.BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

(ADJUDICATION ORDER NO: Order/KS/VC/2019-20/5772-5779)

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

In respect of:

Sr. No.	***Entity Name***	***PAN***
1	***Varsha Dipakbhai Dobariya***	***AWMPD1706E***
2	***Nihal Siddharth Bhekare***	***BDXPB3142H***
3	***Narshibhai Lakhabhai Dobariya***	***AMEPD9444P***
4	***Arvind Babulalji Goyal***	***ACIPG0193J***
5	***Amitkumar Rameshbhai Sanghani***	***FNZPS4680B***
6	***Arrow Asia Stock Broking Limited***	***AAFCA7088J***
7	***Bhagwati Dalmia***	***ACMPD2599M***
8	***Vimal Narshibhai Dobariya***	***AMEPD0174G***

In the matter of

Kausambi Vanijya Ltd. (now known as Golden Bull Research & Growth Ltd.)

FACTS OF THE CASE

1. Based on a reference received from the Office of the Principal Director of Income Tax (Investigation), Kolkata dated April 27, 2015, Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") conducted an investigation in the scrip of Kausambi Vanijya Ltd. (now known as Golden Bull Research & Growth Ltd. and hereinafter referred to as '**KVL**'/'**Company**'). The focus of the investigation was to ascertain whether there were any violations of the provisions of Securities and Exchange Board of India Act, 1992 (hereinafter

referred to as “**SEBI Act**”) and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations**”) by certain entities in the scrip of KVL during the period August 22, 2014 to July 31, 2015 (hereinafter referred to as ‘**Investigation Period**’/‘**IP**’).

2. KVL is in the business of buying, selling, supplying, investing, trading of consumer and household goods and it also invests in and acquires or otherwise deals in shares, debentures, bonds, obligations and securities issued/guaranteed by Government, State, and Dominion in India or elsewhere. The company changed its name from Kausambi Vanijya Ltd. to Golden Bull Research & Growth Ltd. on November 20, 2014. The company is listed only on Bombay Stock Exchange (**BSE**).

3. On the basis of investigation conducted by SEBI for the transactions in the scrip of KVL, it is alleged that Ms. Varsha Dipakbhai Dobariya (hereinafter referred to as ‘**Noticee 1**’/‘**Varsha**’), Nihal Siddharth Bhekare (hereinafter referred to as ‘**Noticee 2**’/‘**Nihal**’), Narshibhai Lakhabhai Dobariya (hereinafter referred to as ‘**Noticee 3**’/‘**Narshibhai**’), Arvind Babulalji Goyal (hereinafter referred to as ‘**Noticee 4**’/‘**Arvind**’), Amitkumar Rameshbhai Sanghani (hereinafter referred to as ‘**Noticee 5**’/‘**Amitkumar**’), Arrow Asia Stock Broking Limited (hereinafter referred to as ‘**Noticee 6**’/‘**Arrow Asia**’), Bhagwati Dalmia (hereinafter referred to as ‘**Noticee 7**’/‘**Bhagwati**’) and Vimal Narshibhai Dobariya (hereinafter referred to as ‘**Noticee 8**’/‘**Vimal**’ and hereinafter collectively referred to as ‘**Noticees**’) have violated the provisions of Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) & (e) of PFUTP Regulations.

APPOINTMENT OF ADJUDICATING OFFICER

4. The undersigned was appointed as the Adjudicating Officer, vide Order dated October 18, 2017 under Section 19 read with Section 15-I(1) of the SEBI Act read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as ‘**Adjudication Rules’**) to inquire into and adjudge under the provisions of Section 15HA of the SEBI Act the alleged violations of the relevant provisions of PFUTP Regulations.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING:

5. A Show Cause Notice ref. SEBI/EAD/KS/MKG/30389/2017 dated December 04, 2017 (hereinafter referred to as '**SCN'**) was issued to the Noticees under the provisions of Rule 4(1) of the Adjudication Rules, to show cause as to why an inquiry should not be held against them and why penalty, if any, should not be imposed on them under Section 15HA of the SEBI Act for alleged violation of the relevant provisions of law.

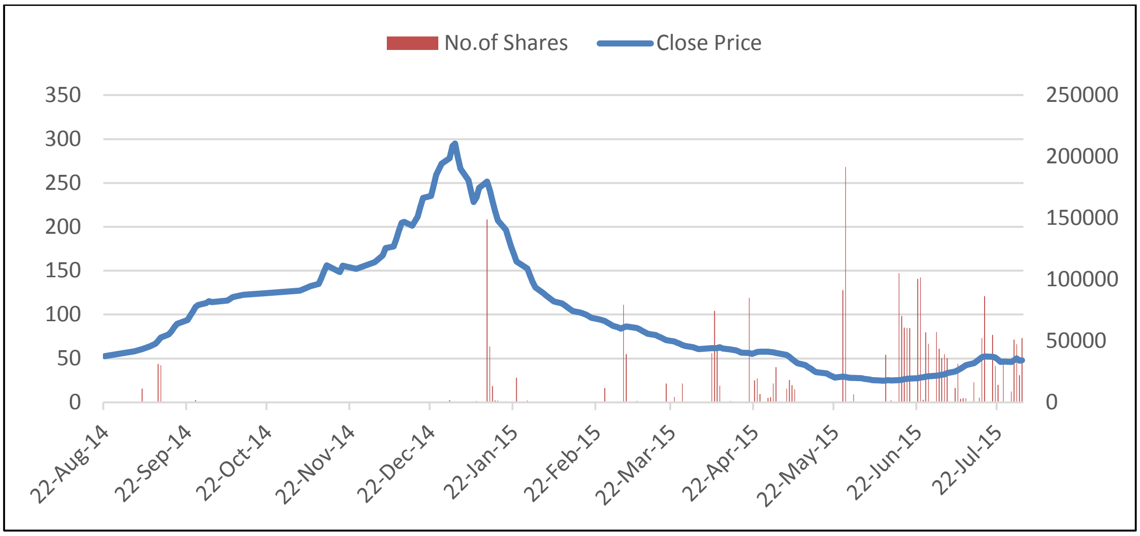
6. The details in respect of alleged violation by the Noticees are as given below:

   a. *On the basis of price rise/fall, two patches within the Investigation Periods were identified (Price rise Period and Price fall Period) and variations in share price and daily traded volume of KVL was analyzed during both the patches of investigation period. Further, Price and Volume were also compared with price and volume of KVL, before and after investigation period, same is being reproduced as under-*

