BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/AA/MG/2019-20/7320]

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

In respect of

Shri Vasudev Ramchandra Kamat (PAN: ADCPK2552N)

In the matter of Spectacle Industries Limited (now known as Spectacle ventures Limited)

BACKGROUND OF THE CASE

1. The Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') observed huge rise in the traded volumes and/or price of the shares of the Spectacle Industries Limited (Subsequently name changed to Spectacle Infotek Limited and now known as Spectacle Ventures Limited) (herein after referred to as '**Spectacle/Company**'). In view of the same, SEBI conducted an investigation in the scrip of Spectacle which is listed on the Bombay Stock Exchange (hereinafter referred to as '**BSE'**) and the National Stock Exchange (hereinafter referred to as '**NSE'**) for the period May 01, 2010 to January 31, 2011 (hereinafter referred to as '**Investigation Period /IP'**). It is noted that during the investigation period, the share price of Spectacle increased from Rs. 21.75 to Rs. 162.80.

2. The Adjudicating Officer (hereinafter referred to as '**AO**') of SEBI in its order dated December 22, 2014 (hereinafter referred to as '**AO order**') concluded that certain entities including Shri Vasudev Ramchandra Kamat (hereinafter referred to as '**Noticee/ by name'**) has created artificial volume in the scrip of Spectacle and imposed penalties accordingly. The aforesaid AO order was challenged by the Noticee in the Hon'ble Securities Appellate Tribunal (hereinafter referred as '**SAT**') in Appeal No. 270 of 2015 and SAT vide order dated March 08, 2016 (herein after referred to as '**SAT Order**') set aside the AO order with respect to the Noticee and restored the matter to the file of AO.

APPOINTMENT OF ADJUDICATING OFFICER

3. Considering the directions of SAT, the Competent Authority of SEBI, vide order dated August 09, 2017 appointed Shri Suresh B. Menon as AO to conduct the adjudication proceedings in the manner specified under Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as '**AO Rules**') and if satisfied that penalty is liable, impose such penalty deemed fit in terms of Rule 5 of the Adjudication Rules and Section 15HA of the SEBI Act. Pursuant to the posting of Shri Suresh B. Menon to another department of SEBI, the undersigned was appointed as the Adjudicating Officer vide order dated March 18, 2019.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. In view of the observation of Hon'ble SAT, a fresh Show Cause Notice No. SEBI/EAD/AA/MKG/32289/2019 dated December 04, 2019 (herein after referred to as **'SCN'**) was issued to the Noticee by the undersigned under Rule 4(1) of the AO Rules to show-cause as to why an inquiry should not be initiated against the Noticee and penalty not be imposed upon it under section 15HA of the SEBI Act for the alleged violation of the Regulation 3(a), (b), (c),

(d), 4(1) and 4(2)(a), (b), (e) & (g) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relation to Securities market), 2003 (hereinafter referred to as the '**PFUTP Regulations'**).

5. The details in respect of violation/ non-compliance by the Noticee as observed from the SCN are as given below:

a) *SEBI observed that a group of nineteen (19) entities including the Noticee (hereinafter collectively referred to as the 'BSE Pabari-Parikh Group/ BSE PPG entities') were connected to each other and had traded heavily in the scrip of Spectacle. The list of 19 BSE Pabari-Parikh Group entities along with the connection within the group is given in Table – 1:*

Table – 1

Client Name	***KYC Relation***	***Fund Movement***	***Share movement through off market***	***Client Name***	***KYC Relation***	***Fund Movement***	***Share movement through off market***
1.Labh Share and Stock Private Limited	*Sl. no. 1 has traded with 6, 7, 8, 9, 10, 12, 14, 15, 18 & 19, who all have connection with Bhavesh Pabari through, KYC relation, fund movement or off market share transfer.*			***11.Bipinkumar Gandhi***			*With sl. no. 12.*
2.Bhupesh Rathod	*Introduced sl. no.14, 13, 12, 10 for trading a/c and knows sl. No. 16*	*With Sl. No. 18.*		***12.Bhavesh Pabari***	*Sl. no. 5 is his uncle & sl. no. 19 is his brother in law.* *Sl. no. 13 is cousin of sl. no. 12* *Sl. no. 12 & 14 both directors of Rajnandi Yarns Pvt. Ltd.(sl.no.4)* *Share common Tel. no. with sl. no. 18, 19, 6.* *Sl. no. 2 introduced him for trading a/c.* *BR* with sl. no. 6, 9, 10, 13, 14, 16, 18.*		*With sl. no. 13, 14, 4, 5, 6, 18, 19, 11.*
3.Ketan Babulal Shah			*With sl. no.13.*	***13.Prem Mohanlal Parikh***	*Sl. no. 13 is cousin of sl. no.12.* *Common email with sl. 18, 13 & 19.* *Sl. no. 14 is nominee of sl. no.13.* *BR* with sl. no. 5, 6, 9, 10, 12, 14, 18, 19.*	*With sl. no. 12, 14, 10.*	*With sl. no. 12, 14, 10, 4, 5, 6, 14, 15, 18, 19.*
4.Rajnandi Yarns Private Limited	*Sl. no. 12 & 14 both directors of Rajnandi Yarns Pvt. Ltd.*		*With sl. no. 5, 6, 9, 10, 12, 13, 14, 15, 18, 19.*	***14.Hemant Madhusudan Sheth***	*Sl. no. 12 & 14 both directors of Rajnandi Yarns Pvt. Ltd.* *Same email with sl. no. 18.* *BR* with 2, 5, 13, 18, 19, 6, 9, 10, & sl. no. 16 is his wife & sl. no. 17 is his*	*With sl. no. 12, 13, 10.*	*With sl. no. 12, 13, 10, 4, 16, 18, 19, 15, 6,*

