BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/MC/HP/2020-21/ 9517- 9532]

UNDER SECTION 15-I (2) OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995.

In respect of –

1) **Keynote Painting Dealers Private Limited (PAN: AACCH5764P)** having address at - 262, Panchanantala Road, Howrah, West Bengal, India - 711101.
Email Id – rocoffice50@gmail.com
2) **Panchshree Logistics Pvt. Ltd. (PAN: AAGCP7553G)** having address at - Laha O Das Para Yugdiya, Magrahat South 24 Parganas, West Bengal, India - 743372.
Email Id – tanumoylaha2012@yahoo.com
3) **Yogesh Bansal (PAN: AIUPB8729P)** having address at – Ganges Garden, BL-C2, 3rd Floor, 106, Kiran CH Sinha Rd, Shibpur, Howrah, West Bengal, India - 711101.
Email Id – cacs.yogesh.bansal@gmail.com
4) **Manoj Parasrampuria (PAN: AFXPP4471J)** having address at - Plot No - 4, Jalvihar Colony, Raipur, Chhattisgarh, India – 492001 **and**
C/o Indochains, Industrial Area, Bhanpuri, Raipur, Chhattisgarh, India – 492001.
Email Id – manojprp@yahoo.co.in
5) **Crown Iron Merchants Private Limited (PAN: AAECC2645Q)** having address at – 319/21, Jessor Road, Khudiram Colony, Kolkata, West Bengal, India - 700074.
Email Id - backofficeroc@gmail.com
6) **Glorious Vincom Private Limited (PAN: AADCG3846Q)** having address at – 31, GuitendalLane, Howrah, West Bengal, India - 711101 **and**

60/5, Dwarik Jungle Road, Bhadrakali, Uttarpara, Hooghly, West Bengal, India - 712232.
Email Id – gloriousvincom@gmail.com

7) **Jatan Mercantiles Pvt. Ltd. (PAN: AAACJ6384M)** having address at – 39, Kali Krishna Tagore Street, 1st Floor, Kolkata, West Bengal, India – 700007 **and** R no.- 4/4, 4th floor, 9, India Exchange place, Kolkata, India - 700001.
Email Id – itax@rtfashion.co.in, info@rtfashion.co.in

8) **Anita Jajodia (PAN: ACTPJ4303J)** having address at - 7, Burnt Salt Gola Lane, Howrah AC Market, Howrah, West Bengal, India – 711101 **and**
Ganges Garden, Block-GB 1, 106 Kiran Chandra Singha Road, 1st Floor, Howrah, West Bengal, India – 711102 **and**
C/o Jajodia and Co. 190, Jamuna Lal Bajaj St., 3rd Floor, Kolkata, India – 700007.
Email Id – jajodia28@yahoo.com, pjsss21@yahoo.com

9) **Innova Auto Distributors Private Limited (PAN: AACCI5172Q)** having address at - Borar, Uttar Antila Bagnan, Howrah - 711312.
Email Id – roc7005@gmail.com

10) **Kanika Jain (PAN: AFZPJ2993R)** having address at - Plot No. 688, Vijay Villa Road No.33, Jubilee Hills, Hyderabad, Andhra Pradesh, India – 500033 **and** 15/1/503/A/9, Ashok market, Hyderabad, India – 500012.
Email Id – riteshjain@rediffmail.com

11) **Linkup Financial Consultants Pvt. Ltd. (PAN: AACCL0347G)** having address at - 319/21, Jessore Road, Khudiram Colony, Kolkata, West Bengal, India- 700074 **and**
60/5, Dwarik Jungle Road, Bhadrakali, Uttarpara, India – 712232.
Email Id – linkupfinancialconsultants@gmail.com

12) **Sabita Jajodia (PAN: ACQPA6002J)** having address at - 106, Ganges Garden, Block-B9, 1st Floor, Kiran Chandra Sinha Road, 36, Howrah Municipal Corp. Shibpur, Howrah, West Bengal, India -711102.
Email Id – pjsss21@yahoo.com

13) **Rajendra Hukumchand Gupta (PAN: ABJPG1687P)** having address at - Wing I -106, Mahindra Royale, Pimpri, Bhosari Road, Pune, Maharashtra, India - 411018 **and**
S No 156A/8/1 CTS 5408 6 Savitri Apt, Flat 3, Kharalwa, Pune, India - 411018.
Email Id – rajendrahgupta@hotmail.com

14) **Mahesh Kumar Rathi (PAN: ADIPR4378P)** having address at - 9 Hara Dutta Roy Chameria Road, 13 Golabari, Howrah, West Bengal, India- 711101 **and**
C/o Shri Ram Traders, 203/1, M G Road, 3rd Floor, ParakhKothi, Kolkata, India - 700007.
Email Id – mahesh8100001234@gmail.com,
maheshkumarrathi1234@ gmail.com

15) **Jasoda Rathi (PAN: AEHPR9740R)** having address at - 9 Haradutta Roy Chamaria Road, Howrah, West Bengal, India - 711101 **and**
C/O Shri Ram Traders, 203/1, M G Road, 3rd Floor, ParakhKothi, Kolkata, India - 700007.
Email Id – mahesh8100001234@gmail.com

16) **Veena Rajat Agarwal (PAN: ADZPA2173J)** having address at - 128/29, Manish Nagar, Nr. Hotel Bagdia International, Opp. Rathi Marbles, Jalna, Maharashtra, India -431203.
Email Id – rajatagarwal29051976@gmail.com, rajat29durga@yahoo.co.in

In the matter of Jaisukh Dealers Limited

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as, '**SEBI**'), initiated adjudication proceedings under section 15HA of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as, '**SEBI Act**'**)** against **Keynote Painting Dealers Private Limited** (**the Noticee 1), Panchshree Logistics Pvt. Ltd.** (**the Noticee 2), Yogesh Bansal (the Noticee 3), Manoj Parasrampuria** (**the Noticee 4), Crown Iron Merchants Private Limited** (**the Noticee 5),**

Glorious Vincom Private Limited (**the Noticee 6), Jatan Mercantiles Pvt. Ltd.** (**the Noticee 7), Anita Jajodia** (**the Noticee 8), Innova Auto Distributors Private Limited** (**the Noticee 9), Kanika Jain (the Noticee 10), Linkup Financial Consultants Pvt. Ltd. (the Noticee 11), Sabita Jajodia (the Noticee 12), Rajendra Hukumchand Gupta (the Noticee 13), Mahesh Kumar Rathi (the Noticee 14), Jasoda Rathi (the Noticee 15) and Veena Rajat Agarwal (the Noticee 16)** for the alleged violations of Section 12A (a), (b), (c) of SEBI Act read with Regulations 3 (a), (b), (c), (d), 4 (1) and 4 (2) (a) (e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 (hereinafter referred to as, '**PFUTP Regulations**') pursuant to investigation in the matter of trading activities of certain entities in the scrip of Jaisukh Dealers Limited (hereinafter referred to as, **Company/JDL/Scrip**). The Noticee 1 to 16 are collectively referred to as **'the Noticees'.**

APPOINTMENT OF ADJUDICATING OFFICER

2. The undersigned was appointed as Adjudicating Officer (hereinafter referred to as, '**AO**') *vide* order dated October 24, 2019 to inquire into and adjudge under section 15HA of SEBI Act, the aforesaid alleged violation against the Noticees. The appointment of the AO was communicated *vide* order dated October 30, 2019.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Show Cause Notice No. EAD5/MC/HP/27981/2020 dated January 21, 2020 (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 '**Adjudication Rules**'), to show cause as to why an inquiry should not be held and penalty not be imposed against the Noticees in terms of Section 15HA of SEBI Act for the aforesaid alleged violations.

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

5. SEBI conducted an investigation in the dealing in the scrip of JDL during the period from February 11, 2014 to July 05, 2016 (‘**Investigation Period/IP**’).

6. **About the Company**

The Company was incorporated on February 02, 2005 as a Private Limited Company in the name of Jaisukh Dealers Private Limited, converted into a Public Limited Company and obtained a fresh certificate of incorporation dated May 08, 2013. JDL carries on the business as buyer, seller, importer, exporter, distributor and dealers of embroidery/embroidered and other textiles. It also carries on the business of automatic computerized embroidery on various apparels, clothing, caps leather garments, and other leather items. It also provides designing, punching services and other processing services relating to embroidery business. The Registered address of the company is “Centre Point”, 21, Hemanta Basu Sarani, 2nd Floor, Room No: 230, Kolkata - 700 001. The company is listed on BSE SME Institutional Trading Platform.

The directors of the Company during the investigation period were as under:

Name	Designation	Date of Appointment	Date of Resignation
Kishan Kumar Jajodia	Managing Director	04-10-2010	Continued during IP
Prakash Kumar Jajodia	Director	04-10-2010	Continued during IP
Soumen Sen Gupta	Director	28-11-2008	Continued during IP
Somnath Gupta	Director	15-05-2013	Continued during IP
Balushri Gupta	Director	31-03-2015	Continued during IP

Shareholding pattern of the Company during the half-year ended March 2014 to September 2016 is as under:

Particular	Mar-14			Sep-14			Mar-15		
	No. of share holders	No. of shares	% to the total	No. of share holder	No. of shares	% to the total	No. of share holders	No. of shares	% to the total
Promoter Holding	7	3837820	27.14	7	3800820	26.88	7	3777320	26.71
Non Promoter Holding	1159	10303680	72.86	1198	10340680	73.12	800	10364180	73.29
Total	**1166**	**14141500**	**100.00**	**1205**	**14141500**	**100.00**	**807**	**14141500**	**100.00**
Particular	**Sep-15**			**Mar-16**			**Sep-16**		
	No. of share holders	**No. of shares**	**% to the total**	**No. of share holder**	**No. of shares**	**% to the total**	**No. of share holders**	**No. of shares**	**% to the total**
Promoter Holding	7	3777320	26.71	7	3807320	26.92	7	3807320	26.92
Non Promoter Holding	672	10364180	73.29	681	10334180	73.08	669	10334180	73.08
Total	**679**	**14141500**	**100.00**	**688**	**14141500**	**100.00**	**676**	**14141500**	**100.00**

The company made two preferential allotments of 98,00,000 shares and 18,75,000 shares at Rs. 10 and Rs. 15 per equity share respectively, prior to listing on BSE. The first allotment was to 8 non-promoter entities and the second allotment was to 7 promoter entities.

7. Financial Performance of the company:

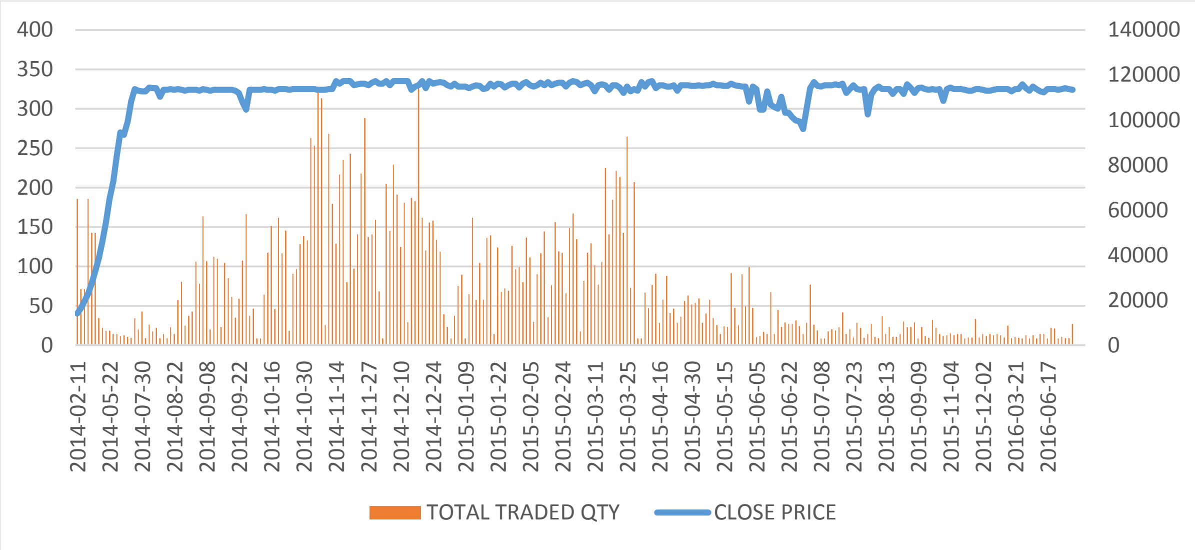
Description	FY: 2015-16	FY: 2014-15	FY: 2013-14
	(Rs. in crores)		
Total Income	0.40	6.29	8.67
Expenditure	(0.44)	6.23	8.64
Net Profit	(0.04)	0.05	0.02

Price Volume Analysis:

Period	Date	Price/ Volume	Opening Price/ volume on first trade day of the period	Closing price / volume on last trade day of the period	Low price / volume during the period	High Price / volume during the period	Avg. no. of shares traded daily during the period	Total traded quantity
Pre IP	Not listed							
IP – Patch 1	(11/02/14-31/08/14)	Price (Rs.)	25.00	323.00 (28/08/2014)	25.00 (11/02/2014)	327.00 (04/08/2014)	15487	480100
		Volume	65000	8800 (28/08/2014)	3200 (multiple dates)	65000 (multiple dates)		
IP – Patch 2	(01/09/14-05/07/16)	Price (Rs.)	323.00	324.00	274.00 (30/06/2015)	337.00 (17/11/2014)	25975	6416026
		Volume	13100	9460	3000 (01/04/2015)	116301 (17/12/2014)		
Post IP	(06/07/16-06/10/16)	Price (Rs.)	324.00 (14/07/2016)	325.00 (23/09/2016)	324.00 (multiple dates)	325.00 (multiple dates)	4604	18417
		Volume	8300 (14/07/2016)	3117 (23/09/2016)	3117 (23/09/2016)	8300 (14/07/2016)		

8. It was observed that during the investigation period, the shares of JDL were traded for an average volume of 24,806 shares per trading day and a total volume of 68,96,126 shares were traded in 1644 trades during a total of 278 days.