   Table - 1

Period	*Duration*		*Opening Price/ vol on 1st day of period(Rs.)*	*Closing Price/ Vol on last day of period(Rs.)*	*Low Price/Vol during the Period(Rs.)*	*High Price/Vol during the Period(Rs.)*	*Avg no of shares traded daily during the period*
Pre-Investigation	*(22.05.2014 - 21.08.2014)*	*No trading during this period. The scrip was last traded on 15/05/2014.*					
Investigation	*Patch 1 (22.08.2014 - 31.12.2014)*	*Price*	*52.50*	*295*	*62.50 (22.08.2014)*	*305.70 (31.12.2014)*	*1432*
		Vol	*1*	*314*	*1 (22.08.2014) Multiple dates*	*31200 (11.09.2014)*	
	Patch 2 (01.01.2015 - 31.07.2015)	*Price*	*280.25*	*47.70*	*24.35 (09.06.2015)*	*280.25 (01.01.2015)*	*17747*
		Vol	*15*	*52297*	*1 (11.02.2015) Multiple dates*	*191622 (26.05.2015)*	
Post-Investigation	*(03.08.2015 - 30.10.2016)*	*Price*	*45.55*	*4.24*	*4.24 (30.10.2016)*	*69.60 (13.08.2015)*	*544523*
		Vol	*27905*	*3468*	*1174 (04.08.2015)*	*2888021 (28.08.2015)*	

   b. *The price volume chart during the period of investigation is as under: -*



c. *It has been observed that during the investigation period, share price of KVL from Rs. 52.50 to Rs. 47.70 reaching a high of Rs. 305.70 and a low of Rs. 24.35.*

d. *It has also been observed that during Patch 1 of investigation period, average traded volume in KVL was 1432 shares per trading day and during Patch 2 of investigation period, average traded volume in KVL was 17747 shares per trading day.*

e. *On an analysis of the KYC, off-market transfers, details on MCA website etc. a Group of 24 entities including the 8 Noticees (herein after referred as "Group 1") was identified. Group 1 alleged to be connected to KVL directly/indirectly.*

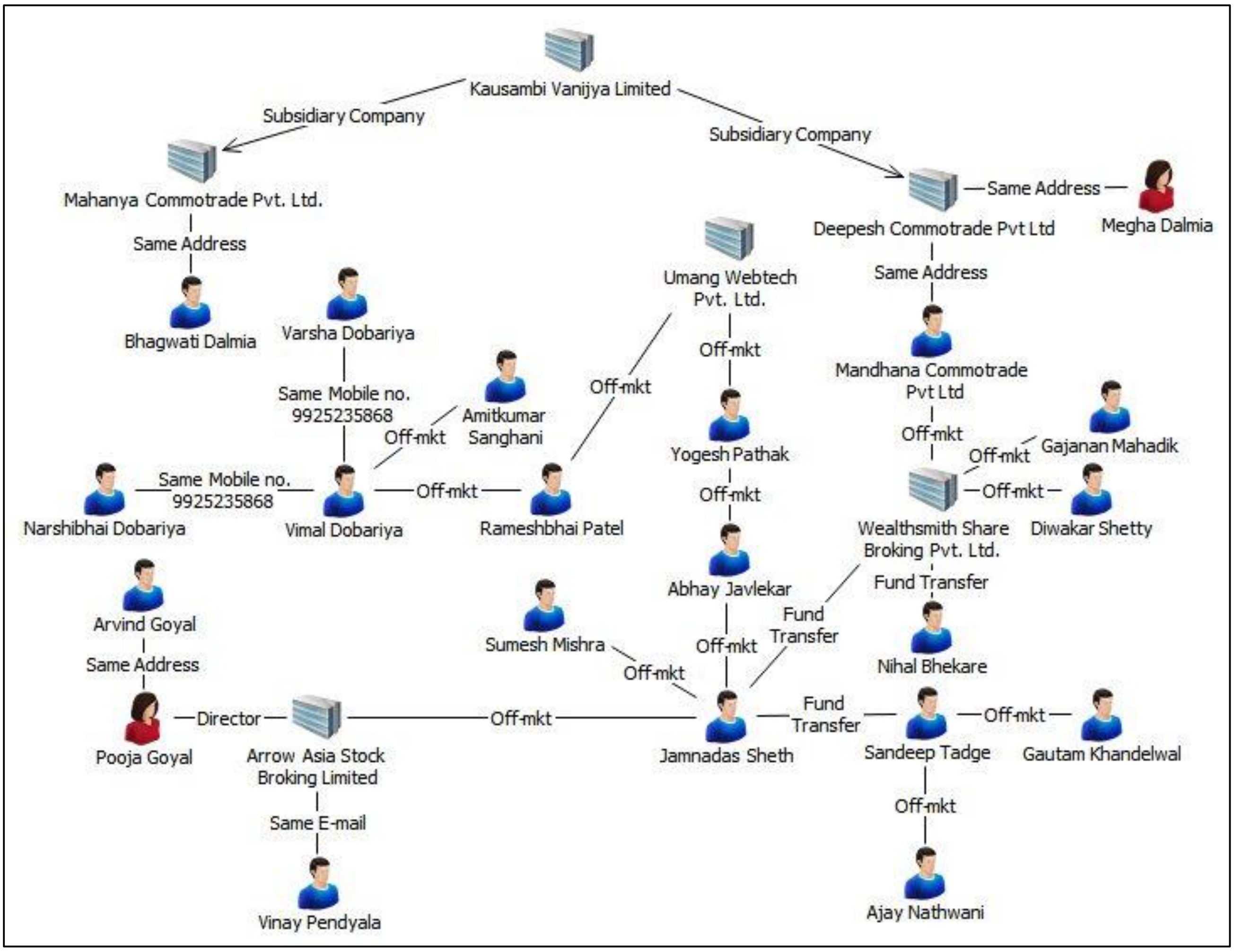
f. *Following inter-se relationship is alleged among the Group 1 entities as well as company promoters, directors-*

<u>Table - 2</u>

S. No.	***Name of the Entity***	***Basis of Connection***
1	*Bhagwati Dalmia*	*1. Shares common address with Mahanya Commotrade Pvt. Ltd. viz. 2A, Ramanath Sadhu Lane, Kolkata 700007 with Mahanya Commotrade Pvt. Ltd.* *2. Mahanya Commotrade Pvt. Ltd. is a subsidiary of Kausambi Vanijya Ltd. as per the annual report for FY 2014-15.*
2	*Megha Dalmia*	*1. Share common address with Deepesh Commotrade Pvt Ltd viz. 196/C, C.R. Avenue Kolkata WB 700007 IN.* *2. Deepesh Commotrade Pvt Ltd is a subsidiary of Kausambi Vanijya Ltd. as per the annual report for FY 2014-15.*
3	*Mandhana Commtrade Pvt Ltd.*	
4	*Wealthsmith Share Broking Private Limited*	*1. Off market transfer on 12/01/2015 with Mandhana Commtrade Pvt Ltd (Sr. No. 3)*
5	*Gajanan Shankar Mahadik*	*1. Off market transfer on 12/01/2015 with Wealthsmith Share Broking Pvt Ltd (Sr. No. 4)*

