**BEFORE THE ADJUDICATING OFFICER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**[ADJUDICATION ORDER NO. Order/AN/PR/2023-24/27021-27024]**

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

In respect of:

| Noticee No. | Name of the Noticees | PAN |
|---|---|---|
| 1 | Kajalben Kiranbhai Trivedi | AGKPT9352Q |
| 2 | Rachita Shripalkumar Shah | ALSPS6004P |
| 3 | Shripal Sheshmal HUF | AAHHS7762L |
| 4 | MBL & Co. Ltd | AADCM8394F |

In the matter of manipulative trading activities of certain entities in the scrips of Cosyn Limited, Tera Software Limited, Flex Foods Limited and Jubilant Industries Limited

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## A. BRIEF BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") conducted detailed investigation in the scrips of Cosyn Limited (hereinafter also referred to as **"Cosyn"**), Tera Software Limited (hereinafter also referred to as "**Tera Software"**), Jubilant Industries Limited (hereinafter also referred to as "**Jubilant"/ "JIL"**) and Flex Foods Limited (hereinafter also referred to as "**Flex Foods"**) to examine manipulative trading activities and ascertain the violations, if any, of the provisions of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act, 1992"**) and SEBI (Prohibition of

Fraudulent and Unfair Trading Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as **"PFUTP Regulations, 2003"**).

2. Based on the findings of the detailed investigation in the aforesaid scrips, SEBI inter alia observed that Kajalben Kiranbhai Trivedi, (hereinafter referred to as "**Noticee-1**"), Rachita Shripalkumar Shah (hereinafter referred to as "**Noticee-2**"), Shripal Sheshmal HUF (hereinafter referred to as "**Noticee-3**") and MBL & Co. Ltd (hereinafter referred to as "**Noticee-4**") had individually contributed more than 5 % of the LTP in respective scrips, by way of placing small orders and **Noticee-4 had also carried out** self-trades. SEBI initiated adjudication proceedings against Noticee-1, Noticee-2, Noticee-3 and Noticee-4 (hereinafter collectively also referred to as "**Noticees")** for the alleged violations of the following provisions, as given below:

2.1. **Noticee-1, Noticee-2 and Noticee-3:** Provisions of Section 12A (a), (b), (c) of SEBI Act, 1992 and Regulations 3(a), (b), (c), (d) and Regulation 4(1), 4(2)(e) of PFUTP Regulations, 2003.

2.2. **Noticee-4:** Provisions of Section 12A (a), (b), (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c), (d) , 4(1) and 4(2) (a), (e), (g) of PFUTP Regulations, 2003.

## B. APPOINTMENT OF ADJUDICATING OFFICER

3. Whereas the Competent Authority of SEBI was prima facie of the view that there were grounds to adjudicate upon the alleged violations by the Noticees, Competent Authority of SEBI has, in exercise of powers conferred upon them under Section 19 of the SEBI Act, 1992 read with Section 15-I(1) of the SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as "**Adjudication Rules**"), appointed Mr. Parag Basu, Chief General Manager as the Adjudicating Officer vide Communique dated February 28, 2022 to inquire into and adjudge under section 15HA of the SEBI Act, 1992 for the aforesaid alleged violations.

Pursuant to the transfer of Mr. Parag Basu, Ms. Maninder Cheema, Chief General Manager was appointed as the Adjudicating Officer vide Communique dated March 11, 2022. Pursuant to the transfer of Ms. Maninder Cheema, Dr. Anitha Anoop was appointed as the Adjudicating Officer vide Communique dated June 07, 2022. Thereafter, pursuant to the transfer of Dr. Anitha Anoop, the undersigned has been appointed as the Adjudicating Officer in the matter vide communique dated September 05, 2022.

## C. SHOW CAUSE NOTICE, REPLY AND HEARING

4. A Show Cause Notice bearing reference no. EAD5/AA/PR/2022/31307 dated July 29, 2022 ("**SCN**") was issued to the Noticees in terms of Rule 4 of the Adjudication Rules to show cause as to why an inquiry should not be held against the Noticees and, why penalty, if any, should not be imposed on the Noticees under the provisions of Section 15HA of SEBI Act, 1992, for the violations alleged to have been committed by the Noticees.

5. The relevant extracts of SCN as regards the alleged violations are reproduced below:

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***LTP contribution analysis of Noticee-1 (Kajalben Kiranbhai Trivedi) in the scrip of Cosyn during IP-Cosyn through small trades at BSE***

*6) It was observed from Table-2 that, Noticee-1 was the top LTP contributor with a contribution of Rs.122.45 to net LTP and Rs.343.70 to total market positive LTP (i.e. 11.81% of total market positive LTP). It was further observed that Noticee-1's positive LTP contribution was more than 5% of total market positive LTP and the analysis of the trades of Noticee-1 during the IP-Cosyn is placed below:*

***Table-3: LTP Contribution in the scrip of Cosyn through small orders/trades by Noticee-1 during IP-Cosyn***

| Buyer Name | No. of trades (LTP >0) | Positive LTP Contribution when buy order qty. was of 1 share only | | Positive LTP Contribution when buy order qty. was between 2-10 shares | | Positive LTP Contribution when buy order qty. were more than 10 shares | | Total Positive LTP contribution (Rs.) | % of positive LTP to Total Market positive LTP | % contribution to total market positive LTP through small orders (1-10 shares) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | | | |
| Kajalben | 469 | 165.85 | 162 | 108.5 | 137 | 69.35 | 170 | 343.70 | 11.81% | 9.42% |

7) *It is observed from the above table that, out of the 469 trades with positive LTP contribution, Noticee-1 carried out 299 small buy trades (i.e. buy quantity ranged from 1 to 10 shares per trade) and thereby, contributed positive LTP of 9.42% through such small trades to the total market positive LTP.*

***LTP contribution analysis of Noticee-3 (Shripal Sheshmal HUF) in the scrip of Cosyn during IP-Cosyn through small trades at BSE***

8) *It is observed from Table-2 that, Noticee-3 contributed Rs. 262.90 to net LTP and Rs. 341.75 to total market positive LTP (i.e. 11.74% of total market positive LTP). It was further observed that Noticee-3's positive LTP contribution was more than 5% of total market positive LTP and the analysis of the trades of Noticee-3 during the IP-Cosyn is placed below:*

***Table-4: LTP Contribution in the scrip of Cosyn through small orders/trades by Noticee-3 during IP-Cosyn***

<table>
<tr><th rowspan="2">Buyer Name</th><th rowspan="2">No. of trades (LTP >0)</th><th colspan="2">Positive LTP Contribution when buy order qty. was of 1 share only</th><th colspan="2">Positive LTP Contribution when buy order qty. was between 2-10 shares</th><th colspan="2">Positive LTP Contribution when buy order qty. were more than 10 shares</th><th rowspan="2">Total Positive LTP contribution (Rs.)</th><th rowspan="2">% of positive LTP to Total Market positive LTP</th><th rowspan="2">% contribution to total market positive LTP through small orders (1-10 shares)</th></tr>
<tr><th>Positive LTP contribution</th><th>No. of trades</th><th>Positive LTP contribution</th><th>No. of trades</th><th>Positive LTP contribution</th><th>No. of trades</th></tr>
<tr><td>Shripal Sheshmal HUF</td><td>485</td><td>306.95</td><td>360</td><td>4.4</td><td>10</td><td>30.4</td><td>115</td><td>343.70</td><td>11.74%</td><td>10.69%</td></tr>
</table>

9) *It is observed from the above table that, out of the 485 trades with positive LTP contribution, Noticee-3 carried out 370 small buy trades (i.e. buy quantity ranged from 1 to 10 shares per trade) and thereby, contributed positive LTP of Rs 311.35 through such small trades to the total market positive LTP.*

**10)** *In view of the above, it is alleged that by placing buy orders of such miniscule quantity (1-10 shares) at a price higher than the LTP, Noticee-1 and Noticee-3 have indulged in manipulative trading practices wherein they contributed a total of 9.42% and 10.69% to total market positive LTP through small orders, respectively and thereby contributed a total of 11.81% and 11.74 % to the total market positive LTP in the scrip of Cosyn during the IP-Cosyn.*

***New High Price (NHP) Analysis in the scrip of Cosyn at BSE during IP-Cosyn for entities which contributed more than 5% of positive LTP***

11) *The NHP contribution of the entities which had contributed more than 5% of market positive LTP during the IP-Cosyn was analyzed. During the IP-Cosyn, the price of the scrip moved from opening price of Rs.53.15 to a high price of Rs.161.9 at BSE and Rs.108.75 NHP was created.*

*12) Noticee-1 and Noticee-3 contributed positive LTP of more than 5% to market positive LTP during IP-Cosyn at BSE. The details of NHP contributed by Noticee-1 and Noticee-3 is given below:*

***Table-5: NHP contribution by entities which contributed more than 5% to market positive LTP at BSE during the IP***

| Client Name | Quantity | Number of Trades | Contribution To Market NHP | % of Market NHP |
|---|---|---|---|---|
| Kajalben Kiranbhai Trivedi (Noticee-1) | 3806 | 28 | 5.20 | 4.78% |
| Shripal Sheshmal HUF (Noticee-3) | 438 | 17 | 4.05 | 3.72% |
| **Market total** | **73177** | **423** | **108.75** | **100.00%** |

*13) It was observed from the table above that, Noticee-1 and Noticee-3 contributed Rs 5.20 and Rs 4.05 respectively to the market NHP which amounted to 4.78% and 3.72% of market NHP, respectively. Noticee-1 and Noticee-3 had also contributed to LTP through small trades as discussed previously. Therefore, it is alleged that their contribution of NHP further corroborates their manipulative trading pattern.*

***14)*** *Therefore**, it is alleged that Noticee-1 and Noticee-3 violated the provisions of section 12A (a), (b) and (c) of SEBI Act, 1992, Regulation 3 (a), (b), (c), (d), by indulging in manipulative device and dealing in securities in a fraudulent manner as described in the previous paragraphs and violated Regulation 4 (1) and Regulation 4 (2) (e) of PFUTP Regulations, 2003 by manipulating the price of the aforesaid scrip.***

*………...*

***LTP contribution analysis of Noticee-3 (Shripal Sheshmal HUF) in the scrip of Tera Software during Tera-Phase 1 through small trades***

*5) It is observed from Table-6 that, Noticee-3 had contributed Rs. 133.75 to total market positive LTP (i.e. 7.30% of total market positive LTP) through 363 buy trades. It was further observed that Noticee-3 placed many small buy orders. The analysis of contribution of Noticee-3 to LTP through such small trades is given below:*

***Table 7: LTP Contribution in the scrip of Tera Software through small orders/trades by Noticee-3 during Tera-Phase 1***

<table>
<tr><th rowspan="2">Buyer Name</th><th rowspan="2">No. of trades (LTP >0)</th><th colspan="2">Positive LTP Contribution when buy order qty. was of 1 share only</th><th colspan="2">Positive LTP Contribution when buy order qty. was between 2-10 shares</th><th colspan="2">Positive LTP Contribution when buy order qty. were more than 10 shares</th><th rowspan="2">Total Positive LTP contribution (Rs.)</th><th rowspan="2">% of positive LTP to Total Market positive LTP</th><th rowspan="2">% contribution to total market positive LTP through small orders (1-10 shares)</th></tr>
<tr><th>Positive LTP contribution</th><th>No. of trades</th><th>Positive LTP contribution</th><th>No. of trades</th><th>Positive LTP contribution</th><th>No. of trades</th></tr>
<tr><td>Shripal Sheshmal HUF</td><td>363</td><td>107.65</td><td>247</td><td>12.3</td><td>35</td><td>13.8</td><td>81</td><td>133.75</td><td>7.30%</td><td>6.54%</td></tr>
</table>

6) *It was observed from the above table that, out of 363 trades with positive LTP contribution, Noticee-3 carried out 282 (247 + 35 trades) small buy trades (i.e. buy quantity ranged from 1 to 10 shares per trade) and thereby, contributed positive LTP of Rs 199.95 (Rs 107.65+ Rs 12.3) through such small trades to total market positive LTP.*

7) *In view of the above, it is alleged that by placing buy orders of such miniscule quantity (1-10 shares) at a price higher than the LTP, Noticee-3 indulged in manipulative trading practices wherein he contributed a total of 6.54% to total market positive LTP through small orders, and thereby contributed a total of 7.30% to the total market positive LTP in the scrip of Tera Software during Tera-Phase 1.*

8) ***Therefore, it is alleged that Noticee-3 violated the provisions of section 12A (a), (b) and (c) of SEBI Act, 1992, Regulation 3 (a), (b), (c), (d), by indulging in manipulative device and dealing in securities in a fraudulent manner as described in the previous paragraphs and violated Regulation 4 (1) and Regulation 4 (2) (e) of PFUTP Regulations, 2003 by manipulating the price of the aforesaid scrip.***

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***LTP contribution analysis of Noticee-2 (Rachita Shripalkumar Shah) in the scrip of Tera Software during Tera-Phase 2***

11) *It is observed from Table-8 that, Noticee-2 was the top LTP contributor with contribution of Rs.65.05 to net LTP and Rs.79.60 to total market positive LTP (i.e. 7.08% of total market positive LTP). It was further observed that Noticee-2 placed many small buy orders. The analysis of contribution of Noticee-2 to LTP through such small trades is given below:*

***Table 9: LTP Contribution in the scrip of Tera Software through small orders/trades by Noticee-2 during Tera-Phase 2***

| Buyer Name | No. of trades (LTP >0) | Positive LTP Contribution when buy order qty. was of 1 share only | | Positive LTP Contribution when buy order qty. was between 2-10 shares | | Positive LTP Contribution when buy order qty. were more than 10 shares | | Total Positive LTP contribution (Rs.) | % of positive LTP to Total Market positive LTP | % contribution to total market positive LTP through small orders (1-10 shares) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | | | |
| Rachita Shripalkumar Shah | 146 | 63.1 | 99 | 11.45 | 18 | 5.05 | 29 | 79.60 | 7.08% | 6.63% |

12) *It is observed from the above table that, out of 146 trades with positive LTP contribution, Noticee-2 carried out 117 (99 + 18 trades) small buy trades (i.e. buy quantity ranged from 1 to 10 shares per trade) and thereby, contributed positive LTP of Rs 74.55 (Rs 63.1 + Rs 11.45) through such small trades to total market positive LTP.*

13) *In view of the above, it is alleged that by placing buy orders of such miniscule quantity (1-10 shares) at a price higher than the LTP, Noticee-2 indulged in manipulative trading practices wherein the contribution was a total of 6.63% to total market positive LTP through small orders, and thereby contributed a total of 7.08% to the total market positive LTP in the scrip of Tera Software during Tera-Phase 2.* ***Therefore, it is alleged that Noticee-3 violated the provisions of section 12A (a), (b) and (c) of SEBI Act, 1992, Regulation 3 (a), (b), (c), (d), by indulging in manipulative device and dealing in securities in a fraudulent manner as described in the previous paragraphs and violated Regulation 4 (1) and Regulation 4 (2) (e) of PFUTP Regulations, 2003 by manipulating the price of the aforesaid scrip.***

*…………"*

***LTP contribution analysis of Noticee-2 (Rachita Shripalkumar Shah) in the scrip of Flex Foods during IP-Flex***

4) *It is observed from Table-10 that, Noticee-2 was the top LTP contributor with contribution of Rs. 82.85 to net LTP and Rs. 105.10 to total market positive LTP (i.e. 10.96% of total market positive LTP). It is further observed that Noticee-2 placed many small buy orders. The analysis of contribution of Noticee-2 to LTP through such small trades is given below:*

***Table 11: LTP Contribution in the scrip of Flex Foods through small orders/trades by Noticee-2 during IP-Flex***

| Buyer Name | No. of trades (LTP >0) | Positive LTP Contribution when buy order qty. was of 1 share only | | Positive LTP Contribution when buy order qty. was between 2-10 shares | | Positive LTP Contribution when buy order qty. were more than 10 shares | | Total Positive LTP contribution (Rs.) | % of positive LTP to Total Market positive LTP | % contribution to total market positive LTP through small orders (1-10 shares) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | | | |
| Rachita Shripalkumar Shah | 185 | 90.05 | 121 | 8.25 | 21 | 6.8 | 43 | 105.1 | 10.96% | 10.24% |

*It is observed from the above table that, out of 185 trades with positive LTP contribution, Noticee-2 carried out 142 (121 + 21 trades) small buy trades (i.e. buy quantity ranged from 1 to 10 shares per trade) and thereby, contributed positive LTP of Rs 98.3 (Rs 90.05 + Rs 8.25) through such small trades to total market positive LTP.*

5) *In view of the above, it is alleged that by placing buy orders of such miniscule quantity (1-10 shares) at a price higher than the LTP, Noticee-2 indulged in manipulative trading practices wherein the contribution was a total of 10.24% to total market positive LTP through small orders, and thereby contributed a total of 7.08% to the total market positive LTP in the scrip of Flex Foods during IP-Flex.* ***Therefore, it is alleged that Noticee-3 violated the provisions of section 12A (a), (b) and (c) of SEBI Act, 1992, Regulation 3 (a), (b), (c), (d), by indulging in manipulative device and dealing in securities in a fraudulent manner as described in the previous paragraphs and violated Regulation 4 (1) and***

***Regulation 4 (2) (e) of PFUTP Regulations, 2003 by manipulating the price of the aforesaid scrip.***

*…………..*

***LTP contribution analysis of Noticee-4 (MBL & Co. Ltd) in the scrip of Jubilant Industries during IP-Jubilant at NSE***

*4) It is observed from Table-12 that, Noticee-4 was the top LTP contributor with contribution of Rs.110.85 to net LTP and Rs.487.60 to total market positive LTP (i.e. 8.88% of total market positive LTP).It was further observed that Noticee-4 placed many small buy orders. The analysis of positive LTP contribution of Noticee-4 through such small trades is given below:*

***Table 13: LTP Contribution in the scrip of Jubilant Industries through small orders/trades by Noticee-4 during IP-Jubilant***

| Buyer Name | No. of trades (LTP >0) | Positive LTP Contribution when buy order qty. was of 1 share only | | Positive LTP Contribution when buy order qty. was between 2-10 shares | | Positive LTP Contribution when buy order qty. were more than 10 shares | | Total Positive LTP contribution (Rs.) | % of positive LTP to Total Market positive LTP | % contribution to total market positive LTP through small orders (1-10 shares) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | | | |
| MBL & Co. Ltd | 1351 | 340.7 | 608 | 37.4 | 108 | 109.5 | 635 | 487.60 | 8.88% | 6.89% |

*5) It is observed from the above table that, out of 1351 trades with positive LTP contribution, Noticee-2 carried out 716 (121 + 21 trades) small buy trades (i.e. buy quantity ranged from 1 to 10 shares per trade) and thereby, contributed positive LTP of Rs 378.1 (Rs 340.7 + Rs 37.4) through such small trades to total market positive LTP.*

***Analysis of self-trades executed by Noticee-4 (MBL & Co. Ltd) in the scrip of Jubilant***

*6) The highest counterparty concentration in positive LTP trades was Rs 191.8 i.e. 3.49% of market positive LTP through self-trades. Summary of self-trades by Noticee-4 is placed below in tabular manner.*

| ***Clientname*** | ***Traded Qty*** | ***No Trades*** | ***Number Days*** | ***Ltp Rate*** | ***Pos Ltp*** |
|---|---|---|---|---|---|
| *Mbl & Co. Limited* | *2157* | *1426* | *11.0* | *51.05* | *191.80* |
| ***Total*** | ***2157*** | ***1426*** | ***11.0*** | ***51.05*** | ***191.80*** |

*7) From the above table it is seen that, Noticee-4 during IP-jubilant was involved in 1426 self-trades and contributed Rs. 51.05 to net LTP. (Details of all the self-trades by Noticee-4 during the period is placed as* ***Annexure-2****)*

*8) Noticee-4 contributed Rs. 191.80 to total market positive LTP i.e. 3.49% of total market positive LTP through 534 self-trades. Further, positive LTP of Rs. 165.95* *out of Rs 191.80 was contributed through such self-trades where buy-order quantity ranged from 1 to 10 shares per trade. Also, positive LTP of Rs 168.15 out of Rs 191.8 was contributed through such self-trades where both Buy-terminal ID and Sell-Terminal ID were same i.e. 27132 and buy and sell dealer was also same i.e. Subhashish Sen.*

*…….*

***9)*** *In view of the above, it is alleged that by placing buy orders of such miniscule quantity (1-10 shares) at a price higher than the LTP, Noticee-4 indulged in manipulative trading practices wherein it contributed a total of 6.89% to total market positive LTP through such small orders trades, and thereby contributed a total of 8.88% to the total market positive LTP in the scrip of Jubilant Industries during IP-Jubilant. Further, Noticee-4 executed 534 self-trades which lead to a positive LTP contribution of Rs. 191.80 (i.e. 3.49% of total market positive LTP).*

***10) Therefore, it is alleged that Noticee-4 violated the provisions of section 12A (a), (b) and (c) of SEBI Act, 1992, Regulation 3 (a), (b), (c), (d) by indulging in manipulative device and dealing in securities in a fraudulent manner as described in the previous paragraphs and violated Regulation 4 (1) and Regulation 4 (2) (a),(e), (g) of PFUTP Regulations, 2003 by indulging in act which created false or misleading appearance of trading in the securities market, by manipulating the price of the aforesaid scrip and by entering into transactions in securities without the intention of performing it such as the self-trades executed by it.***

*………..”*

**<u>Noticee-1: Kajalben Kiranbhai Trivedi</u>**

6. Noticee-1 through her Authorized Representative (“AR”) (Authority letter dated August 22, 2022) submitted her reply to the SCN vide email dated August 26, 2022.

7. Vide Hearing Notice dated October 21, 2022, Noticee-1 was granted an opportunity of hearing on November 10, 2022 through video conferencing on Webex platform. The AR of Noticee-1 availed the opportunity of hearing through Webex. During the hearing, he reiterated the written submissions made through email dated August 26, 2022 and requested for additional time to make further written submissions. Accordingly, time till November 17, 2022 was allowed. Thereafter, Noticee-1 through AR made further written submissions, vide email dated November 16, 2022.

8. The key submissions made by Noticee-1 vide her email dated August 26, 2022 and email dated November 16, 20222 are briefly summarized as under:

*8.1. She mainly carried out jobbing transactions i.e. buying and selling scrips on intraday basis. In the year 2016-2017, she carried out transactions of more than Rs. 200 crores in a year in around 190-250 multiple scrips depending on the market conditions and availability of arbitrage. She is a regular day trader and not a novice to the trading activities. She is an active trader and conducted business as a jobber maintaining a regular sum-zero or net zero volume at the end of the day or within a few days.*

*8.2. She traded in Cosyn in normal routine course of her jobbing activity with an intent to earn profits. She has incurred a profit of Rs. 81, 000/- in the scrip of Cosyn. She earns profit based on large volume of trading. But sometimes when she sees volatility in a scrip, she creates a buy/sell position in that scrip. This was one such case where she saw great potential in the company and decided to hold shares for more than a day. In this regard, by a mere look at the price-volume data for the investigation period, it could be seen that there was huge price-volume deffence during that period, so she took this as an opportunity to do by jobbing trades. During the period of September 2016 to December 2016, was low delivery position and wider spread between open and close and high and low position in the scrip which laid down perfect condition for executing jobbing transactions. Further, financials of Cosyn was also improving strength by strength. These all factors contributed in developing her interest in this scrip and executing jobbing transactions.*

*8.3. None of her trades were ever based on any inputs or information and/or of any tip and/or any unpublished price sensitive information be it from any person or otherwise. Also, she submitted that at no point of time she was aware/privy to any unpublished, price sensitive information in relation to Cosyn.*

*8.4. Her rational for selling the shares of the said scrip in small quantity to check and verify the price and buyer in the said scrip. Since she is a jobber, so before she puts large quantity, she verifies and checks the same. Sometimes, due to technical reasons, like net issue or terminal is not working, she has to place the order again and trade in loss due to price and volume movement.*

*8.5. She cited* Hon'ble *SAT order in S.P.J stock brokers Pvt. Ltd. v. SEBI;* Hon'ble *Supreme Court order in Kirti Pal v. state of West Bengal (2015) 11 SCC 178;*

*8.6. Her trading in Cosyn was market wide practice which had been used by many brokers in order to carry out arbitrage and jobbing. Further, the volume was not that significant which can impact on trading of Cosyn. Her trades were arbitrage/jobbing trades, which by its very nature were mostly squared off during the same trading session. However, these had not resulted in either inflation or depression of the price of the security by her.*

*8.7. She did not create false market either singly or in concert with others or indulged in any act detrimental to the investors' interest or which leads to interference of the fair and smooth functioning of the market. She is not connected or associated with any of promoter or buyer or seller in the said scrip. She had entered into trades with the intention to fulfil obligation arising out of it. She had traded for her own interest not for any promoter of the company or any other person.*

*8.8. She fails to understand why her trades were called as manipulative trades and where she has traded within the four corner of the rules and regulations of the Exchange. She fails to understand why being top buyer or seller in any particular scrip is it violation of rule and regulations.*

*8.9. When she was on a buyer side, she had executed around 1914 trades to the 23874 trades of all the market trades with around 622 of unique client in span of 34 days. During the said* *period, she had executed around 216874 qty of trades out of total 4462739 qty in the market. The said data is so miniscule to allege that her trades as manipulative trades.*

*8.10. It is a matter of record that her trades had also contributed to new high price in the price of Cosyn shares and therefore, she has no comments to offer on the same. However, this price rise and fall of the scrip of Cosyn was because of a normal market fluctuation and not a notable situation and her trades were no manner responsible for the same.*

*8.11. Apart from pointing out the fact that she has carried out manipulative trades, no further proof has been provided of any wrong doing to establish that they were carried out intentionally. The SCN does not state about profit which has been made by her by engaging in these trades or any loss which has incurred by others because of these trades.*

*8.12. The SCN is based on low preponderance of probabilities, thus the SCN is bad in law and so must be withdrawn and the proceedings must be dropped. In this regard, She cited following case laws- Union of India v. Chartubhai M. Patel (AIR 1976 SC 712); Parsoli Corporation v. SEBI; Sterlite Industries v. SEBI.*

*8.13. The allegations are not substantiated by any evidence or material on record. The charges are based on surmises and conjectures and on the wild allegations of having carried out collusive trading, the impact of which on securities market is negligible. She submitted that such allegations supported by no proof are absolutely uncalled for. In this regard, she cited following case laws- Hon'ble SAT order in KSL & Industries Ltd v. SEBI; Hon'ble High court order in Union of India v. H.C.Goel; L.D. Jaisinghani v. Naraindas N Punjabi (1976) 1 SCC 354; Razikram v. J.S. Chauhan AIR 1975 SC 667; Hon'ble Supreme Court order in Ambalal v. Union of India AIR 1961 SC 264; Seth Gulabchand v. Seth Kudilal AIR 1966 SC 1734.*

*8.14. She submitted that before levying an allegation of manipulation of trades, it is imperative to determine factors like collusion between parties to the trades as well as the trading patterns. No evidence or averments has been put forth in any of the Notice to suggest that she had any prior meeting of minds with the counterparty or other entities.*

*8.15. She is not part of any fictitious/manipulative trading and her trading pattern in the investigation period will clearly show she was doing truly jobbing transaction because at the end of the day her net position of the shares of Cosyn was zero.*

**<u>Noticee-2: Rachita Shripalkumar Shah</u>**

9. In response to the SCN dated July 29, 2022, vide letter dated August 23, 2022, Noticee-2 filed preliminary submissions and requested for inspection of documents and copies thereof. Vide email & letter dated October 04, 2022, Noticee-2 was given an opportunity of inspection of relevant extract of Investigation Report on October 10, 2022. Vide email dated October 10, 2022, Noticee-2 sought adjournment of the scheduled inspection of documents and requested for another date. Accordingly, vide email dated October 14, 2022, opportunity for inspection was rescheduled to October 20, 2022. On October 20, 2022, the AR of Noticee-2 (Authority letter dated October 15, 2022) availed opportunity of inspection of the relevant Investigation Report and took copies

of the same. Further, as sought, Noticee-2 was also provided with copies of relevant order logs vide email dated October 21, 2022.

10. Vide email and letter dated October 21, 2022, Noticee-2 was granted an opportunity of hearing through video conferencing on November 10, 2022. Vide email dated November 08, 2022, Noticee-2 inter-alia sought adjournment of the hearing scheduled on November 10, 2022 and referred to her letter dated October 21, 2022 requesting for certain documents. Accordingly, vide email dated November 16, 2022, the opportunity of hearing was rescheduled to November 30, 2022 and Noticee-2 was provided with relevant trade logs. Further, Noticee-2 was advised to file her written submissions latest by November 28, 2022. Vide email dated November 29, 2022, the AR of Noticee-2 (Authority letter dated November 26, 2022) requested to conduct in-person physical hearing on November 29, 2022.

11. Accordingly, the AR availed the opportunity of hearing on November 29, 2022. During the hearing, AR of Noticee-2 indicated that written submissions to the SCN could not be filed in respect of Noticee-2 and requested for additional time of a week to make the written submissions. Accordingly time till December 05, 2022 was allowed. Thereafter, vide letter dated December 01, 2022, Noticee-2 filed her written submissions.