The price-volume chart during the IP is as under.



9. It was observed that the Noticees are connected to each other. The connections between the Noticees have been established on the basis of Know Your Client (KYC) documents, Unique client code (UCC) details from BSE, MCA database, Bank Statements, Off market transfers/transactions. From the off-market data from the depositories viz. CDSL and NSDL, it was observed that the certain Noticees made off-market transfer of shares in the scrip. Connection between certain Noticees were ascertained upon analysis of off-market data.

10. **<u>Trading by the Noticees 1 to 16</u>:**

Summary of trading done by the Noticees1 to 16 during the investigation period is as under:

Sr. No.	Client Name	Gross Buy	Gross Sell	Gross buy % to total buy vol.	Gross sell % to total sell vol.
1	Panchshree Logistics Pvt. Ltd. (Noticee 2)	163200	90000	2.37	1.31
2	Innova Auto Distributors Private Limited (Noticee 9)	137500	0	1.99	0.00
3	Keynote Painting Dealers Private Limited (Noticee 1)	96800	0	1.40	0.00
4	Crown Iron Merchants Private Limited (Noticee 5)	85900	6500	1.25	0.09
5	Anita Jajodia (Noticee 8)	65000	91800	0.94	1.33
6	Linkup Financial Consultants Pvt. Ltd. (Noticee 11)	63500	5000	0.92	0.07
7	Glorious Vincom Private Limited (Noticee 6)	12100	0	0.18	0.00
8	Manoj Parasrampuria (Noticee 4)	5000	0	0.07	0.00
9	Jatan Mercantiles Pvt Ltd (Noticee 7)	3700	3100	0.05	0.05
10	Yogesh Bansal (Noticee 3)	3300	5800	0.05	0.08
11	Kanika Jain (Notice 10)	0	100000	0.00	1.45
12	Rajendra Hukumchand Gupta (Noticee 13)	0	3300	0.00	0.05
13	Sabita Jajodia (Noticee 12)	0	37700	0.00	0.55
14	Mahesh Kumar Rathi (Noticee 14)	0	5000	0.00	0.07
15	Veena Rajat Agarwal (Noticee 16)	0	15000	0.00	0.22
16	Jasoda Rathi (Noticee 15)	0	5000	0.00	0.07
Total		**636000**	**368200**	**9.22**	**5.34**
Market Total		**6896126**	**6896126**	**100.00**	**100.00**

It is observed from the above table that the Noticees 1 to 16 together have purchased 6,36,000 shares (9.22% of total market volume) and sold 3,68,200 shares (5.34% of total market volume).

11. LTP analysis was carried out to ascertain whether any entity(ies) manipulated the price of the scrip in contravention of the provision of PFUTP Regulations. LTP contribution is the price difference between trade price and last traded price. Based on price movement in the scrip, the investigation period has been split into two patches, and LTP analysis was carried out over the two patches (**Patch 1- February 11, 2014 to August 31, 2014** and **Patch 2 - September 01, 2014 to July 05, 2016**).

12. During Patch 1, the price of the scrip at SME-ITP of BSE opened at Rs.25.00 on February 11, 2014 and closed at Rs.323.00 with a net LTP of Rs.298.00 and a market positive LTP of Rs.322.00. LTP analysis of the top ten net positive LTP contributors was carried out on the buy side. It was observed that the Noticees 1 to 8 were among top ten net positive LTP contributors. The details of LTP analysis of Noticees 1 to 8 is as under:

Buyer Name	All trades			LTP Diff. > 0			LTP Diff. < 0			LTP Diff. = 0		% of +LTP to Total Market +LTP
	Sum of LTP diff	Sum of QTY	No. of trades	Sum of LTP diff	QTY traded	No. of trades	Sum of LTP diff	QTY traded	No. of trades	QTY traded	No. of trades	
Keynote Painting Dealers Private Limited (Noticee 1)	62.00	24000	5	62.00	11500	2	0.00	0	0	12500	3	19.26
Panchshree Logistics Pvt. Ltd. (Noticee 2)	40.00	120500	23	59.00	65200	8	-19.00	28000	6	27300	9	18.32
Yogesh Bansal (Noticee 3)	26.00	3300	1	26.00	3300	1	0.00	0	0	0	0	8.08
Manoj Parasrampuria (Noticee 4)	23.00	5000	1	23.00	5000	1	0.00	0	0	0	0	7.14
Crown Iron Merchants Private Limited (Noticee 5)	22.00	20200	3	23.00	12700	2	-1.00	7500	1	0	0	7.14
Glorious Vincom Private Limited (Noticee 6)	18.00	12100	1	18.00	12100	1	0.00	0	0	0	0	5.59
JatanMercantiles Pvt Ltd (Noticee 7)	17.00	3700	1	17.00	3700	1	0.00	0	0	0	0	5.28
Anita Jajodia (Noticee 8)	15.00	65000	2	15.00	25000	1	0.00	0	0	40000	1	4.66
NoticeesTotal	**223.00**	**253800**	**37**	**243.00**	**138500**	**17**	**-20.00**	**35500**	**7**	**79800**	**13**	**75.47**
Market Total	**298.00**	**480100**	**55**	**322.00**	**269000**	**23**	**-24.00**	**44500**	**9**	**166600**	**23**	**100**

It is observed from the above table that the Noticees 1 to 8 have contributed Rs.223.00 to Market Net LTP in 37 trades and Rs. 243.00 to positive LTP (75.47% of market positive LTP) in 17 trades.

13. Further, LTP analysis of the Noticees 1 to 9 and 11 in Patch 1 was carried out on the buy side. The details of LTP analysis of Noticees 1 to 9 and 11 is as under:

Buyer Name	All trades			LTP Diff. > 0			LTP Diff. < 0			LTP Diff. = 0		% of +LTP to Total Market +LTP
	Sum of LTP diff	Sum of QTY	No. of trades	Sum of LTP diff	QTY traded	No. of trades	Sum of LTP diff	QTY traded	No. of trades	QTY traded	No. of trades	
Keynote Painting Dealers Private Limited (Noticee 1)	62.00	24000	5	62.00	11500	2	0.00	0	0	12500	3	19.26
Panchshree Logistics Pvt. Ltd. (Noticee 2)	40.00	120500	23	59.00	65200	8	-19.00	28000	6	27300	9	18.32
Yogesh Bansal (Noticee 3)	26.00	3300	1	26.00	3300	1	0.00	0	0	0	0	8.08
Manoj Parasrampuria (Noticee 4)	23.00	5000	1	23.00	5000	1	0.00	0	0	0	0	7.14
Crown Iron Merchants Private Limited (Noticee 5)	22.00	20200	3	23.00	12700	2	-1.00	7500	1	0	0	7.14
Glorious Vincom Private Limited (Noticee 6)	18.00	12100	1	18.00	12100	1	0.00	0	0	0	0	5.59
JatanMercantiles Pvt Ltd (Noticee 7)	17.00	3700	1	17.00	3700	1	0.00	0	0	0	0	5.28
Anita Jajodia (Noticee 8)	15.00	65000	2	15.00	25000	1	0.00	0	0	40000	1	4.66
Innova Auto Distributors Private Limited (Noticee 9)	9.00	100000	3	9.00	65000	1	0.00	0	0	35000	2	2.80
Linkup Financial Consultants Pvt. Ltd. (Noticee 11)	9.00	60000	4	9.00	25000	1	0.00	0	0	35000	3	2.80
Total	**241**	**413800**	**44**	**261**	**228500**	**19**	**-20**	**35500**	**7**	**149800**	**18**	**81.06**
Market Total	**298.00**	**480100**	**55**	**322.00**	**269000**	**23**	**-24.00**	**44500**	**9**	**166600**	**23**	**100**

It is observed from the above table that the Noticees 1 to 9 and 11 contributed Rs. 241.00 to Market Net LTP in 44 trades and Rs. 261.00 to positive LTP (81.06% of market positive LTP) in 19 trades. Further, it is observed that out of these 19 trades that contributed 81.06% to positive LTP, 14 trades were among the Noticees themselves, details of which are as under:

Seller LTP contribution (No.of Trades) / Buyer LTP contribution (No. of trades)	**Panchshree Logistics Pvt. Ltd. (Noticee 2)**	**Anita Jajodia (Noticee 8)**	**Kanika Jain (Noticee 10)**	**Linkup Financial Consultants Pvt. Ltd. (Noticee 11)**	**SabitaJajodia (Noticee 12)**	**Rajendra Hukumchand Gupta (Noticee 13)**	**Yogesh Bansal (Noticee 3)**	**Mahesh Kumar Rathi (Noticee 14)**	**JasodaRathi (Noticee 15)**	**VeenaRajat Agarwal (Noticee 16)**	**Total LTP as Buyer (No. of Trades)**
Keynote Painting Dealers Private Limited (Noticee 1)					33.00 (1)						**33.00 (1)**
Panchshree Logistics Pvt. Ltd. (Noticee 2)			28.00 (2)				14.00 (1)	09.00 (1)		01.00 (1)	**52.00 (5)**
Yogesh Bansal (Noticee 3)						26.00 (1)					**26.00 (1)**
Manoj Parasrampuria (Noticee 4)				23.00 (1)							**23.00 (1)**
Crown Iron Merchants Private Limited. (Noticee 5)		21 (1)							02.00 (1)		**23.00 (2)**
Glorious Vincom Private Limited (Noticee 6)		18.00 (1)									**18.00 (1)**
JatanMercantiles Pvt Ltd (Noticee 7)		17.00 (1)									**17.00 (1)**
Anita Jajodia (Noticee 8)	15.00 (1)										**15.00 (1)**
Innova Auto Distributors Private Limited (Noticee 9)		09.00 (1)									**09.00 (1)**
Total LTP as Seller (No. of Trades)	**15.00 (1)**	**65.00 (4)**	**28.00 (2)**	**23.00 (1)**	**33.00 (1)**	**26.00 (1)**	**14.00 (1)**	**09.00 (1)**	**02.00 (1)**	**01.00 (1)**	**216.00 (14)**

It is observed from the above table that the Noticees 1 to 16 traded among themselves and acted either as buyer and/or seller to the trades. The Noticees 1 to 16 made substantial contribution of Rs. 216.00 i.e. 67.08% to positive LTP in 14 trades, by trading among themselves at prices higher than the last traded price. Further, it was observed that the Noticees 1 to 16 had traded among themselves a total volume of 2,93,300 shares (i.e. 61.09% of the total market volume) in 21 trades across 15 trading days during this period.

14. Thus, it was alleged that the Noticees 1 to 16 acted in concert, created misleading appearance of trading and contributed to manipulation in the scrip price by such trades as explained above and thereby contravened Section 12A (a), (b), (c) of SEBI Act and Regulation 3(a), (b), (c), (d), 4(1) and 4(2)(a), (e) of PFUTP Regulations.

