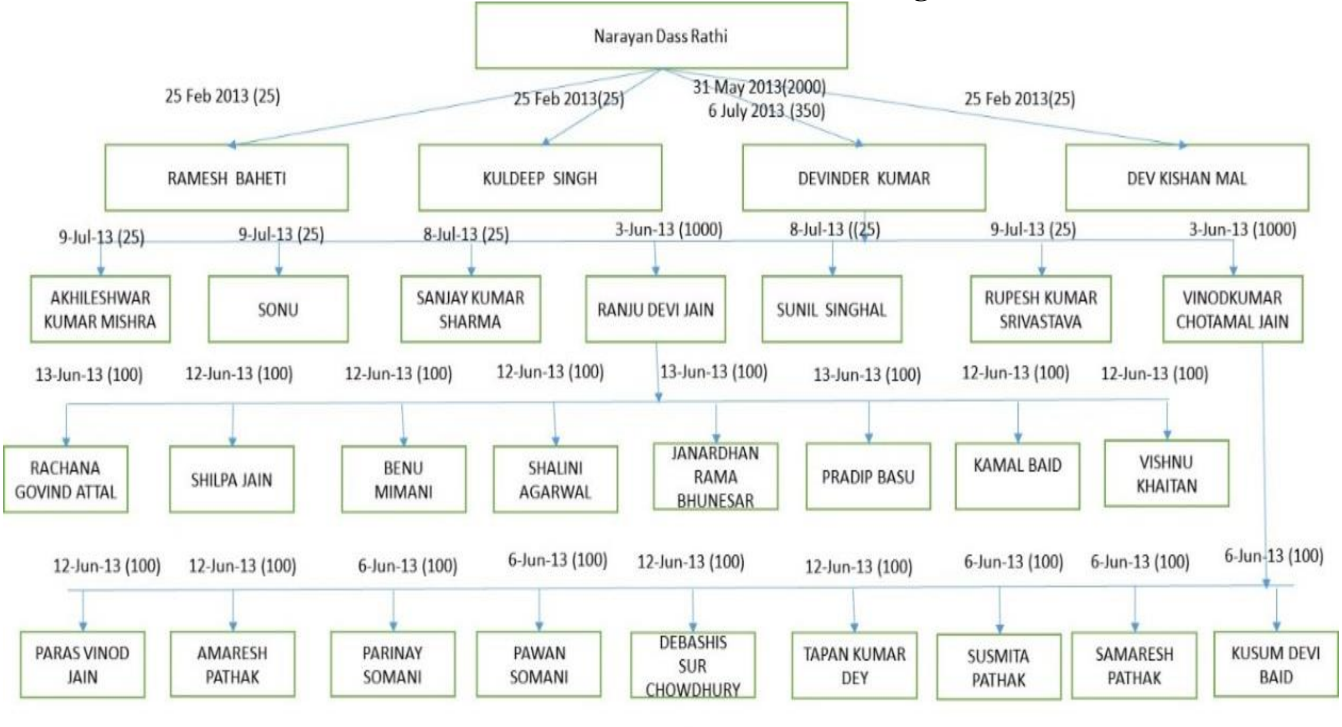
f. Thus, out of 29 trades that contributed to positive LTP, as a group, these 11 Noticees placed orders for 13 trades as enumerated above on 13 different days and contributed to price rise by ₹61.15 i.e., 47.02% of total market positive LTP.

g. Aforesaid 11 Noticees manipulated the price of the scrip in Patch-I by repeatedly placing sell orders for small quantities in Patch-I and they continued the same strategy during Patch-

II also. It was observed from the transaction statements of the said 11 Noticees, that all of them were holding substantial quantity of shares during the period of their respective sale transactions. Despite holding substantial quantity of shares, these Noticees released limited number of shares and placed sell orders for small quantity across different days as detailed above. Thus, it is evident that there was no *bona fide* intention on the part of these 11 Noticees to sell their holdings, but to mark the price higher than LTP and manipulate the scrip price. In view of the repeated nature of such trades by these Noticees, it is alleged that they have played major role in increasing the price of the scrip during Patch 2 also. These 11 Noticees placed 13 orders on 13 trading days in Patch-II with volume in small quantities or single digits and price above LTP and with each trades manipulated the scrip price.