6	*Diwakar Sheshan Shetty*	*1. Off market transfer on 14/01/2015 with Wealthsmith Share Broking Pvt Ltd (Sr. No. 4)*
7	*Bhekare Nihal Siddharth*	*1. Fund transfer with Wealthsmith Share Broking Pvt Ltd (Sr. No. 4)*
8	*Jamnadas Sheth*	*1. Fund transfer with Wealthsmith Share Broking Pvt Ltd (Sr. No. 4) 2. Wealthsmith Share Broking Private Limited is not a registered intermediary as per replies received from BSE and NSE.*
9	*Sandeep Mhalu Tadge*	*1. Fund transfer with Jamnadas Sheth (Sr. No. 8).*
10	*Ajay Dhirajlal Nathwani*	*1. Off market transfer on 11/06/2014 with Sandeep Mhalu Tadge (Sr. No. 9)*
11	*Sumesh Ashok Mishra*	*1. Off market transfer on 26/11/2014 with Jamnadas Sheth (Sr. No. 8)*
12	*Abhay Dattatray Javlekar*	*1. Off market transfer on 07/11/2014 with Jamnadas Sheth (Sr. No. 8)*
13	*Arrow Asia Stock Broking Limited*	*1. Off market transfer on 13/09/2014 with Jamnadas Sheth (Sr. No. 8)*
14	*Vinay Bhushan Pendyala*	*1. Shares same e-mail with Arrow Asia Stock Broking Limited (Sr. No. 13) viz. agoyal143@yahoo.com.*
15	*Pooja Arvind Goyal*	*1. Director of Arrow Asia Stock Broking Limited (Sr. No. 13) from 23/12/2006 till date.*
16	*Arvind Babulalji Goyal*	*1. Shares common address with Pooja Arvind Goyal (Sr. No. 15) viz. 1704, Anmol Pride, S.V. Road, Goregaon West, Mumbai 400062.*
17	*Gautam Sanjay Khandelwal*	*1. Off market transfer on 13/01/2015 with Ajay Dhirajlal Nathwani (Sr. No. 10)*
18	*Yogesh Pathak*	*1. Off market transfer on 13/01/2015 with Abhay Dattatray Javlekar (Sr. No. 12)*
19	*Umang Webtech Private Limited*	*1. Off market transfer on 08/09/2014 with Yogesh Pathak (Sr. No. 18)*
20	*Rameshbhai Laljibhai Patel*	*1. Off market transfer on 08/09/2014 with Umang Webtech Private Limited (Sr. No. 19)*
21	*Vimal Narshibhai Dobariya*	*1. Off market transfer on 22/09/2014 with Rameshbhai Laljibhai Patel (Sr. No. 20)*
22	*Amitkumar Rameshbhai Sanghani*	*1. Off market transfer on 13/10/2014 with Vimal Narshibhai Dobariya (Sr. No. 21)*
23	*Varsha Dipakbhai Dobariya*	*1. Share same no. with Vimal Narshibhai Dobariya (Sr. No. 21) viz. 9925235868.*
24	*Narshibhai Lakhabhai Dobariya*	

g. The graphical representation of basis of connection is as follows –



Contribution in Price Rise

h. *It is alleged that during the period (August 22, 2014 to December 31, 2014), Noticees No. 1 to 8 had contributed to price rise in the scrip KVL.*

Patch 1 - Price Rise - 22/08/2014 to 31/12/2014:

i. *During this period, the price of the scrip opened at Rs. 52.50, reached a high of Rs.305.70 and closed at Rs. 295 i.e., a rise of 461.90%. It is alleged that 10 out of 24 group entities have traded as buyers during Patch 1 and Buy LTP analysis of these 10 entities for Patch 1 is tabulated in Table - 3 –*

Table - 3

Sr. No.		All trades			LTP > 0 (positive LTP)			LTP < 0 (negative LTP)			LTP = 0		% of positive LTP to Mkt positive LTP
		Sum of LTP diff	No of trades	Qty	Sum of LTP diff	No of trades	Qty	Sum of LTP diff	No of trades	Qty	No of trades	Qty	
1	Varsha Dipakbhai Dobariya	42.85	5	106	42.85	5	106	0	0	0	0	0	9.81

2	*Bhekare Nihal Siddharth*	*18.85*	*1*	*10*	*18.85*	*1*	*10*	*0*	*0*	*0*	*0*	*0*	*4.32*
3	*Bhagwati Dalmia*	*9.30*	*3*	*11*	*9.30*	*2*	*2*	*0*	*0*	*0*	*1*	*9*	*2.13*
4	*Narshibhai Lakhabhai Dobariya*	*8.35*	*1*	*6*	*8.35*	*1*	*6*	*0*	*0*	*0*	*0*	*0*	*1.91*
5	*Arvind Babulalji Goyal*	*5.15*	*2*	*211*	*5.15*	*2*	*211*	*0*	*0*	*0*	*0*	*0*	*1.18*
6	*Jamnadas Sheth*	*0*	*25*	*68265*	*0*	*0*	*0*	*0*	*0*	*0*	*25*	*68265*	*0*
7	*Abhay Dattatray Javlekar*	*-5.60*	*2*	*14*	*6*	*1*	*4*	*-11.60*	*1*	*10*	*0*	*0*	*1.37*
8	*Arrow Asia Stock Broking Limited*	*-8.25*	*16*	*616*	*29.65*	*4*	*58*	*-37.90*	*5*	*80*	*7*	*478*	*6.79*
9	*Vinay Bhushan Pendyala*	*-31.10*	*5*	*1070*	*0*	*0*	*0*	*-31.10*	*3*	*70*	*2*	*1000*	*0*
10	*Pooja Arvind Goyal*	*-43.10*	*18*	*1599*	*12.60*	*4*	*141*	*-55.70*	*7*	*659*	*7*	*799*	*2.89*
Group Total		***-3.55***	***78***	***71908***	***132.75***	***20***	***538***	***-136.30***	***16***	***819***	***42***	***70551***	***30.40***
Total for 6 Noticees out of abovementioned 10 group entities		***76.25***	***28***	***960***	***114.15***	***15***	***393***	***-37.9***	***5***	***80***	***8***	***487***	***26.14***
Overall Market		***245***	***221***	***78781***	***436.65***	***69***	***1772***	***-191.65***	***30***	***965***	***122***	***76044***	***100***

j. As seen from the Table - 3, it was observed that entities from Sr. No. 1 to 5 contributed to net positive LTP, entity listed at Sr. No. 6 contributed to net 0 LTP and entities from Sr. No. 7 to 10 contributed to net negative LTP. The group entities contributed Rs. 132.75 (30.40% of the market positive LTP) to the market positive LTP.

LTP Analysis among the Group:

k. From trading analysis, it was observed that the group entities had traded among themselves and the details are Tabulated in Table - 4 –

Table - 4

Sr. No.	Seller ------ ► / Buyer ↓	+LTP in Rs. (No. of trades)					Total +LTP in Rs. (No. of trades)
		Amitkumar Rameshbhai Sanghani	Arrow Asia Stock Broking Limited	Varsha Dipakbhai Dobariya	Bhagwati Dalmia	Vimal Narshibhai Dobariya	
1	Varsha Dipakbhai Dobariya	25.20 (3)	-	- ---" -	-	-	25.20 (3)
2	Bhekare Nihal Siddharth	-	18.85 (1)	-	-	-	18.85 (1)
3	Narshibhai Lakhabhai Dobariya	-	-	8.35 (1)	-	-	8.35 (1)
4	Arvind Babulalji Goyal	-	-	-	2.75(1)	2.40(1)	5.15(2)
							57.55(7)

l. As brought out in Table - 4 above, it is alleged that by trading among themselves eight Noticees contributed Rs. 57.55 (seven trades) to the market positive LTP, which is 13.17% of the market positive LTP. Five Noticees viz. Amitkumar Rameshbhai Sanghani, Arrow Asia Stock Broking Limited, Varsha Dipakbhai Dobariya, Bhagwati Dalmia and Vimal Narshibhai Dobariya had aided other Noticees (Sr. No. 1 to 4) by selling shares to increase the price of the scrip.