15. During Patch 2, the price of the scrip at SME-ITP of BSE opened at Rs. 323.00 on September 01, 2014 and closed at Rs.324.00 with a net LTP of Rs. 1.00 and a market positive LTP of Rs.1233.00. LTP analysis of the Noticees was carried out on the buy side. It was observed that the Noticees 1, 2, 5, 9 and 11 were among top ten net positive LTP contributors. The details of LTP analysis of Noticees 1, 2, 5, 9 and 11 is as under:

Buyer Name	All trades			LTP Diff. > 0			LTP Diff. < 0			LTP Diff. = 0		% of +LTP to Total Market +LTP
	Sum of LTP diff	Sum of QTY	No. of trades	Sum of LTP diff	QTY traded	No. of trades	Sum of LTP diff	QTY traded	No. of trades	QTY traded	No. of trades	
Keynote Painting Dealers Private Limited (Noticee 1)	14.00	72800	20	16.00	48200	12	-2.00	4000	1	20600	7	1.30
Crown Iron Merchants Private Limited (Noticee 5)	-4.00	65700	19	16.00	23500	6	-20.00	22300	5	19900	8	1.30
Innova Auto Distributors Private Limited (Noticee 9)	4.00	37500	9	6.00	20200	4	-2.00	3300	1	14000	4	0.49
Panchshree Logistics Pvt. Ltd. (Noticee 2)	-1.00	42700	10	2.00	12800	2	-3.00	10000	2	19900	6	0.16
Linkup Financial Consultants Pvt. Ltd. (Noticee 11)	-4.00	3500	1	0.00	0	0	-4.00	3500	1	0	0	0.00

Total	**9.00**	**222200**	**59**	**40.00**	**104700**	**24**	**-31.00**	**43100**	**10**	**74400**	**25**	**3.25**
Market Total	**1.00**	**6416026**	**1589**	**1233.00**	**2780714**	**643**	**-1232.00**	**1532371**	**342**	**2102941**	**604**	**100**

It is observed from the above table that the Noticees 1, 2, 5, 9 and 11 have contributed Rs. 9.00 to Market Net LTP in 59 trades and Rs. 40.00 to positive LTP (3.24% of market positive LTP) in 24 trades.

16. New High Price (NHP) Analysis was carried out in two patches. Summary of the trades executed by the Noticees 1 to 9 and 11 as buyers, contributing to NHP during patch-1 is given as under:

Entity Name	Qty	No. of Trades	NHP (Rs.)	% of total mkt NHP	NHP where CPs were from the Noticees (Rs.)	% of NHP contribution to market NHP
Keynote Painting Dealers Private Limited (Noticee 1)	11500	2	62.00	20.53	33.00	10.93
Panchshree Logistics Pvt. Ltd. (Noticee 2)	25200	3	32.00	10.60	15.00	4.97
Yogesh Bansal (Noticee 3)	3300	1	26.00	8.61	26.00	8.61
Manoj Parasrampuria (Noticee 4)	5000	1	23.00	7.62	23.00	7.62
Innova Auto Distributors Private Limited (Noticee 9)	85000	2	22.00	7.28	22.00	7.28
Crown Iron Merchants Private Limited (Noticee 5)	7700	1	21.00	6.95	21.00	6.95
Glorious Vincom Private Limited (Noticee 6)	12100	1	18.00	5.96	18.00	5.96
Anita Jajodia (Noticee 8)	25000	1	15.00	4.97	15.00	4.97
JatanMercantiles Pvt Ltd (Noticee 7)	3700	1	14.00	4.64	14.00	4.64
Linkup Financial Consultants Pvt. Ltd. (Noticee 11)	25000	1	9.00	2.98	0.00	0.00
Total	**203500**	**14**	**242.00**	**80.14**	**187.00**	**61.92**
Market Total	**239000**	**17**	**302.00**	**100**		**100**

From the above table, it is observed that the Noticees 1 to 9 and 11 contributed Rs. 242.00 (80.14%) to market NHP in 14 trades during patch-1. Further, it was observed that in 10 trades, counterparties were the Noticees 2, 8, 10, 11, 12 and 13. The contribution of the aforesaid Noticees among themselves to market NHP was Rs.187.00 (61.92%) which was significant. This further corroborates the allegation made in above paragraphs that the Noticees 1 to 16 have manipulated the scrip price by way of their trading in the scrip during patch-1.

17. First trade analysis was carried out in two patches. It was observed that the Noticees 1 to 7, 9 and 11 entered into first trades with positive LTP during patch-1. The summary of first trades by the Noticees 1 to 7, 9 and 11 as buyers during patch-1 is given as under:

Buyer Name	Sum of LTP > 0 (Rs.)	% of total +LTP	No. of First Trades with LTP>0	No. of first trades where CPs from the suspected group	+LTP From first trade where CPs were from the Noticees (Rs.)	% of +LTP where first trade within the Noticees to market positive LTP
Keynote Painting Dealers Private Limited (Noticee 1)	62.00	19.25	2	1	33.00	10.25
Panchshree Logistics Pvt. Ltd. (Noticee 2)	57.00	17.70	6	4	51.00	15.84
Yogesh Bansal (Noticee 3)	26.00	8.07	1	1	26.00	8.07
Manoj Parasrampuria (Noticee 4)	23.00	7.14	1	1	23.00	7.14
Crown Iron Merchants Private Limited (Noticee 5)	21.00	6.52	1	1	21.00	6.52
Glorious Vincom Private Limited (Noticee 6)	18.00	5.59	1	1	18.00	5.59
JatanMercantiles Pvt Ltd (Noticee 7)	17.00	5.28	1	1	17.00	5.28
Innova Auto Distributors Private Limited (Noticee 9)	09.00	2.80	1	1	09.00	2.80
Linkup Financial Consultants Pvt. Ltd. (Noticee 11)	09.00	2.80	1	0	0.00	0.00
Total	**242.00**	**75.15**	**15**	**11**	**198.00**	**61.49**

From the above table, it is observed that the total positive LTP contribution by the Noticees 1 to 7, 9 and 11 through first trade was Rs.242 (75.15% of the total market positive LTP) in 15 trades. Further, it is observed that in 11 trades the counterparties were the Noticees 3, 8, 10, 11, 12, 13 and 14. The contribution of the aforesaid Noticees among themselves to the total positive LTP in first trades was Rs.198.00 (61.49% to the total market positive LTP) which was significant. This further corroborates the allegation made in above paragraphs that the Noticees 1 to 16 have manipulated the scrip price by way of their trading in the scrip during patch-1.

18. Further, it was observed that the Company made two preferential allotments of shares prior to listing on BSE, details of which are tabulated below:

Sl. No.	Date of Allotment	Promoter/Non-promoter	No. of shares allotted	Issue Price (Rs.)	No. of allottees
1	15/05/2013	Non-promoter	980000	10.00	8
2	25/09/2013	Promoter	1875000	15.00	7

It was observed that the Noticees 2, 8 and 12 sold the shares received in preferential allotment during the Investigation Period. The details of trades executed by the Noticees 2, 8 and 12 are given as under:

Sl. No.	Name of the Preferential Allottee	No. of shares allotted A	Issue Price (in Rs.) B	No. of shares sold C	No. of shares sold to suspected entities D	Sale Value as per trade log (in Rs) E	Weighted average sell price (Approx.) (in Rs.) F=E/D	Buy Value of the sold shares (received via pref allotment) (in Rs.) G=D*B	Profit made (in Rs.) H=E-G
1.	Panchshree Logistic Pvt. Ltd. (Noticee 2)	1250000	10.00	90000	65000	20,00,000.00	30.77	6,50,000.00	13,50,000.00
2.	SabitaJajodia (Noticee 12)	400000	15.00	37700	23700	70,38,500.00	296.99	3,55,500.00	66,83,000.00
3.	Anita Jajodia (Noticee 8)	400000	15.00	91800	91800	87,30,900.00	95.10	13,77,000.00	73,53,900.00

It is observed from the above table that the 3 preferential allottees, including 2 promoter entities viz. Noticee 8 and Noticee 12, had sold shares in 11 trades at a higher price during the IP where the Noticees 1, 2, 5, 6, 7, 8 and 9 were observed to be among the buyers/counterparties to these trades. The Noticees 1, 2, 5, 6, 7, 8 and 9 have assisted and facilitated the sale of shares at a higher price, thereby enabling the Noticees 2, 8 and 12 to make wrongful gains. It was evident from the above mentioned trading pattern of the said Noticees that a scheme was created wherein set of Noticees (including 3 preferential allottees) manipulated the scrip price i.e. effected price rise in the scrip and thereafter, facilitated the sale of shares by the Noticees 2, 8 and 12 at higher prices by acting as their counterparties that enabled them to make wrongful gains.

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

20. SCN was served to the Noticees through Speed Post Acknowledgement (SPAD) at their respective addresses except to the Noticees 5, 9 and 16. SCN was also served to all the Noticees through the email addresses obtained from the depositories where the Noticees have their demat accounts including to the Noticees 5, 9 and 16. In response to the SCN, *vide* letters dated February 08, 2020, Noticee 8 and 12 had requested to keep the Adjudication Proceedings in abeyance till passing of Order by Hon'ble Whole Time Member, SEBI.

21. In the interest of justice, an opportunity of personal hearing through video conferencing was provided to the Noticees. In response to hearing notice, vide letter dated July 13, 2020, Noticee 8 again requested to keep the Adjudication Proceedings in abeyance till passing of Order by Hon'ble Whole Time Member, SEBI in 11B Proceedings. *Vide* email dated July 17, 2020 it was communicated to Noticee 8 that Adjudication Proceedings and proceedings under Section 11B are independent from each other. Noticees 1, 2, 5, 8, 9, 12, 14 and 15 neither appeared on the scheduled date of personal hearing nor was any reply to the SCN received from the aforesaid Noticees.

22. Noticee 3 filed the reply to the SCN on March 01, 2020 and additional submission on July 24, 2020. Noticee 4 filed the reply on July 20, 2020, August 13, August 18 and August 20, 2020. Noticee 6 filed the reply on March 03, 2020 and additional submission on July 31, 2020. Noticee 11 filed the reply on March 17, 2020 and additional submission on July 31, 2020. Noticee 13 filed the reply on March 04, 2020 and July 21, 2020. Noticee 16 filed the reply on August 12, 2020. Noticees 7 and 10 filed their reply to the SCN *vide* their letters dated February 13, 2020 and February 08, 2020, however they have not availed the opportunity of personal hearing provided to them.

23. The key submissions of the Noticees are summarized as below:

Submissions of Noticee 3:

24. Noticee 3 submitted that he is not related in any manner with any of the other Noticees in the SCN, and is neither an employee, nor a partner, nor a business associate, nor a Director or consultant for any of the other Noticees. He also denied any relationship with JDL or Noticee 2 or with their promoters/directors. He stated that, he had acquired and sold only 5700 shares of JDL during June 11, 2013 to July 26, 2014. His transactions were bonafide, and he had purchased these shares out of his personal saving made from salary. Further, he is a small businessman in Howrah.

25. Noticee 3 submitted that he has no business relationship with Noticee 2, except solitary transaction of purchase of 2500 shares of JDL on June 11, 2013. The aforesaid shares were purchased through a bank transaction.

26. With respect to UCC document provided in the SCN, Noticee 3 submitted as under:

   a. Sunil Bansal is the brother of the Noticee 3. Both brothers resided at 106, Kiran Chandra Singha Road, Shibpur (Ganges Garden, Howrah). Sunil Bansal is now residing at Surat for the past 6 years.

   b. The telephone number 8583097651 belonged to the Noticee 3, but the number has been discontinued for over 6 years now, and the Noticee 3 is not a subscriber for this number any more, the current Mobile Number of the Noticee 3 is 9330831009. Further, the telephone number 9328763080 belongs to his brother and is still operative.

   c. The telephone number 9748750623 is unknown to the Noticee 3. Further, the email address (agarwalsurendra1@gmail.com) is not the email address of the

Noticee 3 or his brother. He cannot make a comment as to why and how the telephone number 9748750623 and the email address i.e. agarwalsurendra1 @gmail.com have been listed against the name of the undersigned.

27. With respect Off Market transaction Noticee 3 submitted as under:

a. The transaction of 2500 shares represents only 0.01 percent of transfer of total shares of the company which is insignificant in percentage terms and value terms.
b. The Noticee 3 has not been party to any other off market transactions relating to JDL or any other entity.

28. Noticee 3 submitted that the shares of JDL were purchased on some general information being received that the market value of that scrip is expected to rise in the near future; the Noticee 3 then invested a limited amount of Rs. 25,625/- for the purchase of shares of JDL. He submitted that, it is extremely difficult to say with firm conviction who had provided this information, and that the shares would be available through Noticee 2.

Submissions of Noticee 4:

29. Noticee 4 submitted that he is an entrepreneur and has his own business. He is not a capital market intermediary. He invests in a stock market once in a while, and all his investment and trading in stocks is done as per the rules and regulations of the concerned authorities.