5. It is noted that none of the 27 Noticees were holding shares of the Dhanleela before February 25, 2013 (Patch-I). It was noted that Narayan Dass Rathi (Noticee No. 28), by off-market transactions, transferred shares of the company directly to Noticees No. 12, 16, 19 and Devinder Kumar (Noticee No. 29) and indirectly to other Noticees through Noticee No. 29. Details of such off-market transfer of shares amongst the Noticees are described as following:

<u>Chart-2: Off-market transfer of shares among notices</u>



Date of Transfer (Transfer Quantity)

6. The Noticees are alleged to be connected/related to each other on the basis of above off- market transactions and relation among few of them. Summons was sent to these 29 Noticees, mentioned in Chart-2 above, to provide details of their relationship with their buyer/seller and reason for selling/buying in off-market. 20 of 29 Noticees replied to summons. It was observed from their

replies that the consideration for many of the off-market transfers was lower than market rate at that time. The Noticee No. 29 sold 1000 shares each to Noticees No. 2 and 14 on June 03, 2013 at the rate of ₹50 per share, when LTP was ₹55.4 and buy orders were pending at price of ₹56.5 for total quantity of 15800 or more shares throughout most of the trading day. Further, the Noticees No. 2 and 14 sold 100 shares at the rate of ₹55 per share to each of their 17 buyers (as given above in Chart-2) during the period from June 06, 2013 to June 13, 2013, when LTP was in range of ₹58.75 to ₹63.45.

7. The Noticees No. 2 and 14 had claimed the reason for selling in off-market as urgency of funds. They both received 1000 shares each from the Noticee No. 29 on June 03, 2013. Thereafter, the Noticee No. 2 placed sell order for 10 shares on June 03, 2013 when buy orders for 10000 shares were pending in the market at price of ₹56.5 and the Noticee No. 14 placed sell orders for 8 shares on June 04, 2013 when buy orders for 15900 shares were pending in the market at price of ₹57.6. Thereafter, the Noticees No. 2 and 14 sold shares on off-market to these 17 Noticees (Chart-2) at below market rates. When buy orders for large quantities was pending in the market, these two Noticees were placing sell orders for small quantity and also sold shares in off-market at below market rates. Hence the claim of these two Noticees that they were selling in off-market due to urgency of funds, is not tenable. Further, it is observed that some of these Noticees were related to each other such as Noticees No. 1, 2, 4 and 14 were family members. It is observed that after aforesaid off-market transfers of shares from the Noticees No. 28 and 29, the said 27 Noticees (sellers) were taking turns to establish new high price of the scrip on each trading day. In 78 of 82 days of their trading in the scrip, only one of them traded in the scrip.

8. In view of the above observations, it was alleged that the Noticees No. 1 to 27 alongwith Noticees No. 28 and 29 were part of the common scheme to markup the price of the scrip every trading day. Noticee No. 28 was part of the scheme of price manipulation of the scrip along with Noticees No. 1 to 27 and Noticee No. 29 acted as conduit for him for providing shares to Noticees No. 1 to 27 with whom they were part of scheme to manipulate the price of the scrip in the entire scheme to manipulate the price of the scrip. Based on above pattern of trading amongst connected / related Noticees, it is alleged that the Noticees used and employed a pre meditated fraudulent and manipulative device or contrivance while dealing in securities and manipulated the scrip price in Patch-I and/or Patch-II. It has been alleged that the Noticees No. 1 to 27 have manipulated the price of the scrip by repeatedly placing orders above LTP for small quantities despite having large shareholdings and Noticees No. 28 and 29, who were part of scheme of price manipulation created misleading appearance of trading in the scrip, and thereby violated the provisions of regulation

3(a),(b),(c),(d) and Regulation 4(1),4(2) (a), (d) and (e) of PFUTP Regulations, respectively. The relevant provisions of PFUTP Regulations are reproduced hereunder:

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

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

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

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

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

4. Prohibition of manipulative, fraudulent and unfair trade practices

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

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:—

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

(d) paying, offering or agreeing to pay or offer, directly or indirectly, to any person any money or money's worth for inducing such person for dealing in any security with the object of inflating, depressing, maintaining or causing fluctuation in the price of such security;

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

9. SEBI felt satisfied that there are sufficient ground to inquire and adjudicate upon the alleged violations of the provisions of the aforesaid provisions of PFUTP Regulations, by the Noticees. By a *communication-order* dated April 02, 2018, the undersigned has been appointed as Adjudicating Officer to inquire and adjudge under section 15HA of the SEBI Act for the alleged violations by the Noticees.