m. As brought out in tables 3 and 4 above, it is alleged that Varsha Dipakbhai Dobariya had five buy trades that contributed to +LTP, out of which three trades were with the connected entity during patch - 1. It is alleged also that Nihal Siddharth Bhekare and Narshibhai Lakhabhai Dobariya had only one buy trade each that contributed to +LTP and each trade was with the connected entity during patch - 1.

n. Arvind Babulalji Goyal allegedly had only two buy trades that contributed to +LTP and both trades were with the connected Noticees during patch - 1. In view of the significant positive LTP contribution by Noticees by trading among themselves it is alleged that connected entities listed in the table - 4 above manipulated the price of the scrip by contributing to the price rise and have violated Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of SEBI (PFUTP) Regulations, 2003.

o. Thus it is alleged that during (April 17, 2014 to October 13, 2014), Noticee No. 1 to 8 created an artificial price rise by trading among themselves. Hence it is alleged that Noticee No. 4 and 5 have violated Regulation 3(a), (b), (c), (d) and Regulation 4(1), 4(2) (a), (e) of PFUTP Regulations.

7. Incidentally, I note from the reply of Noticee 7 that, parallel to the present adjudication proceedings, SEBI had also, vide its order dated March 26, 2019, concluded proceedings under Section 11(1), 11(4) and 11B of SEBI Act.

8. I note that the SCN was delivered to all the Noticees except Noticee 2 & 4 by way of RPAD. I note that Noticee 1 & Noticee 3, vide their respective letters dated July 03, 2019 and Noticee 8, vide his letter dated June 18, 2019 submitted separate but similar replies. Noticee 1, Noticee 3 and Noticee 8 admitted that the transactions were done from their trading accounts however, the same were done by Dipak Narsibhai Dobariya (**Dipak**).

9. Similarly, Noticee 5, vide his letter dated June 18, 2019, submitted that he is a friend of Dipak and Noticee 8/Vimal. He further admitted doing certain intraday transactions in the scrip of KVL and receiving 200 shares in off-market from Noticee 8.

10. Thereafter, in the interest of Natural Justice, an opportunity of personal hearing was granted to Noticee 1, 3, 5 & 8 on September 24, 2019, vide hearing notice dated September 16, 2019. Mr. Dipak appeared as Authorized Representative of Noticees 1, 3, 5 and 8. He reiterated the submissions made by Noticee 1, 3 & 8 in their respective replies. Further, Noticee 5 appeared in person along with Dipak and reiterated the submissions made in his reply dated June 18, 2019.

11. I note that Noticee 7, vide her letter dated July 08, 2019, submitted that she was not connected with the other Noticees and she had traded in normal course of action. In support of her contention, Noticee 7 made the following submissions:

    a. *I would like to bring to your kind attention that along with the said SCN, another Show Cause Notice had been issued against me under Section 11(1), 11(4) and 11B of the SEBI Act, 1992 dated August 9, 2017 with same set of allegations. I am glad to bring to your kind notice that Hon'ble WTM vide its order dated March 26, 2019 held that*

       "the findings that have been gathered from various circumstances, for instance the absence of any connection with the other 23 group entities directly or indirectly, her overall trading in the scrip during the patch including absence of adverse inference on her buy trades, her trading behavior in other scrips, the totality of the picture that emerges warrants that the Ms. Bhagwati Dalmia be given a benefit of doubt with respect to her 1 sell trade with Shri Arvind Babulalji Goyal. Therefore, I am of the considered view that there is not adequate material available on record to hold the aforesaid sell trade of Ms. Bhagwati Dalmia in the scrip of KVL to be manipulative in nature".

       Further, the Hon'ble WTM was pleased to dispose of the SCN dated October 31, 2017 issued to me without any directions.

    b. *The background facts and the relevant events as have transpired in the matter are set out herein below:*

       - *I am a housewife and not employed by/through any firm or organization. I regularly invest in shares and securities in normal course. Further, I also trade* *in Futures and Options category of stocks provided by the trading platform of Stock Exchange/s.*

- *The address viz. 2A, Ramanath Sadhu Lane, Kolkata-7 which has been used to indirectly connect me with Kausambi Vanijya Limited due to the presence of Mahanya Commotrade Private Limited, a subsidiary of Kausambi Vanijya Limited having its office at the same location, it is submitted that the building/ apartment located at this address contains more than 15 flats/ rooms. It is merely a coincidence that Mahanya Commotrade Private Limited shares the same building for the purpose of its corporate address. Hence, no adverse inference ought to be taken against me in this regard.*
- *Further, the original ownership of this residence lies with my Father- in-law Mr. Girdhari Lai Dalmia along with his five brothers.*
- *In this connection, it is further submitted that there are other companies also located at the same address such as Nayan Impex Pvt. Ltd., Chotanagpur Construction Co. Pvt. Ltd., etc. who share the common address as us.*
- *I bought a total of 11 shares of the scrip Kausambi Vanijya Limited as there was a huge volume of trades in the same scrip during that period. I bought the shares through the electronic platform provided through the stock exchange mechanism. The anonymous and electronic trading platform of the stock exchange provides for order matching mechanism when buy and sell quotes are available at the screen. The trading was carried out on the electronic, screen based and faceless trading platform provided by stock exchanges wherein the counter party is not disclosed. Further, I have also sold the shares on 9/12/2014 by making a negligible profit of Rs. 500. Hence, no adverse inference ought to be taken against me in this regard.*
- *It is submitted that I normally trade in small quantity as has been the case in the instant matter and I have got no major holdings.*

c. *In view of the above submissions, I reiterate and deny that I have violated Regulation 3(a), (b), (c), (d) and Regulation 4(1) 4(2) (a) and (e) of PFUTP Regulations to warrant any kind of penalty.*

12. Thereafter, vide letter dated June 27, 2019, Noticee 7 was provided with an opportunity of personal hearing on July 17, 2019. Mr. Geet Shikhar, Advocate appeared on behalf of Noticee 7 and reiterated the submissions made by Noticee 7 vide her letter dated July 08, 2019. Noticee 7 was given time to submit

certain evidences in support of her contentions. I note that, vide Email dated July 23, 2019, the Noticee submitted the said evidences.

13. I note that the SCN was delivered to Noticee 6 by way of RPAD and a proof of delivery is available on file. However, Noticee 6 failed to submit any reply. Thereafter, in the interest of natural justice, two separate opportunities of personal hearing were provided to Noticee 6 on May 29, 2019 and July 17, 2019 vide hearing notices dated May 06, 2019 and June 27, 2019 respectively. I note that both the hearing notices were delivered to Noticee 6. However, Noticee 6 failed to appear for personal hearing.