30. Noticee 4 submitted that the charge which has been framed against him is only on the basis of alleged purchase of 5000 shares. These 5000 shares which are being shown as purchase in his name, is according to the contract note bearing no. 000051 dated May 23, 2014 issued by the broker. Noticee submitted that he had a dispute with the broker with regard to these shares, as he paid the amount of Rs. 10,42,337/- vide cheque no. 000036 dated March 27, 2015 from his HDFC Bank

Account after almost 10 months from the date of purchase shown in the Contact Note. He further stated that till date these shares have not been received by him in his Demat Account. He has asked the broker to send complete details of this transaction and the demat transfer by email. Noticee 4 submitted the copy of email to the broker and relevant copy of his bank account.

31. Noticee 4 further submitted that the charge against him is that the alleged trade of 5000 shares resulted into LTP contribution. In this regard he submitted that almost all transactions on stock exchanges result in LTP contribution. Merely because his alleged trade might have contributed to LTP, it does not automatically amount to manipulation. In this regard, Noticee 4 relied up on AO Order bearing no. Order/MC/VS/2019-20/6950-6952 dated February 27, 2020 in the matter of Visagar Polytex Ltd. The relevant paragraph 35 of the order reads, ‘‘…existence of positive LTP contribution by itself does not amount to price manipulation unless accompanied by other factors which may evidence interfering or tampering with the demand and supply of shares.’’ Further, paragraph 36 of the order reads, ‘‘…mere contribution to LTP increase by Noticee 1 and 3 is not sufficient to establish price manipulation as the Noticees were buying as well as selling shares on the same day during the period, there was no consistent pattern of single share trades and there was no connection between the Noticees.’’

32. Noticee 4 submitted that he is not connected to Moonrise Logistics Pvt. Ltd. (**Moonrise**) in any manner whatsoever except that on being introduced by broker, he had purchased 5000 shares of JDL from this entity in an off market transaction. Further, he received the shares in his Demat Account almost 6 months after he paid the money for this off-market purchase.

33. In respect of allegation of positive LTP Contribution for alleged trade on the stock exchange in May 2014, Noticee 4 submitted that his broker, without his knowledge, issued a contract note for this alleged trade on his name. After months of dispute,

he paid the purchase consideration to the broker. Noticee 4 submitted that it was not a purchase by him is further substantiated by the fact that till date he has not received payout of these shares in his demat account. Noticee 4 asked for a confirmation or denial from his broker *vide* email dated July 20, 2020 to the broker.

34. Noticee 4 submitted that Rule 4(6) of Adjudication Rules reads that *"While holding an inquiry under this rule the adjudicating officer shall have the power to summon and enforce the attendance of any person acquainted with the facts and circumstances of the case to give evidence or to produce any document which in the opinion of the adjudicating officer may be useful for or relevant to the subject matter of the inquiry."* As per this rule, AO has the authority to conduct necessary inquiry with the broker to confirm if the said 5000 shares of JDL were indeed transferred to Noticee 4 in respect of the alleged transaction. Noticee 4 requested to kindly use the power conferred upon AO and initiate an inquiry with the broker for the same.

35. Noticee 4 stated that determination of price of any asset is an interplay of demand and supply. The price discovered by genuine demand forces and the supply side is the correct market driven price of that asset. Unless it is proved that somebody has brought in an element of artificiality in any manner in the demand or the supply, any level of price cannot be called manipulated. Price of a product is determined by the interaction of forces of supply and demand, increase in supply will lower the prices if not accompanied by increased demand, and an increase in demand will raise prices unless accompanied by increased supply. For manipulating the price upward of an asset, either an artificial demand glut has to be created or a situation of supply starvation has to be brought about. It can also be a combination of demand glut in conjunction with supply starvation. The SCN, other than bringing out the change in price of the stock by the alleged trade, does not even touch the issue of dis-equilibrium, if any, caused by disturbing genuine forces of demand and supply in any manner. There is no allegation that artificial demand was created or supply was squeezed in any manner. Further, the free public float outside of the

alleged connected entities has remained almost the same in the period of price rise. With the kind of free public float available which was there in this stock outside the alleged perpetrators of manipulation, it is well-nigh impossible to manipulate the stock.

36. Further, the price of the scrip has remained at the allegedly manipulated high price for a very long period of time for several months. An artificially manipulated price cannot sustain itself in the inter-play of market forces unless the price is artificially and fraudulently sustained. There is no such charge in the SCN and this by implication means that this high price was a genuine price and was not a manipulated price.

37. Noticee 4 submitted that mere act of alleged contribution to the LTP is not enough to substantiate the charge of price manipulation. In order to prove that he was involved in any kind of manipulation to increase the price of the scrip, his role in creating an artificial demand for the shares or cornering the supply of shares of the company must be determined and in the absence of such a role, the allegation of indulging in price manipulation, just on the basis of his contribution to LTP is absolutely meaningless.

38. Noticee further submitted that the case appears to be an LTCG case and as per SEBI's Information Memorandum on Enforcement Action Policy in respect of LTCG Cases, he does not fall in the category of entities against which action can be initiated in LTCG cases.

Common Submissions of Noticee 6 and Noticee 11:

39. Noticee 6 and 11 submitted that the charges against them have to be specific to enable to reply to the allegations. The SCN is based on vague and ambiguous allegations and such allegations are not specific, explicit and definite and are general in nature. Noticee 6 and 11 relied upon judgment dated 15.07.2007 of the

Hon'ble Supreme Court in the matter of **Commissioner of Central Excise vs Brindavan Beverages (P) Ltd**, [(2007) 5 SCC 388], wherein it was observed as under:

"The show cause notice is the foundation on which the department has to build up its case. If the allegations in the show cause notice are not specific and are on the contrary vague, lack details and/or unintelligible that is sufficient to hold that the noticee was not given proper opportunity to meet the allegations indicated in the show cause notice."

Noticee 6 and 11 also relied upon judgment dated 12.03.2003 of the Hon'ble Supreme Court in the matter of **Canara Bank & Ors vs Debasis Das & Ors** [(2003) 4 SCC 557], wherein it was observe as under:

"The adherence to principles of natural justice as recognized by all civilized States is of supreme importance when a quasi-judicial body embarks on determining disputes between the parties, or any administrative action involving civil consequences is in issue. These principles are well settled. The first and foremost principle is what is commonly known as audi alteram partem rule. It says that no one should be condemned unheard. Notice is the first limb of this principle. It must be precise and unambiguous. It should apprise the party determinatively of the case he has to meet time given for the purpose should be adequate so as to enable him to make his representation. In the absence of a notice of the kind and such reasonable opportunity, the order passed becomes wholly vitiated. Thus, it is but essential that a party should be put on notice of the case before any adverse order is passed against him. This is one of the most important principles of natural justice. It is after all an approved rule of fair play. The concept has gained significance and shades with time."

40. With respect to alleged connection through common mobile number, Noticee 6 and 11 submitted that mobile number 9830816314 belonged to their erstwhile director Mr. Somnath Gupta. Noticee 6 and 11 had filled his mobile number in KYC with the Stock brokers. They have stated that he may have been entrusted with trading activities of other companies. However, the trading decisions/ activities of Noticee

6 and 11 were independent and not influenced by the decisions or otherwise other companies and no adverse inference may be drawn from the aforesaid observation. Further, incidentally Mr. Somnath Gupta is not the Noticee in the present SCN. In this regard, Noticee 6 and 11 relied upon order dated 29.01.2020 passed by the Hon'ble SAT in the matter of **Labhu Gohil vs SEBI** whereby the Hon'ble SAT has concluded that motive for trading pattern could not be attributed only on account of sharing a common address, common mobile numbers etc by the noticees. An extension to the said reasoning, having off market transfers, having financial transactions and having a common director as has been collated from the KYC document could never have a bearing on the motive for trading pattern as wrongly alleged. It has also been observed by the Hon'ble Tribunal that during the investigation period, there was a substantial increase in both prices and volumes but no connection between the Noticees and the promoter group/company could be established and therefore in the absence of any evidence or motive for a collusive or manipulative effort, no penalty could be imposed. In view of the above, the Hon'ble Tribunal had disposed of the appeal with a warning to appellants, in place of monetary penalty.

41. Noticee 6 and 11 submitted that in absence of any other evidence, only because they had a common director and the director shared mobile number with some alleged entities, it neither can be alleged nor can be concluded that Noticee 6 and 11 were amongst the connected entities and have perpetuated the alleged manipulation.

42. Noticee 6 and 11 submitted that they have not indulged in any act which has created any false or misleading appearance of trading in the securities market or have dealt in security not intended to effect transfer of beneficial ownership. It is not the case in the SCN that there was no transfer of beneficial ownership of the shares purchased by them. The Exchanges invariably issue warning and caution to all in the event that it has reason to believe of a possible manipulation which

was not the case in JDL. In the absence of any such caution, any apprehension of a possible violation is impossible to detect and perceive.

43. Noticee 6 and 11 further relied upon Order of the Hon'ble SAT dated 29.07.2011 in the matter of **Narendra Ganatra vs SEBI** whereby the Hon'ble Tribunal has observed that the shares were sold in market in the ordinary course of trading through the stock exchange mechanism. That there is no denying the fact that trading system of the stock exchange maintains complete anonymity and does not allow one party to a transaction or even brokers to know as to who the counter party/the counter party's broker is and thus, it is an established fact that the exchange trading systems do not permit any interaction between buyers and sellers. The Hon'ble Tribunal further observed that mere suspicion on the ground that majority of the shares sold were purchased by one party cannot be held to be conclusive for establishing a charge. The Hon'ble Tribunal has aptly observed that creating and misleading appearance of trading in market and artificially raising price of the scrip are serious charges and therefore, cannot be based on mere surmises and conjectures but calls for substantial evidence and in absence thereof, no charge can be maintainable. The Hon'ble Tribunal further observed that sharing of common addresses cannot be construed as sufficient evidence to prove a charge of connivance in executing circular trades and accordingly, based on the aforesaid observations, the Hon'ble Tribunal had set aside the order of the AO.

Submissions of Noticee 6:

44. Noticee 6 submitted that on May 12, 2014, it had purchased 12,100 shares at Rs. 111/- per share. As a prudent investor its sole intention was to earn profits. Thereafter, it sold the said 12,100 shares and booked a short term gain of Rs. 1,55,217/ -.

45. With respect to alleged connection through common director, Noticee 6 submitted that on March 10, 2009, Mr. Somnath Gupta was appointed as a director of Noticee

6. Mr. Somnath Gupta was well experienced in Finance & Accounts. He may have been on board of other companies. However, Noticee 6 has independent management to look into the day to day affairs and management of it. Further, it neither concerned nor influenced the decisions and transactions of other companies. Since, Mr. Somnath Gupta was a common Director, it cannot be alleged that decisions by the management were taken by him or that Noticee 6 was influenced by him since it has its own Board of Directors. On April 25, 2019, Mr. Somnath Gupta has resigned as a director of Noticee 6. In absence of any other evidence, only because Mr. Somnath Gupta was a common director it cannot be concluded that Noticee 6 was amongst connected entities and have perpetuated the alleged manipulation.

46. Noticee 6 further submitted that it had purchased 12,100 shares out of 6,36,000 shares purchased by the connected entities from a total market buy volume of 68,96,126 shares which lead to 0.18% of total buy volume. Small percentage i.e. 0.18% of total buy volume could never have impacted the positive LTP as alleged in the SCN. Further, the SCN does not allege that Noticee 6 had not contributed to the sell volume in scrip.

47. During the entire investigation period only one trade executed by Noticee 6 has allegedly resulted in contributing to positive LTP. Noticee 6 denied that it knowingly and intentionally contributed towards the alleged price rise, with intention to manipulate the price as alleged, if any. Further, it has been over 5 years from execution of the alleged trades and therefore Noticee 6 is not in position to offer its clarifications satisfactorily with respect to alleged trade. At the relevant time, the price of scrip was rising continuously and Noticee 6 was desirous of acquiring shares and later selling the shares for profit. Accordingly, it had placed orders as a prudent investor with intention to acquire shares. PFUTP Regulations would be attracted only if the transaction is made with an intention to artificially raise or depress the price of securities so as to induce any other person to sell or purchase the securities. In the instant matter, SCN failed to produce any credible evidence

against Notice 6 for the same. Allegations could not be made on mere assumptions and surmises.

48. Noticee 6 denied the connection with Noticee 8. Further, Noticee 6 stated that it has purchased the shares on blind mechanism of the stock exchange wherein it was impossible for it to know the identity of the counter party. In absence of knowledge and connection, the alleged collusion does not stand established. Relying on only presumptions and assumptions would lead to misapplication of facts and grave miscarriage of justice. Noticee 6 further denied that it was one of the entities of the connected group who have made substantial contribution of Rs. 216.00 i.e. 67.08% to positive LTP in 14 trades, by trading among themselves at prices higher than the last traded price. Noticee 6 also denied that by executing a single trade during the entire investigation period it was one of the entities of the connected group who have traded among themselves and created a total volume of 2,93,300 shares (i.e. 61.09% of the total market volume) in 21 trades across 15 trading days as wrongly alleged in the SCN.