10. After receipt of records, the notice to show cause no. EAD-2/SS/VS/13694/1-29/2018 dated May 08, 2018 (hereinafter referred to as 'SCN') was issued to the Noticees in terms of rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as 'the Adjudication Rules') read with section 15I of the SEBI Act, with regards to the alleged violations of provision of regulation 3 (a), (b), (c), (d), regulation 4(1), 4 (2)(a), (d) and (e) of the PFUTP Regulations by the respective Noticees. By the SCN the Noticees were called upon to show cause as to why an inquiry should not be held against them in terms of rule 4 of the Adjudication

Rules and penalty be not imposed under section 15HA of the SEBI Act for the aforesaid alleged violations by them.

11. The SCN was duly served upon the respective Noticees through several alternative modes such as speed post, hand delivery, affixtures and paper publications in terms of rule 7 of the Adjudication Rules. While Noticees No. 7, 9, 16, 19, 21, 22, 23, 27 and 29 did not file their respective replies to the SCN, the other Noticees filed their replies on different dates as follows:
    a. The Noticees No. 1, 2, 3, 4, 5, 6, 8, 10, 11, 12, 13, 14, 15, 17, 18, 20, 24, 25 and 26 vide their individual replies have *inter alia* submitted as follows:
        i. The Noticees have traded in miniscule quantity as alleged in the SCN.
        ii. The trades of the Noticees' were either executed at or above the LTP.
        iii. There is no connection or collusion between the respective Noticees and the Counterparties to the trade.
        iv. The buy orders for buying the shares of the Dhanleela were already existing in the market in a large quantity and their sell order matched the price set by the pending buy order.
        v. The trades executed by them were genuine trades and there was no collusion or meeting of minds amongst them for increasing the price of the scrip.

    b. The Noticee No. 28 vide his reply dated August 20, 2018 has *inter alia* submitted as follows:
        i. Whether or not the other Noticees held shares before Patch-I or not is wholly irrelevant and immaterial to the allegation contained in the SCN.
        ii. The Noticee admitted the fact that he had transferred the shares off-market to Noticees No. 12, 16, 19 and 29.
        iii. The Noticee is not connected to or have caused Noticee No. 29 to further transfer shares onwards to, other Noticees.

12. The opportunity of personal hearing was provided to all the Noticees on July 30, 2019, which was duly served upon them either by notice dated July 05, 2019 by postal department or vide newspaper publication dated July 16, 2019. The Noticee No. 3, 5, 12, 13, 20, 24, 25 and 28 did not respond to notice of hearing. The Noticees No. 1, 2, 4, 6, 8, 11, 14, 17 and 26 vide their respective reply to notice of hearing waived off the opportunity of hearing and submitted to consider their respective replies before passing any order. On scheduled date of hearing i.e July 30, 2019 the Noticee No. 10 availed the opportunity of hearing and reiterated the submission made by him, in his reply to the SCN. Due to change in address of the Noticees No. 15 and 18, the notice of hearing dated July 05, 2019 could not be served upon them. In view of the same, another opportunity of hearing was

granted to them on September 11, 2019. However, they waived off the opportunity by writing in response to Notice dated August 30, 2019.

13. However, the Noticees No. 7, 9, 16, 19, 21, 22, 23, 27 and 29 neither filed their reply to the SCN nor availed the opportunity of personal hearing despite service of notices upon them with clear advice that in case of failure to submit reply or to appear for the hearing, the case would be proceeded with *ex-parte* on the basis of the material available on record. In the facts and circumstances of this case, I am of the view that the Noticees No. 7, 9, 16, 19, 21, 22, 23, 27 and 29 have nothing to submit and in terms of rule 4(7) of the Adjudication Rules the matter can be proceeded *ex-parte* on the basis of material available on record. In absence of any response from the Noticees No. 7, 9, 16, 19, 21, 22, 23, 27 and 29, it is presumed that they have admitted the charge of provisions as alleged in the case. In this regard, the observations of Hon'ble Securities Appellate Tribunal (SAT) in the matter of Classic Credit Ltd. vs. SEBI (Appeal No. 68 of 2003 decided on December 08, 2006) are relevant to rely upon wherein it has that- *"… the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show cause notice were admitted by them"*. Further, the Hon'ble SAT in the matter of Sanjay Kumar Tayal & Others vs SEBI (Appeal No. 68 of 2013 decided on February 11, 2014), has, *inter alia*, observed that: *"… appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges levelled against them in the show cause notices..."* Therefore, it can reasonably be presumed that the allegations/charges have been admitted by the Noticees in this case. The material on record do not indicate anything to *ex facie* hold otherwise.