14. Further, I also note that SCN had returned undelivered from the last known addresses of Noticee 2 & Noticee 4. Thereafter, the SCN was delivered to Noticee 2 & 4 by way of affixture at their last known addresses under Rule 7(c) of Adjudication Rules. However, both Noticee 2 & Noticee 4 failed to submit any reply. Vide hearing notices dated May 06, 2019 and June 27, 2019 respectively, Noticee 2 & 4 were given further opportunities to submit their replies to the SCN on or before May 24, 2019 and July 10, 2019 respectively. At the same time, in the interest of natural justice, two separate opportunities of personal hearing were provided to Noticee 2 & Noticee 4 on May 29, 2019 and July 17, 2019 by the said letters dated May 06, 2019 and June 27, 2019. I note that both the said letters were delivered to Noticee 2 & Noticee 4 by way of digitally signed Email on their respective Email IDs, as available on record. I further note that the said Emails have not bounced back. Since SCNs had to be affixed, attempts were made to affix the said letters to the Noticees 2 & 4 at their last known addresses. However, the same could not be successfully completed. Thereafter, in terms of Rule 7(d) of Adjudication Rules, a final opportunity of personal hearing was granted to Noticee 2 & Noticee 4 on October 16, 2019 by way of a public notice dated October 01, 2019 in Mumbai Editions of three different newspapers namely Hindustan Times, Maharashtra Times and Navbharat Times. However, both Noticee 2 and Noticee 4 failed to appear for personal hearing nor did they submit any reply.

In this regard, it is pertinent to note the observations of Hon'ble Securities Appellate Tribunal (hereinafter referred to as '**SAT**') in the matter of Sanjay Kumar Tayal & Others vs. SEBI decided on February 11, 2014. Hon'ble SAT observed as follows:

"*…As rightly contended by Mr. Rustomjee, learned senior counsel for respondents, 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 leveled against them in the show cause notices…*"

CONSIDERATION OF ISSUES AND FINDINGS:

15. I have taken into consideration the facts and circumstances of the case, the material available on record and the replies submitted by the Noticee 1, Noticee 3, Noticee 5, Noticee 7 and Noticee 8. Further, with respect to Noticee 2, Noticee 4 and Noticee 6, who have failed to submit their replies, I proceed based on merits.

16. I note that the allegation levelled against the Noticees is that, by trading amongst themselves, the Noticees have manipulated the price in the scrip of KVL during the period from August 22, 2014 to December 31, 2014 (hereinafter referred to as '**patch 1**'). In view of this, it is alleged that the Noticees have violated the provisions of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) & (e) of PFUTP Regulations. In view of the above, the issues for consideration before me are:-

    a. Whether the Noticees, by their trades, have manipulated the price in the scrip of KVL during patch 1 and, therefore, have violated the provisions of PFUTP Regulations?

    b. If yes, whether the Noticees are liable for penalty?

    c. What should be the quantum of penalty that should be imposed on the Noticees?

17. Before moving forward, the relevant extracts of the provision of law, allegedly violated by the Noticees, are mentioned as under-

<u>PFUTP Regulations</u>

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.

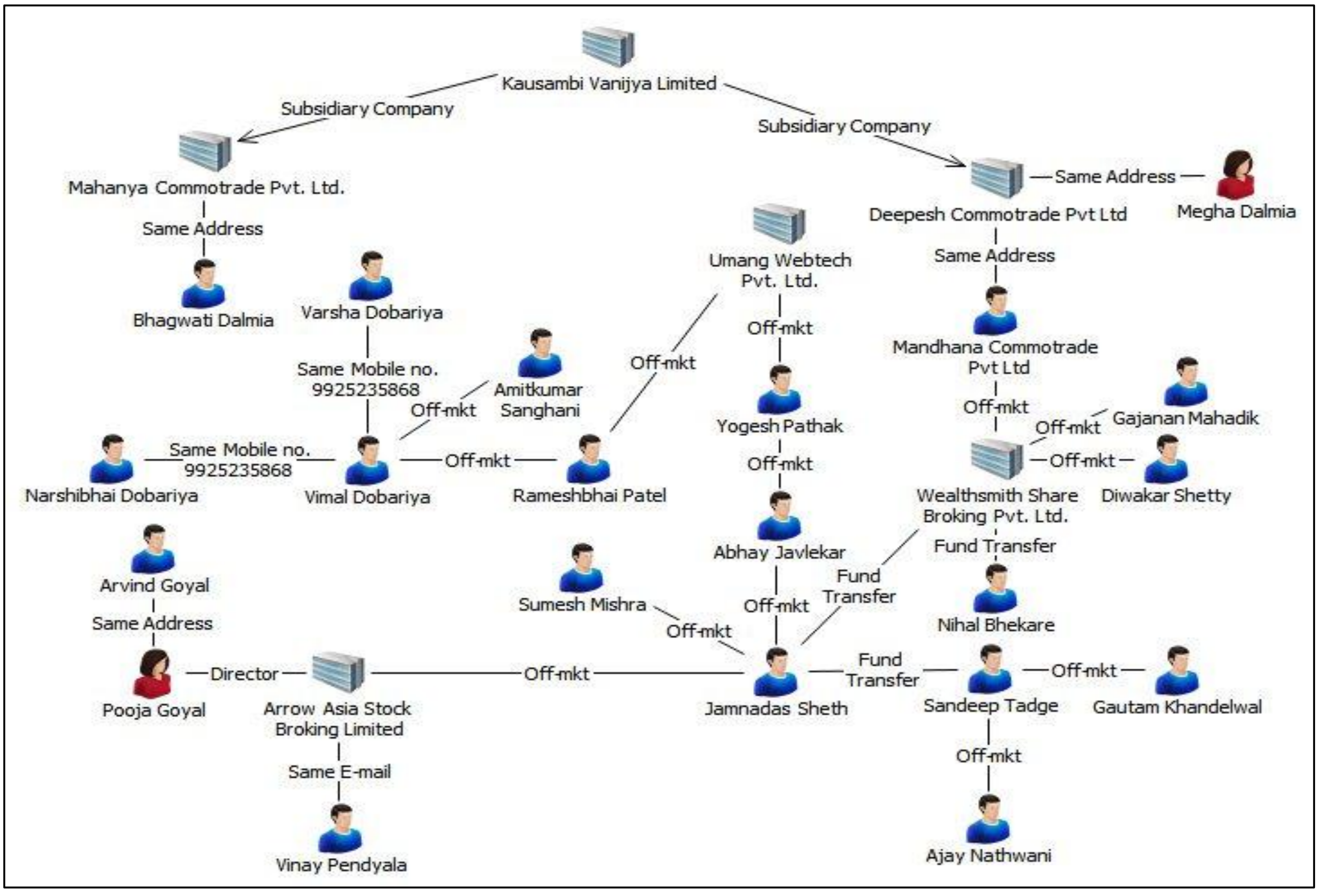
(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:—

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

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

a. Whether the Noticees, by their trades, have manipulated the price in the scrip of KVL during patch 1?