49. Noticee 6 denied that it has contributed to New High Price (NHP), as wrongly alleged in the SCN. There was only 1 trade of Noticee 6 allegedly resulted in NHP. However, the said observation is vague and therefore Noticee 6 is not in a position to offer suitable clarification, as Noticee 6 did not understand how 1 trade could have possibly resulted in NHP of Rs. 18/- and that too during a period of 202 days and for a total market quantity of 2,39,000 shares under the consideration in the SCN. Noticee 6 also denied that its contribution along with other Noticees to the total positive LTP through first trades was Rs. 18/- (5.59% to the total market positive LTP) was significant since the calculation is without any basis. Noticee 6 reiterated that there was only 1 occasion on which it has entered into first trade and which also was its only trade during the entire investigation period resulting in NHP and LTP.

50. Further, Noticee 6 denied that while acting as a counter party to the suspected entities, it assisted and facilitated sale of shares by the preferential allottees at a higher price to make wrongful gains. Noticee 6 neither acted in concert nor was aware nor was a part of scheme, device and artifice to manipulate the price as alleged in the SCN.

51. In additional submissions, Noticee 6 submitted that its trading strategies are based on research and past experiences in stock market, in different roles such as a trader, an investor or a jobber. It has formulated certain principles and trade practices which helps to generate profits from the stock markets and minimize losses in adverse situations. The foremost rationale behind the alleged trades was that it firmly believed that whenever a stock rises, it continues to rise and breaks all the price resistances. In the case of JDL, the stock was continuously rising and it did not want to miss out on the opportunity and accordingly as prudent investor, placed its order with the desire to own the stock. The same has resulted in gains. It has sold the said 12,100 shares and booked a short term gain of Rs. 1,55,217/-

52. With respect to connection through Common Director (Mr. Dipankar Roy), Noticee 6 submitted that it is bereft of any observation against it and ought to be withdrawn forthwith. Since, the said information fails to allege any adverse finding, the same remains inconsequential in the present proceedings. Further, with respect to fund transfers, Noticee 6 submitted that the information provided is imprecise, vague and incoherent. Further, the information whilst enclosing numerous entries has failed to bring forth any alleged connection and fails to offer any finding on the alleged connection. It is nothing but a collection of information without any observation or allegation against Noticee 6. Noticee 6 reiterated that charges against it have to be specific to enable it to reply to the allegations.

53. With respect to alleged connection through fund transfers, Noticee 6 submitted that the alleged fund transfers were legitimate and genuine transactions undertaken in the normal course of business. The inflow and outflow of funds as reflected was

on account of the sale and purchase of shares of various private limited companies and no adverse inference may be drawn there from.

Submissions of Noticee 11:

54. With respect to alleged connection through common directors, Noticee 11 submitted that Mr. Dipankar Roy was appointed on 23.11.2012, Mr. Chandra Datta Sharma on 02.06.2011 and Mr. Somnath Gupta on 02.06.2011 as its directors. Mr. Dipankar Roy was an expert in day to day dealings and client relationship management. Mr. Somnath Gupta was well experienced in Finance and Accounts. He was in charge of financial transactions and accounting of the company. Mr. Chandra Datta Sharma was from the field of finance and he also used to help Mr. Somnath Gupta in managing trading on stock exchanges. They may have been on board of other companies. However, Noticee 11 has its independent Board of Directors and are managed as such. Noticee 11 has independent management to look into the day to day affairs and management. Noticee 11 is neither concerned nor have influenced the decisions and transactions of other companies. Further, Noticee 11 denied that it could have influenced the decisions and transactions of other companies, as wrongly presumed. Being separate corporate entities, the doctrine of corporate governance applies and it can never be alleged that since Mr. Dipankar Roy, Mr. Chandra Datta Sharma and Mr. Somnath Gupta were common Directors, decisions by the management were taken by them or that Noticee 11 influenced by them since it has own Board of Directors. On 23.11.2012, Mr. Chandra Datta Sharma has resigned as director. In absence of any other evidence, only because Mr. Dipankar Roy, Mr. Chandra Datta Sharma and Mr. Somnath Gupta were common director it cannot be concluded that Noticee 11 was amongst connected entities and have perpetuated the alleged manipulation.

55. Noticee 11 further submitted that it had purchased 63,500 shares of 6,36,000 shares purchased by the connected entities from a total market buy volume of 68,96,126 shares which lead to 0.92% of total buy volume. Small percentage i.e.

0.92% of total buy volume could never have impacted the positive LTP as alleged in the SCN. Noticee 11 stated that it had sold 5,000 shares of 3,68,200 shares allegedly sold by the connected entities from a total market sell of 68,96,126 shares which lead to 0.07% of total sell volume. Small percentage of 0.07% of total sell volume could never have impacted the positive LTP as alleged. Further, SCN does not allege that Noticee 11 has not contributed to the sell volume in the scrip.

56. Noticee 11 denied the connection with Noticee 4. Further, Noticee 11 submitted that it has purchased the shares on blind mechanism of the stock exchange wherein it was impossible for it to know the identity of the counter party. In absence of knowledge and connection, the alleged collusion does not stand established. Relying on only presumptions and assumptions would lead to misapplication of facts and grave miscarriage of justice. Noticee 11 further denied that it was one of the entities of the connected group who have made substantial contribution of Rs. 216.00 i.e. 67.08% to positive LTP in 14 trades, by trading among themselves at prices higher than the last traded price. Further, SCN failed to put on record any information on the counter party i.e. Noticee 4 and trade of Noticee 11 with him. SCN is thus bereft of any information.

57. Noticee 11 denied that it has contributed to New High Price (NHP), as wrongly alleged in the SCN. There was only 1 trade of Noticee 11 allegedly resulted in NHP. However, the said observation is vague and therefore it is not in a position to offer suitable clarification, as Noticee 11 did not understand how 1 trade could have possibly resulted in NHP of Rs. 9/- and that too during a period of 202 days and for a total market quantity of 2,39,000 shares under the consideration in the SCN. Noticee 6 also denied that its contribution along with other Noticees to the total positive LTP through first trades was Rs. 9/- (2.80% to the total market positive LTP) was significant since the basis of calculation is without any basis. Noticee 11 further submitted that at the relevant time the price of the scrip was rising continuously and it was desirous of acquiring shares and later selling them for

profits. Accordingly, it had placed order as a prudent investor with intention to acquire shares.

58. In additional submissions, Noticee 11 denied the connection with Noticee 6. Noticee 11 further submitted that the receipt of Rs. 2,50,000/- on 06.12.2016 from Noticee 6 in its account was on account of the sale of 25,000 shares of the company Original Fashion Traders Ltd. at Rs. 10/- each. The alleged fund transfer of Rs. 2,50,000/ - on 06.12.2016 was legitimate and genuine transfer for a transaction undertaken in the normal course of business and no adverse inference may be drawn there from.

59. With respect to connection through common address, Noticee 11 submitted that its registered office premises belonged to its then Director, Mr. Dipankar Roy. He may have shared the common address with Noticee 5, for the sole reason that Mr. Dipankar Roy would have had similar arrangements with Noticee 5. Noticee 11 denied connection with Noticee 5 in any manner. Noticee 11 also denied any connection with Mr. Amit Jajodia and Noticee 12. Noticee 11 stated that it is not aware of the contention that Mr. Amit Jajodia and Noticee 12 shared the address at 319/21, Jessor Road, Khudiram Colony, Kolkata, West Bengal - 700 074, India. Therefore, Noticee 11 enquired with Mr. Dipankar Roy to whether he had any arrangements with Mr. Amit Jajodia and Noticee 12 for sharing common office address during the investigation period. He has denied any such arrangement. Further, on 24/04/2019, i.e. after resignation of Mr. Dipankar Roy as a Director of Noticee 11, it has shifted registered office to 108, Old China Bazar Street, 3rd floor, Kolkata WB 700001 as reflected on official website of MCA. In this regard, Noticee 11 relied upon Order of the Hon'ble SAT dated 29.07.2011 in the matter of **Narendra Ganatra vs SEBI** whereby the Hon'ble Tribunal observed that sharing of common addresses cannot be construed as sufficient evidence to prove a charge of connivance in executing trades and accordingly, based on the aforesaid observations, the Hon'ble Tribunal has set aside the order of the AO.

Submissions of Noticee 7:

60. Noticee 7 submitted that it had bought 3700 shares of JDL on 25-06-2014 for Rs. 10,51,836 and have sold 3100 shares on 31-12-2014 for Rs. 10,28,177 and 600 shares for Rs. 1,95,000 on 02-01-2015. Noticee 7 have booked income on the difference and have paid tax on the same.

Submissions of Noticee 10:

61. Noticee 10 submitted that she is a regular investor in share market and filing her income tax returns regularly disclosing therein all the transactions done through the stock exchange and paying necessary taxes thereon. She undertakes her share market transactions through the SEBI approved brokers based on their assurance that the transactions done are in accordance with applicable law and SEBI Regulations. Based on this firm belief, she sold one lakh shares of JDL in normal course of her investment activities. She denied the connection/relation with other Noticees mentioned in the SCN. In recent past, many corporate frauds have been perpetrated by the listed companies and their promoters. But the unsuspecting shareholders of these companies cannot be held liable for any wrong doings of such companies and the promoters. In the SCN her name has been summarily included without substantiating any specific allegations against her. Further, she has undertaken the sale transactions as bonafide transaction and she has paid the full tax on the resulting capital gain to the income tax authorities and she had not indulged in any wrongful trade or market manipulations.

62. Noticee 10 stated that there was delay in issuance of the SCN. The allegations pertain to trades carried out in the year 2014 for which the Notice was issued over five and half years thereafter only on 21st January 2020. The gross delay imposes a significant disability on the Noticee 10 from presenting her defense. In this regard, Noticee relied upon the observations of the Hon'ble SAT are relevant:

a. ***Rakesh Kathothia & Ors. V/s SEBI*** *(Appeal No.7 of 2016) decided on 27th May 2019 by the Hon'ble Tribunal was of the view that there had been an inordinate delay on the part of the Respondent in initiating proceedings against the appellant for the alleged violation and the Tribunal's opinion, much water has flown since then and, at this belated stage, the appellant cannot be penalized for the alleged violation.*

b. ***HB Stockholding Ltd. V/s SEBI,*** *reported in Manu/SB/0039/2013 at paragraphs 19 to 23 and 26 wherein it was inter alia held that an unnatural delay in initiation and completion of the proceedings caused definite prejudice.*

c. ***Libord Finance Ltd. Vs SEBI****, decided by the Hon'ble Securities Tribunal on March 31, 2008, wherein it was also observed that no proper reply could be filed in a particular matter by any party after a lapse of 8 years from the occurrence of the incident and that grave injustice would be caused to the delinquent in such cases in complete violation of the principles of natural justice.*

d. *In the case of* ***Khandwala Securities Limited Vs SEBI*** *decided by the Hon'ble Securities Appellate Tribunal on September 7, 2012, the Tribunal took cognizance of the delay of 12 years on part of SEBI as a mitigating factor and held that the punishment was not in consonance with the violation. It observed that proceedings before the SEBI require finalization within a reasonable period of time.*

63. The Noticee 10 submitted that she had invested in the shares of JDL for a brief period on advice of her broker Abhinandan Stock Broking Pvt. Ltd. who inter alia represented to her that an investment opportunity existed whereby she could earn substantial returns by investing in the above company. She had authorized the broker to sell the shares whenever they deemed it proper. The impugned trades were carried out on behalf of her by the said Broker and she was in no manner involved in the decisions for carrying out and / or executing the impugned trades. The said Broker represented to her that all the trades carried out were legitimate,

genuine and in due conformity with the prevailing rules, regulations and statute. These trades were carried out by the said Broker on behalf of the Noticee 10 without consulting her prior to the trade and all details of the trade were handled by the said Brokers on their own without the involvement of her.

64. Noticee 10 further stated that SEBI has contended that the trades including the impugned trades are manipulative in view of the fact that the trades were carried out in consent. However, she was never aware as to who counterparty in respect of the trades was and had no mode, manner and/or means of ascertaining the same. The SCN does not disclose any material to manifest that Noticee 10 was aware of the counterparty to the trades. Noticee 10 further submitted that none of the counterparties to the said trades are related, known, affiliated and/or connected to her. Further, SCN does not make any allegations nor set out any material to manifest that there was a prior understanding and/or premeditated plan and/or meeting of the minds between the Noticee 10 and the counterparty to the respective trades. It is trite law that in order for a trade to be considered as non-genuine, it must be shown that there was a premeditated plan and/or prior understanding and/or meeting of the minds and/or at the very least, it must be shown that counterparty was connected to and/or linked to the entity making the trade.