12. The key submissions made by Noticee-2 vide letter dated December 01, 2022 are briefly summarized as under:

*12.1.1. All the dealings were handled by her husband Shripal Shah. Based on her limited understanding and knowledge of matter and explanation received from her husband, she has made the submissions.*

*12.1.2. She had traded in the scrip of Tera Software prior and during the investigation period.*

*12.1.3. As regards Tera Software, she had a total turnover of around Rs. 22,19,332/- (collectively on Buy and Sell side) in the scrip of Tera Software wherein she made a profit of only 6116/-. Her turnover in the scrip of Tera Software was 5.04% of her total turnover of Rs. 4, 40, 00,000/- during the investigation period in the BSE cash segment. As regards Flex Foods, she had a total turnover of around Rs. 37, 39, 932/- (collectively on Buy and Sell side in the scrip of Flex Foods) wherein she made a profit of only 5,862/-. Her turnover in the scrip of Flex Foods was 17.18% of her total turnover of Rs. 2,17,64,000/- during the investigation period in the cash segment. The transactions in the scrips were miniscule in comparison to her total turnover in various scrips during the investigation period. The trades were in the normal course of trading activity.*

*12.1.4. Her transactions were independent and totally in isolation to transactions as carried out by other entities/person in scrip of Tera software. She had no interest in the rise or fall in* *the price of Tera software. Except the marginal profit, she has not made any other gain or benefit. Except for intraday squaring off trades, she had no interest in the rise or fall in the price of Tera Software and Flex Foods.*

*12.1.5. Her buying of shares was not concentrated but was spread across 22 days in Tera Software and 10 days in Flex Foods.*

*12.1.6. SCN is silent on the fact that there were both buy and sell transactions. It is not that she has specifically bought the shares during the investigation period. It is not that her trades in Tera Software and Flex Foods were focused only during the investigation period. In total she has bought 12, 093 shares and sold 12, 093 shares of Tera Software and bought 20, 506 shares and sold 20, 506 shares of Flex Foods during the investigation period at BSE. She has adopted similar trading pattern in other scrips as well.*

*12.1.7. Alleged positive LTP trades is less than the high price during the day and high than the low price hence quantity of LTP will not contribute to any artificial scenario and hence would not change the market equilibrium.*

*12.1.8. As regards Tera software, out of total buy trades only 29.93% of shares are alleged to be above LTP, 70.07% of shares are alleged to be at LTP or below LTP. As regards Flex Foods, out of total buy trades only 24.09% of shares are alleged to be above LTP, 75.91% of shares are alleged to be at LTP or below LTP .The trades which resulted in positive LTP is negligible if compared to overall shares traded during the investigation period. Only certain percentage of trade resulted in positive LTP. Majority trades were either at LTP or below. This proves beyond reasonable doubt that there was no intent to manipulate price of the scrip. The allegation that the intent was only to positively affect the price of shares is not correct.*

*12.1.9. She did not have high speed internet. Due to the aforesaid, the bid and offer quotes were refreshed late, so most of the time she had to check the actual rates by buying or selling a sauda. As major quantity of shares cannot be bought or sold for checking the actual rate which is not otherwise reflected on the screen, so she had to buy or sell minimum quantity i.e. between 1 share to 10 shares. After dealing in small quantity, she had placed orders for more quantity i.e. more than 10. Hence it cannot be said that she traded only in small quantities.*

*12.1.10. Transactions were at the prevailing price and had no impact on market equilibrium. No price or volume has been affected. Small trades and minor variation in price cannot disturb or impact market equilibrium. Both the scrips had been liquid throughout and highly traded. The price and volume of the shares of both Cosyn and Tera Software is not in much variance*

*12.1.11. No nexus-connivance or collusion with promoters, directors, employees and any of its connected entities.*

*12.1.12. No investor loss or complaints in this respect of dealings in the scrip of Tera Software and Flex Foods.*

*12.1.13. She has cited SEBI orders wherein the directions imposed on entities w.r.t similar allegation of LTP contribution was revoked namely, Shyam Vyas,Bharat Bagri and Sumitra Devi Agrawal in the matter of First Financial Services Ltd.; JMS Financial services Ltd and Sanjay Shah in the matter of Pine Animation Ltd.; Bharat Bagri HUF and anr in the matter of Kailash Auto Finance Ltd.; Shyam Vyas in the matter of Mishka Finance and Trading Ltd.*

*12.1.14. She submitted that proceedings are after long efflux of time. There is an inordinate delay in initiation of proceedings by SEBI. In this regard, Noticee has cited following cases- Ashok Shivlal Rupani & anr v. SEBI; Mr. Rakesh Kathotia v. SEBI; Khandwala Securities Ltd (referred to in the order of H B Stockholding), State of Gujarat v. Patel Raghav Natha AIR 1969 SC 1297.*

*12.1.15. She has submitted that strict proof is required for serious charge of fraud and cited cases, namely- R.K.Global v. SEBI, Narendra Ganatra v. SEBI, Videocon International v. SEBI, Parsoli Corporation v. SEBI.*

*12.1.16. She has submitted that compelling evidence is required to charge someone of fraud and cited cases namely-Ram Sharan Yadav v. Thakur MuneshwarNath Singh (AIR 1985 SC 24); Bishundeonarain & anr v. Seogeni Rai & anr (1951 AIR 280); Nandkishore Prasad v. state of Bihar (1978 AIR 1277);*

**Noticee-3: Shripal Sheshmal HUF**

13. In response to the SCN dated July 29, 2022, vide letter dated August 23, 2022, Noticee-3 filed preliminary submissions and requested for inspection of documents and copies thereof. Vide email and letter dated October 04, 2022, Noticee-3 was given an opportunity of inspection of relevant extract of Investigation Report on October 10, 2022. Vide email dated October 10, 2022, Noticee-3 sought adjournment of the scheduled inspection of documents and requested for another opportunity for the same. Accordingly, vide email dated October 14, 2022, opportunity for inspection was rescheduled to October 20, 2022. On October 20, 2022, the AR of Noticee-3 (Authority letter dated October 15, 2022) availed the opportunity of inspection of the relevant documents and took copies of the same. Further, as sought, Noticee-3 was also provided with copies of relevant order logs vide email dated October 21, 2022.

14. Vide email and letter dated October 21, 2022, Noticee-3 was granted an opportunity of hearing on November 10, 2022. Vide email dated November 08, 2022, Noticee-3 inter-alia, sought adjournment of the hearing scheduled on November 10, 2022 and referred to its letter dated October 21, 2022 requesting for documents as stated therein. Accordingly, vide email dated November 16, 2022, the opportunity of hearing was rescheduled to November 30, 2022 and Noticee-3 was provided with relevant trade logs. Further, Noticee-3 was advised to file written submissions latest by November 29, 2022. Accordingly, vide letter dated November 26, 2022, Noticee-3 submitted its reply to the SCN. Vide email dated November 29, 2022, the AR of Noticee-3 (Authority letter dated November 26, 2022) requested to conduct in-person physical hearing on November 29, 2022.

15. Accordingly, Noticee-3 through its AR availed the opportunity of hearing on November 29, 2022. During the hearing, the AR reiterated written submissions made through letter dated November 26, 2022 and also submitted that there were no additional/further submissions to be made.

16. The key submissions made by Noticee-3 vide letter dated November 26, 2022 are briefly summarized as under:

*16.1. It is momentum trader and have been dealing in the securities market for more than 20 years. They generally select the scrips for trading as per their skills and trend of the company and also use top gainers and losers to select the scrips to trade.*
*16.2. It has traded in the scrip of Cosyn, prior and during and post the investigation period. It is not the case that they traded only during the investigation period.*
*16.3. As regards Cosyn, it had a total turnover of around Rs. 79, 45, 175/- (collectively on Buy and Sell side) wherein it made a profit of only 28, 374/-. Its turnover in the scrip of Cosyn was 9.75% of its total turnover of Rs. 8, 15, 00, 000/- during the investigation period in the cash segment. As regards Tera Software, it had a total turnover of around Rs.83,71,728 (collectively on Buy and Sell side) wherein it made a profit of only Rs. 11, 676/-. Its turnover in the scrip of Tera Software was 12.22% of its total turnover of Rs. 6,85,00,000/- during the investigation period in the cash segment. The transactions in the scrips were miniscule in comparison to total turnover in various scrips during the investigation period. The trades were in the normal course of trading activity.*
*16.4. Transactions were independent and totally in isolation to transactions as carried out by other entities/person in scrip of Cosyn and Tera software. Except the marginal profit, it had not made any other gain or benefit. Except for intraday squaring off trades, had no interest in the rise or fall in the price of Cosyn or Tera software.*
*16.5. Buying of shares was not concentrated but was spread across 24 days in Cosyn and 15 days in Tera Software.*
*16.6. SCN is silent on the fact that there were both buy and sell transactions. It is not that it has specifically bought the shares during the investigation period. It is not that trades in Cosyn and Tera Software were focused only during the investigation period. In total it had bought 36,949 shares and sold 36, 949 shares of Cosyn and bought 44, 837 shares and sold 44, 837 shares of Tera Software during the investigation period at BSE. It has adopted similar trading pattern in other scrips as well.*
*16.7. Alleged positive LTP trades is less than the high price during the day and high than the low price hence quantity of LTP will not contribute to any artificial scenario and hence would not change the market equilibrium.*
*16.8. As regards Cosyn, out of total buy trades only 34.49% of shares are alleged to be above LTP, 65.51% of shares are alleged to be at LTP or below LTP. As regards Tera software, out of total buy trades only 25.67% of shares are alleged to be above LTP, 74.33% of shares are alleged to be at LTP or below LTP .The trades which resulted in positive LTP is negligible if compared to overall shares traded during the investigation period. Only certain percentage of trade resulted in positive LTP. Majority trades were either at LTP or below. This proves beyond reasonable doubt that there was no intent to manipulate price of the scrip. The allegation that the intent was only to positively affect the price of shares is not correct.*
*16.9. As regards charge of new high price in the scrip of Cosyn, Noticee-3 submitted that out of 36, 949 shares only 438 shares are alleged to be violative of PFUTP Regulations. That is only 1.18% of shares out of total shares sold are alleged to have caused NHP. Further, out of total trades of 1041 trades only 17 trades are alleged to be violative of PFUTP Regulations which is only 0.16% of total number of trades.*
*16.10. Due to the aforesaid, the bid and offer quotes were refreshed late, so most of the time she had to check the actual rates by buying or selling a sauda. As major quantity of shares cannot be bought or sold for checking the actual rate which is not otherwise reflected on the screen, so she had to buy or sell minimum quantity i.e. between 1 share to 10 shares.*
*16.11. Transactions were at the prevailing price and had no impact on market equilibrium. No price or volume has been affected. Small trades and minor variation in price cannot disturb or impact market equilibrium. Both the scrips had been liquid throughout and highly traded. The price and volume of the shares of both Cosyn and Tera Software is not in much variance*
*16.12. No nexus-connivance or collusion with promoters, directors, employees and any of its connected entities.*
*16.13. No investor loss or complaints in this respect of dealings in the scrip of Tera Software and Flex Foods.*
*16.14. Noticee-3 has cited SEBI orders wherein the directions imposed on entities w.r.t similar allegation of LTP contribution was revoked namely, Shyam Vyas,Bharat Bagri and Sumitra*

*Devi Agrawal in the matter of First Financial Services Ltd.; JMS Financial services Ltd and Sanjay Shah in the matter of Pine Animation Ltd.; Bharat Bagri HUF and anr in the matter of Kailash Auto Finance Ltd.; Shyam Vyas in the matter of Mishka Finance and Trading Ltd.*

*16.15. Noticee-3 has submitted that proceedings are after long efflux of time. There is an inordinate delay in initiation of proceedings by SEBI. In this regard, Noticee has cited following cases- Ashok Shivlal Rupani & anr v. SEBI; Mr. Rakesh Kathotia v. SEBI; HB Stockholdings; Khandwala Securities Ltd (referred to in the order of H B Stockholding), State of Gujarat v. Patel Raghav Natha AIR 1969 SC 1297.*

*16.16. Noticee-3 has submitted that strict proof is required for serious charge of fraud and cited cases, namely- R.K.Global v. SEBI, Narendra Ganatra v. SEBI, Videocon International v. SEBI, Parsoli Corporation v. SEBI.*

*16.17. Noticee-3 has submitted that compelling evidence is required to charge someone of fraud and cited cases namely-Ram Sharan Yadav v. Thakur MuneshwarNath Singh (AIR 1985 SC 24); Bishundeonarain & anr v. Seogeni Rai & anr (1951 AIR 280); Nandkishore Prasad v. state of Bihar (1978 AIR 1277).*

**<u>Noticee-4: MBL & Co. Ltd</u>**

17. In response to the SCN dated July 29, 2022, vide letter dated August 16, 2022, Noticee-4 filed preliminary submissions and requested for inspection of documents and copies thereof. Vide email dated October 03, 2022, Noticee-4 was given an opportunity of Inspection of relevant documents on October 10, 2022. On October 10, 2022, the AR of Noticee-4 (Authority letter dated October 04, 2022) availed the opportunity of inspection of relevant documents and took copies of the same.

18. Vide email and letter dated October 21, 2022, Noticee-4 was granted an opportunity of hearing on November 10, 2022. Vide letter dated November 04, 2022, Noticee-4 sought adjournment of the scheduled hearing and sought additional time to file the written submissions. Accordingly, vide email dated November 14, 2022, hearing was rescheduled to November 29, 2022 and Noticee-4 was advised to file its written submissions latest by November 28, 2022. Vide letter dated November 22, 2022, Noticee-4 submitted its reply to the SCN. The AR of Noticee-4 (Authority letter dated November 23, 2022) availed the opportunity of hearing on November 29, 2022. During the hearing, the AR reiterated the written submissions made through letter dated November 22, 2022 and also submitted that there were no additional/further submissions to be made.

19. The key submissions made by Noticee-4 vide its letter dated August 16, 2022 and November 22, 2022 are briefly summarised as under:

*19.1. A common Show Cause Notice is issued in the caption matter wherein the allegation and role of noticees are different from one another and even the scrips traded are different. Hence, great prejudice is caused to us by issuance of a Common Show Cause Notice.*

*19.2. It deals in the securities market on behalf of its clients and also carries out proprietary trading in various scrips. It was primarily involved in intra-day/jobbing activities in the stock market and deal in stock market through dealers employed with it. It had arbitrage/jobbing desk at its office and used to have jobbers who used to trade on behalf of the Noticee. All were allotted separate trading terminals. An arbitrage/jobbing transaction is normally carried out to take benefit of the intraday price fluctuations that happen in the scrips in the same exchange of price difference in the same scrip across exchanges.*

*19.3. It traded in the scrip of Jubilant in its Pro Trading account during the investigation period at both BSE as well as NSE.*

*19.4. It had a total turnover of around Rs. 5.59 crore (collectively on Buy and Sell side) wherein it made a profit of only 22, 694/-. Its turnover in the scrip was 0.6% of its total turnover of Rs.10121.34 crore during the investigation period. The transactions in the scrips were miniscule in comparison to total turnover in various scrips during the investigation period. The trades were in the normal course of trading activity.*

*19.5. Transactions were independent and totally in isolation to transactions as carried out by other entities/person in scrip of Jubilant. Except the profit of Rs. 22, 694, they have not made any other gain or derived any benefit while executing trades. Except for intraday squaring off trades, had no interest in the rise or fall in the price of Jubilant.*

*19.6. Buying of shares was not concentrated but was spread across 12 days in Jubilant.*

*19.7. SCN is silent on the fact it has bought as well as sold shares of Jubilant. It is not that it has specifically bought the shares during the investigation period. In total it bought 1, 11, 990 shares and sold 1, 11, 990 shares of Jubilant during the investigation period at NSE. It has adopted similar trading pattern in other scrips as well.*

*19.8. Transactions were at the prevailing price and had no impact on market equilibrium. No price or volume has been affected due to dealings in the scrip. Execution of Small trades and minor variation in price cannot disturb or impact market equilibrium. The scrip had been liquid throughout and highly traded.*

*19.9. No nexus-connivance or collusion with promoters, directors, employees and any of its connected entities.*

*19.10. No investor loss or complaints in this respect of dealings in the scrip of Tera Software and Flex Foods.*

*19.11. Alleged positive LTP trades are less than the high price during the day and high than the low price hence quantity of LTP will not contribute to any artificial scenario and hence would not change the market equilibrium.*

*19.12. Out of total buy trades only 27.46% of shares are alleged to be above LTP, 72.54% of shares are alleged to be at LTP or below LTP. The trades which resulted in positive LTP are negligible if compared to overall shares traded during the investigation period. Only certain percentage of trade resulted in positive LTP. Majority trades were either at LTP or below. This proves beyond reasonable doubt that there was no intent to manipulate price of the scrip. The allegation that the intent was only to positively affect the price of shares is not correct.*

*19.13. None of the trades are alleged to have registered a new high price or new low price. All trades were executed at a price which was already established/ recorded in the market.*

*19.14. Noticee-4 has cited SEBI orders wherein the directions imposed on entities w.r.t similar allegation of LTP contribution was revoked namely, Shyam Vyas,Bharat Bagri and Sumitra Devi Agrawal in the matter of First Financial Services Ltd.; JMS Financial services Ltd and Sanjay Shah in the matter of Pine Animation Ltd.; Bharat Bagri HUF and anr in the matter of Kailash Auto Finance Ltd.; Shyam Vyas in the matter of Mishka Finance and Trading Ltd.*

*19.15. As regards the allegation of self-trades, Noticee-4 has submitted that the regulators have from time to time come out with relevant circulars recognizing the existence of self-trades, and self-trades are per-se not illegal and cross trades do happen in market in normal course of broking/intra-day /jobbing activity. NSE & BSE introduced the Self-trade prevention check mechanism in equity segment only in year 2015.*

*19.16. Further, the volume of self-trades was only 0.05% of total volume of Jubilant during investigation period so has to have any impact on the market equilibrium. It can hardly be* *capable of disturbing the market so as to create artificial volume leading to and misleading appearance of trading in the scrip. Total self-trade count is only 2157 of the market count in the scrip of Jubilant and is negligible and trifling.*

*19.17. Mere occurrence of unintentional self-trade cannot be considered fraudulent. There is no allegation that we were acting in concert with anybody in the market including the promoters of the company or others who have traded in the scrip. There is nothing brought out on record which can even remotely demonstrate that it had acted malafide or that the impigned self-trades were actuated by manipulative or fraudulent designs. In this regard, the Noticee cited following cases, namely- S.P.J Stock Brokers Pvt. Ltd.; Kapil Chaturbhuj Bhuptni; SEBI order in BF Fintrade private limited, gajanan enterprises & BP equities pvt. Ltd*

*19.18. Few instances of self-trade not ipso-facto illegal. In this regard, Noticee has cited following cases, namely-Krupa Sanjay Soni v. SEBI.*

*19.19. The Noticee has cited judicial precedents in respect of allegation of self-trades, such as- Ajay Desai & Indira Securities Pvt. Ltd., JMP securities Pvt. Ltd., Further, Noticee has also placed reliance of SEBI orders pertaining to allegation of self-trades.*

*19.20. Noticee-4 has referred to and relied upon orders of SEBI pertaining to allegation of self-trades wherein respective Show Cause Notices were disposed-off without imposing any penalty on Noticee, namely-*

*19.21. Noticee-4 has submitted that proceedings are after long efflux of time. There is an inordinate delay in initiation of proceedings by SEBI. In this regard, Noticee has cited following cases- Ashok Shivlal Rupani & anr v. SEBI; Mr. Rakesh Kathotia v. SEBI; HB Stockholdings; Khandwala securities Ltd; State of Gujarat v. Patel Raghav Natha AIR 1969 SC 1297.*

*19.22. Noticee-4 has submitted that strict proof is required for serious charge of fraud and cited cases, namely- R.K.Global v. SEBI, Narendra Ganatra v. SEBI, Videocon International v. SEBI, Parsoli Corporation v. SEBI.*

*19.23. Noticee-4 has submitted that compelling evidence is required to charge someone of fraud and cited cases namely-Ram Sharan Yadav v. Thakur MuneshwarNath Singh (AIR 1985 SC 24); Bishundeonarain & anr v. Seogeni Rai & anr (1951 AIR 280); Nandkishore Prasad v. state of Bihar (1978 AIR 1277).*

## D. CONSIDERATION OF ISSUES AND FINDINGS

20. The issues that arise for consideration in the instant proceedings are as following:

**Issue No. I:** Whether Noticee 1 to 3 violated the provisions of Section 12A (a), (b),(c) of SEBI Act, Regulations 3(a), (b), (c), (d) and Regulation 4(1), 4(2)(e) of PFUTP Regulations and Noticee-4 violated the provisions of Section 12A (a), (b), (c) of SEBI Act, Regulations 3(a), (b), (c), (d) and Regulation 4(1), 4(2)(a),(e) and (g) of PFUTP Regulations?

**Issue No. II:** If yes, whether the Noticees are liable for imposition of monetary penalty under Section 15HA of SEBI Act, 1992?

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

21. The relevant extracts of the provisions of law alleged to have been violated are mentioned as under:

***SEBI Act, 1992***

*"….*

***Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control****.*

***12A****. No person shall directly or indirectly—*

*a. use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;*

*b. employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;*

*c. engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;*

*…."*

**PFUTP Regulations, 2003**

"….

***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 fraudulent or an unfair trade practice if it involves:—*

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

*…………………………..*

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

*…………………..*

*(g) entering into a transaction in securities without intention of performing it or without intention of change of ownership of such security;*

…."

22. Before proceeding with the matter on merits, it would be relevant to deal with the technical contention raised by Noticee-2, 3 and 4 regarding present proceedings having been initiated for transactions being six /seven years old and /or inordinate delay in issuance of SCN. In this regard, it is noted from the material available on record that the investigation in the matter pertained to period 2015-2017. The investigation involved analysis of transactions in multiple scrips including the scrips in the instant proceedings covering inter-alia, complex and detailed trade analysis, broker and client concentration analysis and LTP analysis for all the scrips (including the scrips involved in the instant matter) and the entities which traded in the respective scrips including the Noticees. The investigation was completed and actions with respect to the Noticees for alleged violations were approved in January 2022. Adjudicating Officer was appointed vide order dated February 23, 2022. Thereafter, pursuant to the transfers of AOs, the matter had to be reallocated as already brought out under para 3 above. The SCN in the matter was issued on July 29, 2022.

23. In this regard, reliance is placed on Hon'ble SAT's order dated March 22, 2006 in Bipin R Vora v. SEBI wherein Hon'ble SAT has held that:

> *"*
> *…..*
> *As regards the plea of delay and latches and submission that the show cause notice is barred by limitation, I do not find any merit in these contentions as the time and efforts involved in an investigation though may vary from case to case, generally <u>investigations per-se is a time consuming process which invariably involve collection, scrutiny and careful examination of voluminous records/ order-trade details of all the concerned including the exchanges/recording of statements etc. and therefore no time limit can be fixed in this regard to enable a regulator to take appropriate disciplinary action</u> for the safeguard and improvement of the system/market.*
> *…..*
> *"*

24. Besides, it is also noted that while the said Noticees have contended alleged inordinate delay, however they have not demonstrated as to how the alleged delay had caused prejudice to them. In this regard, reliance is placed on

Hon’ble SAT order dated December 15, 2021 in M/s Adamina Traders Private Limited v. SEBI wherein Hon’ble SAT has held that:

> *“…………*
> *6. Having heard the learned counsel for the parties, we find that the trades in question are of the year 2013…..*
> *….*
> *<u>Further, nothing has been shown as to how this delay has prejudiced the appellant. In the absence of any prejudice the delay, if any, cannot be set aside.</u>*
> *…………."*

25. Further, in this regard, it is also noted that there is no provision in the SEBI Act which lays down any limitation period for initiating any proceedings/ action under the SEBI Act. I further note that, initiating a proceeding under the appropriate provisions of SEBI Act is a regulatory prerogative of SEBI depending upon the outcome of the fact finding exercise and just because the alleged violation was committed in a distant past cannot be the sole ground to vitiate initiation of these proceedings. Also it is a settled principle that reasonable period would depend upon the facts and circumstances of each case. In this regard, reliance is placed on the following:

In the matter of Ashlesh Gunvantbhai Shah, the Hon’ble SAT had inter alia held as under:

> *“*
> *…..*
> *It is no doubt true that no period of limitation is prescribed in the Act or the Regulations for issuance of a show cause notice or for completion of the adjudication proceedings. The Supreme Court in Government of India vs, Citedal Fine Pharmaceuticals, Madras and Others, [AIR (1989) SC 1771] held that in the absence of any period of limitation, the authority is required to exercise its powers within a reasonable period. What would be <u>the reasonable period would depend on the facts of each case and that no hard and fast rule can be laid down in this regard as the determination of this question would depend on the facts of each case</u>. This proposition of law has been consistently reiterated by the Supreme Court [..]. (emphasis applied)*
> *…..*
> *”*

In this regard, it is also noted that in Pooja Vinay Jain vs. SEBI (Appeal No. 152 of 2019) decided on March 17, 2020, the Hon’ble SAT had inter alia held as under:

> *“*
> *…..*

*The decision would show that the power to initiate the proceedings must be exercised by the authorities within a reasonable time. This would depend upon the facts and circumstances of the case, nature of the default / statute and prejudice caused to the noticee.*

*……It was simply stated that since the proceedings were launched by respondent SEBI after a period*
*seven years, the same should be quashed on the ground of delay. The record would show that all the documents concerning the defense of the appellant were filed by her before the AO. Therefore, for want of any prejudice the proceedings cannot be quashed simply on the ground of delay in launching the same.*
*…..*
*"*

It is also noted that, Hon'ble Supreme Court in the case of Adjudicating Officer, SEBI vs. Bhavesh Pabari (2019) SCC Online SC 294 held:

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

26. In view of the foregoing, in particular the relevant facts and circumstances in the matter, absence of demonstration on part of Noticees as regards how the delay had prejudiced them etc., the contention of Noticees is devoid of merit and cannot be accepted.

27. Another preliminary contention raised by Noticee-4 was regarding issuance of common SCN having caused great prejudice. In this regard, it is noted that a common communique appointing the Adjudicating Officer was issued by the Competent Authority in respect of all the Noticees in the instant matter and therefore a common SCN was issued. In view of thereof, the contention of Noticee-4 is devoid of merit and cannot be accepted.

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

**Section 12A (a), (b), (c) of SEBI Act, Regulations 3(a), (b), (c), (d) and Regulation 4(1), 4(2) (a),(e) and (g) of PFUTP Regulations?**

28. The details of the scrips in which the Noticees carried out their trading activities are given in the table below:

**Table 1: Brief details of the scrips and Noticees**

| **Noticee Name** | **Scrip Name** | **Investigation Period (IP)** | **Opening price on first day of the IP** | **Closing price on the last of the IP** |
|---|---|---|---|---|
| Noticee-1 (Kajalben Kiranbhai Trivedi) | Cosyn Limited | September 07, 2016 to November 02, 2016 (**IP-Cosyn/IP)** | Rs. 53.15 | Rs.151.55 |
| Noticee-2 (Rachita Shripalkumar Shah) | Tera Software Limited | March 15, 2016 to May 30, 2016 **(Tera phase-2/IP)** | Rs. 71 | Rs. 85.3 |
| | Flex Foods Limited | June 09, 2016 to June 27, 2016 (**IP-Flex/IP)** | Rs. 68.8 | Rs. 92.00 |
| Noticee-3 (Shripal Sheshmal HUF) | Cosyn Limited | September 07, 2016 to November 02, 20162016 (**IP-Cosyn)** | Rs. 53.15 | Rs.151.55 |
| | Tera Software Limited | December 02, 2015 to January 13, 2016 **(Tera phase-1/IP**) | Rs. 62.8 | Rs. 82.05 |
| Noticee-4 (MBL & Co. Ltd) | Jubilant Industries Limited | August 14, 2015 to August 31, 2015 **(IP-Jubilant/IP)** | Rs. 177.5 | Rs. 302. 65 |

## <u>Noticee-1: Kajalben Kiranbhai Trivedi</u>

29. It is noted from the SCN that the allegations in respect of Noticee-1 pertains to trading activities carried by Noticee-1 in the scrip of Cosyn during the investigation period September 07, 2016 to November 02, 2016 (**IP-Cosyn**). The price of the scrip of Cosyn opened at Rs. 53.15 and closed at Rs.151.55 on BSE during entire IP-Cosyn. It was observed that Noticee-1 was the top LTP contributor among buyers in the scrip of Cosyn during IP-Cosyn with a contribution of Rs.122.45 to net LTP and Rs.343.70 to total market positive LTP (i.e. 11.81% of total market positive LTP of Cosyn). The details of the same are given in the table below:

**Table 2: LTP contribution by Noticee-1 in the scrip of Cosyn among buyers during IP-Cosyn at BSE**

| Client Name | All LTP Rate (Net LTP) | All Traded Qty. | All No. of Trades | Pos. LTP Rate | Pos. Traded Qty. | Pos. no. Trades | Neg. LTP Rate | Neg. Traded Qty. | Neg. no. Trades | Zero Traded Qty. | Zero No. Trades | % pos.LTP to total Mar. Pos. LTP |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Kajalben Kiranbhai Trivedi (Noticee-1)** | 122.45 | 179643 | 1524 | 343.70 | 40863 | 469 | -221.25 | 29637 | 423 | 109143 | 632 | 11.81% |
| **Market Total** | 100.55 | 3662478 | 23874 | 2911.15 | 820879 | 5999 | -2810.60 | 662352 | 5675 | 2179247 | 12200 | 100.00% |

As also brought out in above table, it was observed that the positive LTP contribution of Noticee-1 was more than 5 % of total market positive LTP and the trades of Noticee-1 were analyzed further. The analysis of the same is given below:

**Table 3: LTP Contribution in the scrip of Cosyn through small orders/trades by Noticee-1 during IP-Cosyn**

| Buyer Name | No. of trades (LTP >0) | Positive LTP Contribution when buy order qty. was of 1 share only | | Positive LTP Contribution when buy order qty. was between 2-10 shares | | Positive LTP Contribution when buy order qty. were more than 10 shares | | Total Positive LTP contribution (Rs.) | % of positive LTP to Total Market positive LTP | % contribution to total market positive LTP through small orders (1-10 shares) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | | | |
| **Kajalben** | 469 | 165.85 | 162 | 108.5 | 137 | 69.35 | 170 | 343.70 | 11.81 % | 9.42% |

As also brought out in above table that, out of the 469 trades with positive LTP contribution, Noticee-1 carried out 299 small buy trades (i.e. buy quantity ranged from 1 to 10 shares per trade) and thereby, contributed positive LTP of 9.42% through such small trades to the total market positive LTP.