14. While deciding the case, I also cannot lose sight of settled position of law that the charge in the SCN should be established with valid reasons and in accordance with law. I, therefore, deem it necessary to examine the charge based upon the supporting material as provided in the SCN. The basis of charge is the connection/relation amongst the Noticees and off- market transactions and pattern of trading of the respective Noticees in the scrip in Patch-I and Patch-II as part of alleged unfair, manipulative and fraudulent device or artifice or contrivance of the Noticees. None of the Noticees have disputed their inter-relationship/connection amongst them which are established on the basis of factors described hereinabove such as common address, relationship amongst them, off-market transactions amongst them. Their trades as alleged in the SCN are also not disputed by either of the Noticees. Thus, from the factors as relied upon in this case, it is established in this case that the Noticees are connected/related to each other and they had traded during the Patch-I and Patch-II through off-market.

15. I note that Noticees have failed to give any plausible reason/explanation for the charges as described in the SCN. Further, the role played by the Noticees trading in Patch-I and Patch-II to artificially increase the price during the Patch-I and Patch-II needs to be seen holistically. The role played by these Noticees in the Patch-I and Patch-II also needs to be seen in the backdrop of scale and size of transactions as a common unit rather than fragmenting and isolating individual trades and acts of the respective Noticees.

16. It is matter of record that during the investigation period, no major corporate announcements were made by Dhanleela other than split announcement, bonus issue, and declaration of financial results and meeting of the Board of Directors of the Dhanleela during Patch-I and Patch-II. Since suspension of Dhanleela on September 11, 2016 there was no trading in scrip of Dhanleela before April 24, 2012. It is very unusual in the market that in a situation the miniscule quantity is being offered by the sellers when the buyers place orders in large quantity as observed in this case. Such behavior would be self-detrimental as seeing so much interest on the buyer side, no seller will offer shares. In a real market situation, the buyer and sellers move step by step gauging the interest on the opposite side. Nobody displays such a huge interest which is in complete disconnect with the interest on the other side. The involvement of Noticees in placing such sell orders in minuscule quantity repeatedly and consistently for a longer duration when the large number of buy orders were available in the market indicates the manipulative intent of the Noticees. The facts as observed during investigation show that supply side was being intentionally restrained/controlled by the sellers who were connected/related with each other. This type of trading pattern indicates that the sellers played a major role in manipulating the price of the scrip. The facts and circumstances including trading pattern of the Noticees in Patch-I and Patch-II show that a facade of huge demand, on account of such trading pattern of the Noticees, without which the scrip with hardly any credential regarding its trading history, fundamentals, business or financial standing etc., could not have witnessed an exponential increase in the price within a period of 82 trading days in Patch-I as found during investigation by the Noticees No. 1 to 27. Further, the similar trend of increase in price was noted within a period of 15 trading days in Patch-II as well by 11 Noticees. The only way the price of such scrip could have increased is by deploying manipulative trading pattern.

17. By their trades, the Noticees were instrumental in establishing a price higher than the LTP and thus contributed to increased scrip price with each of their trades. Such trades would lead to an artificial rise in the price of the scrip and the same would misguide the general public. The Noticees No. 1 to 27 had generated the wrong impression about the liquidity of the scrip in the market. It is pertinent to mention that every trade establishes the price of the scrip and the trading of Noticees No. 1 to 27 at higher than LTP resulted in the price of the scrip going up and were done with a view to set the

price or benchmark the price at a desired level and thereby influencing the innocent / gullible investors. Therefore, it can be concluded that the Noticees No 1 to 27 had manipulated the price of the scrip of the Company and created a misleading appearance of trading in the scrip in Patch-I and Patch-II. Here, it is important to refer to the observations made by the Hon'ble Securities Appellate Tribunal (SAT) in its order dated March 21, 2014 in Saumil Bhavnagari Vs. SEBI which are as under: *"... but by purchasing shares at the higher price in LTP in most of the trades, the noticee had given a wrong impression about the liquidity of the scrip in the market. It must not be forgotten that every trade establishes the price of the scrip and the noticee's trading at higher than LTP resulted in the price of the scrip going up and were done with a view to set the price at a desired level and thereby influencing the innocent/gullible investors."*