65. Noticee 10 submitted even if the trades carried out on her behalf were manipulative as alleged, she was not a party to any scheme due to which these trades are being treated as a manipulative trade and therefore no allegation can be made against her in this regard. It is alleged in the SCN that the Noticee 10 has violated provisions of PFUTP, there is no foundation in the SCN against the Noticee 10 to demonstrate as to how it has contravened these provisions. The Notice merely refers to an array of legal provisions, without even attempting to apply the facts and circumstances to the ingredients of the above regulations. It is well settled law that where fraud and collusion are alleged, it would be incumbent on the authority to set out the nature of the fraud along with full particulars. In view of the above,

the charges under the PFUTP Regulations in the SCN are vague, incomprehensible and incoherent.

66. Noticee 10 stated that the SCN is bereft of details to ascertain the gain and/or advantage made by her. Assuming without admitting, for the sake of arguments that any such gain and/or advantage was made, the SCN does not contain any material apropos the same. Further, such amounts would not be accurately quantifiable. Noticee 10 stated that no complaints have been filed by any investors and/or group investors alleging loss caused to them. Further, these are the first proceedings initiated by SEB1 against the Noticee 10 and as aforesaid the Noticee 10 has never violated any provision of SEBI Act nor any other Act. Noticee 10 is a law abiding citizen and complies with all her legal obligations dutifully.

Submissions of Noticee 13:

67. Noticee 13 denied the connection with any of the Noticees whose names are mentioned in the SCN. He further submitted that the SCN completely failed to explain his role in the alleged price manipulation in the scrip. He had purchased shares of JDL from Moonrise Logistics Pvt. Limited and retained the same for almost 6 months in his demat account before selling in the market. Thus, the SCN completely failed to explain that how he had created misleading appearance of trading in the securities market by executing one solitary sell trade of 3,300 shares i.e. 0.05% of the market volume. SCN is issued to him just because his one solitary sell transaction happened to be above LTP. His transaction was well according to law and change of beneficial ownership taken place.

68. Noticee 13 stated that after selling the shares of JDL by him, the price of the scrip sustained at same level for almost next 3 years. Thus, the allegation of price manipulation made against him in the SCN is vague. He placed sell order at Rs. 310 at 14:52:19 on 17-07-2014. His sell Order remain pending for more than 7 minutes in the system before execution. The buyer, Noticee 3 purchased the

shares after placing a valid buy order. The alleged transaction is neither synchronized nor structured. Further, he is no way connected with Noticee 3.

69. Noticee 13 submitted that since he had not executed any trade during the Patch 2 of IP, no allegation has been made against him in the SCN for the said Patch. However, no such details of connection between him and the Noticees has been provided with the SCN except the demat statement showing one off market transaction of 1400 shares of JDL on 26-11-2015 with Noticee 5. Noticee 13 submitted that he had no connection or relation with any of the Noticees whose names are mentioned in the SCN or with JDL, its Promoter, and Director and / or employee except he was shareholder of JDL for couple of months. During the course Patch 1 of IP, he had not executed any off market transaction with any of the Noticees whose names are mentioned in the SCN.

70. Noticee 13 submitted that he is not aware that how the aforesaid 1400 shares had been transferred into his account by Noticee 5. In this regard, he approached the staff of his Depository Participant (DP) and brought the same into their knowledge. However, the staff of DP shows their inability to help him to find the details of transferor. Further, he never dealt with the Noticee 5 and he is not aware about their management. No one has approached him till date and claim the right and title of these 1400 shares. He never paid any consideration towards transfer of the said 1400 shares into his account to Noticee 5 or anybody else. His market transaction has nothing to do with the said off market transaction. His market transaction had been executed in July, 2014 and the aforesaid off market transfer effected in November, 2015. Hence, the entire basis of purported connection is totally misconceived.

71. Noticee 13 further submitted that the alleged single trade executed in his trading account was matched with the counterparty buyer i.e. Noticee 3. He is not connected and/or related with Noticee 3. Assuming (not admitting) that he is connected with Noticee 5, the alleged single trade was not matched with Noticee

5. Thus, no adverse inference should have been made on alleged single trade executed by him in the scrip.

72. Noticee 13 submitted that the single trade executed by him in the scrip of JDL was in the normal course of trading and there was no intention of raising, decreasing or maintaining the price of the scrip. Further, he had placed sell order within the limit of circuit filters set by the Stock Exchange. He had never placed any order for sell of JDL shares at below or upper price band of circuit filter. No such allegation has been made against him in the entire SCN. The order placed / trades executed above or below the LTP per se not illegal. The alleged single trade executed by him had been marked delivery and the beneficial ownership of shares had been transferred to the counterparty to his trade. Further, he had purchased 5,000 shares of JDL through off market transaction from one Moonrise Logistic Pvt. Ltd. on 28-01-2014 i.e. beyond the period of Investigation. He had made payment of consideration through account payee cheque. Further, Moonrise Logistic Pvt. Ltd. is not a party to the SCN.

73. Noticee 13 had executed one single sell trade for 3300 shares of JDL on 17-07-2014 and the counterparty to his trades was Noticee 3. The SCN is completely failed to explain that how he had created misleading appearance of trading in the securities market by executing one solitary sell trade of 3300 shares i.e. 0.05% of the market volume. Further, the price of the scrip had substantially increased before he executed the alleged trade. The price of the scrip had already increased from Rs. 40 to Rs. 284. The last trade was executed on 25-06-2014 before he had executed the alleged sell trade on 17-07-2014. There is a considerable time difference in between the execution of last trade and trade executed by him. In these circumstances the theory of manipulation of price through positive LTP is baseless. The scrip was illiquid at that time and the prices of illiquid scrip remains more volatile than normal scrips.

Submission of Noticee 16:

74. Noticee 16 submitted that since she had not executed any trade during the Patch 2 of IP, no allegation has been made against her in the SCN for the said Patch. However, no details of connection in between her and the Noticees has been provided with the SCN except the demat statement showing one off market transaction of 15000 shares of JDL on 13-02-2014 with Moonrise Logistics Pvt. Ltd. Further, she had no connection or relation with any of the Noticees whose names are mentioned in the SCN or with JDL, its Promoter, and Director and / or employee except she was shareholder of JDL for couple of months. During the course Patch 1 of IP, she had not executed any off market transaction with any of the Noticees whose names are mentioned in the SCN. Further, Moonrise is not made a party to the SCN and it was even not the counterparties to her sell transactions.

75. Noticee 16 submitted that the alleged single trade executed in her trading account was matched with the counterparty buyer i.e. Noticee 2. She is not connected and/or related with Noticee 2. During the IP of 278 days, total 1644 trades executed for 68,96,126 shares. The average volume per day was 24,806 shares. Thus, her alleged volume of 6200 shares in the scrip of JDL is too miniscule in comparison to the total market volume and even the volume of other purported Noticees. Further, she had executed three sell trades for sell of 15,000 shares of JDL on 27-08-2014 and 28-08-2014. The counterparties to her trades on 27-08-2014 and 28-08-2014 were Noticcee 2 and M/s Rochak Vinimay Private Limited respectively. Out of the said 3 sell trades, allegation has been made against only one single trade executed on 27-08-2014 and no allegation has been made for remaining 2 sell trades executed on 28-08-2014. M/s Rochak Vinimay Private Limited is not a party to the SCN with whom 2 transactions has been matched.

76. Noticee 16 further submitted that the price of the scrip had substantially increased before she executed the alleged trade in the scrip. The price of the scrip had already increased from Rs. 40 to Rs. 327 before she executed trades at Rs. 324/-

in the scrip. She is not facing any allegation of New High Price. The price of the scrip was quoted around Rs. 320 to Rs. 327 before she placed the order. She is facing allegation of increase in the price of the scrip by Rs. 1/- only from the LTP. On perusal of the Trade Log data it is found that she had net nil contribution to LTP in the scrip. The trade executed on 28-08-2014 had contributed Rs. 1 to negative LTP. Her all trades executed in the scrip had not been considered. Since, she had nil contribution to LTP, the allegation of price manipulation as alleged against her in the SCN should be dropped. Further, the alleged contribution of Rs. 1/- is too minuscule to influence the market equilibrium. The allegation became irrelevant at the time when the price of the scrip had already touched to Rs. 327/- before she places order at Rs. 324/-. Under these circumstances. the allegation of price manipulation against her cannot be sustained and therefore liable to be drop.

77. Further, she had placed sell order at Rs. 324 at 15:00:15 on 27-08-2014. Her sell Order remain pending for more than 13 minutes in the system before execution. Noticee 2 purchased the shares after placing a valid buy order. The alleged transaction is neither synchronized nor structured. She is no way connected with Noticee 2. After selling the shares of JDL by her, the price of the scrip sustained at same level for next 3 consecutive years. Thus, the allegation of price manipulation made against her in the SCN is misconceived. If the price of the scrip was increased artificially then it would have fallen immediately. It would not have sustained at the same level for next three years.

78. Noticee 16 submitted that three trades including the alleged single trade executed by her in the scrip of JDL was in the normal course of trading and there was no intention of artificially raising, decreasing or maintaining the price of the scrip. Further, she had placed sell orders within the limit of circuit filters set by the Stock Exchange. She had never placed any order for sell of JDL shares at below or upper price band of circuit filter. No such allegation has been made against her in the SCN. The order placed / trades executed above or below the LTP per se not illegal. The three trades including alleged single trade executed by her had been marked

delivery and the beneficial ownership of shares had been transferred to the counterparty to her trade. Further, she had purchased shares of JDL through off market transaction from Moonrise and retain the same for more than 6 months before selling in the market. The SCN completely failed to explain that how she had created misleading appearance of trading in the securities market by executing one alleged sell trade of 6200 shares i.e. 0.10% of the market volume.

Common Submissions of Noticee 13 and Noticee 16:

79. Noticee 13 and 16 submitted that they have been provided a portion of the Investigation Report and Trade Log. However, Order log data and complete copy of the Investigation report has not been furnished to them. The copy of the Complete Investigation Report and Order Log are the vital documents in the present matter. The present SCN has been issued on the basis of the Investigation Report only. Copy of the complete Investigation Report help them in finding their role in the present proceeding. Thus, the principle of natural justice has not been followed in the present matter. Noticee 13 and 16 relied upon the judgements of the Hon'ble Tribunal wherein matters had been remanded back on the violation of principle of natural justice.

  a. *Order dated 15-06-2010 passed by the Hon'ble Tribunal in Appeal No. 281 of 2009 filed by Mr. Vikas Gourihar Narnavar which observed as follows: -*

  b. *Order dated 19-02-2020 passed by the Hon'ble Tribunal in Appeal No. 414 of 2018 and Ors filed by Dhirajbhai V. Sanghvi HUF and Ors: -*

80. Noticee 13 and 16 stated that the SCN is bad in law as the same has been issued after a period of more than 5 years after execution of trades by the Noticees. They have not received a single caution letter either from BSE and/or SEBI in the scrip of JDL. Hence, the issue of SCN after a lapse of period of 5 years has caused

extreme mental agony to them. This highly prejudices the case of the Noticee 13 and 16 as justice delayed is justice denied. Recently, the Hon'ble Supreme Court of India and the Hon'ble Tribunal took a tough stand against inordinate delay and latches in quasi-judicial proceedings. Noticee 13 and 16 relied upon two of such judgements passed by the Hon'ble Tribunal.

a. *In the Appeals filed by Mr. Ashok Shivpal Rupani & Ors, the Hon'ble Tribunal vide its Order dated 22-08-2019 set aside the Order of the SEBI and allowed the Appeal. (Appeal Nos. 417 and 440 of 2018)*

   Further, Civil Appeal No. 8444 - 8445 of 2019 ***Securities and Exchange Board of India vs. Ashok Shivlal Rupani & Anr****, etc. filed by the SEBI against the aforesaid Order has been dismissed by the Hon'ble Supreme Court of India vide its Order dated 15th November, 2019 thus affirming the decision of the Hon'ble Tribunal.*

b. *In the Appeals filed by various entities including Mr. Ashlesh Gunvantbhai Shah & Ors, the Hon'ble Tribunal vide its Order dated 3101-2020 set aside the Order of the SEBI and allowed the Appeal. (Appeal Nos. 169, 171, 172, 231, 264, 266 and 277-281 of 2019). The said Order of the Hon'ble Tribunal specifically deals with the allegation of violations of PFUTP Regulations.*

81. Noticee 13 and 16 submitted that their case is no different from the case dealt in the aforesaid Orders. The alleged trades belong to the year 2014. SEBI took more than 5 years to issue the SCN. Further, the entire SCN is based on purported connections with 100's of entities / persons out of which only 16 entities/person have been made Noticees to the SCN. Thus, the SCN exhibits a classic case of arbitrariness and discrimination.