Client Name	*KYC Relation*	*Fund Movement*	*Share movement through off market*	*Client Name*	*KYC Relation*	*Fund Movement*	*Share movement through off market*
					nephew.		
5.Bharat Shantilal Thakkar	*Sl. no. 12 is his nephew. Same address with sl. no.12. Sl. no. 12 is his nominee. Joint a/c with sl. no. 12. BR* with sl. no. 6, 9, 10, 13, 14, 18, 19.*	*With sl. no. 12, 13, 18.*	*With sl. no. 12, 7, 4.*	***15.Jigar Praful Ghoghari***			*With sl. no. 4, 6, 13, 14, 18.*
6.Bipin Jayant Thaker	*Same Tel. no. with sl. no. 12. BR* with sl. no. 5, 9, 10, 12, 13, 14, 18, 19.*	*With sl. no. 4, 12.*	*With sl. no. 4, 15, 9, 12, 13, 14.*	***16.Mala Hemant Sheth***	*Sl. no. 16 is the wife of sl. no. 14 and sl. no. 17 is the nephew.*	*With sl. no. 12, 13.*	*With sl. no. 14.*
7.Vasudev Ramchandra Kamat#	*Sl. no. 5 share the same address with sl. no.12.*		*With sl. no.5*	***17.Gaurang Ajit Seth***	*Has common address & Tel. no. with sl. no. 14. & sl. no. 14 and 12 both directors of Rajnandi Yarns Pvt. Ltd.(sl.no.4)*		
8.Bharat G Vaghela	*Same address & Tel.no. as sl. no. 11 who has share movement with sl.no. 12. Sl. No. 9 is nephew of sl. no. 12 and shares same Tel. no. with sl. no. 12.*	*With sl. no. 9.*		***18.Ankit Sanchaniya***	*Same Tel. no. with sl. no. 13 and also shares Tel. no. with sl. no. 12 who is the nominee for his a/c. BR* with sl. no.5, 6, 9, 10, 12, 13, 14, 18.*	*With sl. no. 12, 13.*	*With sl. no. 4, 12, 13, 14, 9, 15, 19.*
9.Chirag Rajnikant Jariwala	*Same Tel. no. with sl.no.12. Sl. no. 12 is his uncle. BR* with sl. no. 5, 6, 10, 12, 14, 18, 19.*	*With sl. no. 12, 14, 8, 4.*	*With sl. no. 4, 6.*	***19.Vivek Kishanpal Samant***	*Sl. no. 12 is the brother in law & shares common Tel. no. & sl.no. 12 is the nominee of sl. no. 19 for trading a/c & bank a/c. Shares email with sl. no. 14. Shares email with sl. no. 13.*	*With sl. no. 14.*	*With sl. no. 4, 12, 14, 9, 10, 13, 18.*
10.Kishore Chauhan	*Join a/c with sl. no. 12 Sl. no. 12 & 14 are witness for demat a/c. BR* with sl. no. 5, 6, 9, 12, 13, 14, 18.*	*With sl. no. 12, 13, 14.*	*With sl. no. 4, 12, 13, 14, 19.*	*# The Noticee vide letter dated August 11, 2014 admitted his relationship with Bharat Shantilal Thakkar. *BR - Business relation.*			

b) *It was observed from the trade log analysis that 19 BSE PPG entities dealing through multiple brokers purchased 5,76,38,998 shares accounting for 61.89% of the total volume traded during the period under investigation and sold 6,35,96,198 shares accounting for 68.29% of the total volume traded during the period under investigation. The Noticee sold 10,550 shares in the scrip accounting for 0.01% of the total traded volume during the period under investigation. Out of 19 BSE PPG entities, 18 BSE PPG entities, including the Noticee, traded 5,04,82,429 shares (54.21% of the market volume) accounting for 87.58 % of the total purchase group and 79.38% of the total sale of the group within BSE PPG entities*

<u>Synchronised Trades at BSE:</u>

c) *It was observed that out of the total trading of 5,04,82,429 shares within the group entities, for 2,25,39,876 shares accounting for 24.20% of the market volume the buy and sale orders were placed within one minute time difference. It may be noted that*

2,25,39,876 shares constitutes 39.11% of the total purchase of BSE PPG entities and 35.44% of the total sale of the BSE PPG entities. Out of 2,25,39,876 shares, it was observed that for 31,79,058 shares accounting for 3.41% of the total market volume the buy and sale orders were placed in synchronised manner (i.e. difference between placement of order by buyer and seller within one minute and order rate as well as order quantity of buy side and sale side being same). It may be noted that 31,79,058 shares constitutes 5.52% of the total purchase of BSE PPG entities and 5.00% of the total sale of the BSE PPG entities. The summary of the synchronised trades by various clients is given in Table - 2:

<u>Table – 2</u>:

PAN NO	Client Name	Synchronised Buy	% of Market Volume	% of sync to total buy by client	Synchronised Sale	% of Market Volume	% of sync to total sale by client
AABCL7637A	Labh Share and Stock Private Limited	180671	0.19	25.71	10040	0.01	17.76
AACPS0667F	Ketan Babulal Shah	700	0.00	70.00	0	0.00	0.00
AAZPT9542R	Bharat Shantilal Thakkar	24451	0.03	1.75	41115	0.04	2.71
ABYPT4984H	Bipin Jayant Thaker	123874	0.13	2.57	211685	0.23	3.69
ADCPK2552N	**Vasudev Ramchandra Kamat**	**0**	**0.00**	**0.00**	**5000**	**0.01**	**47.39**
ADYPV0844N	Bharat G Vaghela	1124246	1.21	12.35	454205	0.49	4.96
AFMPJ7543L	Chirag Rajnikant Jariwala	232387	0.25	4.91	186213	0.20	4.57
AFPPC9703G	Kishore Chauhan	32156	0.03	1.46	1300	0.00	0.05
AKGPP8679N	Bhavesh Pabari	394745	0.42	4.45	403261	0.43	3.98
ALHPP3489N	Prem Mohanlal Parikh	268146	0.29	5.98	338972	0.36	7.39
ANOPS8607E	Hemant Madhusudan Sheth	233072	0.25	3.38	748019	0.80	7.67
ASFPG8598L	Jigar Praful Ghoghari	78496	0.08	4.40	163566	0.18	9.17
AZXPS0694J	Mala Hemant Sheth	0	0.00	0.00	12560	0.01	24.19
BLNPS3316L	Ankit Sanchaniya	303168	0.33	5.89	202345	0.22	4.23
BRSPS0294N	Vivek Kishanpal Samant	182946	0.20	2.47	400777	0.43	4.30
Grand Total		**31,79,058**	**3.41**	**5.52**	**31,79,058**	**3.41**	**5.00**