18. It may be relevant to refer to the observations of the Hon'ble Securities Appellate Tribunal (SAT) in its order dated July 14, 2006 in Ketan Parekh Vs. SEBI, wherein it was held that: *"When a person takes part in or enters into transactions in securities with the intention to artificially raise or depress the price he thereby automatically induces the innocent investors in the market to buy / sell their stocks. The buyer or the seller is invariably influenced by the price of the stocks and if that is being manipulated the person doing so is necessarily influencing the decision of the buyer / seller thereby inducing him to buy or sell depending upon how the market has been manipulated. We are therefore of the view that inducement to any person to buy or sell securities is the necessary consequence of manipulation and flows therefrom. In other words, if the factum of manipulation is established it will necessarily follow that the investors in the market had been induced to buy or sell and that no further proof in this regard is required. The market, as already observed, is so wide spread that it may not be humanly possible for the Board to track the persons who were actually induced to buy or sell securities as a result of manipulation and law can never impose on the Board a burden which is impossible to be discharged. This, in our view, clearly flows from the plain language of Regulation 4(a) of the Regulations."*

19. I further note that Noticee No. 28 had provided shares directly to Noticees No. 12, 16, 19 and 29 indirectly to rest of the Noticees through Noticee No. 29 in order to enable them to manipulate the price of the scrip. The Noticee No. 28 has not given any plausible explanation in support of his claim. None of the Noticees except the Noticee No. 28 were holding any shares in their demat account before February 25, 2013. It is noteworthy that within a short period of time, they transferred shares amongst each other through off-market transfers, many of which were at below market rates. Further trading patterns of these entities were similar. As detailed hereinabove, 27 out of 29 Noticees were repeatedly placing sell orders for small quantity at price higher than LTP.

20. From material available on record it is established that the Noticee No. 28 transferred shares through off-market transaction, directly or indirectly to rest of the Noticees, the Noticee No. 28 had artifice the scheme for manipulation of the price of the scrip of the Dhanleela, the Noticee No. 29 acted as conduit for the Noticee No. 28 and the Noticees No. 1 to 27 all were part of a common plan as

alleged in the SCN. The pattern of transactions for LTP manipulation and artificial trading as found in this case amongst all the Noticees demonstrates their active involvement in the entire plan they cannot feign ignorance as sought to be done by them.

21. Here I refer the judgement of Hon'ble Supreme Court in the matter of Kishore R. Ajmera case wherein it was 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."*

22. Further, in the matter of SEBI v/s Rakhi Trading, Hon'ble Supreme Court has 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."*

23. Hon'ble Supreme Court, while dealing further with the scope of the prohibitions contained in the PFUTP Regulations, while reemphasized its above ruling, further held in the matter of *SEBI Vs Kanhaiyalal Baldevbhai Patel (CIVIL APPEAL NO. 2595 OF 2013)* decided on September 20, 2017 held that – *"… it can be inferred that as a matter of principle, while interpreting this regulation, the court must weigh against an interpretation which will protect unjust claims over just, fraud over legality and expediency over principle. Once this rule is clearly established, individual cases should not pose any problem."*

24. The prohibitions contained in the charging provisions in this case contemplate deployment of a fraudulent or unfair or manipulative '*device*', '*scheme*', '*artifice*' or '*contrivance*' with a design or purpose or plan or motive to '*defraud*', to '*deceive*', to '*manipulate*', to '*induce*', etc. *'in connection with dealing in securities'* and apply even in cases where the acts or omissions or concealments committed, whether in a deceitful manner or not, by any person while dealing in securities to induce any person to deal in securities would amount to *fraudulent* act. Hon'ble Supreme Court in the above referred *Kanhaiyalal*

Baldevbhai Patel case also held that – "*The emphasis in the definition in Regulation 2(c) of the 2003 Regulations is not, therefore, of whether the act, expression, omission or concealment has been committed in a deceitful manner but whether such act, expression, omission or concealment has/had the effect of inducing another person to deal in securities.*" Hon'ble Supreme Court further held that the definition of "*fraud*" expands beyond what can normally be understood to be a '*fraudulent*' act. The emphasis is on act of inducement. It further held that for scrutinizing the cases under the PFUTP Regulations, mere inference, rather than proof, that the person induced would not have acted in the manner that he did but for the inducement is sufficient. No element of dishonesty or bad faith in the making of the inducement would be required.