In view of the above, it was alleged that by placing buy orders of such miniscule quantity (1-10 shares) at a price higher than the LTP, Noticee-1 had indulged in manipulative trading practices wherein she contributed a total of 9.42% to total market positive LTP through small orders and contributed a total of 11.81% to the total market positive LTP in the scrip of Cosyn during the IP-Cosyn.

Further, on analysis of New High Price ("NHP") contribution of Noticee-1, it was observed that a total of Rs. 108.75 NHP was created during the IP-Cosyn. The details of NHP contribution by Noticee-1 is given below:

**Table 4: Details of NHP contribution by Noticee-1**

| Client Name | Quantity | Number of Trades | Contribution To Market NHP | % of Market NHP |
|---|---|---|---|---|
| Kajalben Kiranbhai Trivedi (Noticee-1) | 3806 | 28 | 5.20 | 4.78% |
| Market total | 73177 | 423 | 108.75 | 100.00% |

It was observed from the table above that, Noticee-1 contributed Rs 5.20 to the market NHP which amounted to 4.78% of market NHP. Therefore, it was alleged that Noticee-1's contribution of NHP further corroborated the manipulative trading pattern.

Therefore, it was inter alia alleged in the SCN that Noticee-1 violated the provisions of section 12A (a), (b) and (c) of SEBI Act, 1992, Regulation 3 (a), (b), (c), (d), by indulging in manipulative device and dealing in securities in a fraudulent manner as described in the previous paragraphs and violated Regulation 4 (1) and Regulation 4 (2) (e) of PFUTP Regulations, 2003 by manipulating the price of the aforesaid scrip.

30. Noticee-1 had inter alia submitted that she traded in the scrip of Cosyn based on various factors such as volatility in the scrip, wider spread between open, close and high price of the scrip and improvement of the financials of the Cosyn. Her rationale for selling the shares in small quantity was to check and verify the price and buyer in the scrip. Since she is a jobber, so before she puts large quantity, she verifies and checks the same. Further, due to net issue or terminal not working, she had to place the order again and trade in loss due to price and volume movement. In this regard, she had inter alia cited Hon'ble SAT order in SPJ Stock brokers Pvt. Ltd.

In this regard, it is noted that the submissions of the Noticee-1 were in nature of mere statements without relevant supporting details and documents.

Besides, it is also noted that Noticee-1 had inter alia made conflicting /contradictory submissions viz., while the Noticee-1 under Para II a. of her submissions dated August 26, 2022 had inter alia submitted that she primarily carries out jobbing /day trading transactions and earn profits based on large volume of trading and that, '*this was one such case where I saw a great potential in the company and therefore decided to <u>hold the shares for more than a day</u>. In this regard, by a mere look at the price volume data of the investigation period, it can be seen that there is huge price – volume deffence during that period, so <u>I take this an opprunity to do by jobbing trades</u>'*. Thus the Noticee-1 under the same para has initially submitted to hold the shares and subsequently submitted to do jobbing and hence made contradictory submission. Further, as regards submission of Noticee-1 that, '….by a mere look at the price volume data of the investigation period……', as above, it is unclear from the submissions of the Noticee-1 as how she was aware and /or able to precisely predict in advance there would be huge price /volume difference in the scrip during the investigation period.

As regards Noticee-1's rationale for small orders, it is noted that the allegations in the instant proceedings were about the buy trades of Noticee-1 and accordingly the Noticee was required to explain her buy trades. However, it is noted that Noticee-1 has submitted rationale for selling viz., only for sell trades contrary to the subject matter of alleged buy trades of Noticee-1. Accordingly, the contention of Noticee-1 is observed to be out of context and hence cannot be accepted.

As regards the SAT order in the matter of SPJ Stock Brokers Pvt Ltd. vs SEBI cited by the Noticee, from the text of the order submitted by the Noticee-1 herself, it is noted that the same pertains to synchronized trading which in itself is distinguished being different from the subject matter of allegations in respect of Noticee-1 in the instant proceedings and hence out of context. Accordingly, the contentions of Noticee-1 in this regard are out of context and hence cannot be accepted.

31. Noticee-1 has inter alia submitted that her volume was not that significant which can impact trading in Cosyn. Her trades were miniscule to allege that her trades were manipulative. The trades had not resulted in either inflation or depression of the price of the security by her.

In this regard, it is noted that the allegation itself inter alia pertains to small quantity trades which contributed Rs.274.35 being 9.42% of the total market positive LTP of the scrip of Cosyn, therefore the submissions of the Noticee-1 in this regard are out of context and devoid of merit. As regards the impact of the trading pattern of Noticee-1 on the scrip of Cosyn, it is noted that through 469 trades resulting into positive LTP, Noticee-1 contributed Rs. 343.70 being 11.81% of the total market positive LTP of Cosyn. Out of the 469 trades, 299 small quantity buy trades contributed Rs. 274.35 being 9.42% of the total market positive LTP of Cosyn. The aforesaid trades of Noticee-1 being positive LTP contributing trades led to creation of high price in the scrip and majority of such trades being involving small quantity viz., one to ten shares. Considering this in backdrop of the fact that the price of the scrip had risen Rs. 53.15 to Rs. 151.55 (rise of approx. 285%) in less than two months period (viz., IP-Cosyn), contention of Noticee-1 is devoid of merit and cannot be accepted.

32. Noticee-1 has inter alia submitted that none of the trades were based on any inputs or information etc. from any person or otherwise. She did not create false market either singly or in concert with others. She was not connected with any promoter or buyer or seller and had traded for own interest. She also submitted that it is imperative to determine factors like collusion between the parties to the trades as well as the trading pattern before levying an allegation of manipulation of trades.

In this regard, remaining being submission in the nature of mere statement / view/ opinion of Noticee-1, as regards collusion between parties, trades based on any inputs etc., connection with promoter etc., the same need not be a pre-condition for proving any market misconduct. Accordingly, contention of the Noticcee-1 in this regard is devoid of merits and hence not acceptable.

In this regard, reliance is placed on following orders of Hon'ble SAT:

32.1. Hon'ble SAT order dated September 05, 2022 in **Diren Dharamdas Agarwal HUF v SEBI** wherein Hon'ble SAT had inter alia held that:

> *"….*
>
> *7. It was urged that the appellant was not connected with the Company or with the co-promoters nor was connected with the counter party nor was connected with other entities as indicated in the show cause notice. In this regard, the appellant has relied upon a decision of this Tribunal in the matter of Sapna Dilip Bombaywala vs SEBI (Appeal no. 143 of 2020 decided on June 24, 2020) and in the matter of M/s Nishith M. Shah HUF vs SEBI (Appeal no. 97 of 2019 decided on January 16, 2020). In our opinion the said decisions are distinguishable and are not applicable to the facts in question. Even if there is nothing to establish any connection between buyer and seller, we are of the opinion that in the instant case the trades executed by the appellant were clearly manipulative and therefore violative of Regulation 3 & 4 of the PFUTP Regulations.*
> *……………….."*

32.2. Hon'ble SAT order dated January 04, 2021 in **Tanuj Khandelwal v. SEBI** wherein Hon'ble SAT had inter alia held that:

> *"….*
> *7. …We find that except on three occasions the appellant only sold one share at a time on a daily basis. This trading pattern created misleading appearance with intention to manipulate the market if not the price. Thus, even if there is no connection with the buyer the trading pattern shows a concerted effort to manipulate the market and therefore, we are of the opinion that the appellant was not acting as a genuine seller. We also find that the appellant had no bonafide intention to sell because inspite of sufficient buy orders being placed with abundant quantity being available in the market the appellant was only placing sell orders of one share at a time. This clearly shows his intention of manipulating the market for vested reasons.*
> *…."*

33. Noticee-1 has inter alia contended that the allegations are not substantiated by any evidence or material on record. That the charges are based on surmises and conjectures and on the wild allegations of having carried out collusive trading, the impact of which is negligible.

In this regard, it is noted that Noticee-1 was provided with the complete trade log of trades executed by Noticee-1 during the IP. Therefore, relied upon documents had already been provided to Noticee-1. From the material available on record, it is noted that there was no request whatsoever from Noticee-1 seeking any details /document during instant proceedings. Further, it is noted from the SCN that the allegation in the instant proceedings pertain to the trading activities carried by Noticee-1, and not regarding collusive trading per se. As regards contention of Noticee-1 that the impact was negligible, the same in itself is rendered incorrect considering that the Noticee-1 was the top LTP contributor among buyers in the scrip of Cosyn during IP-Cosyn with a contribution of Rs.343.70 to total market positive LTP (i.e. 11.81% of total market positive LTP of Cosyn), as also discussed in the foregoing. Accordingly, the contentions of Noticee-1, in this regard are devoid of merit and cannot be accepted.

34. Noticee-1 had cited certain cases regarding standard of proof, establishment of mens rea and evidences and had submitted that SCN is based on low preponderance of probability.

In this regard, it is noted that the standard of proof in quasi-judicial proceedings are based on preponderance of probability, which has to be ascertained from the facts and circumstances of the matter. In this regard, reliance is placed on Hon'ble Supreme Court judgement in Kishore R. Ajmera wherein it was inter alia held that-

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

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

> *"……………..Whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism will depend upon the intention of the parties which could be inferred from the attending circumstances because direct*

*evidence in such cases may not be available. <u>The nature of the transaction executed, the frequency with which such transactions are undertaken</u>, the value of the transactions, whether they involve circular trading and whether there is real change of beneficial ownership, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. <u>This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn</u>………………..”*

Further, reliance is placed on Hon’ble SAT order dated June 21, 2018 in **Shri Lakhi Prasad Kheradi v. SEBI** wherein Hon’ble SAT had inter alia held that:

*“……….*
*Facts recorded in paras 15 to 17 of the impugned order clearly establish that the trades executed by the appellant had the effect of net positive LTP of Rs. 85.35. <u>Very fact that the appellant had indulged in self trades/ LTP/ NHP without giving any justifiable reason, clearly justifies the inference drawn by the AO that the trades executed by the appellant were manipulative trades.</u>*
*………..”*

As regards contention of the Noticee-1 regarding establishment of mens rea, reliance is placed on Hon’ble Supreme Court Judgment dated September 19, 2022 in **SEBI vs Abhijit Rajan**, wherein it was inter alia held that:

*“*
*…..*
*It is no doubt true that the Court clarified in paragraph 62 of its decision in Kanaiyalal Baldevbhai Patel (supra) that mens rea is not an indispensable requirement to attract the rigor of FUTP Regulations, 2003. This Court held that the correct test is one of preponderance of probabilities.*
*…..*
*”*

Further in this regard, reliance is also placed on Chairman, SEBI vs. Shriram Mutual Fund, wherein the Hon’ble Supreme Court had inter alia held:

*“*
*…*
*The impugned Order sets the stage for various market players to violate statutory regulations with impunity and subsequently plead ignorance of law or lack of mens rea to escape the imposition of penalty. The imputing mens rea into the provisions of Chapter VIA is against the plain language of the statute and frustrates entire purpose and object of introducing Chapter VIA to give teeth to the SEBI to secure strict compliance of the Act and the Regulations.*
*…..*
*”*

In view of the above, it is noted that mens-rea may not be an essential element for imposing penalty under Chapter VIA of the SEBI Act.

35. Having dealt with the contentions of Noticee-1 in the foregoing paragraphs, I now proceed to deal with the allegations in the SCN wrt Noticee-1, as herein under:

Regarding the allegations that through 469 buy trades, Noticee-1 contributed a total of Rs. 343.70 (being 11.81%) to the total market positive LTP of Cosyn, it would be relevant to refer to the analysis of the 469 trades that resulted in positive LTP, as given below:

**Table 3: LTP Contribution in the scrip of Cosyn through small orders/trades by Noticee-1 during IP-Cosyn**

| Buyer Name | No. of trades (LTP >0) | Positive LTP Contribution when buy order qty. was of 1 share only | | Positive LTP Contribution when buy order qty. was between 2-10 shares | | Positive LTP Contribution when buy order qty. were more than 10 shares | | Total Positive LTP contribution (Rs.) | % of positive LTP to Total Market positive LTP | % contribution to total market positive LTP through small orders (1-10 shares) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | | | |
| **Kajalben** | 469 | 165.85 | 162 | 108.5 | 137 | 69.35 | 170 | 343.70 | 11.81 % | 9.42% |

From the above table it is noted that these 469 buy trades of Noticee-1 resulted into positive LTP contribution of Rs. 343.70 to the total market positive LTP of Cosyn.

As regards the allegation that out of these 469 buy trades, 299 trades were involving small orders (1 to 10 shares) which contributed Rs. 274.35 (being 9.42%) to the total market positive LTP of Cosyn, it is noted that when Noticee-1 executed such small quantity trades, sell orders of larger quantities were available for trading. Despite availability of sufficient quantity of shares, Noticee-1 continued to buy shares in small quantity (one to ten shares) over a period of two months (23 trading days) through 299 trades. To cite as example, the top 50 LTP contributing buy trades of Noticee-1 are given below:

**Table 5: Top 50 LTP contributing buy trades of Noticee-1 in the scrip of Cosyn during IP-Cosyn**

| S. No. | TRADE_DATE | TRADE_TIME | ORDER_LMTIME | CP_ORDER_LMTIME | TRADE_RATE | LTP_RATE | LTP_PERCENT | ORDER_LMRATE | CP_ORDER_LMRATE | ORDER_LTP | CP_ORDER_LTP | TRADED_QTY | CP_ORDER_AVLQTY | ORDER_LMQTY | CP_ORDER_LMQTY | ORDER_TYPE | CP_ORDER_TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 12/09/2016 | 09:15:09 | 09:15:09 | 09:15:01 | 63.45 | 3.45 | 5.75 | 63.45 | 63.45 | 63.45 | 60 | 200 | 300 | 200 | 300 | L | L |
| 2 | 25/10/2016 | 09:18:48 | 09:18:48 | 09:18:36 | 152.5 | 3.3 | 2.21 | 152.5 | 152.5 | 152.5 | 155.3 | 84 | 100 | 200 | 100 | L | L |
| 3 | 19/09/2016 | 09:16:13 | 09:16:10 | 09:16:13 | 80 | 3 | 3.9 | 80 | 80 | 77 | 80.9 | 3 | 500 | 85 | 500 | L | L |
| 4 | 25/10/2016 | 09:37:59 | 09:37:59 | 09:37:59 | 143.6 | 3 | 2.13 | 143.7 | 143.6 | 143.6 | 140.6 | 1 | 700 | 1 | 700 | L | L |
| 5 | 25/10/2016 | 09:37:22 | 09:37:22 | 09:37:18 | 143.95 | 2.95 | 2.09 | 143.95 | 143.95 | 143.95 | 140.6 | 1 | 150 | 1 | 150 | L | L |
| 6 | 25/10/2016 | 11:05:02 | 11:05:02 | 11:03:15 | 146.6 | 2.95 | 2.05 | 146.6 | 146.6 | 146.6 | 144.65 | 2 | 100 | 2 | 100 | L | L |
| 7 | 15/09/2016 | 09:15:57 | 09:15:57 | 09:15:44 | 71.9 | 2.9 | 4.2 | 71.9 | 71.9 | 71.9 | 68.6 | 1 | 100 | 1 | 100 | L | L |
| 8 | 14/09/2016 | 09:20:44 | 09:20:44 | 09:17:21 | 75 | 2.8 | 3.88 | 75 | 75 | 75 | 75 | 500 | 5000 | 500 | 5000 | L | L |
| 9 | 19/09/2016 | 09:16:10 | 09:16:10 | 09:15:40 | 77 | 2.8 | 3.77 | 80 | 77 | 77 | 77 | 82 | 2050 | 85 | 2050 | L | L |
| 10 | 06/10/2016 | 14:53:46 | 14:53:46 | 14:49:32 | 91.5 | 2.5 | 2.81 | 91.5 | 91.5 | 91.5 | 90.15 | 1 | 75 | 1 | 150 | L | L |
| 11 | 19/09/2016 | 09:17:47 | 09:17:47 | 09:17:45 | 79.45 | 2.45 | 3.18 | 79.45 | 79.45 | 79.45 | 77 | 1 | 500 | 1 | 1000 | L | L |
| 12 | 21/09/2016 | 09:41:56 | 09:41:56 | 09:36:47 | 75.45 | 2.45 | 3.36 | 75.45 | 75.45 | 75.45 | 76 | 1 | 500 | 1 | 300 | L | L |
| 13 | 14/10/2016 | 14:50:54 | 14:50:54 | 14:49:38 | 99.2 | 2.2 | 2.27 | 99.2 | 99.2 | 99.2 | 99.95 | 1 | 100 | 1 | 100 | L | L |
| 14 | 25/10/2016 | 09:45:32 | 09:45:32 | 09:45:31 | 143.2 | 2.15 | 1.52 | 143.4 | 143.2 | 143.2 | 141.05 | 1 | 50 | 1 | 50 | L | L |
| 15 | 25/10/2016 | 09:48:20 | 09:48:20 | 09:48:20 | 142.75 | 2.15 | 1.53 | 142.8 | 142.75 | 142.75 | 140.6 | 2 | 201 | 2 | 201 | L | L |
| 16 | 25/10/2016 | 14:38:45 | 14:38:45 | 14:38:45 | 143.5 | 2 | 1.41 | 143.55 | 143.5 | 143.5 | 141.5 | 1 | 25 | 1 | 25 | L | L |
| 17 | 02/11/2016 | 10:41:24 | 10:41:24 | 10:40:30 | 160 | 2 | 1.27 | 160 | 160 | 160 | 154.55 | 2 | 500 | 2 | 500 | L | L |
| 18 | 14/09/2016 | 15:27:00 | 15:27:00 | 15:26:11 | 71.95 | 1.95 | 2.79 | 71.95 | 71.95 | 71.95 | 71 | 2 | 100 | 2 | 100 | L | L |
| 19 | 20/10/2016 | 09:55:45 | 09:55:45 | 09:53:27 | 100.95 | 1.95 | 1.97 | 100.95 | 100.95 | 100.95 | 100 | 1 | 500 | 1 | 500 | L | L |
| 20 | 10/10/2016 | 13:08:25 | 13:08:23 | 13:08:25 | 107.5 | 1.9 | 1.8 | 107.5 | 107.5 | 105.6 | 107.5 | 1 | 1 | 1 | 1 | L | L |
| 21 | 25/10/2016 | 09:46:21 | 09:46:21 | 09:46:01 | 142.9 | 1.9 | 1.35 | 142.9 | 142.9 | 142.9 | 141.4 | 2 | 500 | 2 | 500 | L | L |
| 22 | 10/10/2016 | 12:53:28 | 12:53:28 | 12:43:19 | 107.45 | 1.85 | 1.75 | 107.45 | 107.45 | 107.45 | 107.45 | 1 | 100 | 1 | 100 | L | L |
| 23 | 12/09/2016 | 09:15:54 | 09:15:54 | 09:15:39 | 64.8 | 1.8 | 2.86 | 64.8 | 64.8 | 60 | 63.45 | 300 | 300 | 900 | 300 | L | L |
| 24 | 14/10/2016 | 14:18:37 | 14:18:37 | 14:18:19 | 100.8 | 1.8 | 1.82 | 100.8 | 100.8 | 100.8 | 102.5 | 1 | 500 | 1 | 501 | L | L |
| 25 | 17/10/2016 | 12:29:23 | 12:29:23 | 12:26:43 | 101.15 | 1.8 | 1.81 | 101.15 | 101.15 | 101.15 | 101.6 | 2 | 500 | 2 | 400 | L | L |
| 26 | 25/10/2016 | 09:46:31 | 09:46:31 | 09:46:28 | 142.8 | 1.8 | 1.28 | 142.8 | 142.8 | 142.8 | 141 | 1 | 50 | 1 | 50 | L | L |
| 27 | 25/10/2016 | 10:21:29 | 10:21:29 | 10:21:27 | 146.8 | 1.8 | 1.24 | 146.8 | 146.8 | 146.8 | 145 | 2 | 200 | 2 | 200 | L | L |
| 28 | 14/09/2016 | 09:16:27 | 09:16:27 | 09:16:15 | 78 | 1.75 | 2.3 | 78 | 78 | 78 | 78 | 1 | 600 | 1 | 600 | L | L |
| 29 | 14/09/2016 | 15:27:24 | 15:27:24 | 15:27:23 | 71.75 | 1.75 | 2.5 | 71.8 | 71.75 | 71.75 | 71.95 | 1 | 100 | 1 | 100 | L | L |
| 30 | 14/10/2016 | 14:47:07 | 14:47:07 | 14:46:25 | 99.75 | 1.75 | 1.79 | 99.75 | 99.75 | 99.75 | 99.45 | 1 | 185 | 1 | 185 | L | L |
| 31 | 10/10/2016 | 13:08:42 | 13:08:42 | 13:08:38 | 107.7 | 1.7 | 1.6 | 107.7 | 107.7 | 107.7 | 107.45 | 2 | 50 | 2 | 50 | L | L |
| 32 | 13/10/2016 | 09:22:04 | 09:22:04 | 09:18:03 | 105.7 | 1.7 | 1.63 | 105.7 | 105.7 | 105.7 | 105.05 | 1 | 400 | 1 | 400 | L | L |
| 33 | 24/10/2016 | 10:23:48 | 10:23:48 | 10:23:34 | 155.7 | 1.7 | 1.1 | 155.7 | 155.7 | 155.7 | 155.2 | 2 | 50 | 2 | 50 | L | L |
| 34 | 25/10/2016 | 10:15:20 | 10:15:20 | 10:14:41 | 143.7 | 1.7 | 1.2 | 143.7 | 143.7 | 143.7 | 143 | 1 | 50 | 1 | 50 | L | L |
| 35 | 25/10/2016 | 09:48:06 | 09:48:05 | 09:48:06 | 142.25 | 1.65 | 1.17 | 142.25 | 142.25 | 140.6 | 142.25 | 1 | 1 | 1 | 1 | L | L |
| 36 | 10/10/2016 | 12:56:45 | 12:56:45 | 12:39:11 | 107.8 | 1.6 | 1.51 | 107.8 | 107.8 | 107.8 | 107.45 | 1 | 50 | 1 | 50 | L | L |

| S. No. | TRADE _DATE | TRADE _TIME | ORDER _LMTIME | CP_ ORDER _LMTIME | TRADE _RATE | LTP _RATE | LTP_ PERCENT | ORDER _LM RATE | CP_ ORDER_ LM RATE | ORDER _LTP | CP_ ORDER _LTP | TRADED _QTY | CP_ ORDER_ AVL QTY | ORDER _LM QTY | CP_ ORDER _LM QTY | ORDER _TYPE | CP_ ORDER_TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 37 | 17/10/2016 | 12:25:47 | 12:25:47 | 12:02:00 | 101.6 | 1.6 | 1.6 | 101.6 | 101.6 | 101.6 | 101 | 1 | 25 | 1 | 25 | L | L |
| 38 | 25/10/2016 | 10:13:49 | 10:13:49 | 09:45:55 | 143 | 1.6 | 1.13 | 143 | 143 | 143 | 141.4 | 1 | 2000 | 1 | 2000 | L | L |
| 39 | 25/10/2016 | 09:46:56 | 09:46:56 | 09:46:50 | 142.55 | 1.55 | 1.1 | 142.55 | 142.55 | 142.55 | 141 | 1 | 500 | 1 | 500 | L | L |
| 40 | 14/09/2016 | 10:10:46 | 10:10:46 | 10:10:22 | 75.9 | 1.5 | 2.02 | 75.9 | 75.9 | 75.9 | 74.4 | 1 | 500 | 1 | 500 | L | L |
| 41 | 14/09/2016 | 10:11:17 | 10:11:17 | 10:11:12 | 75.7 | 1.5 | 2.02 | 75.7 | 75.7 | 75.7 | 74.4 | 1 | 500 | 1 | 500 | L | L |
| 42 | 15/09/2016 | 09:25:51 | 09:25:51 | 09:25:30 | 70 | 1.5 | 2.19 | 70 | 70 | 70 | 70 | 1 | 51 | 1 | 51 | L | L |
| 43 | 17/10/2016 | 15:28:20 | 15:28:20 | 15:21:36 | 98.6 | 1.5 | 1.54 | 98.6 | 98.6 | 98.6 | 98.8 | 1 | 100 | 1 | 100 | L | L |
| 44 | 25/10/2016 | 09:46:02 | 09:46:02 | 09:46:01 | 142.9 | 1.5 | 1.06 | 142.95 | 142.9 | 142.9 | 141.4 | 2 | 500 | 2 | 500 | L | L |
| 45 | 10/10/2016 | 12:53:35 | 12:53:35 | 12:43:19 | 107.45 | 1.45 | 1.37 | 107.45 | 107.45 | 107.45 | 107.45 | 1 | 100 | 1 | 100 | L | L |
| 46 | 10/10/2016 | 14:39:03 | 14:39:03 | 14:37:22 | 105.8 | 1.45 | 1.39 | 105.8 | 105.8 | 105.8 | 104.35 | 1 | 300 | 1 | 300 | L | L |
| 47 | 13/10/2016 | 09:29:08 | 09:29:08 | 09:28:50 | 107.5 | 1.45 | 1.37 | 107.5 | 107.5 | 107.5 | 106.05 | 2 | 347 | 2 | 347 | L | L |
| 48 | 13/10/2016 | 10:12:01 | 10:12:01 | 10:11:57 | 107.45 | 1.45 | 1.37 | 107.45 | 107.45 | 107.45 | 105.1 | 2 | 500 | 2 | 502 | L | L |
| 49 | 21/10/2016 | 09:37:46 | 09:37:46 | 09:37:03 | 121.75 | 1.45 | 1.21 | 121.75 | 121.75 | 121.75 | 121.1 | 2 | 500 | 2 | 500 | L | L |
| 50 | 12/09/2016 | 09:17:54 | 09:17:54 | 09:17:29 | 66.4 | 1.4 | 2.15 | 66.4 | 66.4 | 66.4 | 67.8 | 2 | 2 | 2 | 2 | L | L |

From the above table it is noted that even from a sample of top 50 positive LTP contributing buy trades, forty-four trades were involving either one or two shares only and the remaining six trades were for quantity 85, 200, 500 and 900 shares. Thus even from the sample of top 50 positive LTP contributing buy trades of Noticee-1, it is evident that the Noticee-1 had indulged in trades at higher than LTP of which majority were through small orders.

It is noted that Noticee-1 was buying one or two share at higher price even though sell orders of larger quantities were available. Generally speaking, it is logical that a genuine buyer would want to buy at low price viz., at prevailing or less than prevailing prices and not at a higher price as was the case with the Noticee-1 in the instant matter.

Besides, it is noted that while Noticee-1 had, as part of her submissions, made several contentions, Noticee-1 had neither disputed the buy trades that resulted into positive LTP in the scrip nor had Noticee-1 been able to demonstrate any justifiable reason with regard to entering into such trades at higher than LTP of which majority were through small quantity trades despite availability of sufficient sell orders of larger quantity.