18. I note from the Investigation Report (**IR**) that based on KYC, MCA documents, off-market transfers, annual reports of KVL and relevant bank account statements, a group of 24 entities has been brought out in the connection matrix connected to the company was identified by SEBI. A table containing the connections among the 24 has been brought in Table 2 in the SCN and the same has been reproduced elsewhere in this order. The graphical representation of basis of connection is as follows:–



19. I further note from the IR as well as the trade log that the following group entities have traded among themselves during patch 1 and the details of such trades are as follows –

Sr. No.	Seller ------ ▶ / Buyer ↓	+LTP in Rs. (No. of trades)					Total +LTP in Rs. (No. of trades)
		Amitkumar Rameshbhai Sanghani	Arrow Asia Stock Broking Limited	Varsha Dipakbhai Dobariya	Bhagwati Dalmia	Vimal Narshibhai Dobariya	
1	Varsha Dipakbhai Dobariya	25.20 (3)	-	- ---" -	-	-	25.20 (3)

2	Bhekare Nihal Siddharth	-	18.85 (1)	-	-	-	18.85 (1)
3	Narshibhai Lakhabhai Dobariya	-	-	8.35 (1)	-	-	8.35 (1)
4	Arvind Babulalji Goyal	-	-	-	2.75(1)	2.40(1)	5.15(2)
							57.55(7)

20. I note from the IR and the trade log that Varsha had entered into a total of 5 trades as a buyer during patch 1. Out of these 5 trades, Amitkumar was a counterparty to 3 trades for respectively 25, 25 and 50 shares. From the trade log, I observe that, in all the three transactions wherein Amitkumar was the counterparty, buy orders would be first placed by Varsha over the LTP (LTP ranging from 4.97% to 5%) and then within a few minutes (time span ranging from 2.51 minutes to 6.59 minutes), Amitkumar would match the said buy orders by placing corresponding sell orders. I note that the same method was adopted by Varsha and Amitkumar on all 3 instances during the period December 1, 2014 to December 9, 2014 resulting in a total LTP contribution of Rs. 25.20/- to the price of the scrip. I also note that Amitkumar had entered into 4 sell transactions in the scrip of KVL during patch-1. Out of those 4 trades, Varsha was counterparty buyer in 3 of those trades and the same sell trades had led to LTP rise of Rs. 25.20 as explained above. Further, though not an allegation, I also note that the fourth sell trade of Amitkumar with non – connected person had also led to positive LTP contribution.

21. Though not an allegation, incidentally, I also observe from the trade log that Varsha had also entered into 19 sell trades in the scrip of KVL, out of which 18 trades had been entered during patch 1, and there was positive LTP contribution due to those sell transactions. I further note that out of those 19 trades, 3 trades were with group entities namely Narshibhai, Arvind and Pooja Arvind Goyal which together have led to positive LTP contribution of Rs. 3.30. In this regard, I note that no allegation has been levelled against Varsha for her aforementioned sell trades with Arvind and Pooja. Further, the sell trade with Narshibhai has been discussed elsewhere in this order while discussing his buy trade.

22. I note from the connection matrix, as brought out in Table 2 of the SCN, that Varsha shares the same mobile no. with Vimal. Further, from the said table I note that Vimal is connected with Amitkumar by way of off-market transfer of shares wherein Vimal, on October 13, 2014, transferred 200 shares of KVL in off-market to Amitkumar. Prior to that, I also note that Vimal had, on September 22, 2014, received 1,000 shares of KVL in an off-market transaction from Shri Rameshbhai Laljibhai Patel who himself had received 1,00,000 shares of KVL[1] in an interdepository off-market transaction from Umang Webtech Private Limited on September 8, 2014. In this regard, I note that Umang Webtech Private Limited is connected to the other group entities, as brought out in the connection matrix in the SCN and the pictorial representation given above.

23. Additionally, connections between Varsha and Amitkumar were also found on the basis of replies submitted by Varsha, Amitkumar, Narshibhai and Vimal. I note that Varsha, in her letter dated July 03, 2019 submitted that she is wife of Dipak and the trades in her account were done by Dipak. Further, Amitkumar, in his letter dated June 18, 2019, has also admitted that he is a friend of Dipak and Vimal. Further, he also admitted to have received 200 shares of KVL from Vimal in off-market. I also note that Dipak had also appeared as Authorized Representative of both Varsha and Amitkumar during the course of personal hearing. Therefore, by their own admission, Varsha and Amitkumar were connected/known to each other through Dipak and Vimal.

24. In the present matter, I note that patch 1 had started on August 22, 2014 and the first trade between Varsha and Amitkumar had taken place on December 01, 2014. During this period i.e. between initiation of patch 1 and first trade between the two aforesaid group entities, shares of KVL had traded on 36 days out of 63 trading days resulting in an average of 6 trades (rounded off) per day. Thus, I note that the trades in the scrip of KVL were not frequent in nature during the above said period. Therefore, in light of the fact that Amitkumar had

[1] Upon perusal of IR, I noted that the said transaction was mentioned to be of 70,000 shares. However, from the perusal of data of off-market transfers, provided as annexures to the IR, I found that the said off-market transfer was of 1,00,000 shares of KVL.

received the shares of KVL from Vimal in an off-market transaction, who also shares mobile number with Varsha and is a friend of Amitkumar, and subsequently Amitkumar matched the buy orders of Varsha on the trading platform of the Exchange, I am of the view that the abovementioned matching of the trades between Varsha and Amitkumar on 3 different occasions in a short period of 9 days cannot be a mere coincidence. Therefore, I find that despite the unanimous order matching system of the stock exchange, the noticees, with a manipulative intent, have managed to strike a trade among themselves in the illquid scrip.

25. At this juncture, it is noteworthy to reproduce the observations of Hon'ble SAT in the matter of Ajmera Associates Pvt. Ltd. vs. SEBI, decided on December 13, 2010:

"*…the trading system does not permit the buyers and the sellers to have any interaction between them except through the trading system. A buy order placed on the system matches with a sell order and a trade comes to be executed and this matching is done by the system on a price time priority basis. Despite the anonymity of the system, we have seen market players and the intermediaries like the brokers executing manipulative trades by defeating the system and this is usually done by placing the buy and sell orders simultaneously for the same amount and at the same price. Such matching orders usually result in trades in comparatively less liquid scrips...*"

26. Therefore, in regard to the facts mentioned above, I note that no reason, whatsoever, has been provided by Varsha for buying the scrip over the LTP at each instance except a general statement that the said trades were done for normal quantity. However, I am unable to accept the said contention of Varsha as the facts surrounding the said trades and the connections among Varsha, Amitkumar and Vimal clearly show that the said trades were not normal. Further, the said trades were not meeting the normal trading behavior of a prudent trader who will buy low and sell high. This, along with other circumstances like the overall trades in the scrip, off-market transfer of shares to Amitkumar by Vimal, particulars of the buy orders and sell orders of Varsha

and Amitkumar respectively leads to the clear conclusion that the trades between Varsha and Amitkumar, were executed with manipulative intentions and have led to artificial increase in price of the scrip by fraudulent means.

27. Further, I observe from the trade log that Narshibhai had entered into only 1 buy trade for purchase of 6 shares during patch 1. Further, the counterparty to the said trade was Varsha. The said trade resulted in a positive LTP contribution of Rs. 8.35/-

28. Though not an allegation, incidentally, I also observe from the trade log that Narshibhai had sold these 6 shares in 2 sell trades during patch 1. I also note that the counterparties to the said sell trades were not group entities. However, I note that the said trades had also led to positive LTP contribution.