d) *SEBI observed that the scrip was traded on 192 trading days on BSE. Out of 192 trading days, the group entities traded among themselves on 167 days, i.e. 86.97% of the total number of days the scrip was traded during the period under investigation. It was observed that the contribution of the BSE PPG entities to daily market volume ranged from 83.74% on May 03, 2010 to 0.22% on January 31, 2011. Out of 167 trading days on which the BSE PPG entities traded among themselves, on 140 trading days BSE PPG entities contributed more than 50% of the total market volume. It was further observed that out of aforesaid 167 trading days, on 158 trading days both buy and sell orders were placed within time difference of one minute. It was observed that the contribution of BSE PPG entities to daily market volume ranged from 7.42% on May 04, 2010 to 7.44% on January 25, 2011. Out of aforesaid 158 trading days, on 32 trading days, BSE PPG entities contributed more than 50% of the total market volume by placing both buy and sale order within one minute time difference. Further, it was observed that out of abovementioned 158 trading days, on 98 trading days the trades executed by the BSE PPG entities were* *synchronised in nature. It was also observed that contribution of PPG to total market volume, by way of synchronised trades among the group entities, ranged from 2.75% on May 03, 2010 to 13.02% on December 08, 2010. It was also observed that on 2 trading days by entering into synchronised trading the group entities contributed more than 40% of the market volume.*

Trading at NSE

e) *SEBI observed that a group of eighteen (18) entities including the Noticee (hereinafter collectively referred to as the 'NSE Pabari-Parikh Group/ NSE PPG entities') were connected to each other and had traded heavily in the scrip of Spectacle. The list of 18 NSE Pabari-Parikh Group entities along with the connection within the group is given in Table – 3:*

Table – 3

Client Name	KYC Relation	Fund Movement	Share movement through off market	Client Name	KYC Relation	Fund Movement	Share movement through off market
1.Labh Share and Stock Private Limited	Sl. no. 1 traded with sl. No. 1, 4, 5, 6, 7, 8, 10, 11, 13, 14, 17 & 18, who all have connection with Bhavesh Pabari through, KYC relation, fund movement or off market share transfer			**10.Bhavesh Pabari**	Sl. no. 3 is his uncle & sl. no. 18 is his brother in law. Sl. no. 11 is cousin of sl. no. 10 Sl. no. 10 & 13 both directors of Rajnandi Yarns Pvt. Ltd.(sl.no.2) Share common Tel. no. with sl. no. 17, 18, 4. BR* with sl. no. 4, 7, 8, 11, 13, 15, 17.		With sl. no. 11, 13, 2, 3, 4, 17, 18, 9.
2.Rajnandi Yarns Private Limited	Sl. no. 10 & 13 both directors of Rajnandi Yarns Pvt. Ltd.		With sl. no. 3, 4, 7, 8, 10, 11, 13, 14, 17, 18.	**11.Prem Mohanlal Parikh**	Sl. no. 11 is cousin of sl. no.10. Common email with sl. 17, 11 & 18. Sl. no. 13 is nominee of sl. no.11. BR* with sl. no. 3, 4, 7, 8, 10, 13, 17, 18.	With sl. no. 10, 13, 8.	With sl. no. 10, 13, 8, 2, 3, 4, 13, 14, 17, 18.
3.Bharat Shantilal Thakkar	Sl. no. 10 is his nephew. Same address with sl. no.10. Sl. no. 10 is his nominee. Joint a/c with sl. no. 10. BR* with sl. no. 4, 7, 8, 11, 13, 17, 18.	With sl. no. 10, 11, 17.	With sl. no. 10, 5, 2.	**12.Santosh Maruti Patil**	Sl. no. 12 traded with sl. No. 6, 17 & 18, who all have connection with Bhavesh Pabari through, KYC relation, fund movement or off market share transfer		
4.Bipin Jayant Thaker	Same Tel. no. with sl. no. 10. BR* with sl. no. 3, 7, 8, 10, 11, 13, 17, 18.	With sl. no. 2, 10.	With sl. no. 2, 14, 7, 10, 11, 13.	**13.Hemant Madhusudan Sheth**	Sl. no. 10 & 13 both directors of Rajnandi Yarns Pvt. Ltd. Same email with sl. no. 17. BR* with 3, 11, 17, 18, 4, 7, 8, & sl. no. 15 is his wife & sl. no. 16 is his nephew.	With sl. no. 10, 11, 8.	With sl. no. 10, 11, 8, 2, 15, 17, 18, 14, 4.
5.Vasudev Ramchandra Kamat#	Sl. no. 3 share the same address with sl. no.10.		With sl. no.3.	**14.Jigar Praful Ghoghari**			With sl. no. 2, 4, 11, 13, 17.
6.Bharat G Vaghela	Same address & Tel.no. as sl. no. 9 who has share movement with sl.no. 10. Sl. No. 7 is nephew of sl. no. 10 and shares same Tel. no.	With sl. no. 7.		**15.Mala Hemant Sheth**	Sl. no. 15 is the wife of sl. no. 13 and sl. no. 16 is the nephew.	With sl. no. 10, 11.	With sl. no. 13.

	with sl. no. 10.						
7.Chirag Rajnikant Jariwala	Same Tel. no. with sl.no.10. Sl. no. 10 is his uncle. BR* with sl. no. 3, 4, 8, 10, 13, 17, 18.	With sl. no. 10, 13, 6, 2.	With sl. no. 2, 4.	**16.Gaurang Ajit Seth**	Has common address & Tel. no. with sl. no. 13. & sl. no. 13 and 10 both directors of Rajnandi Yarns Pvt. Ltd.(sl.no.2)		
8.Kishore Chauhan	Join a/c with sl. no. 10 Sl. no. 10 & 13 are witness for demat a/c. BR* with sl. no. 3, 4, 7, 10, 11, 13, 17.	With sl. no. 10, 11, 13.	With sl. no. 2, 10, 11, 13, 18.	**17.Ankit Sanchaniya**	Same Tel. no. with sl. no. 11 and also shares Tel. no. with sl. no. 10 who is the nominee for his a/c. BR* with sl. no.3, 4, 7, 8, 10, 11, 13, 17.	With sl. no. 10, 11.	With sl. no. 2, 10, 11, 13, 7, 14, 18.
9.Bipinkumar Gandhi			With sl. no. 10.	**18.Vivek Kishanpal Samant**	Sl. no. 10 is the brother in law & shares common Tel. no. & sl.no. 10 is the nominee of sl. no. 18 for trading a/c & bank a/c. Shares email with sl. no. 13. Shares email with sl. no. 11.	With sl. no. 13.	With sl. no. 2, 10, 13, 7, 8, 11, 17.