In this regard, reliance is placed on orders of Hon'ble Securities Appellate Tribunal ("SAT") in matters involving similar facts and allegations of violations of PFUTP Regulation, as given below:

35.1. Hon'ble SAT order dated December 15, 2021 in **M/s Adamina Traders Pvt. Ltd. vs. SEBI** wherein Hon'ble SAT had held that :

> *"……….*
> *8. It was contended that out of 6519 trades only 554 trades were found to the positive LTP and, …. the LTP in 176 trades was very negligible which cannot lead to a conclusion that the appellant indulged in manipulation of price. We are unable to accept this argument as we find from the trading pattern of the appellant that on most occasions the appellant was placing buy orders of miniscule quantity ranging from 1 to 10 shares above LTP though large orders were pending in the system. ….. These miniscule trades of one share per day led to increase price of the scrip by Rs. 50.23 which amounted to Rs. 26.34% of the total market positive LTP.*
>
> *9. Thus, in the instant case, the pattern of trading, namely, placing buy orders in small quantities which led to increase in the price of the scrip was clearly fraudulent and manipulation of the price of the scrip which was violative of Regulations 3 and 4 of the PFUTP Regulations. Thus, the finding given by the WTM does not suffer from any error of law."*

35.2. Hon'ble SAT order dated April 28, 2021 in the matter of **Shri Tarunkumar Brahmbhatt v. SEBI** wherein Hon'ble SAT had held that:

> *"………..*
> *From the trades executed by the appellants which has been depicted in detail in the impugned order we notice that the appellants placed buy orders above the LTP and that some of the trades were the first trades of the day.* ***It is common sense that when an investor buys he would like to buy a scrip at the lowest possible price and when he wants to sell he would like to get the highest possible price. Why should a person/ investor buy a share at a higher price than what is available on the stock exchange at a lower price unless there is a motive.*** *In the instant case, the trading pattern of the appellants clearly indicates that they were placing buy orders above the LTP which led to market contribution to the positive LTP and also created a new high price (NHP).*
> *………..''*

36. This apart, it was also observed from the analysis of the trade log pertaining to trades of Noticee-1 for sample day October 07, 2016, one of the top three LTP contributing days, that Noticee-1 had sixty one trades in the scrip on the day

involving quantity one, and in fifty nine out of these sixty one trades either of the Buyer and Seller had invariably placed order for quantity one resulting in trades involving quantity one only. The details of said trades are as given in Table below:

**Table 6: October 07, 2016 trades of Noticee-1 in the scrip of Cosyn**

| S. No. | TRADE _DATE | TRADE _TIME | ORDER _LMTIME | CP_ ORDER _LMTIME | TRADE _RATE | LTP _RATE | LTP_ PER CENT | ORDER _LM RATE | CP_ ORDER_ LM RATE | ORDER _LTP | CP_ ORDER _LTP | TRADED _QTY | CP_ ORDER _AVL QTY | ORDER _LM QTY | CP_ ORDER_ LMQTY | ORDER _TYPE | CP_ ORDER_ TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 07/10/2016 | 09:57:00 | 09:56:53 | 09:57:00 | 91 | -2 | -2.15 | 91 | 91 | 93 | 91 | 1 | 1 | 150 | 1 | L | L |
| 2 | 07/10/2016 | 10:37:33 | 10:36:06 | 10:37:33 | 93.2 | -0.7 | -0.75 | 93.2 | 93.2 | 93.95 | 93.2 | 1 | 1 | 100 | 1 | L | L |
| 3 | 07/10/2016 | 10:39:09 | 10:39:09 | 10:09:08 | 94 | 0 | 0 | 94 | 94 | 94 | 93 | 1 | 1 | 2000 | 1 | L | L |
| 4 | 07/10/2016 | 10:39:14 | 10:39:14 | 10:09:06 | 94.5 | 0.5 | 0.53 | 94.5 | 94.5 | 94.5 | 93 | 1 | 1 | 1 | 1 | L | L |
| 5 | 07/10/2016 | 10:41:33 | 10:41:33 | 10:41:30 | 95 | 0.75 | 0.8 | 95 | 95 | 95 | 95.85 | 1 | 1 | 10 | 1 | L | L |
| 6 | 07/10/2016 | 10:42:56 | 10:42:45 | 10:42:56 | 95.25 | -0.6 | -0.63 | 95.25 | 95.25 | 95.85 | 95.25 | 1 | 1 | 30 | 1 | L | L |
| 7 | 07/10/2016 | 10:43:03 | 10:42:45 | 10:43:03 | 95.25 | 0 | 0 | 95.25 | 95.25 | 95.85 | 95.25 | 1 | 1 | 30 | 1 | L | L |
| 8 | 07/10/2016 | 10:43:14 | 10:42:45 | 10:43:14 | 95.25 | -0.55 | -0.57 | 95.25 | 95.25 | 95.85 | 95.25 | 1 | 1 | 30 | 1 | L | L |
| 9 | 07/10/2016 | 10:43:18 | 10:42:45 | 10:43:18 | 95.25 | 0 | 0 | 95.25 | 95.25 | 95.85 | 95.25 | 1 | 1 | 30 | 1 | L | L |
| 10 | 07/10/2016 | 10:44:15 | 10:44:15 | 10:43:47 | 95.95 | 0.95 | 1 | 95.95 | 95.95 | 95.95 | 96.9 | 1 | 1000 | 1 | 4162 | L | L |
| 11 | 07/10/2016 | 10:44:48 | 10:44:48 | 10:43:47 | 95.95 | 0 | 0 | 95.95 | 95.95 | 95.95 | 96.9 | 1 | 1000 | 1 | 4162 | L | L |
| 12 | 07/10/2016 | 10:44:48 | 10:44:44 | 10:44:48 | 95.25 | -0.7 | -0.73 | 95.25 | 95.25 | 94.55 | 95.25 | 1 | 1 | 5 | 1 | L | L |
| 13 | 07/10/2016 | 10:45:12 | 10:45:12 | 10:45:04 | 95.95 | 0.7 | 0.73 | 95.95 | 95.95 | 95.95 | 96.9 | 1 | 1000 | 1 | 4297 | L | L |
| 14 | 07/10/2016 | 10:46:18 | 10:46:18 | 10:46:12 | 95.95 | 0.45 | 0.47 | 95.95 | 95.95 | 95.95 | 95.95 | 1 | 900 | 1 | 900 | L | L |
| 15 | 07/10/2016 | 10:46:47 | 10:46:04 | 10:46:47 | 95 | 0 | 0 | 95 | 95 | 95.5 | 95.95 | 1 | 500 | 1 | 500 | L | L |
| 16 | 07/10/2016 | 11:05:08 | 11:00:06 | 11:05:08 | 95.65 | -1.35 | -1.39 | 95.65 | 95.65 | 93.95 | 95.65 | 1 | 1 | 100 | 1 | L | L |
| 17 | 07/10/2016 | 11:08:18 | 11:07:23 | 11:08:18 | 97.5 | -0.5 | -0.51 | 97.5 | 97.5 | 97.5 | 97.5 | 1 | 1 | 2000 | 1 | L | L |
| 18 | 07/10/2016 | 11:08:57 | 11:08:57 | 11:08:45 | 98 | 0 | 0 | 98 | 98 | 98 | 97.8 | 1 | 1 | 5000 | 1 | L | L |
| 19 | 07/10/2016 | 11:09:30 | 11:08:59 | 11:09:30 | 98.2 | -0.1 | -0.1 | 98.2 | 0 | 98.2 | 98.3 | 1 | 2 | 2 | 2 | L | G |
| 20 | 07/10/2016 | 11:09:49 | 11:08:59 | 11:09:49 | 98.2 | -0.4 | -0.41 | 98.2 | 98 | 98.2 | 99 | 1 | 50 | 2 | 50 | L | L |
| 21 | 07/10/2016 | 11:10:18 | 11:10:18 | 11:10:15 | 98.95 | 0 | 0 | 98.95 | 98.95 | 98.95 | 98.85 | 1 | 241 | 1 | 1125 | L | L |
| 22 | 07/10/2016 | 11:10:19 | 11:09:58 | 11:10:19 | 98.3 | -0.65 | -0.66 | 98.3 | 98.3 | 98.6 | 98.3 | 1 | 1 | 25 | 1 | L | L |
| 23 | 07/10/2016 | 11:10:37 | 11:10:22 | 11:10:37 | 98.5 | -0.4 | -0.4 | 98.5 | 98.5 | 98.3 | 98.5 | 1 | 1 | 2 | 1 | L | L |
| 24 | 07/10/2016 | 11:10:39 | 11:10:22 | 11:10:39 | 98.5 | -0.4 | -0.4 | 98.5 | 98.5 | 98.3 | 98.5 | 1 | 1 | 2 | 1 | L | L |
| 25 | 07/10/2016 | 11:12:05 | 11:12:05 | 11:12:03 | 98.95 | 0.05 | 0.05 | 98.95 | 98.95 | 98.95 | 98.5 | 1 | 1000 | 1 | 1000 | L | L |
| 26 | 07/10/2016 | 11:12:33 | 11:12:33 | 11:12:03 | 98.95 | 0 | 0 | 98.95 | 98.95 | 98.95 | 98.5 | 1 | 1000 | 1 | 1000 | L | L |
| 27 | 07/10/2016 | 11:12:40 | 11:09:58 | 11:12:40 | 98.3 | -0.2 | -0.2 | 98.3 | 98.3 | 98.6 | 98.3 | 1 | 1 | 25 | 1 | L | L |
| 28 | 07/10/2016 | 11:13:03 | 11:09:22 | 11:13:03 | 98 | -0.3 | -0.31 | 98 | 98 | 99 | 98 | 1 | 1 | 250 | 1 | L | L |
| 29 | 07/10/2016 | 11:14:44 | 11:13:22 | 11:14:44 | 98.3 | -0.45 | -0.46 | 98.3 | 98.3 | 98.3 | 98.3 | 1 | 1 | 25 | 1 | L | L |
| 30 | 07/10/2016 | 11:15:38 | 11:15:38 | 11:15:36 | 98.75 | 0 | 0 | 98.75 | 98.75 | 98.75 | 98.5 | 1 | 1000 | 1 | 2120 | L | L |
| 31 | 07/10/2016 | 11:16:38 | 11:16:01 | 11:16:38 | 97.1 | -0.9 | -0.92 | 97.1 | 97.05 | 98 | 97.1 | 1 | 1 | 1000 | 1 | L | L |

| S. No. | TRADE _DATE | TRADE _TIME | ORDER _LMTIME | CP_ ORDER _LMTIME | TRADE _RATE | LTP _RATE | LTP_ PER CENT | ORDER _LM RATE | CP_ ORDER_ LM RATE | ORDER _LTP | CP_ ORDER _LTP | TRADED _QTY | CP_ ORDER _AVL QTY | ORDER _LM QTY | CP_ ORDER_ LMQTY | ORDER _TYPE | CP_ ORDER_ TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 32 | 07/10/2016 | 11:33:04 | 11:16:07 | 11:33:04 | 97 | -0.95 | -0.97 | 97 | 97 | 98.6 | 97 | 1 | 500 | 250 | 500 | L | L |
| 33 | 07/10/2016 | 11:36:54 | 11:36:54 | 11:21:25 | 98 | 1 | 1.03 | 98 | 98 | 98 | 97.5 | 1 | 100 | 1 | 100 | L | L |
| 34 | 07/10/2016 | 12:02:57 | 12:00:26 | 12:02:57 | 96.05 | -0.95 | -0.98 | 96.05 | 96.05 | 96.05 | 96.05 | 1 | 1 | 100 | 1 | L | L |
| 35 | 07/10/2016 | 12:05:37 | 12:00:26 | 12:05:37 | 96.05 | -0.95 | -0.98 | 96.05 | 96 | 96.05 | 96.05 | 1 | 1 | 100 | 1 | L | L |
| 36 | 07/10/2016 | 12:11:38 | 12:00:26 | 12:11:38 | 96.05 | -0.95 | -0.98 | 96.05 | 96 | 96.05 | 96.05 | 1 | 1 | 100 | 1 | L | L |
| 37 | 07/10/2016 | 13:01:55 | 13:01:55 | 13:00:16 | 97.95 | 0 | 0 | 97.95 | 97.95 | 97.95 | 98.5 | 1 | 1000 | 1 | 3236 | L | L |
| 38 | 07/10/2016 | 13:08:28 | 13:08:28 | 13:00:16 | 97.95 | 1.7 | 1.77 | 97.95 | 97.95 | 97.95 | 98.5 | 1 | 1000 | 1 | 3236 | L | L |
| 39 | 07/10/2016 | 13:42:05 | 13:42:05 | 13:34:36 | 97.9 | 0 | 0 | 97.9 | 97.9 | 97.9 | 98.5 | 1 | 1000 | 1 | 3997 | L | L |
| 40 | 07/10/2016 | 14:27:20 | 13:24:21 | 14:27:20 | 95.6 | -0.35 | -0.36 | 95.6 | 95.6 | 96 | 95.6 | 1 | 1 | 109 | 1 | L | L |
| 41 | 07/10/2016 | 14:33:10 | 13:24:21 | 14:33:10 | 95.6 | -0.9 | -0.93 | 95.6 | 95.6 | 96 | 95.6 | 1 | 2 | 109 | 2 | L | L |
| 42 | 07/10/2016 | 14:33:13 | 13:24:19 | 14:33:13 | 95.55 | -0.05 | -0.05 | 95.55 | 95.55 | 97.5 | 95.55 | 1 | 1 | 107 | 1 | L | L |
| 43 | 07/10/2016 | 14:57:20 | 14:57:20 | 14:56:46 | 95.95 | 0.25 | 0.26 | 95.95 | 95.95 | 95.95 | 96 | 1 | 1 | 10 | 1 | L | L |
| 44 | 07/10/2016 | 15:01:58 | 15:00:37 | 15:01:58 | 95.5 | -1.4 | -1.44 | 95.5 | 95.5 | 95.5 | 95.5 | 1 | 1 | 100 | 1 | L | L |
| 45 | 07/10/2016 | 15:02:50 | 15:02:50 | 15:01:03 | 96.95 | 0.05 | 0.05 | 96.95 | 96.95 | 96.95 | 96.45 | 1 | 2000 | 1 | 7835 | L | L |
| 46 | 07/10/2016 | 15:02:50 | 15:02:50 | 15:01:03 | 96.95 | 0 | 0 | 96.95 | 96.95 | 96.95 | 96.45 | 1 | 2000 | 1 | 7835 | L | L |
| 47 | 07/10/2016 | 15:08:05 | 15:08:05 | 15:01:03 | 96.95 | 0 | 0 | 96.95 | 96.95 | 96.95 | 96.45 | 1 | 2000 | 1 | 7835 | L | L |
| 48 | 07/10/2016 | 15:08:06 | 15:03:07 | 15:08:06 | 96.5 | -0.45 | -0.46 | 96.5 | 96.5 | 96.05 | 96.5 | 1 | 1 | 10 | 1 | L | L |
| 49 | 07/10/2016 | 15:09:11 | 15:08:51 | 15:09:11 | 96.7 | 0.2 | 0.21 | 96.7 | 96.5 | 96.5 | 96.7 | 1 | 100 | 1 | 100 | L | L |
| 50 | 07/10/2016 | 15:09:29 | 15:09:29 | 15:09:11 | 96.5 | 0 | 0 | 96.5 | 96.5 | 96.5 | 96.7 | 1 | 100 | 1 | 100 | L | L |
| 51 | 07/10/2016 | 15:09:30 | 15:02:03 | 15:09:30 | 96 | -0.5 | -0.52 | 96 | 96 | 95.5 | 96 | 1 | 1 | 1 | 1 | L | L |
| 52 | 07/10/2016 | 15:09:32 | 15:02:01 | 15:09:32 | 95.6 | -0.9 | -0.93 | 95.6 | 95.6 | 95.5 | 95.6 | 1 | 1 | 1 | 1 | L | L |
| 53 | 07/10/2016 | 15:09:38 | 15:09:38 | 15:09:11 | 96.5 | 0.9 | 0.94 | 96.5 | 96.5 | 96.5 | 96.7 | 1 | 100 | 1 | 100 | L | L |
| 54 | 07/10/2016 | 15:10:17 | 15:10:17 | 15:09:59 | 96.95 | 0.1 | 0.1 | 96.95 | 96.95 | 96.95 | 96.45 | 1 | 2000 | 1 | 7600 | L | L |
| 55 | 07/10/2016 | 15:10:17 | 15:09:37 | 15:10:17 | 95.7 | -1.25 | -1.29 | 95.7 | 95.65 | 95.6 | 95.7 | 1 | 1 | 1 | 1 | L | L |
| 56 | 07/10/2016 | 15:13:46 | 15:13:46 | 15:13:00 | 96.5 | 0.45 | 0.47 | 96.5 | 96.5 | 96.5 | 96.95 | 1 | 1000 | 1 | 1000 | L | L |
| 57 | 07/10/2016 | 15:15:05 | 15:15:05 | 15:14:15 | 96.4 | 0.9 | 0.94 | 96.4 | 96.4 | 96.4 | 96.5 | 1 | 400 | 1 | 400 | L | L |
| 58 | 07/10/2016 | 15:15:39 | 15:15:09 | 15:15:39 | 96 | -0.2 | -0.21 | 96 | 96 | 96.4 | 96.95 | 1 | 1000 | 1 | 1000 | L | L |
| 59 | 07/10/2016 | 15:23:42 | 15:23:42 | 15:19:40 | 95 | 0.8 | 0.85 | 95 | 95 | 95 | 95.15 | 1 | 5000 | 1 | 5000 | L | L |
| 60 | 07/10/2016 | 15:28:41 | 15:28:41 | 15:28:12 | 95 | 0.05 | 0.05 | 95 | 95 | 95 | 95 | 1 | 300 | 1 | 300 | L | L |
| 61 | 07/10/2016 | 15:28:51 | 15:28:51 | 15:28:46 | 94.95 | 0 | 0 | 0 | 94.95 | 94.95 | 95.7 | 1 | 5000 | 1 | 6406 | G | L |

It is noted from the Table above, that in 58 out of 61 trades of Noticee-1 on the day, either of the buyer /seller had placed order for quantity one only resulting in trades involving quantity one or the buy and sell order quantity for both the buyer and seller were exact match.

Such a unique pattern with either of buyer or seller placing quantity one repeatedly in most of the trades on the day cannot be considered as a mere coincidence and is indicative of manipulative trading pattern.

37. As regard NHP, it is noted that in the SCN it was inter alia alleged that Noticee-1 contributed Rs 5.20 to the market NHP which amounted to 4.78% of market NHP, as given below:

**Table 4: Details of NHP contribution by Noticee-1**

| Client Name | Quantity | Number of Trades | Contribution To Market NHP | % of Market NHP |
|---|---|---|---|---|
| Kajalben Kiranbhai Trivedi (Noticee-1) | 3806 | 28 | 5.20 | 4.78% |
| Market total | 73177 | 423 | 108.75 | 100.00% |

In this regard, Noticee-1 under Para 10 of her submissions dated August 26, 2022, had inter alia submitted that, *'my trades had also contributed new high price in the price of Cosyn shares. In this regard, it is submitted that it is a matter of record and therefore I have not comments to offer on the same….'*, and accordingly the submissions of the Noticee in this regard are observed to be in nature of admission.

38. In view of the foregoing, it is noted that Noticee-1 through 469 buy trades contributed a total of 11.81% (being Rs. 343.70) to the total market positive LTP in the scrip of Cosyn during the IP-Cosyn, of which 9.42% of the market positive LTP was through small orders, involving quantity one to ten, at higher than LTP, despite there being sufficient sell order quantity available in the market. Further, the trades of Noticee-1 had also resulted into creation of New High Prices being 4.78% (Rs. 5.20) of market NHP.

In the backdrop of the fact that the price of Cosyn had increased to being around 285% (from Rs. 53.15 to Rs. 151.55) within less than two months (i.e., during the IP-Cosyn September 07, 2016 to November 02, 2016) and that Noticee-1 had indulged in trades contributing 11.81% to market positive LTP by placing orders at price higher than LTP and that 9.42% of market positive LTP was through small orders despite there being large quantity orders available and had indulged in trades contributing 4.78% of market NHP, resulting in increasing the price of scrip and thereby had manipulated the price of the scrip.

In the light of the facts and circumstances and drawing support from the various judicial pronouncements as mentioned in the foregoing, it stands established that the Noticee-1 had indulged in manipulative trades and therefore has violated the provisions of Section 12A (a), (b), (c) of SEBI Act, Regulations 3(a), (b), (c), (d) and Regulation 4(1), 4(2)(e) of PFUTP Regulations.

**Noticee-2: Rachita Shripalkumar Shah**

39. It is noted from the SCN that the allegations in respect of Noticee-2 pertains to trading activities of Noticee-2 in two scrips i.e. Tera Software during the investigation period March 15, 2016 to May 30, 2016 (**Tera-Phase 2**) on BSE and Flex Foods during the investigation period June 09, 2016 to June 27, 2016 (**IP-Flex**) on BSE. During Tera-Phase 2, the price of Tera Software opened at Rs.71 and closed at Rs.85.3 at BSE. During IP-Flex, the price of Flex Foods opened at Rs.68.8 and closed at Rs.92.00 at BSE. It was observed that the scrip displayed rising price movement during major parts of Tera-Phase 2 and IP-Flex, therefore, entire Tera-Phase 2 and IP-Flex was taken as single patch of price rise in respective scrips to determine the LTP contributions.

As regards, the aforesaid two scrips, it was observed that Noticee-2 was the top LTP contributor among buyers in both the scrips during the respective investigation period with a contribution of Rs. 65.05 to net LTP and Rs. 79.60 to the total market positive LTP (being 7.08% of the total market positive LTP) in Tera Software and Rs. 82.85 to net LTP and Rs. 105.10 to the total market positive LTP (being 10.96% of the total market positive LTP) in Flex Foods. The details of the same are given below:

**Table 7: LTP contribution by Noticee-2 in the scrip of Tera Software among buyers during Tera- Phase 2 at BSE**

| Client Name | All LTP | All Traded Qty. | All No. of | Pos. LTP Rate | Pos. Traded Qty. | Pos. no. | Neg. LTP Rate | Neg. Traded Qty. | Neg. no. | Zero Traded Qty. | Zero No | % LTP to |
|---|---|---|---|---|---|---|---|---|---|---|---|---|

| | Rate | | Trades | | | Trades | | | Trades | | Trades | total Mar. Pos. LTP |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Rachita Shripalkumar Shah (Noticee-2) | 65.05 | 12093 | 275 | 79.60 | 3620 | 146 | -14.55 | 1977 | 36 | 6496 | 93 | 7.08% |
| Market Total | 15.45 | 1820154 | 11554 | 1124.40 | 501270 | 3281 | -1108.95 | 419546 | 3059 | 899338 | 5214 | 100.00% |

**Table 8: LTP contribution by Noticee-2 in the scrip of Flex Foods among buyers during IP-Flex at BSE**

| Client Name | All LTP Rate | All Traded Qty. | All No. of Trades | Pos. LTP Rate | Pos. Traded Qty. | Pos. no. Trades | Neg. LTP Rate | Neg. Traded Qty. | Neg. no. Trades | Zero Traded Qty. | Zero No Trades | % LTP to total Mar. Pos. LTP |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Rachita Shripalkumar Shah (Noticee-2) | 82.85 | 20506 | 444 | 105.10 | 4940 | 185 | -22.25 | 3921 | 52 | 11645 | 207 | 10.96% |
| Market Total | 24.15 | 1692589 | 13301 | 959.30 | 406697 | 3138 | -935.15 | 340582 | 3195 | 945310 | 6968 | 100.00% |

From the above tables, it was observed that the positive LTP contribution of Noticee-2 in both the scrips was more than 5% of total market positive LTP and the trades were analyzed further. The analysis of the same are given below:

Regarding Tera Software:

**Table 9: LTP Contribution in the scrip of Tera Software through small orders/trades by Noticee-2 during Tera-Phase 2**

| Buyer Name | No. of trades (LTP >0) | Positive LTP Contribution when buy order qty. was of 1 share only | | Positive LTP Contribution when buy order qty. was between 2-10 shares | | Positive LTP Contribution when buy order qty. were more than 10 shares | | Total Positive LTP contribution (Rs.) | % of positive LTP to Total Market positive LTP | % contribution to total market positive LTP through small orders (1-10 shares) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | | | |
| Rachita Shripalkumar Shah | 146 | 63.1 | 99 | 11.45 | 18 | 5.05 | 29 | 79.60 | 7.08% | 6.63% |

It was observed from the above table that, out of 146 trades with positive LTP contribution, Noticee-2 carried out 117 (99 trades involving quantity one share + 18 trades involving quantity two to ten shares) small buy trades (i.e. buy quantity ranged from 1 to 10 shares per trade) and thereby, contributed positive LTP of Rs 74.55 (Rs 63.1 + Rs 11.45) through such small trades to total market positive LTP. In view of the above, it was alleged that by placing buy orders of such miniscule quantity (1-10 shares) at a price higher than the LTP, Noticee-2 indulged in manipulative trading practices wherein the contribution was a total of 6.63% to total market positive LTP through small orders, and thereby contributed a total of 7.08% to the total market positive LTP in the scrip of Tera Software during Tera-Phase 2.

Regarding Flex Foods:

**Table 10: LTP Contribution in the scrip of Flex Foods through small orders/trades by Noticee-2 during IP-Flex**

| Buyer Name | No. of trades (LTP >0) | Positive LTP Contribution when buy order qty. was of 1 share only | | Positive LTP Contribution when buy order qty. was between 2-10 shares | | Positive LTP Contribution when buy order qty. were more than 10 shares | | Total Positive LTP contribution (Rs.) | % of positive LTP to Total Market positive LTP | % contribution to total market positive LTP through small orders (1-10 shares) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | | | |
| Rachita Shripalkumar Shah | 185 | 90.05 | 121 | 8.25 | 21 | 6.8 | 43 | 105.1 | 10.96 % | 10.24% |

It was observed from the above table that, out of 185 trades with positive LTP contribution, Noticee-2 carried out 142 (121 + 21 trades) small buy trades (i.e. buy quantity ranged from 1 to 10 shares per trade) and thereby, contributed positive LTP of Rs 98.3 (Rs 90.05 + Rs 8.25) through such small trades to total market positive LTP. In view of the above, it was alleged that by placing buy orders of such miniscule quantity (1-10 shares) at a price higher than the LTP, Noticee-2 indulged in manipulative trading practices wherein the contribution was a total of 10.24% to total market positive LTP through small orders, and thereby contributed a total of 10.96% to the total market positive LTP in the scrip of Flex Foods during IP-Flex.

As regards the trades of Noticee-2 in two scrips i.e. Tera Software and Flex Foods, it was alleged that Noticee-2 violated the provisions of section 12A (a), (b) and (c) of SEBI Act, 1992, Regulation 3 (a), (b), (c), (d), by indulging in manipulative device and dealing in securities in a fraudulent manner as described in the previous paragraphs and violated Regulation 4 (1) and Regulation 4 (2) (e) of PFUTP Regulations, 2003 by manipulating the price of the said scrips.

40. In response to the SCN, Noticee-2 vide her letter dated December 01, 2022 had made her submission with regard to the said two scrips viz., Tera Software and Flex Foods. Considering the similarity of contentions of Noticee-2 in respect of both the scrips, the same are being dealt conjointly for sake of brevity. Noticee-2 had inter alia submitted that all the dealings in securities market were handled by her husband viz. Mr Shripal Shah and she is filing her submissions based on her limited understanding, knowledge of the matter and explanation received from her husband. In this regard, it is noted that while it has been submitted so, Noticee-2 has neither disputed that her account was misused by her husband nor stated that the trades were carried out without her knowledge and hence it is implied that the account was either lent by her and/or arrangement was with her concurrence. Further, it is also noted that the while Noticee-2 has stated so, nothing has categorically been preferred /contended by her as such and hence the same is in nature of a mere statement. Accordingly, I now proceed to deal with the contentions of Noticee-2 on merits.

41. As regards small quantity trades in Tera Software and Flex Foods, Noticee-2 has inter alia submitted that she did not have high speed internet, the bid and offer quotes were refreshed late, so to check the actual rates, had to place a trade of small quantity and that subsequently, had also placed orders for more quantity.

In this regard, it is relevant to refer to the trade logs for the buy trades executed by Noticee-2 in the scrips of Tera Software and Flex Foods. To cite as examples, trade details of two dates viz. April 28, 2016 in the scrip of Tera Software and June 16, 2016 in the scrip of Flex Foods, being one of the top three positive LTP contributing days, are given below:

**Table 11: April 28, 2016 buy trade details of Noticee-2 in the scrip of Tera Software**

| S. No | TRADE_ DATE | TRADE_ TIME | ORDER_ LMTIME | CP_ORDER_ LMTIME | TRADE_ RATE | LTP_ RATE | LTP_ PERCENT | TRADED_ QTY | CP_ ORDER_ AVLQTY | ORDER_ LMQTY | CP_ ORDER_ LMQTY | ORDER_TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 28-04-2016 | 09:19:21.563077 | 09:19:21.563077 | 09:19:17.780396 | 89.6 | -2.4 | -2.61 | 59 | 60 | 500 | 60 | L |
| 2 | 28-04-2016 | 09:19:21.563077 | 09:19:21.563077 | 09:19:17.781334 | 89.6 | 0 | 0 | 59 | 59 | 500 | 59 | L |
| 3 | 28-04-2016 | 09:19:24.079282 | 09:19:24.079282 | 09:19:01.866523 | 93.9 | 4.3 | 4.8 | 1 | 100 | 1 | 100 | L |
| 4 | 28-04-2016 | 09:24:21.720992 | 09:24:21.720992 | 09:24:09.431921 | 92.95 | 1.45 | 1.58 | 1 | 500 | 1 | 500 | L |
| 5 | 28-04-2016 | 10:40:01.737994 | 10:40:01.737994 | 10:39:57.935051 | 93.2 | 0 | 0 | 117 | 200 | 117 | 200 | L |
| 6 | 28-04-2016 | 10:40:04.143248 | 10:40:04.143248 | 10:39:57.935051 | 93.2 | 0 | 0 | 1 | 200 | 1 | 200 | L |
| 7 | 28-04-2016 | 11:28:28.008207 | 11:28:28.008207 | 11:28:24.007562 | 92.1 | 0 | 0 | 81 | 150 | 200 | 150 | L |
| 8 | 28-04-2016 | 11:28:30.280833 | 11:28:30.280833 | 11:18:58.796190 | 93.4 | 1.3 | 1.41 | 1 | 50 | 1 | 50 | L |
| 9 | 28-04-2016 | 12:48:23.719677 | 12:48:23.719677 | 12:01:58.304032 | 92.9 | 1.9 | 2.09 | 1 | 100 | 1 | 100 | L |
| 10 | 28-04-2016 | 13:08:44.510706 | 13:08:44.510706 | 13:08:37.533572 | 91 | 0 | 0 | 55 | 2165 | 55 | 2165 | L |
| 11 | 28-04-2016 | 13:15:27.923083 | 13:15:27.923083 | 13:08:37.533572 | 91 | 0.2 | 0.22 | 1 | 2165 | 1 | 2165 | L |
| 12 | 28-04-2016 | 13:42:57.067079 | 13:42:57.067079 | 13:01:31.890643 | 92.6 | 2.1 | 2.32 | 1 | 10 | 1 | 10 | L |
| 13 | 28-04-2016 | 14:34:38.510244 | 14:34:38.510244 | 14:33:17.819085 | 91 | 0.5 | 0.55 | 1 | 25 | 1 | 25 | L |
| 14 | 28-04-2016 | 14:34:46.47753 | 14:34:46.477530 | 14:33:17.819085 | 91 | 0.9 | 1 | 1 | 25 | 1 | 25 | L |
| 15 | 28-04-2016 | 14:43:53.339077 | 14:43:53.339077 | 14:43:48.516139 | 90.1 | 0 | 0 | 109 | 500 | 109 | 500 | L |
| 16 | 28-04-2016 | 14:44:05.845399 | 14:44:05.845399 | 14:33:17.819085 | 91 | 1 | 1.11 | 1 | 25 | 1 | 25 | L |

From the above trade details, it is noted that Noticee-2 executed sixteen buy trades on sample date April 28, 2016 in Tera Software. It is further noted that all sixteen trades were executed using limit orders. As regards the submission of Noticee-2 that the small quantity orders were placed before placing more quantity, in the instant example itself, from the Table above, it is noted that contrary to the submissions of Noticee-2, majority of the buy trades of the Noticee-2 on the day were involving one share viz., ten out of total sixteen buy trades on the day. Besides, contrary to the submissions of Noticee-2, it is also noted from the table above that the initial orders viz., first two were for higher quantity viz., 500 each and later orders were for small quantity including multiple repeated orders involving quantity one only. It is noted that contrary to her submission in this regard, Noticee-2 placed multiple small orders consecutively (as highlighted) that too at higher than LTP without executing any large trades as such.