82. Noticee 13 and 16 further submitted that the connection portrayed in the SCN in such a way that it became an allegation. Mere connection cannot be an allegation. The Investigation has failed to prove any connivance amongst the Noticees. Thus, the allegation of connection with the aforesaid purported connected entities have

nothing to do with the trade executed by them in the scrip of JDL. In this regard, Noticee 13 and 16 relied upon the Orders passed by the Hon'ble Tribunal as under:

a. ***Premchand Shah & Ors. V/s SEBI*** *dated 21-02-2011 wherein the Hon'ble Tribunal held that*

   Since the demand was far in excess of the supply, the price went up. Another interesting feature to notice here is that there were large number of buyers and sellers in both patch I and patch II and the appellants who were the sellers are only 10 in number and the Ganatra group which was buying consists of only 17 persons. It is clear that apart from the appellants and the Ganatra group there were large number of other buyers and sellers in the market which led to price increase. In this background, we cannot hold that the appellants and the Ganatra group connived to increase the price of the scrip......."

b. *In the matter of* ***Narendra Ganatra vs. SEBI*** *(Date of decision 29/07/2011) the Hon'ble Tribunal held that*

   The adjudicating officer has discussed in the impugned order the total shares sold and purchased by the Ganatra Group entities but has failed to being on record the role played by the Appellant in executing these trade. As far as individual role of the Appellant is concerned, admittedly, his trade has not been considered 'very significant'. In the absence of any evidence on record, direct or circumstantial against the Appellant in manipulating the trade or raising the price of the scrip, he deserves to be given the benefit of doubt."

c. *In the matter of* ***Smitaben N. Shah vs. SEBI*** *(Date of decision 30/07/2010), the Hon'ble Tribunal has held that*

   "We cannot lose sight of the fact that a serious charge like fraudulent trading cannot be established on the basis of these tenuous and farfetched connection. In this view of the matter, we have no hesitation to hold that the appellants did not act in tandem with any of the entities referred to in Annexure 2 as alleged in the show cause notice and found by the whole time member."

d. Noticee 16 relied upon the judgement in the matter of **Manish Suresh Joshi v/s SEBI** dated 13-01-2020 vs herein the Hon'ble Tribunal held that

“ We are of the view that in view of exoneration of Ganatra of the charge of violation of PFUTP Regulations, the connection with the PPG Entities gets broken. Once the link in the chain is broken, there was no other connection between the appellant with that of the PPG Entities. The only link through which the appellant was found guilty was that the appellant was connected with Ganatra who, in turn, was connected with the 28 entities of PP Group. Once the Ganatra link is broken, there was no evidence to show that the appellant was in any way connected directly or indirectly with the PPG Entities.

7. In the light of the aforesaid, the charge of connivance of the appellant with the counter party, namely, PPG Entities cannot be proved. The principles involved in the Ajmera case cannot be made applicable to the facts and circumstances of the present case. Consequently, the impugned order cannot be sustained and is quashed. The appeal is allowed."

83. Noticee 13 and 16 submitted that there are no allegations that they had any collusion with the counterparties to their trades. In absence of any collusion no allegation of price manipulation can be alleged. In this regard, Noticee 13 and 16 relied upon the following Orders passed by the Hon'ble SAT.

a. *In the matter of Mr**. Vikas Ganesh Mal Bengani v/s Whole Time Member, SEBI** (Appeal No. 225 of 2009, Order dated 25-02-2010), the Hon'ble Tribunal held that*

It is, thus clear, that in order to establish the charge of price manipulation collusion between the buyer and the seller is necessary. In the case before us it has not been alleged that the appellant was colluding with the counterparty (seller) or with his broker. In the absence of such an allegation it cannot be held *that the appellant was manipulating the price of the scrip of the company upwards.*

b. *In the matter of* ***HB Stock Holdings Ltd. vs. SEBI*** *(Appeal No. 114 of 2012) the Hon'ble Tribunal vide Order dated 27th August, 2013 has inter alia held as follows:*

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

84. Noticee 13 and 16 submitted that there is serious allegation of fraud. The allegation of fraud cannot sustain against them as they have not induced any person while trading in the scrip of JDL. The necessary ingredients of fraud are totally missing. Noticee 13 and 16 further relied upon the judgement of the Hon'ble Supreme Court in the matter of **SEBI v/s Shri Kanaiyalal Baldevbhai Patel** in Civil Appeal No. 2595 of 2013.

85. Opportunity of hearing was provided to the Noticees through video conferencing and Authorized Representatives attended the hearings on behalf of Noticees 3, 4, 6, 11, 13 and 16. Mr. A.P. Singh appeared for the hearing on July 22, 2020 as authorized representative of Noticee 3. Mr. Farooqui Mohammad Khalid and Ms. Aayushi Sharma appeared for the hearing on August 20, 2020 as authorized representatives of Noticee 4. Ms. Poonam Gadkari appeared for the hearing on July 23, 2020 as authorized representative of Noticee 6 and 11. Mr. Vikas Bengani appeared as authorized representative of Noticee 13 and 16 for the hearing on July 27, 2020 and August 17, 2020 respectively.

86. I note that, through the SCN and the hearing notices, the Noticees 1, 2, 5, 8, 9, 12, 14 and 15 were advised to furnish their reply, if any, within stipulated time, failing which, it shall be presumed that the Noticees have no reply to submit and the matter will be proceeded on the basis of the material available on record. Further, *vide* emails dated July 21, 2020 and July 24, 2020 Noticees were again informed that, since they have not availed the opportunity of hearing provided to them and they have also not filed any reply to the SCN, the matter would be proceeded further on the basis of evidence available on record in terms of sub-rule (7) of rule (4) of the Adjudication Rules.

87. As sufficient opportunity was given to the Noticees 1, 2, 5, 8, 9, 12, 14 and 15 to submit reply and appear for hearing and no response was received from them the adjudication proceedings against the Noticees 1, 2, 5, 8, 9, 12, 14 and 15 are undertaken ex-parte on the basis of material available on record.

CONSIDERATION OF ISSUES AND FINDINGS

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

Issue No. I	Whether the Noticees have violated the provisions of Section 12A (a), (b), (c) of SEBI Act read with Regulation 3 (a), (b), (c), (d), 4 (1) and 4 (2) (a), (e) of PFUTP Regulations.
Issue No. II	If yes, whether the failure, on the part of the Noticees would attract monetary penalty under Section 15HA of the SEBI Act.
Issue No. III	If yes, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15J of the SEBI Act read with Rule 5(2) of the Adjudication Rules?

Issue No. I **Whether the Noticees have violated the provisions of Section 12A (a), (b), (c) of SEBI Act read with Regulation 3 (a), (b), (c), (d), 4 (1) and 4 (2) (a), (e) of PFUTP Regulations.**

89. Before going into the merits of the case, I note that Noticee 13 and 16 stated that order log data and complete copy of the Investigation report has not been furnished to them. In this regard, I note that the allegations against the Noticees are clearly brought out in the SCN and all the relevant documents that have been relied upon in the SCN have been provided to the Noticees as Annexures to the SCN. Further, a copy of relevant portion of Investigation Report and Trade Log has also been provided to the Noticees. Hence, I note that the Noticees have been provided with all information considered relevant for the purpose of the allegations levelled against the Noticees in the SCN which is sufficient for filing comprehensive reply in the matter.

90. Noticee 10, 13 and 16 further stated that the SCN is bad in law as the same has been issued after a period of more than 5 years after execution of trades by the Noticees. In this regard, I note that no limitation is prescribed in SEBI Act or Regulations for issuance of SCN or for completion of the Adjudication proceedings. I further note that the period of investigation is from February 11, 2014 to July 05, 2016, and the investigation is completed in March 2019. The AO was appointed on October 24, 2019 and the SCN was issued on January 21, 2020. Considering ongoing circumstances in the country due to pandemic, sufficient time and enough opportunities were provided to the Noticees to appear for the hearing and submit their reply to the SCN. I note that, Noticee 16 replied to the SCN after almost 6 months of issuance of the SCN. In this respect, reference may be made to the order passed by Hon'ble SAT in the matter of **Metex Marketing Pvt. Ltd. vs.SEBI** (order dated June 4, 2019) wherein Hon'ble SAT held that:

"This Tribunal has consistently held that in the absence of any specific provision in the SEBI Act or in the Takeover Regulations, the fact that there was a delay on the part of SEBI in initiating proceedings for violation of any provision of the Act cannot be a ground to quash the penalty imposed for such violation".

Price Rise Part

91. I note from the price-volume chart of JDL trades and from the trade log that the JDL share price shot up from Rs.25 to Rs.325 in 23 trades carried out over 17 days from 11.02.2014 to 22.07.2014. 16 of these 23 trades had LTP contribution ranging from Rs.7 to Rs.33. On 12 days there was just a single trade causing the price to increase. On 5 days there were either 2 or 3 trades.

92. The buyers and sellers in these trades were Noticees 1 to 13 who are allegedly all connected. There were 4 other unconnected buyers/ sellers in these 23 trades. A perusal of the order log showed that on these trading days there were no other buyers or sellers on most days, and there were a handful of other buyers/ sellers on some of the days. An extract of the trade log is given below:

Date	Buyer Name	Seller Name	Buy Order Time	Sell Order Time	Trade Time	Time Difference	Trade Price	LTP Difference
11.02.2014	ANITA JAJODIA	PANCHSHREE LOGISTICS PVT. LTD.	9:15:06	9:15:08	9:15:08	00:00:02	25.00	
11.02.2014	ANITA JAJODIA	PANCHSHREE LOGISTICS PVT. LTD.	12:13:40	13:35:44	13:35:44	01:22:04	40.00	15.00
18.02.2014	GOVINDLILA CAPITAL MARKETING PVT.LTD.	PANCHSHREE LOGISTICS PVT. LTD.	15:19:07	15:09:34	15:19:07	00:09:33	47.00	7.00
21.03.2014	LINKUP FINANCIAL CONSULTANTS PVT. LTD.	GOVINDLILA CAPITAL MARKETING PVT.LTD.	12:15:37	12:49:52	12:49:52	00:30:43	56.00	9.00
27.03.2014	INNOVA AUTO DISTRIBUTORS	ANITA JAJODIA	11:07:03	11:07:08	11:07:08	00:00:05	65.00	9.00

	PRIVATE LIMITED							
17.04.2014	PANCHSHREE LOGISTICS PVT. LTD.	KANIKA JAIN	9:15:01	11:48:59	11:48:59	02:33:58	78.00	13.00
17.04.2014	LINKUP FINANCIAL CONSULTANTS PVT. LTD.	KANIKA JAIN	9:17:23	11:48:59	11:48:59	02:31:36	78.00	0.00
17.04.2014	INNOVA AUTO DISTRIBUTORS PRIVATE LIMITED	KANIKA JAIN	9:17:40	11:48:59	11:48:59	02:31:19	78.00	0.00
29.04.2014	PANCHSHREE LOGISTICS PVT. LTD.	KANIKA JAIN	9:58:28	13:02:59	13:03:00	03:04:31	93.00	15.00
29.04.2014	INNOVA AUTO DISTRIBUTORS PRIVATE LIMITED	KANIKA JAIN	9:58:42	13:10:25	13:10:25	03:11:43	93.00	0.00
29.04.2014	LINKUP FINANCIAL CONSULTANTS PVT. LTD.	KANIKA JAIN	9:58:53	13:36:15	13:36:15	03:37:22	93.00	0.00
12.05.2014	GLORIOUS VINCOM PRIVATE LIMITED	ANITA JAJODIA	9:48:38	14:16:47	14:16:47	04:28:09	111.00	18.00
14.05.2014	CROWN IRON MERCHANTS PRIVATE LIMITED.	ANITA JAJODIA	10:43:57	15:11:50	15:11:50	00:00:03	132.00	21.00
20.05.2014	SUNIL KUMAR BHUTRA HUF	CROWN IRON MERCHANTS PRIVATE LIMITED.	15:08:35	15:10:41	15:10:41	00:02:06	156.00	24.00
22.05.2014	KEYNOTE PAINTING DEALERS PRIVATE LIMITED	SUNIL KUMAR BHUTRA HUF	14:04:25	14:06:50	14:06:50	00:02:25	185.00	29.00
23.05.2014	MANOJ PARASRAMPURIA	LINKUP FINANCIAL CONSULTANTS PVT. LTD.	14:42:38	14:43:25	14:43:26	00:00:47	208.00	23.00

26.05.2014	KEYNOTE PAINTING DEALERS PRIVATE LIMITED	SABITA JAJODIA	11:51:48	11:51:55	11:51:55	00:00:07	241.00	33.00
06.06.2014	CHIRAG TRACOM PRIVATE LIMITED	SABITA JAJODIA	14:49:21	14:46:31	14:49:21	00:02:50	270.00	29.00
24.06.2014	PANCHSHREE LOGISTICS PVT. LTD.	SABITA JAJODIA	15:25:42	15:24:39	15:25:42	00:01:03	267.00	-3.00
24.06.2014	PANCHSHREE LOGISTICS PVT. LTD.	SABITA JAJODIA	15:25:42	15:24:51	15:25:42	00:00:51	267.00	0.00
25.06.2014	JATAN MERCANTILES PVT LTD	ANITA JAJODIA	14:48:13	14:39:11	14:48:13	00:09:02	284.00	17.00
17.07.2014	YOGESH BANSAL	RAJENDRA HUKUMCHAND GUPTA	14:59:51	14:52:19	14:59:51	00:07:32	310.00	26.00
22.07.2014	PANCHSHREE LOGISTICS PVT. LTD.	YOGESH BANSAL	14:28:21	13:02:43	14:28:21	01:25:38	324.00	14.00
22.07.2014	PANCHSHREE LOGISTICS PVT. LTD.	JAIWANTI NARESH GUPTA	14:28:21	14:22:41	14:28:21	00:05:40	325.00	1.00

93. The aforesaid shows that the price rise was caused solely by these 23 trades over 17 trading days, in a thinly traded stock in which no other trades took place. The fact that 13 of the 17 parties to the trades have been found connected points to collusion between the parties to cause artificial price rise.