The Noticee vide letter dated August 11, 2014 admitted his relationship with Bharat Shantilal Thakkar.
*BR - Business relation.

f) *It was observed from the trade log analysis that 18 NSE PPG entities dealing through multiple brokers purchased 4,59,92,205 shares accounting for 56.77% of the total volume traded during the period under investigation and sold 5,17,40,181 shares accounting for 63.86% of the total volume traded during the period under investigation. The Noticee sold 8950 shares in the scrip accounting for 0.01% of the total traded volume during the period under investigation. It was observed that the 18 entities, including the Noticee, out of their total purchase and sale of 4,59,92,205 shares and 5,17,40,181 shares respectively, during the investigation period, traded 3,92,39,127 shares (48.43% of the market volume) accounting for 85.32% of the total purchase group and 75.84% of the total sale of the group within NSE PPG entities.*

Synchronised Trades at NSE:

g) *It was observed that out of the total trading of 3,92,39,127 shares within the group entities, for 1,48,53,157 shares accounting for 18.33% of the market volume, the buy and sale orders were placed within one minute time difference. It may be noted that 1,48,53,157 shares constitutes 32.29% of the total purchase of BSE PPG entities and 28.71% of the total sale of the NSE PPG entities. Out of 1,48,53,157 shares, it was observed that for 35,94,922 shares accounting for 4.44% of the total market volume, the buy and sale orders were placed in a synchronised manner (i.e. difference between placement of order by buyer and seller within one minute and order rate as well as order quantity of buy side and sale side being same). It may be noted that 35,94,922 shares constitute 7.82% of the total purchase of NSE PPG entities and 6.95% of the total sale of the NSE PPG entities. The summary of the synchronised trades by various clients given in Table - 4:*

Table – 4:

Client PAN	*Client Name*	*synchronised buy trades*	*% of Market Volume*	*% of sync to total buy by client*	*synchronised sale trades*	*% of Market Volume*	*% of sync to total sale by client*
AABCL7637A	Labh Share and Stock Private Limited	163281	0.20	30.90	46500	0.06	95.95
AAZPT9542R	Bharat Shantilal Thakkar	25750	0.03	3.01	71120	0.09	8.59
ABYPT4984H	Bipin Jayant Thaker	276949	0.34	5.82	322577	0.40	6.00
ADCPK2552N	**Vasudev Ramchandra Kamat**	**0**	**0.00**	**0.00**	**2500**	**0.00**	**27.93**
ADYPV0844N	Bharat G Vaghela	1277904	1.58	17.13	599693	0.74	8.05
AFMPJ7543L	Chirag Rajnikant Jariwala	339022	0.42	6.71	367990	0.45	6.23
AFPPC9703G	Kishore Chauhan	37149	0.05	1.63	143119	0.18	3.78
AKGPP8679N	Bhavesh Pabari	126200	0.16	4.03	301140	0.37	7.69
ALHPP3489N	Prem Mohanlal Parikh	252719	0.31	7.33	249652	0.31	6.88
AMAPP2722N	Santosh Maruti Patil	1000	0.00	6.65	0	0.00	0.00
ANOPS8607E	Hemant Madhusudan Sheth	320262	0.40	5.69	544491	0.67	9.47
ASFPG8598L	Jigar Praful Ghoghari	51820	0.06	3.20	116796	0.14	8.86
AZXPS0694J	Mala Hemant Sheth	12500	0.02	98.43	25000	0.03	93.46
BLNPS3316L	Ankit Sanchaniya	250945	0.31	4.76	361351	0.45	5.23
BRSPS0294N	Vivek Kishanpal Samant	459421	0.57	7.87	442993	0.55	6.70
Grand Total		**35,94,922**	**4.44**	**7.82**	**35,94,922**	**4.44**	**6.95**

h) *SEBI has observed that the scrip was traded on 192 trading days on NSE. Out of 192 trading days, the group entities traded among themselves on 159 days, i.e. 83% of the total number of days the scrip was traded during the period under investigation. It was observed that the contribution of the NSE PPG entities to daily market volume ranged from 79.12% on May 03, 2010 to 1.06% on January 17, 2011. Out of 159 trading days on which the NSE PPG entities traded among themselves, on 127 trading days, the NSE PPG entities contributed to more than 50% of the total market volume.*

i) *It was further observed that out of the aforesaid 159 trading days, on 149 trading days both buy and sell orders were placed within a time difference of one minute. Out of aforesaid 149 trading days, on 19 trading days, NSE PPG entities contributed more than 50% of the total market volume by placing both buy and sale order within one minute time difference.*

j) *Further, it was observed that out of abovementioned 149 trading days, on 100 trading days, the trades executed by the NSE PPG entities were synchronised in nature. It was also observed that contribution of NSE PPG entities to total market volume, by way of synchronised trades among the group entities, ranged from 0.84% on May 10, 2010 to 1.93% on December 08, 2010. It was also observed that by entering into synchronised trading, the group entities contributed more than 50% of the market volume, on 3 trading days.*

k) *From the examination of the material collected, it is seen that the Pabari-Parikh group had indulged in off-market transfer of 5,53,54,390 shares of Spectacle amongst themselves during the period January 01, 2009 and January 31, 2011. The off-market deals and fund movements would further support the connection among the group.*

l) *In view of the above, it is alleged that that the Noticee being part of BSE and NSE Pabari-Parikh Group entities indulged in trading within the group by way of synchronized trades, resulting in no change of beneficial ownership and thereby, created artificial volume in the scrip of Spectacle which gave a false and misleading appearance of trading in the scrip. Therefore, it is alleged that the Noticee has violated provisions of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) (b) (e) & (g) of the PFUTP Regulations. The relevant provisions of the PFUTP Regulations read as under:*