This apart even if the contention of the Noticee-2 were to be determined considering that the other orders on the day were for quantity 55, 109, 117, 200, 500, the contention seemingly falls short of merit as the other orders do not apparently seem to involve large quantities as such. Besides, generally speaking any genuine buyer, in ordinary course, would not precede his large quantity orders by small quantity orders at higher than LTP as the same would result in price rise which may render the large quantity order to be bought at a higher price which, logically speaking, would be against the interest of a genuine buyer.

Similar observations are noted from the trade details for the buy trades executed by Noticee-2 on sample day June 16, 2016 in the scrip of Flex Foods. The trade details are given below:

**Table 12: June 16, 2016 buy trade details of Noticee-2 in the scrip of in the scrip of Flex Foods**

| S. No. | TRADE _DATE | TRADE _TIME | ORDER _LMTIME | CP_ORDER _LMTIME | TRADE _RATE | LTP _RATE | LTP_ PERCENT | TRADED _QTY | CP_ ORDER _AVLQTY | ORDER _LMQTY | CP_ ORDER_ LMQTY | ORDER _TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 16-06-2016 | 09:22:53 | 09:22:53 | 09:22:50 | 88.55 | 0 | 0 | 125 | 500 | 200 | 500 | L |
| 2 | 16-06-2016 | 09:22:54 | 09:22:53 | 09:22:54 | 88.55 | 0 | 0 | 75 | 400 | 200 | 400 | L |
| 3 | 16-06-2016 | 09:22:56 | 09:22:56 | 09:22:44 | 90 | 1.5 | 1.69 | 1 | 20 | 1 | 20 | L |
| 4 | 16-06-2016 | 09:23:03 | 09:23:03 | 09:23:03 | 89.95 | 1.4 | 1.58 | 1 | 200 | 1 | 200 | L |
| 5 | 16-06-2016 | 09:30:43 | 09:30:43 | 09:22:08 | 91.95 | 1.45 | 1.6 | 1 | 100 | 1 | 100 | L |
| 6 | 16-06-2016 | 11:05:28 | 11:05:28 | 11:03:06 | 91.15 | 0.65 | 0.72 | 1 | 50 | 1 | 258 | L |
| 7 | 16-06-2016 | 11:09:07 | 11:09:07 | 11:08:58 | 89.25 | 0 | 0 | 200 | 400 | 200 | 400 | L |
| 8 | 16-06-2016 | 11:09:31 | 11:09:31 | 11:08:19 | 91 | 1.75 | 1.96 | 1 | 50 | 1 | 258 | L |
| 9 | 16-06-2016 | 11:11:20 | 11:11:20 | 11:11:17 | 90 | 1 | 1.12 | 1 | 50 | 1 | 50 | L |
| 10 | 16-06-2016 | 11:13:02 | 11:13:02 | 11:11:17 | 90 | 1 | 1.12 | 1 | 50 | 1 | 50 | L |
| 11 | 16-06-2016 | 11:16:22 | 11:16:22 | 11:11:17 | 90 | 1 | 1.12 | 1 | 50 | 1 | 50 | L |
| 12 | 16-06-2016 | 11:27:19 | 11:27:19 | 11:23:13 | 89 | 0.25 | 0.28 | 33 | 361 | 33 | 361 | L |
| 13 | 16-06-2016 | 11:27:22 | 11:27:22 | 11:11:17 | 90 | 1 | 1.12 | 1 | 50 | 1 | 50 | L |
| 14 | 16-06-2016 | 11:29:47 | 11:29:47 | 11:29:44 | 89.05 | 0 | 0 | 2 | 3 | 50 | 3 | L |
| 15 | 16-06-2016 | 11:29:49 | 11:29:49 | 11:28:38 | 89.8 | 0.75 | 0.84 | 1 | 100 | 1 | 100 | L |
| 16 | 16-06-2016 | 11:33:32 | 11:33:32 | 11:30:34 | 89.45 | 0.4 | 0.45 | 1 | 49 | 1 | 49 | L |
| 17 | 16-06-2016 | 11:35:41 | 11:35:41 | 11:35:38 | 89.05 | 0 | 0 | 30 | 50 | 30 | 50 | L |
| 18 | 16-06-2016 | 11:37:30 | 11:37:30 | 11:36:44 | 89.45 | 0.4 | 0.45 | 1 | 50 | 1 | 50 | L |
| 19 | 16-06-2016 | 11:44:11 | 11:44:11 | 11:42:55 | 89.45 | 0.45 | 0.51 | 1 | 50 | 1 | 138 | L |
| 20 | 16-06-2016 | 11:44:12 | 11:44:12 | 11:42:55 | 89.45 | 0 | 0 | 1 | 50 | 1 | 138 | L |
| 21 | 16-06-2016 | 11:44:14 | 11:44:14 | 11:42:55 | 89.45 | 0 | 0 | 1 | 50 | 1 | 138 | L |

| S. No. | TRADE _DATE | TRADE _TIME | ORDER _LMTIME | CP_ORDER _LMTIME | TRADE _RATE | LTP _RATE | LTP_ PERCENT | TRADED _QTY | CP_ ORDER _AVLQTY | ORDER _LMQTY | CP_ ORDER_ LMQTY | ORDER _TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 22 | 16-06-2016 | 11:44:14 | 11:44:14 | 11:42:55 | 89.45 | 0 | 0 | 1 | 50 | 1 | 138 | L |
| 23 | 16-06-2016 | 11:44:15 | 11:44:15 | 11:42:55 | 89.45 | 0 | 0 | 1 | 50 | 1 | 138 | L |
| 24 | 16-06-2016 | 11:49:42 | 11:49:42 | 11:42:55 | 89.45 | 0.45 | 0.51 | 1 | 50 | 1 | 138 | L |
| 25 | 16-06-2016 | 15:12:00 | 15:12:00 | 15:11:56 | 89.9 | 0 | 0 | 1 | 85 | 1 | 85 | L |
| 26 | 16-06-2016 | 15:12:59 | 15:12:42 | 15:12:59 | 88.6 | -0.4 | -0.45 | 200 | 750 | 200 | 750 | L |
| 27 | 16-06-2016 | 15:13:05 | 15:13:05 | 15:12:25 | 89.8 | 1.25 | 1.41 | 1 | 1 | 1 | 1 | L |
| 28 | 16-06-2016 | 15:22:43 | 15:22:43 | 15:22:39 | 89.1 | 0 | 0 | 1 | 500 | 1 | 500 | L |
| 29 | 16-06-2016 | 15:22:50 | 15:22:50 | 15:22:39 | 89.1 | 0 | 0 | 1 | 500 | 1 | 500 | L |
| 30 | 16-06-2016 | 15:25:33 | 15:22:42 | 15:25:33 | 88.55 | 0 | 0 | 60 | 200 | 180 | 200 | L |
| 31 | 16-06-2016 | 15:26:08 | 15:25:40 | 15:26:08 | 88.6 | 0.05 | 0.06 | 118 | 500 | 178 | 500 | L |

From the above table it is observed that Noticee-2 executed 31 buy trades on June 16, 2016 in the scrip of Flex Foods. Out these 31 buy trades, 17 trades were executed at higher than LTP and 22 trades were executed for small quantity (out of which 15 trades were at higher than LTP).

As regards the submission of Noticee-2 that the small quantity orders were placed before placing more quantity, as noted from Table above, it is observed that majority of the buy trades of the Noticee-2 on the day were involving just one share each viz., 22 out of total 31 buy trades on the day. Further, it is also noted that the initial buy orders were for higher quantity viz., 200 each and later orders were for small quantity including multiple orders involving quantity one only, save for few orders in quantity ranging from 30 to 200, contrary to the submissions of Noticee-2, in this regard. It is also noted that Noticee-2 placed multiple small orders consecutively that too at higher than LTP without executing any larger trades in between which is reflective of position contrary to her submission, in this regard. This apart even if the contention of the Noticee were to be determined considering that the other orders were for quantity 30, 33, 50, 178, 180, 200 the contention seemingly falls short of merit as the other orders do not apparently seem to involve large quantities as such.

As regards another contention of Noticee justifying small orders that she did not have high speed internet, it is noted that Noticee-2 has merely made such a statement and had not submitted any documentary evidence whatsoever in support of her contentions, in this regard. Having regard to Noticee's own submissions that she had a turnover of approx. Rs.4.40 cores at BSE cash segment and in backdrop of the fact the small orders were repeatedly placed across the entire investigation period, it becomes difficult to accept that someone otherwise claiming to be dealing in crores on the stock exchange would not have a smooth internet connection throughout the IP. Accordingly, the contentions of the Noticee, in this regard, are without relevant details and devoid of merit and hence cannot be accepted.

42. Noticee-2 had inter alia submitted that her trades were independent and totally in isolation to transaction carried out by other entities. There was no nexus or collusion with promoters etc. Further, there is no investor loss or complaints in this respect of dealing in the scrips by the Noticee. She had no interest in the rise or fall in the price of the scrips except for intraday squaring off trades.

In this regard, remaining being submissions in the nature of mere statement or views or opinion of Noticee-2, as regards collusion or nexus with promoters, trades being isolated and independent, investor loss or complaints etc., the same need not be a pre-condition for proving any market misconduct. Accordingly, contention of the Noticcee-2 in this regard is devoid of merits and hence not acceptable.

In this regard, reliance is also placed on following orders of Hon'ble SAT:

42.1. Hon'ble SAT order dated September 05, 2022 in **Diren Dharamdas Agarwal HUF v SEBI** wherein Hon'ble SAT has held that:

*"….*

*7. It was urged that the appellant was not connected with the Company or with the co-promoters nor was connected with the counter party nor was connected with other entities as indicated in the show cause notice. In this regard, the appellant has relied upon a decision of this Tribunal in the matter of Sapna Dilip Bombaywala vs SEBI (Appeal no. 143 of 2020 decided on June 24, 2020) and in the matter of M/s Nishith M. Shah HUF vs SEBI (Appeal no. 97 of 2019 decided on January 16, 2020). In our opinion the said decisions are*

*distinguishable and are not applicable to the facts in question. Even if there is nothing to establish any connection between buyer and seller, we are of the opinion that in the instant case the trades executed by the appellant were clearly manipulative and therefore violative of Regulation 3 & 4 of the PFUTP Regulations.*
*…………….."*

42.2. Hon'ble SAT order dated January 04, 2021 in **Tanuj Khandelwal v. SEBI** wherein Hon'ble SAT has held that:

*"….*
*7. …We find that except on three occasions the appellant only sold one share at a time on a daily basis. This trading pattern created misleading appearance with intention to manipulate the market if not the price. Thus, even if there is no connection with the buyer the trading pattern shows a concerted effort to manipulate the market and therefore, we are of the opinion that the appellant was not acting as a genuine seller. We also find that the appellant had no bonafide intention to sell because inspite of sufficient buy orders being placed with abundant quantity being available in the market the appellant was only placing sell orders of one share at a time. This clearly shows his intention of manipulating the market for vested reasons.*
*…."*

43. Noticee-2 had inter alia contended that SCN is silent on the fact that there were both buy and sell transactions. It is not that she has specifically bought the shares during the IP. She submitted that it is not that her trades in the scrip were only focused during the investigation period. She had traded in the Tera Software both prior and during the investigation period.

In this regard, going with the submission of the Noticee-2 that most of the trades were intraday trades and that the total buy was equal to total sell (in respect of both the scrips viz., Tera and Flex), for an intraday trader it is but natural that for total of buy trades on a given day there would also be corresponding total of sell trades as at end of day, as such traders generally square off their trading positions so as to have net zero position at day end. Besides, in this regard, the subject matter of the instant proceedings are the buy side trades of Noticee-2 during the investigation period that were at higher than LTP. Accordingly, the contentions of Noticee-2, in this regard cannot be accepted.

44. Noticee-2 had inter alia contended that in the scrip of Tera Software, only 29.93% of shares are alleged to be above LTP and 70.07% of shares are alleged to be at LTP or below LTP. Also, in the scrip of Flex Foods, only 24.09% of shares are alleged to be above LTP and 75.91 % of shares are alleged to be at LTP or below LTP. 75.91% of shares traded were either had zero or negative impact on LTP. This proves beyond reasonable doubt that there was no intent to manipulate price of the scrip. The transactions were at prevailing price and had no impact on market equilibrium.

Noticee-2 had also inter alia contended that her trades have also contributed to negative LTP, hence the allegation that the intent was only to positively affect the price of shares is not correct.

Noticee-2 has inter alia contended that the transactions in the scrips were miniscule in comparison to her total turnover in various scrips during the investigation period. The trades which resulted in positive LTP were negligible if compared to the overall shares traded during the investigation period.

In this regard, it is noted that the subject matter of the instant proceedings were the buy side trades of Noticee-2 during the investigation period that were at higher than LTP and majority of which were involving small orders and accordingly allegedly manipulative in nature, as alleged in the SCN. Besides, in this regard, irrespective of contention that the number of shares traded at higher than LTP price was 29.93% and 24.09% of total shares bought by Noticee-2, in the scrip of Tera Software and Flex Foods respectively, the net LTP contribution of Noticee-2 in both the scrips was positive viz., Rs. 65.05 and Rs.82.85 in the scrips of Tera Software and Flex Foods respectively, which implies that overall the buy trades of Noticee-2 have resulted into positive LTP contribution in both the scrips. This apart, going with the fact that majority of the LTP contributing buy trades of Noticee-2 were through small orders, it is but logical that the percentage of such trades when seen in terms of quantity would obviously be less. Besides, it would also be relevant here also consider this aspect in terms of number of trades of Noticee-2 which were above LTP, brief details of which are in the table below:

**Table 13: Noticee-2 buy side LTP contributing trades vis-à-vis total trades**

| Details | Tera Software | Flex Foods |
|---|---|---|
| Total trades of Noticee-2 in the scrips during the IP | 275 | 444 |
| Number of Trades contributing to positive LTP | 146 | 185 |
| Number of Small quantity trades contributing to positive LTP | 117 | 142 |
| Percentage of positive LTP trades to total trades (approx.) | 53.09% | 41.67% |
| Percentage of small quantity trades to total trades (approx.) | 42.55% | 31.99% |
| Percentage of small quantity trades with positive LTP to total positive LTP trades (approx.) | 80.14% | 76.76% |

From the above table, it is noted that as a buyer of both the scrips viz., Tera Software and Flex Foods, approx. 50.09% of the buy trades of Noticee-2 in Tera Software and approx. 41.67% of the buy trades of Noticee-2 in Flex Foods were executed at higher than LTP of the scrips.

Further, in this regard, it is noted that while Noticee-2 had contended comparing the percentage in terms of quantity, however Noticee-2 had not demonstrated any plausible reason for entering into trades at higher than LTP, being subject matter of instant proceedings, which in terms of number of trades happen to be 50.09% and 41.67%, as demonstrated in table above. In any case, that 70.07% or 75.91% of the shares were at other than positive LTP contributing trades, in itself would not justify or do away with the 29.93% and 24.09% of the trades, otherwise alleged to be manipulative. Accordingly, the contention of the Noticee-2 in this regard is devoid of merit and hence cannot be accepted.

45. Noticee-2 has inter alia contended that she merely made a profit of Rs. 6116/- in Tera Software and Rs. 5862/- in Flex Foods. In this regard, it is noted that making profit and market misconduct are two distinct aspects and that making profit need not be a pre-condition as such for proving a market misconduct and hence contention of Noticee-2 in this regard is devoid of merit and cannot be accepted.

In this regard, reliance is placed on Hon'ble SC judgment dated May 26, 2022 in MBL and Company Limited vs. SEBI, wherein Hon'ble SC inter alia held that:

> "…
> *12 …In other words, the impact of a manipulation which is carried out by a participant in the securities market cannot be assessed only in terms of the gain which has been caused to the participants themselves, but in terms of the wider consequences of the action on the securities market*.
> …"

46. Noticee-2 had inter alia contended that the transactions were at prevailing price and had no impact on market equilibrium. Both the scrips had been liquid throughout and highly traded. Alleged positive LTP trades are less than the high price during the day and high than the low price hence quantity of LTP will not contribute to any artificial scenario and hence would not change the market equilibrium.

In this regard, it is noted that Noticee-2 was executing buy trades at a price which was higher than the LTP of the scrip by placing a small quantity order that too despite availability of sufficient sell quantity available resulting in positive LTP contribution to the scrips. Through this trading pattern, Noticee-2 was contributing to LTP and accordingly impacting the price in the scrip of Tera Software and Flex Foods as can be seen from the LTP contribution to the respective scrips during the investigation period.

In this regard, reliance is placed on Hon'ble SAT order dated March 21, 2014 in Saumil Bhavnagari Vs. SEBI, relevant text of which is as under:

> *"... It must not be forgotten that every trade establishes the price of the scrip and the noticee's trading at higher than LTP resulted in the price of the scrip going up and were done with a view to set the price at a desired level and thereby influencing the innocent/gullible investors.*
>
> *.."*

Further, in this regard, it is noted that Noticee-2 has not explained and demonstrated why Noticee-2 had entered into buy trades at higher than LTP and that too with majority of such trades involving small orders at higher than the LTP despite sufficient availability of sell orders, resulting in creation of price higher than the LTP of the scrip. In view thereof, the contention of Noticee-2 in this regard are devoid of merit and cannot be accepted.

47. Noticee-2 has cited SEBI orders viz. order dated September 06, 2017 in the matter of First Financial Services Ltd.; order dated September 19, 2017 in the matter of Pine Animation Ltd; order dated September 21, 2017 in the matter of Kailash Auto Finance Ltd; order dated October 05, 2017 in the matter of Mishka Finance and Trading Ltd. and submitted that directions imposed on entities with similar allegation of LTP contribution was revoked by SEBI.

In this regard, it is noted that each matter may be unique in its facts and circumstances based on which the violations are ascertained. In any case, the instant matter is distinct in so far as in all the orders cited by the Noticee-2, the revocation orders were passed revoking the earlier directions (wrt respective entities) as upon completion of investigation by SEBI, there were no adverse findings /prima facie findings were observed in the Investigation report, contrary to the fact that the instant proceedings are pursuant to investigation by SEBI as also brought out in the SCN. Accordingly, contention of the Noticee-2 in this regard is devoid of merit and hence not acceptable.

48. Noticee-2 has cited various cases, as given under foregoing paras 12.15 and 12.16 and has submitted that strict proof/ compelling evidence is required for serious charge of fraud.

In this regard, it is noted that the standard of proof in quasi-judicial proceedings are based on preponderance of probability, which has to be ascertained from the facts and circumstances of the matter. In this regard, reliance is placed on Hon'ble Supreme Court judgement in Kishore R. Ajmera wherein it was held that-

> *"………..<u>In the quasi-judicial proceeding before SEBI, the standard of proof is preponderance of probability</u>. It is a fundamental principle of law that proof of an allegation levelled against a person may be in the form of direct substantive evidence or, as in many cases, such proof may have to be inferred by a logical process of reasoning from the totality of the attending facts and circumstances surrounding the allegations/charges made and levelled. While direct evidence is a more certain*

*basis to come to a conclusion, yet, in the absence thereof the Courts cannot be helpless. It is the judicial duty to take note of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a reasonable conclusion therefrom. The test would always be that what inferential process that are as on able/prudent man would adopt to arrive at a conclusion.*

*…………………"*

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

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

Further, reliance is placed on Hon'ble SAT order dated June 21, 2018 in **Shri Lakhi Prasad Kheradi v. SEBI** wherein Hon'ble SAT has held that:

*"……….*
*Facts recorded in paras 15 to 17 of the impugned order clearly establish that the trades executed by the appellant had the effect of net positive LTP of Rs. 85.35. <u>Very fact that the appellant had indulged in self trades/ LTP/ NHP without giving any justifiable reason, clearly justifies the inference drawn by the AO that the trades executed by the appellant were manipulative trades.</u>*
*………..."*

In view of thereof, it is noted that the standard of proof is preponderance of probability which has to be determined on the fact and circumstances of the case, accordingly the contention of Noticee-2 in this regard is devoid of merit and cannot be accepted.

49. Having dealt with the contentions of Noticee-2 in the foregoing paragraphs, I now proceed to deal with the allegations in the SCN wrt Noticee-2, as herein under:

**In respect of Flex Foods:**

Regarding the allegation that in scrip Flex Foods, through 185 buy trades Noticee-2 contributed Rs. 105.10 (being 10.96%) to the total market LTP of Flex Foods, it would be relevant to refer to the analysis of the 185 buy trades that resulted in positive LTP, as given below:

**Table 10: LTP Contribution in the scrip of Flex Foods through small orders/trades by Noticee-2 during IP-Flex**

| Buyer Name | No. of trades (LTP >0) | Positive LTP Contribution when buy order qty. was of 1 share only | | Positive LTP Contribution when buy order qty. was between 2-10 shares | | Positive LTP Contribution when buy order qty. were more than 10 shares | | Total Positive LTP contribution (Rs.) | % of positive LTP to Total Market positive LTP | % contribution to total market positive LTP through small orders (1-10 shares) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | | | |
| Rachita Shripalkumar Shah | 185 | 90.05 | 121 | 8.25 | 21 | 6.8 | 43 | 105.1 | 10.96 % | 10.24% |

From the above table it is noted that these 185 buy trades of the Noticee-2 during the investigation period resulted into positive LTP contribution of Rs. 105.10 (being 10.96%) to the total market LTP of Flex Foods.

As regards the allegation regarding small orders, that out of these 185 trades in Flex Foods, 142 buy trades were involving small orders which contributed Rs. 98.30 (being 10.24%) to the positive LTP of Flex Foods, it is noted that when Noticee-2 executed small quantity trades, sell orders of larger quantities were available for trading. Despite availability of sufficient quantity of shares, Noticee-2 continued to place buy order involving small quantity (viz., one to ten shares) for 10 trading days through 142 trades in Flex Foods. To cite as example, the top 50 LTP contributing buy trades of the Noticee-2 in Flex Foods are given below:

**Table 14: Top 50 LTP contributing buy trades of the Noticee-2 in Flex Foods**

| S. No. | TRADE_DATE | TRADE_TIME | ORDER_LMTIME | CP_ORDER_LMTIME | TRADE_RATE | LTP_RATE | LTP_PERCENT | ORDER_LMRATE | CP_ORDER_LMRATE | ORDER_LTP | CP_ORDER_LTP | TRADED_QTY | CP_ORDER_AVL QTY | ORDER_LMQTY | CP_ORDER_LMQTY | ORDER_TYPE | CP_ORDER_TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 27/06/2016 | 10:43:15.3879 | 10:43:15.387900 | 10:43:05.181745 | 89.5 | 2.95 | 3.41 | 89.5 | 89.5 | 89.5 | 88.05 | 1 | 500 | 1 | 500 | L | L |

| S. No. | TRADE_DATE | TRADE_TIME | ORDER_LMTIME | CP_ORDER_LMTIME | TRADE_RATE | LTP_RATE | LTP_PERCENT | ORDER_LMRATE | CP_ORDER_LMRATE | ORDER_LTP | CP_ORDER_LTP | TRADED_QTY | CP_ORDER_AVL QTY | ORDER_LMQTY | CP_ORDER_LMQTY | ORDER_TYPE | CP_ORDER_TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2 | 22/06/2016 | 09:16:44.641358 | 09:16:44.641358 | 09:15:00.283520 | 89 | 2.65 | 3.07 | 89 | 89 | 89 | 87.7 | 1 | 25 | 1 | 25 | L | L |
| 3 | 27/06/2016 | 09:28:14.964467 | 09:28:14.964467 | 09:27:00.240073 | 89.7 | 2.2 | 2.51 | 89.7 | 89.7 | 89.7 | 87.5 | 1 | 100 | 1 | 100 | L | L |
| 4 | 23/06/2016 | 11:26:21.48052 | 11:26:21.480520 | 11:26:08.331478 | 87.55 | 2.15 | 2.52 | 87.65 | 87.55 | 87.55 | 87.55 | 1 | 10 | 1 | 10 | L | L |
| 5 | 27/06/2016 | 13:00:55.26197 | 13:00:55.261970 | 13:00:49.583517 | 94.5 | 1.85 | 2 | 94.5 | 94.5 | 94.5 | 93 | 1 | 100 | 1 | 100 | L | L |
| 6 | 16/06/2016 | 11:09:30.578011 | 11:09:30.578011 | 11:08:18.715049 | 91 | 1.75 | 1.96 | 91.05 | 91 | 91 | 91.15 | 1 | 50 | 1 | 258 | L | L |
| 7 | 13/06/2016 | 09:18:16.417891 | 09:18:16.417891 | 09:18:14.439125 | 93.6 | 1.6 | 1.74 | 93.6 | 93.6 | 93.6 | 92.7 | 1 | 200 | 1 | 200 | L | L |
| 8 | 17/06/2016 | 09:23:34.353757 | 09:23:34.353757 | 09:20:01.532651 | 91.5 | 1.55 | 1.72 | 91.5 | 91.5 | 91.5 | 88.95 | 1 | 100 | 1 | 100 | L | L |
| 9 | 23/06/2016 | 11:26:04.667807 | 11:26:04.667807 | 11:25:34.247871 | 87.6 | 1.55 | 1.8 | 87.65 | 87.6 | 87.6 | 88 | 1 | 5 | 1 | 5 | L | L |
| 10 | 16/06/2016 | 09:22:55.568703 | 09:22:55.568703 | 09:22:44.402868 | 90 | 1.5 | 1.69 | 90 | 90 | 90 | 90 | 1 | 20 | 1 | 20 | L | L |
| 11 | 14/06/2016 | 15:13:40.084016 | 15:13:40.084016 | 15:08:41.815355 | 96.45 | 1.45 | 1.53 | 96.45 | 96.45 | 96.45 | 95.05 | 1 | 250 | 1 | 250 | L | L |
| 12 | 16/06/2016 | 09:30:42.832376 | 09:30:42.832376 | 09:22:08.209281 | 91.95 | 1.45 | 1.6 | 91.95 | 91.95 | 91.95 | 90 | 1 | 100 | 1 | 100 | L | L |
| 13 | 13/06/2016 | 09:41:02.785886 | 09:41:02.785886 | 09:40:59.451748 | 92.4 | 1.4 | 1.54 | 92.4 | 92.4 | 92.4 | 91 | 1 | 200 | 1 | 200 | L | L |
| 14 | 16/06/2016 | 09:23:03.281517 | 09:23:03.281517 | 09:23:03.157717 | 89.95 | 1.4 | 1.58 | 90 | 89.95 | 89.95 | 88.55 | 1 | 200 | 1 | 200 | L | L |
| 15 | 13/06/2016 | 09:40:42.805665 | 09:40:42.805665 | 09:40:40.060722 | 92.35 | 1.35 | 1.48 | 92.35 | 92.35 | 92.35 | 92.05 | 1 | 200 | 1 | 444 | L | L |
| 16 | 17/06/2016 | 09:48:39.028835 | 09:48:39.028835 | 09:47:20.763308 | 90 | 1.35 | 1.52 | 90 | 90 | 90 | 90 | 1 | 100 | 1 | 100 | L | L |
| 17 | 14/06/2016 | 10:15:49.37543 | 10:15:49.375430 | 10:14:58.668447 | 96.5 | 1.3 | 1.37 | 96.5 | 96.5 | 96.5 | 99.3 | 1 | 170 | 1 | 170 | L | L |
| 18 | 23/06/2016 | 10:30:18.185703 | 10:30:18.185703 | 10:30:13.442399 | 87.4 | 1.3 | 1.51 | 87.4 | 87.4 | 87.4 | 86.1 | 2 | 5 | 2 | 5 | L | L |
| 19 | 23/06/2016 | 11:30:50.924873 | 11:30:50.924873 | 11:28:52.190993 | 87.3 | 1.3 | 1.51 | 87.3 | 87.3 | 87.3 | 87.55 | 1 | 11 | 1 | 11 | L | L |
| 20 | 23/06/2016 | 11:31:06.012276 | 11:31:06.012276 | 11:28:52.190993 | 87.3 | 1.3 | 1.51 | 87.3 | 87.3 | 87.3 | 87.55 | 1 | 11 | 1 | 11 | L | L |
| 21 | 16/06/2016 | 15:13:05.279295 | 15:13:05.279295 | 15:12:24.558544 | 89.8 | 1.25 | 1.41 | 89.8 | 89.8 | 89.8 | 89.95 | 1 | 1 | 1 | 1 | L | L |
| 22 | 27/06/2016 | 13:14:06.601676 | 13:14:06.601676 | 13:12:28.517245 | 94 | 1.25 | 1.35 | 94 | 94 | 94 | 92.75 | 1 | 1 | 1 | 1 | L | L |
| 23 | 24/06/2016 | 10:07:24.160732 | 10:07:24.160732 | 10:04:27.490385 | 86.1 | 1.1 | 1.29 | 86.1 | 86.1 | 86.1 | 86 | 1 | 100 | 1 | 100 | L | L |
| 24 | 24/06/2016 | 10:09:29.913266 | 10:09:29.913266 | 10:04:27.490385 | 86.1 | 1.1 | 1.29 | 86.1 | 86.1 | 86.1 | 86 | 1 | 100 | 1 | 100 | L | L |
| 25 | 16/06/2016 | 11:11:19.566341 | 11:11:19.566341 | 11:11:16.602299 | 90 | 1 | 1.12 | 90 | 90 | 90 | 91 | 1 | 50 | 1 | 50 | L | L |
| 26 | 16/06/2016 | 11:13:01.881895 | 11:13:01.881895 | 11:11:16.602299 | 90 | 1 | 1.12 | 90 | 90 | 90 | 91 | 1 | 50 | 1 | 50 | L | L |
| 27 | 16/06/2016 | 11:16:22.15601 | 11:16:22.156010 | 11:11:16.602299 | 90 | 1 | 1.12 | 90 | 90 | 90 | 91 | 1 | 50 | 1 | 50 | L | L |
| 28 | 16/06/2016 | 11:27:21.945293 | 11:27:21.945293 | 11:11:16.602299 | 90 | 1 | 1.12 | 90 | 90 | 90 | 91 | 1 | 50 | 1 | 50 | L | L |
| 29 | 23/06/2016 | 10:30:37.421246 | 10:30:37.421246 | 10:30:23.477243 | 88 | 1 | 1.15 | 88 | 88 | 88 | 86.5 | 2 | 500 | 2 | 500 | L | L |
| 30 | 14/06/2016 | 15:08:31.489762 | 15:08:31.489762 | 15:07:34.310163 | 96 | 0.95 | 1 | 96 | 96 | 96 | 100 | 1 | 100 | 1 | 50 | L | L |
| 31 | 14/06/2016 | 15:16:05.876484 | 15:16:05.876484 | 15:14:10.879625 | 95 | 0.95 | 1.01 | 95.05 | 95 | 95 | 95 | 1 | 2000 | 1 | 2000 | L | L |
| 32 | 23/06/2016 | 11:50:17.776902 | 11:50:17.776902 | 11:45:41.698352 | 86.2 | 0.95 | 1.11 | 86.2 | 86.2 | 86.2 | 86.65 | 1 | 500 | 1 | 500 | L | L |
| 33 | 23/06/2016 | 14:49:57.370362 | 14:49:57.370362 | 14:49:41.020957 | 91 | 0.95 | 1.05 | 91 | 91 | 91 | 91.9 | 1 | 100 | 1 | 100 | L | L |
| 34 | 24/06/2016 | 10:13:07.700404 | 10:13:07.700404 | 10:12:53.869096 | 85.95 | 0.95 | 1.12 | 85.95 | 85.95 | 85.95 | 85.85 | 1 | 200 | 1 | 200 | L | L |
| 35 | 24/06/2016 | 12:00:46.986469 | 12:00:46.986469 | 12:00:27.207891 | 86.95 | 0.95 | 1.1 | 86.95 | 86.95 | 86.95 | 87 | 1 | 2000 | 1 | 2000 | L | L |
| 36 | 24/06/2016 | 13:40:33.00131 | 13:40:33.001310 | 13:30:14.083153 | 87.95 | 0.95 | 1.09 | 87.95 | 87.95 | 87.95 | 87.3 | 1 | 10 | 1 | 10 | L | L |
| 37 | 27/06/2016 | 15:14:40.315319 | 15:14:40.315319 | 15:10:21.216879 | 92.8 | 0.95 | 1.03 | 92.8 | 92.8 | 92.8 | 92.5 | 1 | 50 | 1 | 50 | L | L |