94. With respect to connection amongst the Noticees, I note that,

a. Noticee 8 and Noticee 12 are the promoters of JDL.

b. Noticee 6 and 11 had fund transfers between them. Noticee 6 and 11 are connected with JDL through common director Mr. Somnath Gupta and had common mobile number as that of Mr. Somnath Gupta.

c. Noticee 11, Noticee 5, Moonrise and Snowblue are connected through common directors and common address.
d. Noticee 12 also had same address as that of Noticee 5 and 11.
e. Noticee 1 and 9 are connected through fund transfers.
f. Noticee 10 had an off market transfer with Snowblue.
g. Noticee 13 had an off market transactions with Noticee 5.
h. Noticee 14 and 15 have off-market transaction with Anurodh.
i. Noticee 16 has off-market transaction with Moonrise.

95. Noticees in their replies have refuted the connections shown between them. Noticee 3 stated that he has no relationship with Noticee 2 except solitary transaction of 2500 shares through off market transfer. Noticee 4 denied the connection with Moonrise in any manner except that on being introduced by broker, he had purchased 5000 shares of JDL from this entity in an off market transaction. Noticee 6 and 11 stated that their director Mr. Somnath Gupta may have been on board of other companies, however, Noticee 6 and 11 has independent management to look into the day to day affairs and management of it. Noticee 10 denied connection/relation with other Noticees in the SCN. I note that Noticee 10 had executed off market transaction with Snowblue Realcon Private Limited (Snowblue), which is connected to JDL and its promoters/directors. Noticee 13 denied the connection with Noticee 3, Noticee 5 and Moonrise. Noticee 16 who executed off market transfer with Moonrise, denied the connection with other Noticees in the SCN.

96. I further note that Noticee 4 and Noticee 13 have disputed the trades done in their names. Noticee 13 has stated that he never paid any consideration towards transfer of the said 1400 shares into his account to Noticee 5 or anybody else. The off-market transfer was done without his knowledge. Noticee 4 has said that the market trade in his name was done without his knowledge and he has not yet received the shares purchased in his account till date. Noticee 10 has also stated that alleged trades were executed by her broker without any information to her. In

this regard, I note that even though the trades may have been done without knowledge of the Noticees as claimed by them, the fact that the trades are done in the name of the Noticees makes them liable for the conseqeunces of the trades.

97. I also note that many of the connections are based on off-market trades between the Noticees and other connected entities. The off-market trades form an important part of a scheme where share purchase and sale is carried out based on delivery. Thus, Noticees cannot claim that off-market trades do not establish connection. Noticees have also not given credible explanation of the off-market transfers.

98. From the nature of trades as described above, it is evident that the trades were not genuine and were carried out solely to cause price increase in the scrip without there being any basis or justification of the price rise based on news or fundamentals. Hence, I find that the trades were non-genuine and manipulative in nature.

Stable price and booking of profits

99. With respect to Trades of Noticees 14, 15 and 16, I find that the impugned trades to be as follows:

Date	Buyer Name	Seller Name	Buy Order Time	Sell Order Time	Trade Time	Time Difference	Trade Price	LTP Difference	QTY
18.08.2014	PANCHSHREE LOGISTICS PVT. LTD.	MAHESH KUMAR RATHI	14:26:13	13:41:21	14:26:13	00:44:52	324.00	9.00	5000.00
26.08.2014	CROWN IRON MERCHANTS PRIVATE LIMITED.	JASODA RATHI	15:22:34	13:46:26	15:22:34	01:36:08	325.00	2.00	5000.00
27.08.2014	PANCHSHREE LOGISTICS PVT. LTD.	VEENA RAJAT AGARWAL	15:13:34	15:00:15	15:13:34	00:13:19	324.00	1.00	6200.00
28.08.2014	ROCHAK VINIMAY	VEENA RAJAT AGARWAL	14:27:31	13:43:11	14:27:31	00:43:01	323.00	-1.00	4000.00

	PRIVATE LIMITED								
28.08.2014	ROCHAK VINIMAY PRIVATE LIMITED	VEENA RAJAT AGARWAL	14:27:35	13:43:11	14:27:35	00:43:05	323.00	0.00	4800.00

100. I note that the price had already reached a level of Rs.325 (on 22.02.2014) before these trades took place in August 2014. After July 2014, some fluctuation is seen in the trade prices over different days. However, largely, the price has been maintained in the same range. I note that the LTP contribution by Noticee 15 and 16 is not significant. The LTP contribution by Noticee 14 is seen to be Rs.9 in respect of one trade. However, the trade did not cause any fresh rise in price as the price was at the same level as established on July 22, 2014. Hence, I find that the trades of Noticees 14, 15 and 16 cannot be said to have caused manipulative price rise in the scrip.

101. The price of Rs.325 established on 22.07.2014 has continued to be at the same level till July 2016 and even afterwards. Investigation brought out that that preferential allottees in JDL, including 2 promoter entities viz. Noticee 8 and Noticee 12, sold shares in 11 trades at manipulated higher price where the Noticees 1, 2, 5, 6, 7, 8 and 9 were observed to be among the buyers/counterparties to these trades.

102. It was evident from the above mentioned trading pattern of the said Noticees that a scheme was created wherein a group of Noticees, manipulated the scrip price to reach a high price and thereafter, facilitated the sale of shares of preferential allottees. Noticees 2 and 8 being preferential allottes are seen to be trading on both buy and sell side. Noticee 12, being a preferential appears only on the sell side with 8 trades.

103. On examining the trades of Noticee 2, it is seen that Noticee 2 bought 163,200 shares during the IP at a weighted average price of Rs.271. Noticee 2 sold 90,000 shares at a weighted average price of Rs.35. Thus I find that Noticee 2 could not be held to have made profit from its trading. Infact Noticee 2 has made losses of around Rs.2.1 crores and has been a counterparty to Noticee 8 and 12 who have booked profits.

104. On examining the trades of Noticee 8, I find that she bought 65000 shares at a price of Rs.30.76 and sold 91800 shares at a price of Rs.95.10. Noticee 12 only appears as a seller for 37,700 shares at an average price of Rs.301. I therefore find that both Noticee 8 and 12 have made profit from the sales at higher prices.

105. As stated by one of the Noticees, and also as brought out during investigation, the scheme involving preferential allotment, and subsequent price manipulation of facilitate exit at higher price was created to enable booking of Long Term Capital Gains by the Noticees who booked profits at the higher price established through manipulative trades.

106. I note that, Noticees have relied upon various judgements. Broadly, reference has been made to the judgements wherein it was held that there must be substantial evidence or higher degree of probability is required to level a charge of fraud, the allegation of fraud cannot stand on surmises and conjectures. I note that the said judgements were made in different cases with distinctive modus operandi and judgements made on consideration given to varied evidences/circumstances in each case. I note that, modus operandi effected by connected Noticees in the instant matter and the role of Noticees in manipulating the price of JDL have been detailed in the aforesaid paras.

107. In view of the above, I find that the material on record establishes that Noticees 1 to 13, by trading amongst themselves, manipulated the price of JDL in violation

of Section 12A (a), (b), (c) of SEBI Act read with Regulation 3 (a), (b), (c), (d), 4 (1) and 4 (2) (a), (e) of PFUTP Regulations.

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

and

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

108. Since the violation of Section 12A (a), (b), (c) of SEBI Act read with Regulation 3 (a), (b), (c), (d), 4 (1) and 4 (2) (a), (e) of PFUTP Regulationshas been established against the Noticees 1- 13, as brought out in the foregoing paragraphs, the Noticees are liable for monetary penalty under Section 15HA of SEBI Act.

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

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

Factors to be taken into account by the adjudicating officer
15J.*While adjudging quantum of penalty under Section 15-I, the adjudicating officer shall have due regard to the following factors, namely: -*
a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;
(b) the amount of loss caused to an investor or group of investors as a result of the default;
(c) the repetitive nature of the default.

110. The material on record brings out that Noticees 1 to 13 manipulated the price of JDL and Noticee 8 and 12 booked gains by selling their shares at artificially high prices. In this regard, it is pertinent to note that JDL is listed in the SME-ITP of BSE. It had 1166 shareholders in March 2014 and 1205 shareholders in September 2014. The stock was thinly traded, and with the limited number of shareholders, there is limited public participation. It is also significant that despite the high price remaining stable for a considerable period of time even after the IP, there are hardly any sellers appearing to profit from the price. I take note of the fact that in a scheme to benefit from long term capital gains booked on stock trades, the profits so booked are artificial as the price established is manipulated and artificial. The trades between connected entities are such that while two counterparties have booked profit, one counterparty has booked loss. Hence, it would be appropriate to consider the impact of these transactions between the two counterparties in totality. Similar position has been taken in respect of matters pertaining to reversal trades in illiquid options.

111. In view of the above, taking into account the facts and circumstances of this matter, I find that a penalty of Rs.5 lakh (Rupees Five Lakh only) each on Noticees 1 to 13 under Section 15HA of the SEBI Act will be commensurate with the violations committed.

ORDER

112. After taking into consideration all the facts and circumstances of the case, in exercise of powers conferred upon me under Section 15-I of SEBI Act read with Rule 5 of the Adjudication Rules, I hereby impose a penalty Rs.5,00,000/- (Rupees Five Lakh only) each on Noticees 1 to 13 i.e. Keynote Painting Dealers Private Limited (the Noticee 1), Panchshree Logistics Pvt. Ltd. (the Noticee 2), Yogesh Bansal (the Noticee 3), Manoj Parasrampuria (the Noticee 4), Crown Iron Merchants Private Limited (the Noticee 5), Glorious Vincom Private Limited (the Noticee 6), Jatan Mercantiles Pvt Ltd (the Noticee 7), Anita Jajodia (the

Noticee 8), Innova Auto Distributors Private Limited (the Noticee 9), Kanika Jain (the Noticee 10), Linkup Financial Consultants Pvt. Ltd. (the Noticee 11), Sabita Jajodia (the Noticee 12) and Rajendra Hukumchand Gupta (the Noticee 13) (Total penalty of Rs.65,00,000/- (Rupees Sixty Five Lakh only)) under Section 15HA of the SEBI Act for the violation of Section 12A (a), (b), (c) of SEBI Act read with Regulation 3 (a), (b), (c), (d), 4 (1) and 4 (2) (a), (e) of PFUTP Regulations.

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

ENFORCEMENT → Orders → Orders of AO → PAY NOW

114. The Noticees shall forward said Demand Draft or the details / confirmation of penalty so paid to the Enforcement Department – Division of Regulatory Action – I of SEBI. The Noticees shall provide the following details while forwarding DD/ payment information:

a) Name and PAN of the entity (Noticee)
b) Name of the case / matter
c) Purpose of Payment – Payment of penalty under AO proceedings
d) Bank Name and Account Number
e) Transaction Number

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

DATE: OCTOBER 29, 2020
PLACE: MUMBAI

MANINDER CHEEMA
ADJUDICATING OFFICER