25. I, therefore, find that by indulging in fraudulent, unfair and manipulative acts as established in this case the respective Noticees have contravened the provisions of regulation 3 (a), (b), (c), (d), regulation 4(1), 4 (2)(a), (d) (e) of the PFUTP Regulations. I further find that the acts and omissions of the Noticees as described above is inimical to the interests of investors in the securities market. Considering the aforesaid facts and circumstances, I am of the opinion that this case deserves imposition of penalty under section 15HA of the SEBI Act. The provisions of section 15HA of the SEBI Act are reproduced as follows:

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.*

26. For the purpose of adjudication of penalty it is relevant to mention that under section 15I of the SEBI Act imposition of penalty is linked to the subjective satisfaction of the Adjudicating Officer. The words in the section that "*he may impose such penalty*" are of considerable significance, especially in view of the guidelines provided by the legislature in section 15J of the SEBI Act. Further, while adjudging the quantum of penalty the adjudicating officer has discretion and such discretion should be exercised having due regard to the factors specified in section 15J. The factors stipulated in Section 15J, which reads as follows:-

15J - Factors to be taken into account by the adjudicating officer

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 investor/+s as a result of the default;

(c) the repetitive nature of the default.

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

27. Having regard to the factors listed in section 15J and the guidelines issued by Hon'ble Supreme Court of India in *SEBI Vs Bhavesh Pabari Civil Appeal No(S).11311 of 2013* vide judgement dated February 28, 2019, it is noted that from the material available on record, any quantifiable gain or unfair advantage accrued to the Noticee or the extent of loss suffered by the investors as a result of the default in this case cannot be computed. The acts of artificially increasing the price of scrip have potential to mislead and induce gullible and genuine investors to trade in the scrip and harm them and, thus, the fundamental tenets of market integrity get violated with impunity due to such fraudulent acts.

28. It is noteworthy that since its suspension on September 11, 2006 there was no trading in scrip of Dhanleela before April 24, 2012. Suspension on Dhanleela was revoked on April 16, 2012, the next trade in scrip happened only on February 26, 2013 and the price of the scrip reached its highest level on December 05, 2013. The trading of the Noticees as observed during the reference period of investigation was not supported by any fundamentals of Dhanleela as it had registered net profit of ₹32/- lakhs, ₹42/- lakhs and ₹13/- lakhs for the year ended March 2013, March 2014 and March 2015, respectively. Further, no major corporate announcements were made by Dhanleela other than split announcement, bonus issue, and declaration of financial results and meeting of the Board of Directors of Dhanleela which could be suggestive of genuine trading and price movement during the reference period. In the facts and circumstances of this case, it can reasonably be inferred that the impugned miniscule sell trades of the Noticees despite having large number of buy orders available in the market were carried out by the Noticees with a predetermined arrangement and with prior meeting of minds amongst trading parties. I am of the considered view that the manipulation in the price of the scrip by a group of Noticees who were connected/related with each other has the potential to induce gullible and genuine investors to trade in the scrip and harm them. The *modus operandi* adopted by the Noticees is detrimental to the smooth functioning of the securities market. It is also to be kept in mind that such acts as found in this case do not deserve leniency, and should be dealt sternly and be suitably penalized.

29. This is the case where a group of 29 Noticees acting in league orchestrated by Noticee No. 28, a fraudulent plan, scheme , device and artifice to create a misleading appearance of trading and price rise in the scrip where the Noticee No. 29 acted as conduit for Noticee No. 28. The other 27 Noticees actively cooperated in the said plan, scheme, device and artifice. It is noteworthy that none of the Noticees No. 1 to 27 were holding shares of the Dhanleela in their demat account before February 25, 2013. The Noticees No. 28 and 29 provided shares to the Noticees No. 1 to 27. Thereafter, Noticees No. 1 to 27 took turns and placed 81 orders on 81 trading days with volume in small quantities or single digits and price above LTP and with each trade manipulated the scrip price as

explained hereinabove. In these peculiar facts and circumstances the quantum of penalty has to be adjudged also taking into account the role played by respective Noticees and the repetitive trades by some of them as found in this case and principle of proportionality.