6. The SCN was duly served upon the Noticee and the Noticee vide letter dated December 12, 2019, responded and made submissions on the preliminary issues such as delay and issuance of fresh SCN in the matter. The Noticee also sought an opportunity of inspection of documents in the matter. Thereafter, the Noticee was granted an opportunity of inspection of documents, vide letter dated December 16, 2019 and the same was completed on January 21, 2020. The Authorized Representative of the Noticee (herein after referred to as '**AR**') vide email dated January 23, 2020, submitted that trade & order log of the scrip and other documents were not provided during the inspection. The Noticee was provided a copy of the trade log vide email dated February 06, 2020. The Noticee was granted an opportunity of personal hearing before the undersigned on March 03, 2020, vide email dated February 19, 2020. The AR attended the hearing on the scheduled date and submitted the replies to the SCN dated February 29, 2020 & August 11, 2014 and reiterated the contents of the same. The AR also submitted copies of various judgments of Hon'ble SAT and also cited various case laws in support of its submissions. The Noticee in its replies dated February 29, 2020 and August 11, 2014, *inter alia* made following submissions:

i. *Fresh SCN has been issued without rectification in the table of connection as pointed out by Hon'ble SAT. Thus, SCN needs to be withdrawn.*
ii. *I raise my objection towards issuance of two SCNs in the matter.*
iii. *SCN is issued after 45 months from the date of remanding back.*
iv. *I am making my submissions to the present SCN dated 04-12-2019.*
v. *I wish to submit that by qualification I am a doctor and presently employed in a reputed government hospital. Beside my profession of Doctor, I used to invest my savings in various schemes including the Securities Market. I am a small investor.*
vi. *I deny each and every statement, allegation, observation etc. made in the captioned SCN. I deny and refute that I had violated the provisions of PFUTP Regulations as alleged in the SCN.*
vii. *I deny that I was part of Pabari Parikh Group. I had purchased shares of Spectacle Infotek Limited and LGS through off market transactions from Mr. Bharat Thakkar.*
viii. *My transactions were delivery based transactions. It is very pertinent to mention that several details provided in the Annexure "X" to the SCN are not correct as the Hon'ble Tribunal at least in two Orders made negative remarks against the connection shown in the SCN.*
ix. *The evidence to strengthen the connection such as KYC documents etc. are not provided with the SCN and during the inspection of the documents. Complete details of trades were not provided to me. Therefore, the principle of natural justice has not been followed in the present proceeding.*
x. *No order has been passed by the Ld. Whole Time Member, SEBI against me before or after issuing of the SCN dated 10-10-2013. I was not made a party to various Orders i.e. Ex-Parte Order dated 02-02-2011, confirmatory order dated 08-07-2011 and final order passed by the Ld. Whole Time Member, SEBI in various scrip including Spectacle.*
xi. *Synchronized trades and off market transactions are not illegal.*
xii. *I have not executed a single buy trade in the entire investigation period and in all my transactions beneficial ownership has changed.*
xiii. *My trading volume in the scrip of Spectacle was too miniscule as compare to the market volume and also in compare to volume of the other purported Pabari-Parikh Group entities. I had sold only 10,550 shares on platform of BSE and only 8,950 shares on platform of NSE of Spectacle during the Investigation Period. My trades are limited to only three days during the entire investigation period.*
xiv. *That my Synchronized trade are matched with only Mr. Bharat GaganSingh Vaghela and I have no connection with him.*
xv. *Erstwhile AO in his order dated 23-12-2014 had dropped allegation of 4(2)(e) of PFUTP Regulation i.e. allegation of price manipulation against me. Further, since no details has been provided regarding manipulation of the price of the scrip of*

Spectacle, I am not making any submission for the alleged violation of 4 (2) (e) of the PFUTP Regulation i.e. for price manipulation.

xvi. *That my off market transaction with Mr. Bharat Thakkar is not illegal and in the SCN no allegation has been made on the validity of the off market transaction.*

xvii. *The Investigation failed to prove any connivance amongst the Noticees.*

xviii. *It is further submitted that there has to be sufficient evidence on record to clearly prove connivance on the part of the Noticee with a counter party. In the present SCN, no such iota of evidence of collusion with the counterparties to my trades has been found.*

xix. *That in a connected matter, Adjudication order against the Noticee, was set aside by the Hon'ble SAT vide order February 25, 2020, for the reason that fresh SCN was issued to the Noticee, after the matter was remanded back by the Hon'ble SAT, earlier.*

xx. *The Noticee also cited various case laws and judgments in support of its submissions.*

CONSIDERATION OF EVIDENCE AND FINDINGS

7. I have perused the written submissions of the Noticee and the documents available on record. The issues that arise for consideration in the present case are :
   a) Whether the Noticee has violated Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a), (b), (e) & (g) of PFUTP Regulations by indulging in manipulative trades.
   b) Does the violation, if any, attract monetary penalty under Section 15HA of the SEBI Act?
   c) If yes, what should be the quantum of penalty?

8. The Noticee has submitted that in a connected matter of Spectacle Industries Limited, Adjudication order against the Noticee, was set aside by the Hon'ble SAT vide order dated February 25, 2020, for the reason that fresh charges were added in the SCN which was issued to the Noticee, after the matter was remanded back by the Hon'ble SAT, earlier. In this regard I note that, in the instant matter, in the SCN dated December 04, 2019, the charges against the

Noticee are exactly the same as in the SCN dated December 04, 2013 and no fresh charge has been added.

9. W.r.t. connection of the noticee, the earlier AO order was challenged by the Noticee in the Hon'ble SAT in Appeal No. 270 of 2015 and SAT vide order dated March 08, 2016, observed -

..In the impugned order it is stated that the Appellant in Appeal No.270 of 2015 is connected with the Noticee at Sr.No.5 i.e. Bharat S Thakker and Noticee at Sr.No.12 i.e. Bhavesh Pabari on account of having common address. However, on perusal of the show-cause notice at page 85, it is seen that the address of the Appellant is different from that of the Noticee No. 5 and Noticee No.12. Counsel for SEBI, however, submitted that there could be common address in the KYC records. Since the impugned order does not refer to any KYC record and since the address given in the show-cause notice contradicts the findings recorded in the impugned order…

In view of the same, Hon'ble SAT vide its aforesaid order, set aside the AO order with respect to the Noticee and restored the matter to the file of the Adjudicating Officer to take a fresh decision in the matter based on merits. On examination of the connection of the noticee with the group entities, I find that the connection based on common addresses is not established, as rightly pointed out by the Hon'ble SAT.