| S. No. | TRADE_DATE | TRADE_TIME | ORDER_LMTIME | CP_ORDER_LMTIME | TRADE_RATE | LTP_RATE | LTP_PERCENT | ORDER_LMRATE | CP_ORDER_LMRATE | ORDER_LTP | CP_ORDER_LTP | TRADED_QTY | CP_ORDER_AVL QTY | ORDER_LMQTY | CP_ORDER_LMQTY | ORDER_TYPE | CP_ORDER_TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 38 | 22/06/2016 | 13:58:11.383696 | 13:58:11.383696 | 13:54:57.952141 | 85.9 | 0.9 | 1.06 | 85.9 | 85.9 | 85.9 | 85.95 | 1 | 200 | 1 | 200 | L | L |
| 39 | 22/06/2016 | 14:54:30.727802 | 14:54:30.727802 | 14:53:37.202996 | 84.9 | 0.9 | 1.07 | 84.9 | 84.9 | 84.9 | 84.65 | 1 | 25 | 1 | 25 | L | L |
| 40 | 23/06/2016 | 11:51:00.615226 | 11:51:00.615226 | 11:50:24.637785 | 86 | 0.9 | 1.06 | 86 | 86 | 86 | 86.2 | 1 | 5 | 1 | 5 | L | L |
| 41 | 24/06/2016 | 10:11:53.174741 | 10:11:53.174741 | 10:11:41.482154 | 86 | 0.9 | 1.06 | 86 | 86 | 86 | 86 | 1 | 100 | 1 | 100 | L | L |
| 42 | 24/06/2016 | 10:43:23.394742 | 10:43:23.394742 | 10:43:20.689051 | 87.4 | 0.9 | 1.04 | 87.4 | 87.4 | 87.4 | 86 | 1 | 500 | 1 | 500 | L | L |
| 43 | 27/06/2016 | 13:29:40.953294 | 13:29:40.953294 | 13:22:42.839034 | 93.9 | 0.9 | 0.97 | 95 | 93.9 | 93.9 | 93 | 1 | 50 | 1 | 50 | L | L |
| 44 | 13/06/2016 | 09:40:23.990819 | 09:40:23.990819 | 09:40:21.725520 | 91.85 | 0.85 | 0.93 | 91.85 | 91.85 | 91.85 | 92.05 | 1 | 200 | 1 | 444 | L | L |
| 45 | 17/06/2016 | 09:53:56.730357 | 09:53:56.730357 | 09:50:02.497207 | 89.95 | 0.85 | 0.95 | 89.95 | 89.95 | 89.95 | 90 | 1 | 32 | 1 | 132 | L | L |
| 46 | 22/06/2016 | 13:30:39.547663 | 13:30:39.547663 | 13:29:35.790759 | 87.15 | 0.85 | 0.98 | 87.15 | 87.15 | 87.15 | 87 | 1 | 250 | 1 | 500 | L | L |
| 47 | 13/06/2016 | 09:19:29.479764 | 09:19:29.479764 | 09:19:25.575291 | 94.8 | 0.8 | 0.85 | 94.8 | 94.8 | 94.8 | 94 | 1 | 15 | 1 | 15 | L | L |
| 48 | 17/06/2016 | 11:40:28.514004 | 11:40:28.514004 | 11:39:13.198872 | 91.85 | 0.8 | 0.88 | 91.85 | 91.85 | 91.85 | 91.1 | 1 | 25 | 1 | 25 | L | L |
| 49 | 22/06/2016 | 14:58:37.73141 | 14:58:37.731410 | 14:55:07.960739 | 84.8 | 0.8 | 0.95 | 84.8 | 84.8 | 84.8 | 84 | 1 | 100 | 1 | 100 | L | L |
| 50 | 23/06/2016 | 11:33:01.249857 | 11:33:01.249857 | 11:32:49.445512 | 86.9 | 0.8 | 0.93 | 86.9 | 86.9 | 86.9 | 87.4 | 1 | 100 | 1 | 100 | L | L |

From the above table it is noted that even from a sample of top 50 positive LTP contributing buy trades, forty-eight trades were involving one share and two trades were involving two shares only. Thus even from the sample of top 50 positive LTP contributing buy trades of Noticee-2, it is evident that the Noticee-2 had indulged in trades at higher than LTP of which majority were through small orders.

It is noted that Noticee-2 was buying one or two share at higher price even though sell orders of larger quantities were available. Generally speaking, it is logical that a genuine buyer would want to buy at low price viz., at prevailing or less than prevailing prices and not at a higher price as was the case with the Noticee-2 in the instant matter.

**In respect of Tera Software:**

Regarding the allegation that in scrip Tera Software, through 146 buy trades Noticee-2 contributed Rs. 79.60 (being 7.08%) to the total market LTP of Tera

Software, it would be relevant to refer to the analysis of 146 buy trades that resulted in positive LTP, as given below:

**Table 9: LTP Contribution in the scrip of Tera Software through small orders/trades by Noticee-2 during Tera-Phase 2**

| Buyer Name | No. of trades (LTP >0) | Positive LTP Contribution when buy order qty. was of 1 share only | | Positive LTP Contribution when buy order qty. was between 2-10 shares | | Positive LTP Contribution when buy order qty. were more than 10 shares | | Total Positive LTP contribution (Rs.) | % of positive LTP to Total Market positive LTP | % contribution to total market positive LTP through small orders (1-10 shares) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | | | |
| Rachita Shripalkumar Shah | 146 | 63.1 | 99 | 11.45 | 18 | 5.05 | 29 | 79.60 | 7.08% | 6.63% |

From the above table it is noted that these 146 buy trades resulted into positive LTP contribution of Rs. 79.60 (being 7.08%) to the total market positive LTP of Tera Software.

As regards the allegation regarding small orders, that out of these 146 buy trades, 117 buy trades were involving small orders which contributed Rs. 74.55 (being 6.63%) to the positive LTP of Tera software, it is noted that when Noticee-2 executed small quantity trades, sell orders of larger quantities were available for trading. Despite availability of sufficient quantity of shares, Noticee-2 continued to place buy order involving small quantity (viz., one to ten shares) repeatedly during the investigation period for 20 trading days through 117 trades in Tera Software. To cite as example, the top 50 LTP contributing buy trades of the Noticee-2 in Tera Software are given below:

**Table 15: Top 50 LTP contributing buy trades of the Noticee-2 in Tera Software**

| S. No. | TRADE_DATE | TRADE_TIME | ORDER_LMTIME | CP_ORDER_LMTIME | TRADE_RATE | LTP_RATE | LTP_PERCENT | ORDER_LMRATE | CP_ORDER_LMRATE | ORDER_LTP | CP_ORDER_LTP | TRADED_QTY | CP_ORDER_AVLQTY | ORDER_LMQTY | CP_ORDER_LMQTY | ORDER_TYPE | CP_ORDER_TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 28/04/2016 | 09:19:24.079282 | 09:19:24.079282 | 09:19:01.866523 | 93.9 | 4.3 | 4.8 | 93.9 | 93.9 | 93.9 | 94 | 1 | 100 | 1 | 100 | L | L |
| 2 | 08/04/2016 | 09:28:03.609113 | 09:28:03.609113 | 09:15:00.441981 | 95 | 3 | 3.26 | 95 | 95 | 95 | 86.05 | 3 | 300 | 3 | 300 | L | L |
| 3 | 28/04/2016 | 13:42:57.067079 | 13:42:57.067079 | 13:01:31.890643 | 92.6 | 2.1 | 2.32 | 96 | 92.6 | 92.6 | 92.9 | 1 | 10 | 1 | 10 | L | L |
| 4 | 13/04/2016 | 10:10:56.254995 | 10:10:56.254995 | 10:10:53.885556 | 94.2 | 1.9 | 2.06 | 94.2 | 94.2 | 94.2 | 94.45 | 1 | 353 | 1 | 353 | L | L |

| S. No. | TRADE_DATE | TRADE_TIME | ORDER_LMTIME | CP_ORDER_LMTIME | TRADE_RATE | LTP_RATE | LTP_PERCENT | ORDER_LMRATE | CP_ORDER_LMRATE | ORDER_LTP | CP_ORDER_LTP | TRADED_QTY | CP_ORDER_AVL QTY | ORDER_LM QTY | CP_ORDER_LM QTY | ORDER_TYPE | CP_ORDER_TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 5 | 28/04/2016 | 12:48:23.719677 | 12:48:23.719677 | 12:01:58.304032 | 92.9 | 1.9 | 2.09 | 93 | 92.9 | 92.9 | 92 | 1 | 100 | 1 | 100 | L | L |
| 6 | 13/04/2016 | 10:15:31.368907 | 10:15:31.368907 | 10:15:23.923416 | 93.85 | 1.85 | 2.01 | 93.85 | 93.85 | 93.85 | 94.45 | 1 | 353 | 1 | 353 | L | L |
| 7 | 13/04/2016 | 10:15:36.271361 | 10:15:36.271361 | 10:15:23.923416 | 93.85 | 1.85 | 2.01 | 93.85 | 93.85 | 93.85 | 94.45 | 1 | 353 | 1 | 353 | L | L |
| 8 | 11/05/2016 | 11:38:25.120413 | 11:38:25.120413 | 09:37:29.133893 | 90.5 | 1.75 | 1.97 | 90.55 | 90.5 | 90.5 | 88.9 | 1 | 230 | 1 | 230 | L | L |
| 9 | 13/04/2016 | 10:16:09.208724 | 10:16:09.208724 | 10:15:58.218011 | 93.45 | 1.55 | 1.69 | 93.45 | 93.45 | 93.45 | 94.45 | 1 | 353 | 1 | 353 | L | L |
| 10 | 04/04/2016 | 15:16:08.320156 | 15:16:08.320156 | 15:11:18.905073 | 86 | 1.5 | 1.78 | 86 | 86 | 86 | 86.5 | 1 | 1000 | 1 | 1000 | L | L |
| 11 | 11/05/2016 | 11:03:37.356164 | 11:03:37.356164 | 09:37:29.133893 | 90.5 | 1.5 | 1.69 | 90.5 | 90.5 | 90.5 | 88.9 | 1 | 230 | 1 | 230 | L | L |
| 12 | 08/04/2016 | 12:06:19.595098 | 12:06:19.595098 | 12:03:51.519138 | 94.5 | 1.45 | 1.56 | 94.5 | 94.5 | 94.5 | 93.05 | 2 | 100 | 2 | 100 | L | L |
| 13 | 12/04/2016 | 15:11:22.382307 | 15:11:22.382307 | 15:09:17.612063 | 92 | 1.45 | 1.6 | 92 | 92 | 92 | 90.85 | 2 | 501 | 2 | 501 | L | L |
| 14 | 13/04/2016 | 10:13:26.672064 | 10:13:26.672064 | 10:12:09.946581 | 93.8 | 1.45 | 1.57 | 93.8 | 93.8 | 93.8 | 94.45 | 1 | 353 | 1 | 353 | L | L |
| 15 | 28/04/2016 | 09:24:21.720992 | 09:24:21.720992 | 09:24:09.431921 | 92.95 | 1.45 | 1.58 | 92.95 | 92.95 | 92.95 | 93.9 | 1 | 500 | 1 | 500 | L | L |
| 16 | 27/05/2016 | 11:50:43.935546 | 11:50:43.935546 | 11:47:56.887518 | 96.45 | 1.4 | 1.47 | 96.45 | 96.45 | 96.45 | 95.8 | 1 | 10 | 1 | 10 | L | L |
| 17 | 06/04/2016 | 09:16:48.440783 | 09:16:48.440783 | 09:16:40.392964 | 95.85 | 1.35 | 1.43 | 95.85 | 95.85 | 95.85 | 95 | 1 | 100 | 1 | 100 | L | L |
| 18 | 28/04/2016 | 11:28:30.280833 | 11:28:30.280833 | 11:18:58.796190 | 93.4 | 1.3 | 1.41 | 93.4 | 93.4 | 93.4 | 93 | 1 | 50 | 1 | 50 | L | L |
| 19 | 29/04/2016 | 11:31:48.276043 | 11:31:48.276043 | 11:11:22.146944 | 92.35 | 1.3 | 1.43 | 92.35 | 92.35 | 92.35 | 91 | 1 | 100 | 1 | 180 | L | L |
| 20 | 13/04/2016 | 10:20:37.618155 | 10:20:37.618155 | 10:18:55.119360 | 93.45 | 1.25 | 1.36 | 93.45 | 93.45 | 93.45 | 94.45 | 1 | 353 | 1 | 353 | L | L |
| 21 | 19/05/2016 | 11:24:55.012887 | 11:24:55.012887 | 11:24:37.977541 | 91.95 | 1.25 | 1.38 | 91.95 | 91.95 | 91.95 | 92.45 | 1 | 500 | 1 | 500 | L | L |
| 22 | 26/05/2016 | 15:13:41.899213 | 15:13:41.899213 | 14:58:28.560199 | 91.85 | 1.25 | 1.38 | 91.85 | 91.85 | 91.85 | 91.95 | 1 | 50 | 1 | 50 | L | L |
| 23 | 27/05/2016 | 10:29:06.850971 | 10:29:06.850971 | 10:22:49.387085 | 97.5 | 1.15 | 1.19 | 97.5 | 97.5 | 97.5 | 96.9 | 3 | 950 | 3 | 950 | L | L |
| 24 | 16/03/2016 | 10:01:53.61408 | 10:01:53.614080 | 10:01:47.631516 | 88.4 | 1.1 | 1.26 | 88.4 | 88.4 | 88.4 | 88.05 | 1 | 10 | 1 | 10 | L | L |
| 25 | 29/04/2016 | 09:55:07.384279 | 09:55:07.384279 | 09:49:30.490946 | 92 | 1.1 | 1.21 | 92 | 92 | 92 | 91 | 1 | 10 | 1 | 10 | L | L |
| 26 | 03/05/2016 | 10:06:23.379435 | 10:06:23.379435 | 09:57:55.746170 | 93.05 | 1.05 | 1.14 | 93.05 | 93.05 | 93.05 | 92 | 1 | 1 | 1 | 1 | L | L |
| 27 | 04/04/2016 | 13:59:15.879573 | 13:59:15.879573 | 13:59:11.032131 | 87.4 | 1 | 1.16 | 87.4 | 87.4 | 87.4 | 86 | 1 | 300 | 1 | 300 | L | L |
| 28 | 28/04/2016 | 14:44:05.845399 | 14:44:05.845399 | 14:33:17.819085 | 91 | 1 | 1.11 | 91 | 91 | 91 | 91 | 1 | 25 | 1 | 25 | L | L |
| 29 | 27/05/2016 | 10:12:28.305187 | 10:12:28.305187 | 09:00:00.503612 | 96 | 1 | 1.05 | 96 | 96 | 96 | 91.15 | 2 | 450 | 2 | 450 | L | L |
| 30 | 27/05/2016 | 10:12:56.990126 | 10:12:56.990126 | 10:12:55.758348 | 94.5 | 1 | 1.07 | 94.5 | 94.5 | 95 | 93.5 | 52 | 52 | 300 | 52 | L | L |
| 31 | 29/04/2016 | 11:33:32.63697 | 11:33:32.636970 | 11:32:13.513895 | 91.95 | 0.95 | 1.04 | 91.95 | 91.95 | 91.95 | 92.35 | 1 | 200 | 1 | 200 | L | L |
| 32 | 02/05/2016 | 11:16:46.545368 | 11:16:46.545368 | 10:52:18.296391 | 91 | 0.95 | 1.05 | 91 | 91 | 91 | 90.05 | 1 | 3 | 1 | 3 | L | L |
| 33 | 28/04/2016 | 14:34:46.47753 | 14:34:46.477530 | 14:33:17.819085 | 91 | 0.9 | 1 | 91 | 91 | 91 | 91 | 1 | 25 | 1 | 25 | L | L |
| 34 | 02/05/2016 | 11:33:14.896867 | 11:33:14.896867 | 11:26:00.739784 | 90.9 | 0.9 | 1 | 90.9 | 90.9 | 90.9 | 90.05 | 1 | 3 | 1 | 50 | L | L |
| 35 | 19/05/2016 | 11:21:24.871007 | 11:21:24.871007 | 11:09:02.171109 | 91.9 | 0.9 | 0.99 | 91.9 | 91.9 | 91.9 | 90.8 | 1 | 100 | 1 | 100 | L | L |
| 36 | 27/05/2016 | 11:02:44.886476 | 11:02:44.886476 | 10:41:32.922403 | 97.1 | 0.9 | 0.94 | 97.1 | 97.1 | 97.1 | 96.6 | 2 | 25 | 2 | 25 | L | L |
| 37 | 27/05/2016 | 10:30:09.306244 | 10:30:09.306244 | 10:30:09.285664 | 97.8 | 0.8 | 0.82 | 97.85 | 97.8 | 97.8 | 97 | 1 | 10 | 1 | 10 | L | L |
| 38 | 25/04/2016 | 11:16:37.378839 | 11:16:37.378839 | 11:13:43.799510 | 97.75 | 0.75 | 0.77 | 97.75 | 97.75 | 97.75 | 97.3 | 1 | 1 | 1 | 1 | L | L |
| 39 | 12/04/2016 | 15:28:16.942414 | 15:28:16.942414 | 14:48:17.666663 | 92.7 | 0.7 | 0.76 | 93 | 92.7 | 91 | 92.05 | 25 | 25 | 248 | 25 | L | L |

| S. No. | TRADE_DATE | TRADE_TIME | ORDER_LMTIME | CP_ORDER_LMTIME | TRADE_RATE | LTP_RATE | LTP_PERCENT | ORDER_LMRATE | CP_ORDER_LMRATE | ORDER_LTP | CP_ORDER_LTP | TRADED_QTY | CP_ORDER_AVL QTY | ORDER_LM QTY | CP_ORDER_LM QTY | ORDER_TYPE | CP_ORDER_TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 40 | 27/04/2016 | 14:22:27.285206 | 14:22:27.285206 | 12:47:26.032775 | 93.9 | 0.7 | 0.75 | 93.95 | 93.9 | 93.9 | 93.9 | 1 | 150 | 1 | 150 | L | L |
| 41 | 19/05/2016 | 11:22:21.593471 | 11:22:21.593471 | 11:09:02.171109 | 91.9 | 0.7 | 0.77 | 91.9 | 91.9 | 91.9 | 90.8 | 1 | 100 | 1 | 100 | L | L |
| 42 | 19/05/2016 | 11:22:44.33383 | 11:22:44.333830 | 11:09:02.171109 | 91.9 | 0.7 | 0.77 | 91.9 | 91.9 | 91.9 | 90.8 | 1 | 100 | 1 | 100 | L | L |
| 43 | 30/03/2016 | 12:44:03.769918 | 12:44:03.769918 | 12:43:24.535137 | 85.95 | 0.65 | 0.76 | 85.95 | 85.95 | 85.95 | 85.3 | 1 | 190 | 1 | 190 | L | L |
| 44 | 27/04/2016 | 13:15:45.016165 | 13:15:45.016165 | 12:52:51.871063 | 93.85 | 0.65 | 0.7 | 93.85 | 93.85 | 93.85 | 94.5 | 1 | 200 | 1 | 85 | L | L |
| 45 | 27/04/2016 | 12:28:17.652632 | 12:28:17.652632 | 12:05:25.153090 | 94 | 0.6 | 0.64 | 94 | 94 | 94 | 93.9 | 1 | 50 | 1 | 50 | L | L |
| 46 | 30/03/2016 | 12:53:45.179921 | 12:53:45.179921 | 12:44:14.933994 | 85.85 | 0.55 | 0.64 | 85.85 | 85.85 | 85.85 | 85.95 | 1 | 100 | 1 | 100 | L | L |
| 47 | 27/04/2016 | 09:51:22.50582 | 09:51:22.505820 | 09:30:03.172652 | 95.05 | 0.55 | 0.58 | 95.05 | 95.05 | 95.05 | 92.35 | 1 | 1 | 1 | 1 | L | L |
| 48 | 16/03/2016 | 09:15:59.529357 | 09:15:59.529357 | 09:15:57.744907 | 92 | 0.5 | 0.55 | 92 | 92 | 92 | 92 | 200 | 4000 | 200 | 4000 | L | L |
| 49 | 30/03/2016 | 12:29:52.55539 | 12:29:52.555390 | 10:13:29.669362 | 86 | 0.5 | 0.58 | 86 | 86 | 86 | 82.85 | 1 | 50 | 1 | 50 | L | L |
| 50 | 30/03/2016 | 13:55:44.01334 | 13:55:44.013340 | 12:05:48.353859 | 86.5 | 0.5 | 0.58 | 86.5 | 86.5 | 86.5 | 85.75 | 1 | 100 | 1 | 100 | L | L |

From the above table it is noted that even from a sample of top 50 positive LTP contributing buy trades, forty-seven trades were involving either one, two or three shares only and the remaining three trades were for quantity 300, 248 and 200 shares. Thus even from the sample of top 50 positive LTP contributing buy trades of Noticee-2, it is evident that the Noticee-2 had indulged in trades at higher than LTP of which majority were through small orders.

It is noted that Noticee-2 was buying one or two share at higher price even though sell orders of larger quantities were available. Generally speaking, it is logical that a genuine buyer would want to buy at low price viz., at prevailing or less than prevailing prices and not at a higher price as was the case with the Noticee-2 in the instant matter.

**In respect of both scrips viz., Flex Foods and Tera Software:**

It is noted that while Noticee-2 had, as part of her submissions, made several contentions, Noticee-2 had neither disputed the buy trades that resulted into positive LTP in the scrip nor had Noticee-2 been able to demonstrate any justifiable reason with regard to entering into such trades at higher than LTP of which majority were through small quantity trades despite availability of sufficient sell orders of larger quantity.

In this regard, reliance is placed on orders of Hon'ble Securities Appellate Tribunal ("SAT") as given below:

49.1. Hon'ble SAT order dated December 15, 2021 in **M/s Adamina Traders Pvt. Ltd. vs. SEBI** wherein Hon'ble SAT had held that :

> *"……….*
> *8. <u>It was contended that out of 6519 trades only 554 trades were found to the positive LTP and</u>, therefore, these figures indicates that there was no intention on the part of the appellant to manipulate the price since the remaining trades were either negative LTP or zero LTP. Further, there was a huge difference between the buy time and the sell time and consequently <u>the LTP in 176 trades was very negligible which cannot lead to a conclusion that the appellant indulged in manipulation of price.</u> <u>We are unable to accept this argument as we find from the trading pattern of the appellant that on most occasions the appellant was placing buy orders of miniscule quantity ranging from 1 to 10 shares above LTP though large orders were pending in the system.</u> The WTM has categorically found that out of 176 trades, in a large numbers trades, only one share was purchased. <u>These miniscule trades of one share per day led to increase price of the scrip by Rs. 50.23 which amounted to Rs. 26.34% of the total market positive LTP.</u>*
>
> *9. Thus, in the instant case, **<u>the pattern of trading, namely, placing buy orders in small quantities which led to increase in the price of the scrip was clearly fraudulent and manipulation of the price of the scrip which was violative of Regulations 3 and 4 of the PFUTP Regulations.</u>** Thus, the finding given by the WTM does not suffer from any error of law."*

49.2. Hon'ble SAT order dated April 28, 2021 in the matter of **Shri Tarunkumar Brahmbhatt v. SEBI** wherein Hon'ble SAT had held that:

> *"………..*
> *From the trades executed by the appellants which has been depicted in detail in the impugned order we notice that the appellants placed buy orders above the LTP and that some of the trades were the first trades of the day. **<u>It is common sense that when an investor buys he would like to buy a scrip at the lowest possible price and when he wants to sell he would like to get the highest possible price. Why should a person/ investor buy a share at a higher price than what is available on the stock exchange at a lower price unless there is a motive.</u>** In the instant case, the trading pattern of the appellants clearly indicates that they were placing buy orders above the LTP which led to market contribution to the positive LTP and also created a new high price (NHP).*
> *………..*"

50. In view of the foregoing, it is noted that Noticee-2 through 146 buy trades had contributed a total of 7.08% (being Rs.79.60) of the total market positive LTP in the scrip of Tera Software during the IP-Tera and through 185 buy trades had contributed a total of 10.96% (being Rs.105.10) of the total market positive LTP in the scrip of Flex Food during the IP-Flex. Further, out of the 146 trades in Tera Software, 117 trades were small quantity trades and out of the 185 trades in Flex Food, 142 trades were small quantity trades, despite availability of

sufficient sell orders of larger quantity, resulting in increasing the price of scrips and thereby had manipulated the price of the scrip.

In the light of the above facts and circumstances, and drawing support from the various judicial pronouncements mentioned above, it is established that the Noticee-2 had indulged in manipulative trades and therefore has violated section 12A (a), (b), (c) of SEBI Act, Regulations 3(a), (b), (c), (d) and Regulation 4(1), 4(2)(e) of PFUTP Regulations.

**Noticee-3: Shripal Sheshmal HUF**

51. It is noted from the SCN that the allegation in respect of Noticee-3 pertains to trading activities of Noticee-3 in two scrips i.e. Cosyn during investigation period September 07, 2016 to November 02, 2016 (IP-Cosyn) and Tera Software during investigation period December 02, 2015 to January 13, 2016 (Tera-Phase 1). During IP-Cosyn, the price of the scrip of Cosyn opened at Rs. 53.15 and closed at Rs.151.55 on BSE. During Tera-Phase 1, the price of the scrip opened at Rs.62.8 and closed at Rs.82.05 on BSE. It was observed that the scrips showed upward price movement during IP-Cosyn and most of Tera-Phase 1, therefore, entire IP-Cosyn and Tera-Phase 1 was taken as single patch of price rise in respective scrips to determine the LTP contributions.