29. Additionally, connections were also found on the basis of replies submitted by Varsha, Amitkumar, Narshibhai and Vimal. In this regard, I note that both Narshibhai and Varsha have admitted that the trades in their respective trading accounts were executed by Dipak, who as has been brought out earlier, is the son of Narshibhai and husband of Varsha. The manipulative role played by Varsha has already been discussed in previous paragraphs. Out of her trades with Amitkumar, I also note that Varsha had bought 25 shares of KVL from Amitkumar, on December 1, 2014 (one of the three instances when she traded with Amitkumar) and subsequently had sold 6 shares of KVL to Narshibhai by matching the buy order of Narshibhai within 6 minutes of him placing it on December 5, 2014. As admitted by them, I note that both these transactions were done by Dipak.

30. Further, on the basis of connections amongst the group entities, manner of acquisition of shares by the seller, overall trades in the scrip, particulars of the buy order and sell order along with the absence of any reason for Narshibhai executing only 1 buy trade in the scrip during the relevant period that too over the LTP by Rs. 8.35/-, and admission that the trading in both these accounts were done by Dipak, leads to the conclusion that the trade executed between Narshibhai and Varsha, was manipulative in nature and had been executed with only one intention i.e. to fraudulently increase the price of the scrip of KVL.

31. Further, I note that Arvind had entered into only 2 trades during the patch 1 both of which were buy trades. Out of these, the first trade on October 13, 2014 was with Vimal for purchase of 200 shares and second was on December 09, 2014 with Bhagwati for purchase of 11 shares. The LTP contribution data is discussed subsequently. With respect to the trade of Arvind with Vimal, I note from the connection matrix that Arvind is connected to other group entities in the following manner:

Arvind shares common address with Ms. Pooja Arvind Goyal, Director of Arrow Asia from December 23, 2006 till date. Arrow Asia had an off market transfer in the scrip of Shree Hanuman Sugar Industries Limited on September 13, 2014 with Shri Jamnadas Sheth. Shri Jamnadas Sheth, in turn, had 2 fund transactions in the month of June, 2014 wherein he had received a total amount of Rs. 25 lakh from Wealthsmith Share Broking Private Limited. Wealthsmith Share Broking Private Limited had received 3 lakh shares of KVL from Mandhana Commtrade Private Limited on January 12, 2015 which shares the common address with Deepesh Commotrade Private Limited, a subsidiary of KVL.

32. On perusal of records and noting the replies submitted by Vimal, I find from APL-1 Card of Narshibhai, as available at Annexure 3.10 of IR, that Vimal is the son of Narshibhai. Also from the submissions of Varsha, Vimal and Narshibhai, I note that Vimal is also the brother-in law of Varsha.

33. Further I note that Vimal had received 1,000 shares of KVL in off market on September 22, 2014 from Shri Rameshbhai Laljibhai Patel, who himself is connected with other group entities due to receipt of shares in off-market from Umang Webtech Pvt. Ltd. Thereafter, on October 13, 2014, i.e. after a gap of 11 trading days, Vimal sold 200 shares of KVL to Arvind. In regard to the said trade, I note that Arvind had placed a buy order which matched with the sell order of Vimal within 49 minutes of placing the sell order and the said trade led to LTP increase of Rs. 2.40/-. Thus, on the basis of connections of both Vimal and Arvind with the other group entities through layers of off-market transfers, overall trades in the scrip, proximity of events (manner of acquisition of shares

by Vimal and his subsequent selling) and the absence of any reply from Arvind for buying shares over the LTP, leads to the conclusion that the trade executed between Arvind and Vimal, is nothing short of a manipulative trade leading to fraudulent increase in price of KVL.

34. I note that Nihal had entered into only 1 trade for purchase of 10 shares during patch 1. The counterparty to the said trade was Arrow Asia. The said trade had led to price rise of Rs. 18.85 over LTP. In this regard, I note from the connection matrix forming part of the SCN and reproduced elsewhere in this order, that Nihal had received Rs. 10 lakh from Wealthsmith Share Broking Private Limited on April 24, 2015. It has already been brought out in preceding paragraphs that Wealthsmith Share Broking Private Limited is connected to KVL. Thus, I am of the view that Nihal is also connected to KVL by way of abovementioned connection. Furthermore, from the trade log, I note that, on December 12, 2014, Nihal had placed a buy order over the LTP by Rs. 18.85/- for 10 shares which was exactly matched by Arrow Asia within less than 2 minutes of placing it. Thus, on the basis of connections of Nihal and Arrow Asia with other group entities, overall trades in the scrip, particulars of the buy order and sell order including their execution and the absence of any reply from Nihal for buying shares over the LTP, I am of the view that the trade executed between Nihal and Arrow Asia, is nothing short of a manipulative trade leading to fraudulent increase in price of KVL.

35. Thus, in the preceding paragraphs, I have already held that the group entities namely Varsha, Nihal, Narshibhai and Arvind as buyers and other group entities namely Amitkumar, Arrow Asia, Varsha and Vimal as sellers have traded amongst themselves in the scrip of KVL. I find the following common features in the trading done by the above connected persons:-

    i. Buyers and sellers are connected with each other either by way of off market transfer, fund transfer or relations among themselves and/or same person trading on their behalf leading to the connection with the company.

    ii. Scrip of KVL was not regularly being traded and was illiquid in nature.

iii. 5 out of 6 trades mentioned to have taken place among abovementioned entities took place within a short span of time i.e. 10 trading days when the scrip was traded between December 1, 2014 and December 12, 2014.

iv. 5 trades took place after there was an off market transfer *inter se* among the noticees and among other group entities.

v. For no stated reasons whatsoever, in 5 out 6 trades, buy order was placed first and that too at a price higher than the LTP, thus not meeting prudent trading practice.

36. I note that in cases of Fraudulent and Unfair Trade Practices, it is difficult to find direct evidence in respect to all the entities involved and the case has to be decided on the basis of conduct of the entities involved in the transactions. In this regard, I place reliance on the observation of Hon'ble SAT in the matter of Ketan Parekh vs SEBI, as below:

"*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*"

37. The above observation was re-affirmed in the matter of Kishore R Ajmera vs SEBI by Hon'ble Supreme Court of India when the following was observed:

"*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 a reasonable/prudent man would adopt to arrive at a conclusion.*"

38. In light of the aforesaid findings, I am of the view that, despite the anonymity of the trading system, the group entities mentioned at paragraph 35, have executed trades amongst themselves in the scrip of KVL which had an impact on the price of the scrip and are manipulative in nature. In this regard, I would rely upon the observation made by Hon'ble Supreme Court of India in the matter of Kishore R Ajmera vs. SEBI:

    "*While the screen-based trading system keeps the identity of the parties anonymous it will be too naive to rest the final conclusions on said basis which overlooks a meeting of minds elsewhere. Direct proof of such meeting of minds elsewhere would rarely be forthcoming. The test, in our considered view, is one of preponderance of probabilities so far as adjudication of civil liability arising out of violation of the Act or the provisions of the Regulations framed thereunder is concerned.*"

39. With respect to the trade of Arvind with Bhagwati, it is alleged in the IR that Bhagwati shares common address with Mahanya Commotrade Private Limited which is a subsidiary of KVL. In this regard, I note that Bhagwati has submitted that the said address belongs to her father-in law along with his five brothers. In support of her submission, Bhagwati has submitted e-receipt of property tax for the said premises. Further, in the reply Bhagwati has mentioned that the said building/apartment located at the address contains more than 15 flats/rooms and it is merely a coincidence that Mahanya Commotrade Private Limited shares the same building for the purpose of its corporate address. Hence, Bhagwati has argued that no adverse inference ought to be taken against her.