30. Considering all the facts and circumstances of the case and exercising the powers conferred upon me under section 15I of the SEBI Act read with rule 5 of the Adjudication Rules, I, hereby impose the monetary penalty upon Noticees as per following table under section 15HA of the SEBI Act. In my view, the said penalty is commensurate with the violation committed by the Noticees in this case.

Sr. No.	Name of Noticee	Amount of Penalty (₹)
1	Paras Vinod Jain	₹7,00,000/- (Rupees Seven Lakh only)
2	Ranju Devi Jain	₹6,00,000/- (Rupees Six Lakh only)
3	Rachana Govind Attal	₹8,00,000/- (Rupees Eight Lakh only)
4	Shilpa Jain	₹6,00,000/- (Rupees Six Lakh only)
5	Benu Mimani	₹6,00,000/- (Rupees Six Lakh only)
6	Shalini Agarwal	₹6,00,000/- (Rupees Six Lakh only)
7	Akhileshwar Kumar Mishra	₹5,00,000/- (Rupees Five Lakh only)
8	Sonu	₹8,00,000/- (Rupees Eight Lakh only)
9	Sanjay Kumar Sharma	₹8,00,000/- (Rupees Eight Lakh only)
10	Sunil Singhal	₹7,00,000/- (Rupees Seven Lakh only)
11	Amaresh Pathak	₹5,00,000/- (Rupees Five Lakh only)
12	Ramesh Baheti	₹5,00,000/- (Rupees Five Lakh only)
13	Rupesh Kumar Srivastava	₹5,00,000/- (Rupees Five Lakh only)
14	Vinodkumar Chotamal Jain	₹6,00,000/- (Rupees Six Lakh only)
15	Parinay Somani	₹5,00,000/- (Rupees Five Lakh only)
16	Kuldeep Singh	₹5,00,000/- (Rupees Five Lakh only)
17	Janardhan Rama Bhunesar	₹5,00,000/- (Rupees Five Lakh only)
18	Pawan Somani	₹5,00,000/- (Rupees Five Lakh only)
19	Dev Kishan Mal	₹5,00,000/- (Rupees Five Lakh only)
20	Pradip Basu	₹5,00,000/- (Rupees Five Lakh only)
21	Debashis Sur Chowdhury	₹5,00,000/- (Rupees Five Lakh only)
22	Tapan Kumar Dey	₹5,00,000/- (Rupees Five Lakh only)
23	Kamal Baid	₹6,00,000/- (Rupees Six Lakh only)
24	Vishnu Khaitan	₹7,00,000/- (Rupees Seven Lakh only)
25	Susmita Pathak	₹6,00,000/- (Rupees Six Lakh only)

Sr. No.	Name of Noticee	Amount of Penalty (₹)
26	Samaresh Pathak	₹6,00,000/- (Rupees Six Lakh only)
27	Kusum Devi Baid	₹5,00,000/- (Rupees Five Lakh only)
28	Narayan Dass Rathi	₹15,00,000/- (Rupees Fifteen Lakh only)
29	Devinder Kumar	₹10,00,000/- (Rupees Ten Lakh only)
Total		**₹1,83,00,000/- (Rupees One Crore Eighty Three Lakh only)**

31. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order in either of the way of demand draft in favour of "*SEBI - Penalties Remittable to Government of India*", payable at Mumbai, or by following the path at SEBI website www.sebi.gov.in, ENFORCEMENT > Orders > Orders of AO > PAY NOW; OR by using the web link https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html. In case of any difficulties in payment of penalties, the Noticees may contact the support at portalhelp@sebi.gov.in

32. The Demand Draft or details and confirmation of e-payment made in the format as given in table below shall be sent to "The Division Chief, EFD-DRA-III, Securities and Exchange Board of India, SEBI Bhavan, Plot No. C- 4 A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051." and also to e-mail id :- tad@sebi.gov.in

1	Case Name	
2	Name of the 'Payer/Noticee'	
3	Date of Payment	
4	Amount Paid	
5	Transaction No.	
6	Bank Details in which payment is made	
7	Payment is made for (like penalties/disgorgement / recovery/ settlement amount and legal charges along with order details)	

33. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, *inter alia,* by attachment and sale of movable and immovable properties.

34. Copies of this order are sent to the Noticees and also to SEBI in terms of rule 6 and rule 7 of the Adjudication Rules.

Date: January 09, 2020
Place: Mumbai

Santosh Shukla
Adjudicating Officer