As regards the aforesaid two scrips, it was observed that Noticee-3 was one of the top 10 LTP contributors among buyers in Cosyn and the top LTP contributor among buyers in Tera Software during the investigation period i.e. September 07, 2016 to November 02, 2016 for Cosyn and December 02, 2015 to January 13, 2016 for Tera Software with a contribution of Rs. 262.90 to net LTP and Rs. 341.75 to the total market positive LTP (being 11.74% of the total market positive LTP) in Cosyn and Rs. 89.90 to net LTP and Rs. 133.75 to the total market positive LTP (being 7.30% of the total market positive LTP) in Tera Software. The details of the same are given below:

**Table 16: LTP contribution by Noticee-3 in the scrip of Cosyn among buyers during IP-Cosyn at BSE**

| Client Name | All LTP Rate (Net LTP) | All Traded Qty. | All No. of Trades | Pos. LTP Rate | Pos. Traded Qty. | Pos. no. Trades | Neg. LTP Rate | Neg. Traded Qty. | Neg. no. Trades | Zero Traded Qty. | Zero No. Trades | % pos.LTP to total Mar. Pos. LTP |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Shripal Sheshmal HUF (Noticee-3) | 262.90 | 36949 | 1041 | 341.75 | 12744 | 485 | -78.85 | 9553 | 152 | 14652 | 404 | 11.74% |
| Market Total | 100.55 | 3662478 | 23874 | 2911.15 | 820879 | 5999 | -2810.60 | 662352 | 5675 | 2179247 | 12200 | 100.00% |

**Table 17: LTP contribution by Noticee-3 in the scrip of Tera Software among buyers during Tera-Phase 1 at BSE**

| Client Name | All LTP Rate | All Traded Qty. | All No. of Trades | Pos. LTP Rate | Pos. Traded Qty. | Pos. no. Trades | Neg. LTP Rate | Neg. Traded Qty. | Neg. no. Trades | Zero Traded Qty. | Zero No Trades | % LTP to total Mar. Pos. LTP |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Shripal Sheshmal HUF (Noticee-3) | 89.90 | 44837 | 864 | 133.75 | 11509 | 363 | -43.85 | 12780 | 158 | 20548 | 343 | 7.30% |
| Market Total | 16.70 | 4324941 | 26686 | 1833.40 | 1092386 | 7303 | -1816.70 | 931580 | 6752 | 2300975 | 12631 | 100.00% |

From the above tables, it was observed that the positive LTP contribution of Noticee-3 in both the scrips was more than 5% of total market positive LTP and the trades were analyzed further. The analysis of the same are given below:

Regarding Cosyn:

**Table 18: LTP Contribution in the scrip of Cosyn through small orders/trades by Noticee-3 during IP-Cosyn**

| Buyer Name | No. of trades (LTP >0) | Positive LTP Contribution when buy order qty. was of 1 share only | | Positive LTP Contribution when buy order qty. was between 2-10 shares | | Positive LTP Contribution when buy order qty. were more than 10 shares | | Total Positive LTP contribution (Rs.) | % of positive LTP to Total Market positive LTP | % contribution to total market positive LTP through small orders (1-10 shares) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | | | |
| Shripal Sheshmal HUF | 485 | 306.95 | 360 | 4.4 | 10 | 30.4 | 115 | 343.70 | 11.74% | 10.69% |

It was observed from the above table that, out of the 485 trades with positive LTP contribution, Noticee-3 carried out 370 small buy trades (i.e. buy quantity ranged from 1 to 10 shares per trade) and thereby, contributed positive LTP of Rs 311.35 through such small trades to the total market positive LTP. In view of the above, it was alleged that by placing buy orders of such miniscule quantity (1-10 shares) at a price higher than the LTP, Noticee-3 have indulged in manipulative trading practices wherein Noticee-3 contributed a total of 10.69% to total market positive LTP through small orders, and thereby contributed a total of 11.74 % to the total market positive LTP in the scrip of Cosyn during the IP-Cosyn.

Further, on analysis of NHP contribution of Noticee-3 in Cosyn, it was observed that a total of Rs. 108.75 NHP was created in the scrip of Cosyn. The details of NHP contribution by Noticee-3 is given below:

**Table 19: Details of NHP contribution by Noticee-3**

| Client Name | Quantity | Number of Trades | Contribution To Market NHP | % of Market NHP |
|---|---|---|---|---|
| Shripal Sheshmal HUF (Noticee-3) | 438 | 17 | 4.05 | 3.72% |
| **Market total** | **73177** | **423** | **108.75** | **100.00%** |

It was observed from the table above that, Noticee-3 contributed Rs 4.05 respectively to the market NHP which amounted to 3.72% of market NHP. Noticee-3 had also contributed to LTP through small trades as discussed previously. Therefore, it was alleged that Noticee-3's contribution of NHP further corroborated its manipulative trading pattern.

Regarding Tera Software:

**Table 20: LTP Contribution in the scrip of Tera Software through small orders/trades by Noticee-3 during Tera-Phase 1**

| Buyer Name | No. of trades (LTP >0) | Positive LTP Contribution when buy order qty. was of 1 share only | | Positive LTP Contribution when buy order qty. was between 2-10 shares | | Positive LTP Contribution when buy order qty. were more than 10 shares | | Total Positive LTP contribution (Rs.) | % of positive LTP to Total Market positi | % contribution to total market positive LTP through small |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Positive LTP | No. of | Positive LTP | No. of | Positive LTP | No. of | | | |

| | | contribution | trades | contribution | trades | contribution | trades | | ve LTP | orders (1-10 shares) |
|---|---|---|---|---|---|---|---|---|---|---|
| Shripal Sheshmal HUF | 363 | 107.65 | 247 | 12.3 | 35 | 13.8 | 81 | 133.75 | 7.30 % | 6.54% |

It was observed from the above table that, out of 363 trades with positive LTP contribution, Noticee-3 carried out 282 (247 + 35 trades) small buy trades (i.e. buy quantity ranged from 1 to 10 shares per trade) and thereby, contributed positive LTP of Rs 199.95 (Rs 107.65+ Rs 12.3) through such small trades to total market positive LTP. In view of the above, it was alleged that by placing buy orders of such miniscule quantity (1-10 shares) at a price higher than the LTP, Noticee-3 indulged in manipulative trading practices wherein he contributed a total of 6.54% to total market positive LTP through small orders, and thereby contributed a total of 7.30% to the total market positive LTP in the scrip of Tera Software during Tera-Phase 1.

Therefore, it was alleged that Noticee-3 violated the provisions of section 12A (a), (b) and (c) of SEBI Act, 1992, Regulation 3 (a), (b), (c), (d), by indulging in manipulative device and dealing in securities in a fraudulent manner as described in the previous paragraphs and violated Regulation 4 (1) and Regulation 4 (2) (e) of PFUTP Regulations, 2003 by manipulating the price of the aforesaid scrip.

52. In response to the SCN, Noticee-3 vide its letter dated November 26, 2022 had inter alia made its submissions with regard to the two scrips viz., Cosyn and Tera Software. Considering the similarity of contentions of Noticee-3 in respect of both the scrips, the same are being dealt conjointly for sake of brevity.

53. As regards small quantity trades in Cosyn and Tera Software, Noticee-3 had inter alia submitted that they were momentum traders, did not have high speed internet, bid and offer quotes were refreshed late so to check the actual rates they had to place a trade of small quantity.

As regards the contention of Noticee-3 that small quantity trades were to check actual rates, it is noted that checking of actual rate as such may only be a means and not the end purpose and accordingly Noticee-3 has not provided and failed to demonstrate the real purpose behind checking the actual rates by placing small quantity buy orders repeatedly on so many occasions wherein more than half of the trades on a particular day were for small quantity and that too of which majority were at higher than LTP.

In this regard, it would also be relevant to refer to the trade logs for the buy trades executed by Noticee-3 in the scrips of Cosyn and Tera Software. To cite as example, buy trade details of two dates viz. October 07, 2016 in the scrip of Cosyn and December 11, 2015 in the scrip of Tera Software, being one of the top three positive LTP contributing days, are given below:

**Table 21: October 07, 2016 buy trade details of Noticee-3 in the scrip of in the scrip of Cosyn**

| S.No. | TRADE_DATE | TRADE_TIME | ORDER_LMTIME | CP_ORDER_LMTIME | TRADE_RATE | LTP_RATE | LTP_PERCENT | TRADED_QTY | CP_ORDER_AVLQTY | ORDER_LMQTY | CP_ORDER_LMQTY | ORDER_TYPE | CP_ORDER_TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 07/10/2016 | 09:27:01 | 09:27:01 | 09:26:55 | 91 | 0 | 0 | 75 | 100 | 500 | 100 | L | L |
| 2 | 07/10/2016 | 09:27:03 | 09:27:03 | 09:22:38 | 92.95 | 1.95 | 2.14 | 1 | 100 | 1 | 100 | L | L |
| 3 | 07/10/2016 | 09:46:29 | 09:46:29 | 09:31:41 | 92.2 | 0.2 | 0.22 | 1 | 25 | 1 | 25 | L | L |
| 4 | 07/10/2016 | 09:49:03 | 09:49:03 | 09:31:41 | 92.2 | 1.2 | 1.32 | 1 | 25 | 1 | 25 | L | L |
| 5 | 07/10/2016 | 10:20:26 | 10:20:26 | 10:09:07 | 93.5 | 0.5 | 0.54 | 1 | 1 | 1 | 1 | L | L |
| 6 | 07/10/2016 | 10:39:11 | 10:39:11 | 09:51:03 | 94 | 0 | 0 | 381 | 1000 | 500 | 1000 | L | L |
| 7 | 07/10/2016 | 10:39:16 | 10:39:16 | 10:38:50 | 94.95 | 0.45 | 0.48 | 5 | 100 | 5 | 100 | L | L |
| 8 | 07/10/2016 | 10:39:24 | 10:39:24 | 10:39:01 | 95.95 | 0.95 | 1 | 1 | 100 | 1 | 100 | L | L |
| 9 | 07/10/2016 | 10:39:32 | 10:39:32 | 10:39:29 | 95 | 0 | 0 | 1 | 1000 | 1 | 1000 | L | L |
| 10 | 07/10/2016 | 10:40:07 | 10:40:07 | 10:40:02 | 96.7 | -0.2 | -0.21 | 1 | 1000 | 1 | 500 | L | L |
| 11 | 07/10/2016 | 10:41:30 | 10:41:30 | 10:40:54 | 95.85 | 0.05 | 0.05 | 1 | 300 | 1 | 300 | L | L |
| 12 | 07/10/2016 | 10:41:41 | 10:41:37 | 10:41:41 | 95.05 | -0.75 | -0.78 | 1 | 3000 | 1 | 3000 | L | L |
| 13 | 07/10/2016 | 10:42:08 | 10:42:08 | 10:41:41 | 95 | 0 | 0 | 1 | 3000 | 1 | 3000 | L | L |
| 14 | 07/10/2016 | 10:42:16 | 10:42:16 | 10:41:39 | 95.8 | 0.8 | 0.84 | 1 | 200 | 1 | 200 | L | L |
| 15 | 07/10/2016 | 10:44:14 | 10:44:14 | 10:44:11 | 95 | 0 | 0 | 20 | 2000 | 20 | 500 | L | L |
| 16 | 07/10/2016 | 10:44:15 | 10:44:15 | 10:43:47 | 95.95 | 0.95 | 1 | 1 | 1000 | 1 | 4162 | L | L |
| 17 | 07/10/2016 | 10:44:25 | 10:44:25 | 10:43:47 | 95.95 | 0 | 0 | 2 | 1000 | 2 | 4162 | L | L |
| 18 | 07/10/2016 | 10:44:48 | 10:44:48 | 10:43:47 | 95.95 | 0 | 0 | 1 | 1000 | 1 | 4162 | L | L |
| 19 | 07/10/2016 | 10:45:12 | 10:45:12 | 10:45:04 | 95.95 | 0.7 | 0.73 | 1 | 1000 | 1 | 4297 | L | L |
| 20 | 07/10/2016 | 10:46:18 | 10:46:18 | 10:46:12 | 95.95 | 0.45 | 0.47 | 1 | 900 | 1 | 900 | L | L |

| S.No. | TRADE_DATE | TRADE_TIME | ORDER_LMTIME | CP_ORDER_LMTIME | TRADE_RATE | LTP_RATE | LTP_PERCENT | TRADED_QTY | CP_ORDER_AVLQTY | ORDER_LMQTY | CP_ORDER_LMQTY | ORDER_TYPE | CP_ORDER_TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 21 | 07/10/2016 | 10:46:47 | 10:46:20 | 10:46:47 | 95.05 | -0.9 | -0.94 | 200 | 500 | 200 | 500 | L | L |
| 22 | 07/10/2016 | 10:46:56 | 10:46:56 | 10:46:51 | 95.95 | 0.9 | 0.95 | 1 | 100 | 1 | 100 | L | L |
| 23 | 07/10/2016 | 10:47:30 | 10:47:30 | 10:45:59 | 96 | 0 | 0 | 1 | 5000 | 1 | 5000 | L | L |
| 24 | 07/10/2016 | 10:57:14 | 10:57:14 | 10:49:44 | 96.25 | 0.25 | 0.26 | 101 | 400 | 101 | 400 | L | L |
| 25 | 07/10/2016 | 10:57:15 | 10:57:15 | 10:49:44 | 96.25 | 0 | 0 | 2 | 400 | 2 | 400 | L | L |
| 26 | 07/10/2016 | 11:08:19 | 11:08:19 | 11:06:22 | 98 | 0.5 | 0.51 | 1 | 6758 | 1 | 6758 | L | L |
| 27 | 07/10/2016 | 11:10:18 | 11:10:18 | 11:10:15 | 98.95 | 0 | 0 | 1 | 241 | 1 | 1125 | L | L |
| 28 | 07/10/2016 | 11:10:36 | 11:10:36 | 11:10:33 | 98.9 | -0.05 | -0.05 | 1 | 100 | 1 | 100 | L | L |
| 29 | 07/10/2016 | 11:10:38 | 11:10:38 | 11:10:33 | 98.9 | 0.4 | 0.41 | 1 | 100 | 1 | 100 | L | L |
| 30 | 07/10/2016 | 11:10:40 | 11:10:40 | 11:10:33 | 98.9 | 0.4 | 0.41 | 1 | 100 | 1 | 100 | L | L |
| 31 | 07/10/2016 | 11:11:35 | 11:11:35 | 11:11:35 | 98.9 | -0.1 | -0.1 | 1 | 100 | 1 | 100 | L | L |
| 32 | 07/10/2016 | 11:12:05 | 11:12:05 | 11:12:03 | 98.95 | 0.05 | 0.05 | 1 | 1000 | 1 | 1000 | L | L |
| 33 | 07/10/2016 | 11:12:17 | 11:12:17 | 11:12:12 | 98.75 | 0.15 | 0.15 | 1 | 1000 | 1 | 500 | L | L |
| 34 | 07/10/2016 | 11:12:33 | 11:12:33 | 11:12:03 | 98.95 | 0 | 0 | 1 | 1000 | 1 | 1000 | L | L |
| 35 | 07/10/2016 | 11:12:39 | 11:12:39 | 11:12:38 | 98.5 | 0 | 0 | 1 | 200 | 1 | 200 | L | L |
| 36 | 07/10/2016 | 11:13:03 | 11:13:03 | 11:12:57 | 98.3 | 0 | 0 | 1 | 100 | 1 | 100 | L | L |
| 37 | 07/10/2016 | 11:14:44 | 11:14:44 | 11:12:51 | 98.75 | 0.05 | 0.05 | 1 | 100 | 1 | 100 | L | L |
| 38 | 07/10/2016 | 11:15:38 | 11:15:38 | 11:15:36 | 98.75 | 0 | 0 | 1 | 1000 | 1 | 2120 | L | L |
| 39 | 07/10/2016 | 11:15:52 | 11:15:43 | 11:15:52 | 98.05 | 0 | 0 | 100 | 500 | 100 | 500 | G | L |
| 40 | 07/10/2016 | 11:15:56 | 11:15:56 | 11:15:52 | 98 | 0 | 0 | 1 | 500 | 1 | 500 | L | L |
| 41 | 07/10/2016 | 11:15:56 | 11:15:47 | 11:15:56 | 97.1 | -0.9 | -0.92 | 1 | 1 | 200 | 1 | L | L |
| 42 | 07/10/2016 | 11:22:16 | 11:19:53 | 11:22:16 | 97.15 | -0.05 | -0.05 | 35 | 36 | 211 | 36 | L | L |
| 43 | 07/10/2016 | 11:25:32 | 11:24:09 | 11:25:32 | 97.3 | -0.65 | -0.66 | 25 | 25 | 211 | 25 | L | L |
| 44 | 07/10/2016 | 11:25:42 | 11:24:09 | 11:25:42 | 97.3 | 0 | 0 | 150 | 200 | 211 | 200 | L | L |
| 45 | 07/10/2016 | 12:15:11 | 12:11:39 | 12:15:11 | 96.1 | 0.05 | 0.05 | 250 | 1000 | 250 | 1000 | L | L |
| 46 | 07/10/2016 | 12:15:15 | 12:15:15 | 12:15:11 | 96.1 | 0 | 0 | 1 | 1000 | 1 | 1000 | L | L |
| 47 | 07/10/2016 | 12:29:32 | 12:29:32 | 12:28:33 | 96.8 | 0 | 0 | 2 | 900 | 2 | 900 | L | L |
| 48 | 07/10/2016 | 13:01:55 | 13:01:55 | 13:00:16 | 97.95 | 0 | 0 | 1 | 1000 | 1 | 3236 | L | L |
| 49 | 07/10/2016 | 13:15:42 | 13:15:42 | 13:15:38 | 96.25 | 0 | 0 | 127 | 2000 | 127 | 2000 | L | L |
| 50 | 07/10/2016 | 13:15:51 | 13:15:51 | 13:15:44 | 97.5 | 1.3 | 1.35 | 1 | 2000 | 1 | 2000 | L | L |
| 51 | 07/10/2016 | 13:16:05 | 13:16:05 | 13:15:59 | 96.2 | -1.3 | -1.33 | 50 | 50 | 50 | 50 | L | L |
| 52 | 07/10/2016 | 13:16:08 | 13:16:08 | 13:15:44 | 97.5 | 1.3 | 1.35 | 1 | 2000 | 1 | 2000 | L | L |
| 53 | 07/10/2016 | 13:16:47 | 13:16:47 | 13:15:44 | 97.5 | 1.2 | 1.25 | 1 | 2000 | 1 | 2000 | L | L |
| 54 | 07/10/2016 | 13:23:30 | 13:23:30 | 13:15:44 | 97.5 | 1.5 | 1.56 | 1 | 2000 | 1 | 2000 | L | L |
| 55 | 07/10/2016 | 13:24:17 | 13:24:17 | 13:24:15 | 97.4 | 1.4 | 1.46 | 1 | 500 | 1 | 500 | L | L |
| 56 | 07/10/2016 | 13:34:59 | 13:34:59 | 13:34:53 | 96 | 0 | 0 | 50 | 1000 | 50 | 1000 | L | L |
| 57 | 07/10/2016 | 13:39:49 | 13:39:49 | 13:34:53 | 96 | 0 | 0 | 1 | 1000 | 1 | 1000 | L | L |
| 58 | 07/10/2016 | 13:40:06 | 13:40:06 | 13:26:10 | 96.95 | 0.95 | 0.99 | 1 | 1 | 1 | 1 | L | L |
| 59 | 07/10/2016 | 13:40:17 | 13:40:17 | 13:27:49 | 97 | 0.05 | 0.05 | 1 | 100 | 1 | 100 | L | L |

| S.No. | TRADE_DATE | TRADE_TIME | ORDER_LMTIME | CP_ORDER_LMTIME | TRADE_RATE | LTP_RATE | LTP_PERCENT | TRADED_QTY | CP_ORDER_AVLQTY | ORDER_LMQTY | CP_ORDER_LMQTY | ORDER_TYPE | CP_ORDER_TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 60 | 07/10/2016 | 13:40:41 | 13:40:41 | 13:15:44 | 97.5 | 0.5 | 0.52 | 1 | 2000 | 1 | 2000 | L | L |
| 61 | 07/10/2016 | 13:41:14 | 13:41:14 | 13:41:11 | 97.45 | -0.05 | -0.05 | 1 | 500 | 1 | 500 | L | L |
| 62 | 07/10/2016 | 13:42:05 | 13:42:05 | 13:34:36 | 97.9 | 0 | 0 | 1 | 1000 | 1 | 3997 | L | L |
| 63 | 07/10/2016 | 13:42:28 | 13:42:08 | 13:42:28 | 97.05 | -0.05 | -0.05 | 150 | 2000 | 200 | 1000 | L | L |
| 64 | 07/10/2016 | 13:42:54 | 13:42:32 | 13:42:54 | 97.05 | 0 | 0 | 49 | 100 | 199 | 100 | L | L |
| 65 | 07/10/2016 | 13:54:48 | 13:54:48 | 13:54:08 | 97.5 | 0.05 | 0.05 | 100 | 600 | 100 | 600 | L | L |
| 66 | 07/10/2016 | 13:55:01 | 13:54:57 | 13:55:01 | 97.45 | 0 | 0 | 1 | 500 | 1 | 500 | L | L |
| 67 | 07/10/2016 | 14:07:51 | 13:59:07 | 14:07:51 | 96.35 | 0.05 | 0.05 | 300 | 500 | 300 | 500 | L | L |
| 68 | 07/10/2016 | 14:19:38 | 14:19:38 | 14:19:35 | 96.25 | 0 | 0 | 300 | 1000 | 300 | 1000 | L | L |
| 69 | 07/10/2016 | 14:20:04 | 14:20:04 | 14:19:35 | 96.25 | 0.1 | 0.1 | 1 | 1000 | 1 | 1000 | L | L |
| 70 | 07/10/2016 | 14:21:09 | 14:21:09 | 14:20:15 | 97 | 0.75 | 0.78 | 1 | 98 | 1 | 100 | L | L |
| 71 | 07/10/2016 | 14:26:40 | 14:26:40 | 14:20:15 | 97 | 1 | 1.04 | 1 | 98 | 1 | 100 | L | L |
| 72 | 07/10/2016 | 14:27:21 | 14:27:21 | 14:27:13 | 96 | 0.4 | 0.42 | 1 | 1000 | 1 | 1000 | L | L |
| 73 | 07/10/2016 | 14:30:50 | 14:30:50 | 14:20:15 | 97 | 1 | 1.04 | 1 | 98 | 1 | 100 | L | L |
| 74 | 07/10/2016 | 14:33:07 | 14:33:07 | 14:33:05 | 96.5 | 0.9 | 0.94 | 1 | 200 | 1 | 200 | L | L |
| 75 | 07/10/2016 | 14:33:09 | 14:33:09 | 14:33:05 | 96.5 | 0.9 | 0.94 | 1 | 200 | 1 | 200 | L | L |
| 76 | 07/10/2016 | 14:33:14 | 14:33:14 | 14:33:05 | 96.5 | 0.95 | 0.99 | 1 | 200 | 1 | 200 | L | L |
| 77 | 07/10/2016 | 14:40:05 | 14:39:46 | 14:40:05 | 95.1 | -0.45 | -0.47 | 80 | 200 | 200 | 200 | L | L |
| 78 | 07/10/2016 | 14:40:25 | 14:39:46 | 14:40:25 | 95.1 | 0 | 0 | 120 | 500 | 200 | 500 | L | L |
| 79 | 07/10/2016 | 14:40:29 | 14:40:29 | 14:39:41 | 95.6 | 0.55 | 0.58 | 1 | 1000 | 1 | 1000 | L | L |
| 80 | 07/10/2016 | 14:46:26 | 14:46:26 | 14:46:21 | 96.3 | 0 | 0 | 158 | 3000 | 158 | 3000 | L | L |
| 81 | 07/10/2016 | 14:46:40 | 14:46:40 | 14:46:39 | 97 | 0.7 | 0.73 | 1 | 3000 | 1 | 1500 | L | L |
| 82 | 07/10/2016 | 14:50:25 | 14:50:25 | 14:48:09 | 96.5 | 0 | 0 | 1 | 3000 | 1 | 1500 | L | L |
| 83 | 07/10/2016 | 14:50:34 | 14:50:34 | 14:48:09 | 96.5 | 0.35 | 0.36 | 1 | 3000 | 1 | 1500 | L | L |
| 84 | 07/10/2016 | 15:01:47 | 15:01:47 | 15:01:45 | 95.7 | 0 | 0 | 102 | 200 | 102 | 200 | L | L |
| 85 | 07/10/2016 | 15:02:50 | 15:02:50 | 15:01:03 | 96.95 | 0.05 | 0.05 | 1 | 2000 | 1 | 7835 | L | L |
| 86 | 07/10/2016 | 15:02:50 | 15:02:50 | 15:01:03 | 96.95 | 0 | 0 | 1 | 2000 | 1 | 7835 | L | L |
| 87 | 07/10/2016 | 15:08:05 | 15:08:05 | 15:01:03 | 96.95 | 0 | 0 | 1 | 2000 | 1 | 7835 | L | L |
| 88 | 07/10/2016 | 15:09:26 | 15:09:26 | 15:09:11 | 96.5 | 0 | 0 | 1 | 100 | 1 | 100 | L | L |
| 89 | 07/10/2016 | 15:09:29 | 15:09:29 | 15:09:11 | 96.5 | 0.45 | 0.47 | 1 | 100 | 1 | 100 | L | L |
| 90 | 07/10/2016 | 15:09:32 | 15:09:32 | 15:09:11 | 96.5 | 0.5 | 0.52 | 1 | 100 | 1 | 100 | L | L |
| 91 | 07/10/2016 | 15:10:17 | 15:10:17 | 15:09:59 | 96.95 | 0.1 | 0.1 | 1 | 2000 | 1 | 7600 | L | L |
| 92 | 07/10/2016 | 15:13:43 | 15:11:33 | 15:13:43 | 96.05 | -0.9 | -0.93 | 100 | 100 | 100 | 100 | L | G |
| 93 | 07/10/2016 | 15:26:19 | 15:26:17 | 15:26:19 | 95.1 | -0.6 | -0.63 | 150 | 150 | 203 | 150 | L | L |
| 94 | 07/10/2016 | 15:27:39 | 15:27:39 | 15:27:33 | 95.5 | -0.2 | -0.21 | 1 | 50 | 1 | 50 | L | L |
| 95 | 07/10/2016 | 15:27:59 | 15:27:59 | 15:27:55 | 95.2 | -0.25 | -0.26 | 54 | 369 | 204 | 512 | L | L |

From the above trade details, it is observed that Noticee-3 had 95 buy trades on sample date October 07, 2016 in Cosyn. As regards the contention of

Noticee-3 that small quantity orders were placed to check the actual rates, as noted from table above, it is observed that majority of the buy orders of Noticee-3 on the day involved quantity one to five shares merely viz., 76 out of 95 buy orders and out of these 76 small quantity buy orders, 41 resulted in trades at higher than LTP.