10. However, the Noticee has received shares of Spectacle, in the off market from Mr. Bharat Shantilal Thakkar which is also admitted by the Noticee in its reply dated February 29, 2020. Further, the Noticee in its reply dated August 11, 2014 has made the following submissions with respect to Mr. Bharat Shantilal Thakkar –

"….On various occasions we (The Noticee and Mr. Bharat Shantilal Thakkar) had discussions among our self on different investment strategy and financial planning and had also attended stock market Seminar….."

Therefore, I find that the Noticee is admittedly connected to the PPG entity, Mr. Bharat Shantilal Thakkar, who in turn is connected to other PPG entities. It was only the additional details of such connections as provided at the table – 1 & 3 above that has been included in the fresh SCN.

11. Before moving forward, it is pertinent to refer to the relevant provisions of the PFUTP Regulations read as under:

> ***3. Prohibition of certain dealings in securities***
> *No person shall directly or indirectly—*
> ***(a)*** *buy, sell or otherwise deal in securities in a fraudulent manner;*
> ***(b)*** *use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;*
> ***(c)*** *employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;*
> ***(d)*** *engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.*
>
> ***4. Prohibition of manipulative, fraudulent and unfair trade practices***
> ***(1)*** *Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.*
> ***(2)*** *Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:—*
> ***(a)*** *indulging in an act which creates false or misleading appearance of trading in the securities market;*
> ***(b)*** *dealing in a security not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of such security for wrongful gain or avoidance of loss;*
> *(c)............*
> *(d)............*
> ***(e)*** *any act or omission amounting to manipulation of the price of a scrip*
> ***(g)*** *entering into a transaction in securities without intention of performing it or without intention of change of ownership of such security;*

12. The first issue for consideration is whether the Noticee has violated provisions of Regulation 3(a), (b), (c), (d) and Regulation 4(1) & 4(2)(a), (b), (e) and (g) of PFUTP Regulations. On consideration of the SCN, its annexures and other material available on record, I observe that a Group of nineteen (19) entities (hereinafter collectively referred to as the '**BSE Pabari-Parikh Group/ BSE PPG entities**') including the Noticee were connected to each other and had traded heavily in the scrip of Spectacle on BSE and a Group of eighteen (18) entities (hereinafter collectively referred to as the '**NSE Pabari-Parikh Group/ NSE PPG entities**') including the Noticee were connected to each other and had traded heavily in the scrip of Spectacle on BSE & NSE.

<u>Trading on BSE:</u>

13. I note from the available records that the Noticee, in collusion with the other BSE PPG entities, was alleged to have contributed to the creation of artificial volume in the scrip of Spectacle during the Investigation period. I observe that out of 192 days, on which the scrip of Spectacle was traded during the period of investigation, the trades amongst Pabari-Parikh Group were executed on 167 days, i.e., 86.97% of the total no of days the scrip was traded during the period of investigation. Further, the BSE PPG entities purchased 5,76,38,998 shares accounting for 61.89% of the total volume traded during the period under investigation and sold 6,35,96,198 shares accounting for 68.29% of the total volume traded during the period under investigation. Further, out of these 19 BSE PPG entities, 18 BSE PPG entities traded 5,04,82,429 shares (54.21% of the market volume) within the BSE PPG entities, accounting for 87.58% of the total purchase of the group and 79.38% of the total sale of the group. Thus, I find that the BSE PPG entities contributed significant volume in the scrip of Spectacle during the IP on BSE.

14. I observe from the available records and the trade log, that the Noticee and other PPG entities have executed following trades, in the scrip:

Table – 5

Client Name	Total Buy (Market)	Percentage of Market Volume	Buy amongst Group	Total Sell (Market)	Percentage of Market Volume	Sell amongst Group
Labh Share And Stock Private Limited	702603	0.75	606155	56540	0.06	56540
Bhupesh Harishchandra Rathod	10	0.00	0	10	0.00	0
Ketan B Shah	1000	0.00	1000	1000	0.00	524
Raj Nandi Yarns Private Limited	39500	0.04	39477	0	0.00	0
Bharat Shantilal Thakkar	1395519	1.50	1226918	1518102	1.63	1334939
Bipin Jayant Thaker	4817677	5.17	4358932	5740151	6.16	4282524
Vasudev Ramchandra Kamat	**0**	**0.00**	**0**	**10550**	**0.01**	**8804**
Bharat Gangasingh Vaghela	9104535	9.78	6194246	9150961	9.83	6630617
Chirag Rajnikant Jariwala.	4731650	5.08	4460745	4077019	4.38	3165017
Kishorbhai Balubhai Chauhan	2208192	2.37	2007772	2540507	2.73	1452945
Bipinkumar Ramniklal Gandhi	0	0.00	0	50000	0.05	50000
Bhavesh Prakash Pabari	8861360	9.51	8167644	10144037	10.89	8194520
Prem Mohanlal Parikh	4480527	4.81	3898659	4587734	4.93	4148696
Hemant Madhusudan Sheth.	6890281	7.40	6320928	9754318	10.47	8147181
Jigar Praful Ghoghari	1785017	1.92	1710690	1784362	1.92	1595447
Mala Hemant Sheth	29531	0.03	20165	51921	0.06	16596
Gaurang Ajit Sheth	34250	0.04	19500	17702	0.02	8989
Ankit Rajendra Sanchaniya	5145520	5.52	4733925	4787916	5.14	4392384
Vivek Kishanpal Samant	7411826	7.96	6715673	9323368	10.01	6996706
Total	57638998	61.89	50482429	63596198	68.29	50482429

15. I note from the available records that the Noticee's sell quantity was 10,550 shares which contributed 0.01% of the total market volume in the scrip of Spectacle. The Noticee's sell quantity in Spectacle, within the BSE PPG entities was 8,804 shares, which contributed 0.017% of sell volume among the BSE PPG entities. From the above, I find that the Noticee, by trading amongst the group, has contributed to the volume created by the Pabari-Parikh Group in the scrip of Spectacle.