40. Further, Bhagwati has submitted a list of other companies which share the same address with her, i.e. located in the same apartment/building, and the list suggests that there are at-least 3 other companies having the same address. Further, Bhagwati has also submitted photograph of the location showing that

she has her own independent room/flat in the said location and other entities have their own rooms/flats. Further, she has also submitted an undertaking from two other entities from the same building wherein these entities have submitted that each of them have their own independent units at the said address and are not related/connected to each other in any manner. In light of this, I am of the view that the connection of Bhagwati with other group entities has not been established convincingly.

41. I further note from the trade log that Bhagwati had purchased a total of 11 shares of KVL through 3 buy trades during the period October 23, 2014 to November 11, 2014 and sold the said 11 shares on December 9, 2014 to Arvind in one single trade. It is noted from the trade log that none of the counter parties to the 3 buy trades of Bhagwati, was group entities. Furthermore, I also note that no adverse inference has been drawn on the said buy trades of her in the IR. Moreover, unlike 23 other group entities who are connected through fund transfer / off market transfers, Bhagwati does not have any fund transaction or off market transaction with any of the other 23 group entities, either directly or indirectly.

42. I would also take note the trading pattern/history of Bhagwati. In this regard, Bhagwati has submitted her transaction details, as obtained from her broker. From the perusal of this, I observe that, Bhagwati had traded in other scrips / units of mutual funds also during the financial year 2014-2015. I also note that, excluding her trading in the scrip of KVL, on many instances she has purchased shares in minuscule quantity. Also, as a seller, Bhagwati Dalmia has traded in minuscule quantity on many instances in other scrips also, excluding KVL. Thus, the trading behavior of Bhagwati in other scrips demonstrates that she had been regularity trading in the scrip of KVL. Further, I note that Bhagwati has only one trade with group entity i.e. sale of 11 shares of KVL to Arvind.

43. In view of the findings above, the balance of probabilities suggests that Bhagwati should be given a benefit of doubt with respect to her one sell trade with Arvind. Therefore, on the balance of probabilities, I am of the view that

there is not adequate material available on record to hold the aforesaid single sell trade of Bhagwati in the scrip of KVL to be manipulative in nature.

44. However, for the rest of the Noticees i.e. Noticee 1 to 6 and Noticee 8, I hold that, by trading amongst themselves, they have contributed Rs. 54.80/- (6 trades) to the market positive LTP in the scrip of KVL which is 12.55% of the market positive LTP. In view of the significant positive LTP contribution by the aforesaid 7 group entities by trading amongst themselves, I hold that the 7 group entities mentioned above have manipulated the price of the scrip by contributing to the price rise.

45. In light of this, I hold that Noticee 1 to 6 and Noticee 8 have violated the provisions of Regulations 3(a), (b), (c), (d) and Regulations 4(1), 4(2)(a) & (e) of PFUTP Regulations. Therefore, the Noticee 1 to 6 and Noticee 8 are liable for a penalty under Section 15HA of SEBI Act. The text of the said provision of law is being reproduced below:

SEBI Act

Penalty for fraudulent and unfair trade practices.

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

46. In this regard, the provisions of Section 15J of the SEBI Act and Rule 5 of the Adjudication Rules require that while adjudging the quantum of penalty, the adjudicating officer shall have due regard to the following factors namely; -

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

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

(c) the repetitive nature of the default.

47. With regard to the mitigating factors, I noted that the investigation report has not quantified the loss caused to general investors on account of the violations committed by the Noticees. Further, as has been brought out earlier, I note that Noticee 1 to 6 and 8, by entering into 6 trades among themselves, have contributed to a price rise of Rs. 54.80 above LTP.

48. The Noticees 1, 3, 5 and 8 have argued citing profits made by them through the impugned transactions signaling that the profit element was not very high. I note that the Noticees have been alleged to have contributed to the LTP in the scrip and the charge is not that they have made any huge profits through the impugned trades. Thus the purpose of their trading in the scrip is to increase the LTP. Considering the volume and number of trades executed by the Noticees, it may not be possible to earn huge amount of profit. Therefore, in such a scenario, it may not be strictly relevant to look into the profits made in order to arrive at penalties as apparently the profit may not be the objective of the impugned trades. Therefore, I find their argument in this regard have no relevance for the present proceedings.

49. Further, in light of recent order of Hon'ble SAT in the matter of P G Electroplast vs SEBI, I also note that, vide Order dated March 26, 2019, Hon'ble Whole Time Member of SEBI has restrained the Noticee 1 to 6 and Noticee 8 from accessing the securities market for a period of two years and further prohibited them from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of two years.

ORDER

50. After taking into consideration the facts and circumstances of the case, material/facts on record, the replies submitted by the Noticees and also the factors mentioned in the preceding paragraphs, I, in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, hereby impose a following penalties on the Noticees under Section 15HA of the SEBI Act for their violation of the provisions of PFUTP Regulations as discussed in this order:

S. No.	Name of the Noticee	Penalty
1	Varsha Dipakbhai Dobariya	Rs. 3,00,000/- (Rupees Three Lakh only)
2	Nihal Siddharth Bhekare	Rs. 2,00,000/- (Rupees Two Lakh only)
3	Narshibhai Lakhabhai Dobariya	Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only)
4	Arvind Babulalji Goyal	Rs. 1,00,000/- (Rupees One Lakh only)
5	Amitkumar Rameshbhai Sanghani	Rs. 2,50,000/- (Rupees Two Lakh Fifty Thousand only)
6	Arrow Asia Stock Broking Limited	Rs. 2,00,000/- (Rupees Two Lakh only)
7	Vimal Narshibhai Dobariya	Rs. 1,00,000/- (Rupees One Lakh only)
	Total	Rs. 13,00,000/- (Rupees Thirteen Lakh only)

I am of the view that the said penalty is commensurate with the lapse/omission on the part of the Noticees.

51. 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.

52. 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 for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.

53. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticees viz. Varsha Dipakbhai Dobariya, Nihal Siddharth Bhekare, Narshibhai Lakhabhai Dobariya, Arvind Babulalji Goyal, Amitkumar Rameshbhai Sanghani, Arrow Asia Stock Broking Limited, Ms. Bhagwati Dalmia and Vimal Narshibhai Dobariya and also to the Securities and Exchange Board of India.

Place: Mumbai	**K SARAVANAN**
Date: November 28, 2019	**CHIEF GENERAL MANAGER**
	AND ADJUDICATING OFFICER