16. The BSE PPG entities including the Noticee have executed following synchronized trades in the scrip. The trade and order details of the

synchronized trades of the BSE PPG entities including the Noticee were provided to the Noticee as **Annexure F** to the SCN:

Table – 6 : Synchronized Trades by BSE PPG Entities:

Client Name	Synchronised Buy	% of Market Volume	% of sync to total buy by client	Synchronised Sale	% of Market Volume	% of sync to total sale by client
Labh Share and Stock Private Limited	180671	0.19	25.71	10040	0.01	17.76
Ketan Babulal Shah	700	0.00	70.00	0	0.00	0.00
Bharat Shantilal Thakkar	24451	0.03	1.75	41115	0.04	2.71
Bipin Jayant Thaker	123874	0.13	2.57	211685	0.23	3.69
Vasudev Ramchandra Kamat	**0**	**0.00**	**0.00**	**5000**	**0.01**	**47.39**
Bharat G Vaghela	1124246	1.21	12.35	454205	0.49	4.96
Chirag Rajnikant Jariwala	232387	0.25	4.91	186213	0.20	4.57
Kishore Chauhan	32156	0.03	1.46	1300	0.00	0.05
Bhavesh Pabari	394745	0.42	4.45	403261	0.43	3.98
Prem Mohanlal Parikh	268146	0.29	5.98	338972	0.36	7.39
Hemant Madhusudan Sheth	233072	0.25	3.38	748019	0.80	7.67
Jigar Praful Ghoghari	78496	0.08	4.40	163566	0.18	9.17
Mala Hemant Sheth	0	0.00	0.00	12560	0.01	24.19
Ankit Sanchaniya	303168	0.33	5.89	202345	0.22	4.23
Vivek Kishanpal Samant	182946	0.20	2.47	400777	0.43	4.30
Grand Total	**31,79,058**	**3.41**	**5.52**	**31,79,058**	**3.41**	**5.00**

I note that the BSE PPG Entities including the Noticee have bought and sold 31,79,058 shares which is 3.41% of the total market volume, in a synchronized manner. The Noticee has sold 5000 shares in a synchronized manner.

Trading on NSE:

17. I note from the available records that the Noticee, in collusion with the other NSE PPG entities, was alleged to have contributed to the creation of artificial volume in the scrip of Spectacle during the Investigation period. I observe that out of 192 days, on which the scrip of Spectacle was traded during the period of investigation, the trades amongst NSE PPG entities were executed on 159

days, i.e., 83% of the total no of days the scrip was traded during the period of investigation. Further, the NSE PPG entities purchased 4,59,92,205 shares accounting for 56.77% of the total volume traded during the period under investigation and sold 5,17,40,181 shares accounting for 63.86% of the total volume traded during the period under investigation. Further, 18 NSE PPG entities traded 3,92,39,127 shares (48.43% of the market volume) within the NSE PPG entities, accounting for 85.32% of the total purchase of the group and 75.84% of the total sale of the group. Thus, I find that the NSE PPG entities contributed significant volume in the scrip of Spectacle during the IP on NSE.

18. I observe from the available records and the trade log, that the Noticee and other NSE PPG entities have executed following trades, in the scrip:

Table – 7

Client Name	Total Buy (Market)	Percentage of Market Volume	Buy amongst Group	Total Sell (Market)	Percentage of Market Volume	Sell amongst Group
Labh Share And Stock Private Ltd	528486	0.65	364127	48465	0.06	46927
Raj Nandi Yarns Private Limite	73900	0.09	73850	0	0.00	0
Bharat Shantilal Thakkar	856100	1.06	814278	828413	1.02	741918
Bipin Jayant Thaker	4757443	5.87	4325890	5374442	6.63	2960350
Vasudev Ramchandra Kamat	0	0.00	0	**8950**	**0.01**	**8835**
Bharat G Vaghela	7459507	9.21	5440123	7453490	9.20	5247870
Jariwala Chirag Rajnikant	5055146	6.24	4208056	5910781	7.30	4778527
Kishorbhai Balubhai Chauhan	2278639	2.81	2111358	3790421	4.68	2028273
Bipinkumar Gandhi	1640	0.00	0	157442	0.19	148000
Bhavesh Prakash Pabari	3134691	3.87	2658494	3913748	4.83	3054064
Parikh Prem Mohanlal	3446372	4.25	3148448	3631238	4.48	3224792
Santosh Maruti Patil	15037	0.02	11986	15037	0.02	10341
Sheth Hemant Madhusudan	5633024	6.95	5041635	5748297	7.10	4614254
Jigar Praful Ghoghari	1618670	2.00	1435864	1318905	1.63	1088389
Mala Hemant Sheth	12699	0.02	12500	26750	0.03	25000
Gaurang A Sheth	20235	0.02	18800	2039	0.00	0
Ankit Rajendra Sanchaniya	5266567	6.50	4380357	6903099	8.52	5325116
Vivek Kishanpal Samant	5834049	7.20	5193361	6608664	8.16	5936471
Total	45992205	56.77	39239127	51740181	63.86	39239127

19. I note from the available records that the Noticee's sell quantity was 8,950 shares which contributed 0.01% of the total market volume in the scrip of Spectacle. The Noticee's sell quantity in Spectacle, within the NSE PPG entities was 8,835 shares, which contributed 0.022% of sell volume among the NSE PPG entities. From the above, I find that the Noticee, by trading amongst the group, has contributed to the volume created by the NSE PPG entities in the scrip of Spectacle.
20. The NSE PPG entities, including the Noticee, have executed following synchronized trades in the scrip. The trade and order details of the synchronized trades of the BSE PPG entities including the Noticee were provided to the Noticee as **Annexure F** to the SCN:

Table – 8 : Synchronized Trades by NSE PPG Entities:

Client Name	synchronised buy trades	% of Market Volume	% of sync to total buy by client	synchronised sale trades	% of Market Volume	% of sync to total sale by client
Labh Share and Stock Private Limited	163281	0.20	30.90	46500	0.06	95.95
Bharat Shantilal Thakkar	25750	0.03	3.01	71120	0.09	8.59
Bipin Jayant Thaker	276949	0.34	5.82	322577	0.40	6.00
Vasudev Ramchandra Kamat	**0**	**0.00**	**0.00**	**2500**	**0.00**	**27.93**
Bharat G Vaghela	1277904	1.58	17.13	599693	0.74	8.05
Chirag Rajnikant Jariwala	339022	0.42	6.71	367990	0.45	6.23
Kishore Chauhan	37149	0.05	1.63	143119	0.18	3.78
Bhavesh Pabari	126200	0.16	4.03	301140	0.37	7.69
Prem Mohanlal Parikh	252719	0.31	7.33	249652	0.31	6.88
Santosh Maruti Patil	1000	0.00	6.65	0	0.00	0.00
Hemant Madhusudan Sheth	320262	0.40	5.69	544491	0.67	9.47
Jigar Praful Ghoghari	51820	0.06	3.20	116796	0.14	8.86
Mala Hemant Sheth	12500	0.02	98.43	25000	0.03	93.46
Ankit Sanchaniya	250945	0.31	4.76	361351	0.45	5.23
Vivek Kishanpal Samant	459421	0.57	7.87	442993	0.55	6.70
	35,94,922	**4.44**	**7.82**	**35,94,922**	**4.44**	**6.95**

I note that the BSE PPG Entities including the Noticee have bought and sold 35,94,922 shares which is 4.44% of the total market volume, in a synchronized manner. The Noticee has sold 2500 shares in a synchronized manner.

21. The Noticee has contended "*….. there has to be sufficient evidence on record to clearly prove connivance on the part of the Noticee with a counter party. In the present SCN, no such iota of evidence of collusion with the counterparties to my trades has been found.* ". In this regard, I note that it is extremely difficult to prove facts which are especially within the knowledge of parties concerned and the legal proof in such circumstances depends upon the attending circumstances and, therefore, circumstantial evidence has to be taken into consideration. In this connection, it would be appropriate to refer to the Order of the Hon'ble Supreme Court of India in SEBI vs. Kishore Ajmera; Civil Appeal No. 2818 of 2008 (dated February 23, 2016), wherein the following has been observed with respect to market manipulations:

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

Therefore, I do not find any merit in the submission of the Noticee.

22. In view of the above, I conclude that the Noticee being part of the NSE & BSE PPG entities has indulged in trading among the group entities and

synchronized trades, involving no change of beneficial ownership, in the scrip of Spectacle. Thus, I find that the trading of the Noticee has also contributed to the creation of artificial volume and such trading is fraudulent in nature. Therefore, I find that the dealings of the Noticee are manipulative and therefore, the charges levelled against them in the SCN regarding the contravention of the provisions of Regulations 3(a), (b), (c), (d) and Regulations 4(1), 4(2)(a), (b) & (g) of PFUTP Regulations stand established.

23. I find from the investigation report that the buy order rate at which the Noticee placed the orders was close to the best available sell orders and as such the price rise on account of the said trades cannot be attributed to the Noticee. In view of the above, the allegation against the Noticee for violation of the provisions of Regulation 4(2)(e) of the PFUTP Regulations does not stand established.

24. I note that the Noticee has *inter alia* stated that the evidence to strengthen the connection such as KYC documents etc. are not provided with the SCN. However, it is seen that the data of the market trades and off market transaction of PPG entities including that of the Noticee, relied upon in the instant proceedings have already been provided to the Noticee.

25. The Hon'ble Supreme Court of India in the matter of SEBI Vs. Shri Ram Mutual Fund [2006] 68 SCL 216(SC) held that - *"In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant…".*

26. In view of the above, I am convinced that it is a fit case for imposition of monetary penalty on the Noticee under the provisions of Section 15HA of the SEBI Act, which reads as under:

SEBI Act

Penalty for fraudulent and unfair trade practices.

15HA. If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty of twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.

27. While determining the quantum of penalty under Section 15HA of the SEBI Act, it is important to consider the relevant factors as stipulated in the Section 15J of the SEBI Act which reads as under:-

Factors to be taken into account while adjudging quantum of penalty.

15J.While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or 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.

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

28. I further note that the available records do not mention the specific profits made by the Noticee or loss suffered by the investors due to volume manipulation committed by the Noticee in the instant case. The Noticee has also submitted that there is substantial delay involved in the proceedings since the time of remand. However, I cannot ignore the gravity of violations

involved in the matter. Having established that the Noticee had executed trades through which he contributed to the volume manipulation, in my opinion, such trades are certainly in the nature of causing adverse impact in disturbing the equilibrium of fair market mechanism. I also note that the other BSE & NSE PPG entities have contributed significantly in artificial volume creation by trading among themselves and by indulging in synchronized trades and self-trades in the scrip during the investigation period. However, in respect of the Noticee, the only charge is creation of artificial volume by trading among the PPG entities and Synchronized trades.

ORDER

29. Having considered all the facts and circumstances of the case as described above, the material available on record, the submissions made by the Noticee and also the factors mentioned in Section 15J of the SEBI Act and in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the AO Rules, I hereby impose a penalty of Rs. 1,00,000/- (Rupees One Lakh only) on the Noticee viz. Shri Vasudev Ramchandra Kamat under the provisions of Section 15HA of the SEBI Act. I am of the view that the said penalty is commensurate with the lapse/omission on the part of the Noticee.

30. The Noticee shall remit / pay the said total amount of penalty within 45 days of receipt of this order in either of the way, such as by following the path at SEBI website www.sebi.gov.in, ENFORCEMENT > Orders > Orders of AO > PAY NOW; OR by using the web link https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html. In case of any difficulties in payment of penalties, the Noticee may contact the support at portalhelp@sebi.gov.in.

31. The said confirmation of e-payment made in the format as given in table below should be sent to "The Division Chief, EFD-DRA- II, Securities and Exchange Board of India, SEBI Bhavan, Plot no. C- 7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e-mail id:- tad@sebi.gov.in

1. Case Name:	
2. Name of payee:	
3. Date of payment:	
4. Amount paid:	
5. Transaction no.:	
6. Bank details in which payment is made:	
7. Payment is made for: (like penalties/ disgorgement/recovery/ settlement amount and legal charges along with order details)	

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

33. In terms of the provisions of Rule 6 of the Adjudication Rules, copies of this order are being sent to Shri Vasudev Ramchandra Kamat and also to the Securities and Exchange Board of India, Mumbai.

Place: Mumbai
Date: March 20, 2020

Dr. ANITHA ANOOP
ADJUDICATING OFFICER