Similar observations are noted from the trade details for the trades executed by Noticee-3 on December 11, 2015 in the scrip of Tera Software. The same are given below:

**Table 22: December 11, 2015 buy trade details of Noticee-3 in the scrip of in the scrip of Tera Software**

| S.No | TRADE _DATE | TRADE _TIME | ORDER _LMTIME | CP_ORDER _LMTIME | TRADE _RATE | LTP _RATE | LTP_ PERCENT | TRADED _QTY | CP_ ORDER _AVLQTY | ORDER _LMQTY | CP _ORDER _LMQTY | ORDER _TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 11-12-2015 | 09:31:27 | 09:31:27 | 09:31:24 | 90 | 1 | 1.12 | 1 | 100 | 1 | 100 | L |
| 2 | 11-12-2015 | 13:10:42 | 13:10:42 | 13:10:37 | 85 | 0 | 0 | 325 | 1000 | 500 | 1000 | L |
| 3 | 11-12-2015 | 13:10:44 | 13:10:44 | 13:04:10 | 85.6 | 0.6 | 0.71 | 1 | 250 | 1 | 250 | L |
| 4 | 11-12-2015 | 13:12:26 | 13:12:26 | 13:04:10 | 85.6 | 0.7 | 0.82 | 1 | 250 | 1 | 250 | L |
| 5 | 11-12-2015 | 13:18:37 | 13:18:37 | 13:18:27 | 84.9 | 0 | 0 | 1 | 500 | 1 | 500 | L |
| 6 | 11-12-2015 | 13:32:54 | 13:32:54 | 13:31:33 | 84.5 | 0.4 | 0.48 | 1 | 400 | 1 | 400 | L |
| 7 | 11-12-2015 | 13:35:10 | 13:35:10 | 13:34:38 | 84.85 | 0.55 | 0.65 | 1 | 10 | 1 | 10 | L |
| 8 | 11-12-2015 | 13:39:20 | 13:39:20 | 13:39:04 | 85.35 | 0.15 | 0.18 | 1 | 1 | 1 | 1 | L |
| 9 | 11-12-2015 | 13:39:37 | 13:39:37 | 13:39:29 | 85.65 | 0 | 0 | 1 | 10 | 1 | 10 | L |
| 10 | 11-12-2015 | 13:39:48 | 13:39:48 | 13:39:47 | 85.6 | 0.4 | 0.47 | 1 | 10 | 1 | 10 | L |
| 11 | 11-12-2015 | 13:41:04 | 13:41:04 | 13:40:56 | 85.2 | 0.2 | 0.24 | 1 | 100 | 1 | 100 | L |
| 12 | 11-12-2015 | 13:41:36 | 13:41:36 | 13:40:56 | 85.2 | 0 | 0 | 2 | 100 | 3 | 100 | L |
| 13 | 11-12-2015 | 13:41:43 | 13:41:43 | 13:40:06 | 85.5 | 0.3 | 0.35 | 1 | 10 | 1 | 10 | L |
| 14 | 11-12-2015 | 14:02:45 | 14:02:45 | 14:01:19 | 85.25 | 0.25 | 0.29 | 1 | 1 | 1 | 1 | L |
| 15 | 11-12-2015 | 14:04:04 | 14:04:04 | 14:01:13 | 85.3 | 0.3 | 0.35 | 1 | 1 | 1 | 1 | L |
| 16 | 11-12-2015 | 14:04:15 | 14:04:15 | 14:01:03 | 85.35 | 0.35 | 0.41 | 1 | 1 | 1 | 1 | L |
| 17 | 11-12-2015 | 14:05:12 | 14:05:12 | 14:01:09 | 85.4 | 0.35 | 0.41 | 1 | 1 | 1 | 1 | L |
| 18 | 11-12-2015 | 14:11:41 | 14:11:41 | 13:51:58 | 85.7 | 0.65 | 0.76 | 1 | 15 | 1 | 15 | L |
| 19 | 11-12-2015 | 14:11:47 | 14:11:47 | 14:11:41 | 85.35 | -0.35 | -0.41 | 1 | 1 | 1 | 1 | L |
| 20 | 11-12-2015 | 14:15:14 | 14:15:14 | 13:51:58 | 85.7 | 0.7 | 0.82 | 1 | 15 | 1 | 15 | L |
| 21 | 11-12-2015 | 14:16:56 | 14:16:56 | 14:15:31 | 85.65 | 0.55 | 0.65 | 1 | 50 | 1 | 50 | L |
| 22 | 11-12-2015 | 14:17:26 | 14:17:26 | 14:17:23 | 85.05 | 0 | 0 | 74 | 75 | 74 | 75 | L |
| 23 | 11-12-2015 | 14:17:28 | 14:17:28 | 14:15:31 | 85.65 | 0.6 | 0.71 | 1 | 50 | 1 | 50 | L |
| 24 | 11-12-2015 | 14:33:33 | 14:33:33 | 14:33:25 | 85.5 | 0 | 0 | 1 | 50 | 1 | 17 | L |
| 25 | 11-12-2015 | 14:42:40 | 14:34:54 | 14:42:40 | 85.05 | 0 | 0 | 24 | 1000 | 24 | 1000 | L |
| 26 | 11-12-2015 | 14:42:49 | 14:42:49 | 14:34:00 | 85.6 | 0.6 | 0.71 | 1 | 50 | 1 | 18 | L |

| S.No | TRADE _DATE | TRADE _TIME | ORDER _LMTIME | CP_ORDER _LMTIME | TRADE _RATE | LTP _RATE | LTP_ PERCENT | TRADED _QTY | CP_ ORDER _AVLQTY | ORDER _LMQTY | CP _ORDER _LMQTY | ORDER _TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 27 | 11-12-2015 | 14:43:11 | 14:43:11 | 14:32:23 | 85.65 | 0.6 | 0.71 | 1 | 15 | 1 | 13 | L |
| 28 | 11-12-2015 | 14:48:20 | 14:48:20 | 12:57:34 | 86.65 | 0 | 0 | 90 | 100 | 90 | 100 | L |
| 29 | 11-12-2015 | 14:48:22 | 14:48:22 | 13:06:59 | 86.95 | 0.3 | 0.35 | 10 | 10 | 10 | 10 | L |
| 30 | 11-12-2015 | 14:48:29 | 14:48:29 | 12:53:56 | 87.95 | 1 | 1.15 | 1 | 50 | 1 | 50 | L |
| 31 | 11-12-2015 | 14:49:41 | 14:49:41 | 12:53:56 | 87.95 | 0.85 | 0.98 | 1 | 50 | 1 | 50 | L |
| 32 | 11-12-2015 | 14:51:57 | 14:51:57 | 14:51:53 | 87.5 | 1.95 | 2.28 | 1 | 300 | 1 | 300 | L |
| 33 | 11-12-2015 | 14:56:06 | 14:56:06 | 14:54:01 | 86.75 | 0.05 | 0.06 | 1 | 277 | 1 | 277 | L |
| 34 | 11-12-2015 | 14:56:26 | 14:56:26 | 14:52:32 | 87.4 | 0.6 | 0.69 | 1 | 100 | 1 | 100 | L |
| 35 | 11-12-2015 | 14:56:45 | 14:56:45 | 14:56:42 | 86.05 | 0 | 0 | 1 | 1000 | 1 | 1000 | L |
| 36 | 11-12-2015 | 14:56:52 | 14:56:52 | 14:56:42 | 86.05 | 0.4 | 0.47 | 300 | 1000 | 300 | 1000 | L |
| 37 | 11-12-2015 | 14:58:06 | 14:58:06 | 14:53:18 | 87.8 | 0 | 0 | 1 | 500 | 1 | 1000 | L |
| 38 | 11-12-2015 | 14:58:28 | 14:58:28 | 14:58:20 | 87.6 | 0.6 | 0.69 | 1 | 50 | 1 | 50 | L |
| 39 | 11-12-2015 | 15:00:29 | 15:00:29 | 15:00:22 | 87 | 0 | 0 | 1 | 50 | 1 | 50 | L |
| 40 | 11-12-2015 | 15:01:00 | 15:01:00 | 15:00:57 | 87 | 0 | 0 | 1 | 100 | 1 | 100 | L |
| 41 | 11-12-2015 | 15:03:38 | 15:03:38 | 15:02:52 | 86 | 0 | 0 | 1 | 200 | 1 | 200 | L |
| 42 | 11-12-2015 | 15:21:10 | 15:21:10 | 15:21:05 | 86 | 0 | 0 | 1 | 1000 | 1 | 1000 | L |

From the above trade details, it is observed that Noticee-3 had 42 buy trades on December 11, 2015 in the scrip of Tera Software and that majority of the buy orders of Noticee-3 on the day involved mere quantity one viz., 36 out of 42 buy orders and out of these 36 small quantity buy orders, 26 trades were at higher than LTP.

As regards another contention of Noticee-3 justifying small orders that it did not have high speed internet, it is noted that Noticee-3 has merely made such statement. This apart, the Noticee-3 has not provided any plausible reason and has failed to demonstrate the real purpose behind placing of small quantity buy orders repeatedly, the said contention that it did not have high speed internet is out of context. Besides, generally speaking any genuine buyer, in ordinary course, would not precede his large quantity orders by small quantity orders at higher than LTP as the same would result in price rise which may render the large quantity order to be bought at a higher price which, logically speaking, would be against the interest of a genuine buyer. Accordingly, the contentions of the Noticee-3, in this regard, are without relevant and complete details.

In view thereof, in particular that Noticee-3 did not provide and failed to demonstrate the real purpose behind placing of small quantity buy orders repeatedly, the contention of the Noticee-3 that small quantity order were placed to check the actual rates cannot be accepted.

54. As regard, NHP contribution, Noticee-3 has submitted that out of total number of trades carried in the scrip of Cosyn, only 0.16% of trades are alleged to have caused NHP.

In this regard, it is noted that Noticee-3 has not denied or disputed having carried out such trades save for contenting the percentage as 0.16%. That being so, it is noted that Noticee-3 has not provided any plausible reason as to what was the need or real reason for entering into trades at New High Price (NHP) being buyer. Accordingly, the submission of the Noticee-3 in this regard, is observed to be in the nature of mere statement and without complete details and hence devoid of merit.

55. Noticee-3 has inter alia submitted that its trades were independent and totally in isolation to transaction carried out by other entities. There was no nexus or collusion with promoters etc. Further, there is no loss or complaints in respect of dealing in the scrips by Noticee-3. It had no interest in the rise or fall in the price of the scrips except for intraday squaring off trades.

In this regard, remaining being submissions in the nature of mere statement or views or opinion of Noticee-3, as regards collusion or nexus with promoters, trades being isolated and independent, investor loss or complaints etc., the same need not be a pre-condition for proving any market misconduct. Accordingly, the contention of the Noticcee-3 in this regard is devoid of merit and hence not acceptable.

In this regard, reliance is also placed on following orders of Hon’ble SAT:

55.1. Hon’ble SAT order dated September 05, 2022 in **Diren Dharamdas Agarwal HUF v SEBI** wherein Hon’ble SAT has held that:

*"….*

> *7. It was urged that the appellant was not connected with the Company or with the co-promoters nor was connected with the counter party nor was connected with other entities as indicated in the show cause notice. In this regard, the appellant has relied upon a decision of this Tribunal in the matter of Sapna Dilip Bombaywala vs SEBI (Appeal no. 143 of 2020 decided on June 24, 2020) and in the matter of M/s Nishith M. Shah HUF vs SEBI (Appeal no. 97 of 2019 decided on January 16, 2020). In our opinion the said decisions are distinguishable and are not applicable to the facts in question. <u>Even if there is nothing to establish any connection between buyer and seller, we are of the opinion that in the instant case the trades executed by the appellant were clearly manipulative and therefore violative of Regulation 3 & 4 of the PFUTP Regulations.</u>*

*……………….."*

55.2. Hon'ble SAT order dated January 04, 2021 in **Tanuj Khandelwal v. SEBI** wherein Hon'ble SAT has held that:

*"….*

*7. …We find that except on three occasions the appellant only sold one share at a time on a daily basis. This trading pattern created misleading appearance with intention to manipulate the market if not the price. <u>Thus, even if there is no connection with the buyer the trading pattern shows a concerted effort to manipulate the market and therefore, we are of the opinion that the appellant was not acting as a genuine seller. We also find that the appellant had no bonafide intention to sell because inspite of sufficient buy orders being placed with abundant quantity being available in the market the appellant was only placing sell orders of one share at a time. This clearly shows his intention of manipulating the market for vested reasons.</u>*

*…."*

56. Noticee-3 has inter alia contended that SCN is silent on the fact that there were both buy and sell transactions. It is not that Noticee-3 has specifically bought the shares during the investigation period. Further, it is not that trades in the scrip were only focused during the investigation period. Noticee-3 had traded in the scrip of Cosyn prior, during and post the investigation period.

In this regard, going with the submission of the Noticee-3 that most of the trades were intraday trades and that the total buy was equal to total sell (in respect of both the scrips viz., Cosyn and Tera), for an intraday trader it is but natural that for total of buy trades on a given day there would also be corresponding total of sell trades as at end of day, as such traders square off their trading positions so as to have net zero position at day end. Besides, in this regard, the subject matter of the instant proceedings are the buy side trades of Noticee-3 during the investigation period that were at higher than LTP. Accordingly, the contentions of Noticee-3, in this regard cannot be accepted.

57. Noticee-3 had inter alia contended that in the scrip of Cosyn, only 34.49% of shares are alleged to be above LTP and 65.51 % of shares are alleged to be at LTP or below LTP and in the scrip of Tera Software, only 25.67% of shares are alleged to be above LTP and 74.33 % of shares are alleged to be at LTP or below LTP. This proves beyond reasonable doubt that there was no intent to manipulate price of the scrip. The transactions were at prevailing price and had no impact on market equilibrium.

Noticee-3 had also inter alia contended that its trades have also contributed to negative LTP, hence the allegation that the intent was only to positively affect the price of shares is not correct.

Noticee-3 has inter alia contended that the transactions in the scrips were miniscule in comparison to its total turnover in various scrips during the investigation period. The trades which resulted in positive LTP were negligible if compared to the overall shares traded during the investigation period.

In this regard it is noted that the subject matter of the instant proceedings were the buy side trades of Noticee-3 during the investigation period that were at higher than LTP and majority of which were involving small orders and accordingly allegedly manipulative in nature, as alleged in the SCN. Besides, in this regard, irrespective of contention that the number of shares traded at higher than LTP was 34.49% and 25.67% of the total shares bought by Noticee-3, in the scrip of Cosyn and Tera respectively, the net LTP contribution by the Noticee-3 in the scrips was positive viz., Rs. 262.90 and Rs. 89.90 in the scrips of Cosyn and Tera Software respectively, which implies that overall the buy trades of Noticee-3 had resulted into positive LTP contribution in the scrips and accordingly impacted the price. This apart, going with the fact that majority of the LTP contributing buy trades of Noticee-3 were through small orders, it is but logical that the percentage of such trades when seen in terms of quantity would obviously be less. It would also be relevant here to consider this aspect in terms of number of trades of Noticee-3 which were above LTP, brief details of which are in the table below:

**Table 23: Noticee-3 buy side LTP contributing trades vis-à-vis total trades**

| **Details** | **Cosyn** | **Tera Software** |
|---|---|---|
| Total trades of Noticee-3 in the scrips during IP | 1041 | 864 |
| Trades contributing to positive LTP | 485 | 363 |
| Small quantity trades contributing to positive LTP | 370 | 282 |
| Percentage of positive LTP trades to total trades (approx.) | 46.59% | 42.01% |
| Percentage of small quantity trades to total trades (approx.) | 35.54% | 32.64% |
| Percentage of small quantity trades with positive LTP to total positive LTP trades (approx.) | 76.28% | 77.68% |

From the above table, it is noted that as a buyer of both the scrips, approx. 46.59% of the buy trades of Noticee-3 in Cosyn and approx. 42.01% of the buy trades of Noticee-3 in Tera Software were executed at higher than LTP of the scrips.

Further, in this regard, while Noticee-3 has contended comparing the percentage in terms of quantity, however Noticee-3 has not demonstrated any plausible reason for entering into trades at higher than LTP, being subject matter of instant proceedings, which in terms of number of trades happen to be 46.59% and 42.01% as demonstrated in table above. In any case, that 65.51% or 74.33% of the shares were at other than positive LTP contributing trades, in itself would not justify or do away with the 34.49% and 25.67% of the trades, otherwise alleged to be manipulative. Accordingly, the contention of the Noticee-3 in this regard is devoid of merit and hence cannot be accepted.

58. Noticee-3 has inter alia contended that it only made a profit of Rs. 28,374/- in Cosyn and Rs. 11,676/- in Tera Software. In this regard, it is noted that profit need not be a pre-condition to determine alleged market misconduct and hence contention of Noticee-3 in this regard is devoid of merit and cannot be accepted.

In this regard, reliance is placed on Hon'ble SC judgment dated May 26, 2022 in MBL and Company Limited vs. SEBI, wherein Hon'ble SC inter alia held that:

> "…
> *12 …In other words, the impact of a manipulation which is carried out by a participant in the securities market cannot be assessed only in terms of the gain which has been caused to the participants themselves, but in terms of the wider consequences of the action on the securities market*.
> …"

59. Noticee-3 has inter alia contended that the transactions were at prevailing price and had no impact on market equilibrium. Both the scrips had been liquid throughout and highly traded. Alleged positive LTP trades are less than the high price during the day and high than the low price hence quantity of LTP will not contribute to any artificial scenario and hence would not change the market equilibrium

In this regard, it is noted that Noticee-3 had multiple buy trades during the IP at price which were higher than the LTP of the scrip, majority of which were by placing small quantity order and with each such positive LTP contributing trade a higher price in the scrip got established. Through such trades, Noticee-3 was contributing to LTP and accordingly impacting the price in the scrip of Cosyn and Tera Software.

In this regard, reliance is placed on Hon'ble SAT order dated March 21, 2014 in Saumil Bhavnagari Vs. SEBI, relevant text of which is as under:

> *"...*
> *It must not be forgotten that every trade establishes the price of the scrip and the noticee's trading at higher than LTP resulted in the price of the scrip going up and were done with a view to set the price at a desired level and thereby influencing the innocent/gullible investors.*
> *…*
> *"*

Further, in this regard, it is noted that Noticee-3 has not explained and demonstrated why Noticee-3 had entered into buy trades at higher than LTP and that too with majority of such trades involving small orders at higher than the LTP despite sufficient availability of sell orders, resulting in creation of price higher than the LTP of the scrip. In view thereof, the contention of Noticee-3 in this regard do not hold merit and cannot be accepted.

60. Noticee-3 has cited SEBI orders viz. order dated September 06, 2017 in the matter of First Financial Services Ltd.; order dated September 19, 2017 in the matter of Pine Animation Ltd; order dated September 21, 2017 in the matter of Kailash Auto Finance Ltd; order dated October 05, 2017 in the matter of Mishka Finance and Trading Ltd. and submitted that directions imposed on entities with similar allegation of LTP contribution was revoked by SEBI.

In this regard, it is noted that each matter may be unique in its facts and circumstances based on which the violations are ascertained. In any case, the instant matter is distinct in so far as in all the orders cited by the Noticee-3, the revocation orders were passed revoking the earlier directions (wrt respective entities) as upon completion of investigation by SEBI, there were no adverse findings /prima facie findings were observed in the Investigation report, contrary to the fact that the instant proceedings are pursuant to investigation by SEBI as also brought out in the SCN. Accordingly, contention of the Noticee-3 in this regard is devoid of merit and hence not acceptable.

61. Noticee-3 has cited cases as given under para 16.16 and 16.17 of his submissions and has submitted that strict proof/ compelling evidence is required for serious charge of fraud.

In this regard, it is noted that the standard of proof in quasi-judicial proceedings are based on preponderance of probability, which has to be ascertained from the facts and circumstances of the matter.In this regard, reliance is placed on Hon’ble Supreme Court judgement in Kishore R. Ajmera wherein it was held that-

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

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

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

Further, reliance is placed on Hon'ble SAT order dated June 21, 2018 in **Shri Lakhi Prasad Kheradi v. SEBI** wherein Hon'ble SAT has held that:

*"……….*
*Facts recorded in paras 15 to 17 of the impugned order clearly establish that the trades executed by the appellant had the effect of net positive LTP of Rs. 85.35. <u>Very fact that the appellant had indulged in self trades/ LTP/ NHP without giving any justifiable reason, clearly justifies the inference drawn by the AO that the trades executed by the appellant were manipulative trades.</u>*
*………..."*

In view of thereof, it is noted that the standard of proof is preponderance of probability which has to be determined on the fact and circumstances of the case, accordingly the contention of Noticee-3 in this regard is devoid of merit and cannot be accepted.

62. Having dealt with the contentions of Noticee-3 in the foregoing paragraphs, I now proceed to deal with the allegations in the SCN wrt Noticee-3, as herein under:

**In respect of Cosyn:**

Regarding the allegation that in the scrip of Cosyn, through 485 buy trades, Noticee-3 contributed Rs. 343.70 (being 11.74%) to the total positive market LTP of Cosyn, it would be relevant to refer to the analysis of the 485 trades that resulted in positive LTP, as given below:

**Table 18: LTP Contribution in the scrip of Cosyn through small buy orders/trades by Noticee-3 during IP-Cosyn**

| Buyer Name | No. of trades (LTP >0) | Positive LTP Contribution when buy order qty. was of 1 share only | | Positive LTP Contribution when buy order qty. was between 2-10 shares | | Positive LTP Contribution when buy order qty. were more than 10 shares | | Total Positive LTP contribution (Rs.) | % of positive LTP to Total Market positive LTP | % contribution to total market positive LTP through small orders (1-10 shares) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | | | |
| Shripal Sheshmal HUF | 485 | 306.95 | 360 | 4.4 | 10 | 30.4 | 115 | 343.70 | 11.74% | 10.69% |

From the above table it is noted that these 485 buy trades of the Noticee-3 during the investigation period resulted into positive LTP contribution of Rs. 343.70 (being 11.74%) to the total positive market LTP of Cosyn.

As regards the allegation regarding small orders, that out of these 485 buy trades, 370 buy trades were involving small orders which contributed Rs. 311.35 (being 10.69%) to total market positive LTP in Cosyn, it is noted that when the Noticee-3 executed such small quantity trades, sell orders of larger quantities were available for trading. Despite availability of sufficient quantity of shares, Noticee-3 continued to place buy orders involving small quantity (viz., one to ten shares) for 22 trading days through 370 trades in the scrip of Cosyn.

To cite as example, the top 50 LTP contributing buy trades of the Noticee-3 in Cosyn are given below:

**Table 24: Top 50 LTP contributing buy trades of the Noticee-3 in Cosyn during IP-Cosyn**

| S. No. | TRADE_DATE | TRADE_TIME | ORDER_LMTIME | CP_ORDER_LMTIME | TRADE_RATE | LTP_RATE | LTP_PERCENT | ORDER_LMRATE | CP_ORDER_LMRATE | ORDER_LTP | CP_ORDER_LTP | TRADED_QTY | CP_ORDER_AVLQTY | ORDER_LMQTY | CP_ORDER_LMQTY | ORDER_TYPE | CP_ORDER_TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 21/10/2016 | 09:16:41 | 09:16:41 | 09:15:39 | 122 | 4 | 3.39 | 122 | 122 | 122 | 121 | 1 | 500 | 1 | 500 | L | L |
| 2 | 12/09/2016 | 09:17:58 | 09:17:58 | 09:17:08 | 67.7 | 3.2 | 4.96 | 67.7 | 67.7 | 67.7 | 68.95 | 1 | 100 | 1 | 100 | L | L |
| 3 | 02/11/2016 | 10:56:04 | 10:56:04 | 10:54:33 | 158.4 | 3.15 | 2.03 | 158.4 | 158.4 | 158.4 | 158.5 | 1 | 50 | 1 | 50 | L | L |
| 4 | 12/09/2016 | 09:16:18 | 09:16:18 | 09:15:25 | 67.9 | 2.9 | 4.46 | 74.7 | 67.9 | 60 | 60 | 250 | 250 | 500 | 250 | L | L |
| 5 | 12/09/2016 | 09:16:46 | 09:16:46 | 09:16:42 | 67.8 | 2.8 | 4.31 | 67.8 | 67.8 | 67.8 | 68.95 | 1 | 100 | 1 | 100 | L | L |
| 6 | 26/10/2016 | 09:20:00 | 09:20:00 | 09:19:47 | 130.9 | 2.8 | 2.19 | 130.9 | 130.9 | 130.9 | 129 | 1 | 4 | 1 | 4 | L | L |
| 7 | 26/10/2016 | 09:17:34 | 09:17:34 | 09:17:24 | 131.9 | 2.75 | 2.13 | 133 | 131.9 | 131.9 | 130.05 | 1 | 300 | 1 | 300 | L | L |
| 8 | 13/10/2016 | 12:58:04 | 12:58:04 | 12:57:06 | 100.85 | 2.65 | 2.7 | 100.85 | 100.85 | 100.85 | 98.05 | 1 | 500 | 1 | 500 | L | L |
| 9 | 21/09/2016 | 10:16:42 | 10:16:42 | 10:16:23 | 74.7 | 2.55 | 3.53 | 74.7 | 74.7 | 74.7 | 74 | 1 | 500 | 1 | 500 | L | L |
| 10 | 26/10/2016 | 14:40:58 | 14:40:58 | 14:40:54 | 137.75 | 2.55 | 1.89 | 137.75 | 137.75 | 137.75 | 139 | 1 | 200 | 1 | 126 | L | L |
| 11 | 05/10/2016 | 15:22:32 | 15:22:32 | 15:20:16 | 93.7 | 2.5 | 2.74 | 93.7 | 93.7 | 93.7 | 91.2 | 1 | 50 | 1 | 50 | L | L |
| 12 | 14/10/2016 | 12:35:10 | 12:35:10 | 12:35:02 | 104.45 | 2.45 | 2.4 | 104.45 | 104.45 | 104.45 | 104.05 | 1 | 500 | 1 | 598 | L | L |
| 13 | 25/10/2016 | 09:37:32 | 09:37:32 | 09:37:18 | 143.95 | 2.45 | 1.73 | 143.95 | 143.95 | 143.95 | 140.6 | 1 | 150 | 1 | 150 | L | L |
| 14 | 14/10/2016 | 12:33:54 | 12:33:54 | 12:33:53 | 104.4 | 2.4 | 2.35 | 104.5 | 104.4 | 104.4 | 104.05 | 1 | 500 | 1 | 595 | L | L |
| 15 | 21/10/2016 | 12:53:53 | 12:53:53 | 12:38:30 | 132.9 | 2.4 | 1.84 | 132.9 | 132.9 | 132.9 | 131.75 | 1 | 100 | 1 | 100 | L | L |
| 16 | 25/10/2016 | 09:38:19 | 09:38:19 | 09:38:10 | 142.9 | 2.3 | 1.64 | 142.9 | 142.9 | 142.9 | 143.6 | 1 | 100 | 1 | 100 | L | L |
| 17 | 21/10/2016 | 12:45:58 | 12:45:58 | 12:45:06 | 132.7 | 2.2 | 1.69 | 132.7 | 132.7 | 132.7 | 131.75 | 1 | 25 | 1 | 25 | L | L |
| 18 | 04/10/2016 | 12:15:11 | 12:15:11 | 12:13:24 | 92.6 | 2.1 | 2.32 | 92.6 | 92.6 | 92.6 | 92.6 | 1 | 250 | 1 | 250 | L | L |
| 19 | 26/10/2016 | 14:40:05 | 14:40:05 | 14:39:48 | 137.3 | 2.1 | 1.55 | 137.3 | 137.3 | 137.3 | 139 | 1 | 200 | 1 | 126 | L | L |
| 20 | 18/10/2016 | 14:12:20 | 14:12:20 | 14:12:16 | 100.5 | 2.05 | 2.08 | 100.5 | 100.5 | 100.5 | 98.45 | 1 | 1000 | 1 | 1000 | L | L |
| 21 | 02/11/2016 | 09:25:35 | 09:25:35 | 09:25:20 | 157.3 | 2.05 | 1.32 | 157.3 | 157.3 | 157.3 | 157.1 | 1 | 100 | 1 | 100 | L | L |
| 22 | 21/09/2016 | 10:32:56 | 10:32:56 | 10:32:40 | 74.55 | 2 | 2.76 | 74.55 | 74.55 | 74.55 | 74 | 1 | 500 | 1 | 500 | L | L |
| 23 | 04/10/2016 | 10:19:16 | 10:19:16 | 10:01:48 | 96 | 2 | 2.13 | 96 | 96 | 96 | 98.6 | 1 | 2500 | 1 | 2981 | L | L |
| 24 | 04/10/2016 | 12:18:33 | 12:18:33 | 12:18:06 | 91.5 | 2 | 2.23 | 91.5 | 91.5 | 91.5 | 92.5 | 1 | 500 | 1 | 500 | L | L |
| 25 | 26/10/2016 | 09:16:12 | 09:16:12 | 09:15:08 | 132 | 2 | 1.54 | 132 | 132 | 132 | 133.75 | 1 | 1000 | 1 | 1000 | L | L |
| 26 | 26/10/2016 | 09:19:15 | 09:19:15 | 09:18:00 | 131 | 2 | 1.55 | 131 | 131 | 131 | 130.05 | 1 | 200 | 1 | 200 | L | L |
| 27 | 07/10/2016 | 09:27:03 | 09:27:03 | 09:22:38 | 92.95 | 1.95 | 2.14 | 92.95 | 92.95 | 92.95 | 93.95 | 1 | 100 | 1 | 100 | L | L |
| 28 | 14/10/2016 | 13:54:15 | 13:54:15 | 13:18:17 | 102 | 1.95 | 1.95 | 102 | 102 | 102 | 102 | 1 | 1000 | 1 | 1000 | L | L |
| 29 | 04/10/2016 | 11:25:41 | 11:25:41 | 11:25:41 | 92.3 | 1.9 | 2.1 | 92.35 | 92.3 | 92.3 | 90.45 | 1 | 500 | 1 | 500 | L | L |
| 30 | 04/10/2016 | 12:17:14 | 12:17:14 | 12:17:12 | 91.95 | 1.9 | 2.11 | 91.95 | 91.95 | 91.95 | 92.45 | 1 | 500 | 1 | 500 | L | L |
| 31 | 05/10/2016 | 15:29:15 | 15:29:15 | 15:28:46 | 92.9 | 1.9 | 2.09 | 92.9 | 92.9 | 92.9 | 91.7 | 1 | 1000 | 1 | 1000 | L | L |

| S. No. | TRADE_DATE | TRADE_TIME | ORDER_LMTIME | CP_ORDER_LMTIME | TRADE_RATE | LTP_RATE | LTP_PERCENT | ORDER_LMRATE | CP_ORDER_LMRATE | ORDER_LTP | CP_ORDER_LTP | TRADED_QTY | CP_ORDER_AVLQTY | ORDER_LMQTY | CP_ORDER_LMQTY | ORDER_TYPE | CP_ORDER_TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 32 | 14/10/2016 | 14:51:24 | 14:51:24 | 14:51:19 | 99.95 | 1.9 | 1.94 | 99.95 | 99.95 | 99.95 | 100.4 | 1 | 50 | 1 | 50 | L | L |
| 33 | 05/10/2016 | 13:30:53 | 13:30:53 | 13:28:04 | 91.95 | 1.85 | 2.05 | 91.95 | 91.95 | 91.95 | 90.1 | 1 | 50 | 1 | 50 | L | L |
| 34 | 14/10/2016 | 14:06:06 | 14:06:06 | 14:04:41 | 101.9 | 1.85 | 1.85 | 101.9 | 101.9 | 101.9 | 100.15 | 1 | 500 | 1 | 500 | L | L |
| 35 | 18/10/2016 | 15:03:12 | 15:03:12 | 15:00:43 | 101.9 | 1.85 | 1.85 | 101.9 | 101.9 | 101.9 | 101 | 1 | 50 | 1 | 50 | L | L |
| 36 | 18/10/2016 | 15:03:14 | 15:03:14 | 15:00:43 | 101.9 | 1.85 | 1.85 | 101.9 | 101.9 | 101.9 | 101 | 1 | 50 | 1 | 50 | L | L |
| 37 | 02/11/2016 | 09:37:39 | 09:37:39 | 09:37:10 | 156.4 | 1.85 | 1.2 | 156.4 | 156.4 | 156.4 | 156.9 | 1 | 100 | 1 | 100 | L | L |
| 38 | 21/09/2016 | 10:08:37 | 10:08:37 | 10:04:25 | 74.3 | 1.8 | 2.48 | 74.3 | 74.3 | 74.3 | 74.5 | 1 | 100 | 1 | 100 | L | L |
| 39 | 21/09/2016 | 10:15:41 | 10:15:41 | 10:14:20 | 73.8 | 1.8 | 2.5 | 73.8 | 73.8 | 73.8 | 74 | 1 | 500 | 1 | 500 | L | L |
| 40 | 18/10/2016 | 09:24:43 | 09:24:43 | 09:23:56 | 102.95 | 1.8 | 1.78 | 102.95 | 102.95 | 102.95 | 103 | 1 | 300 | 1 | 300 | L | L |
| 41 | 04/10/2016 | 12:17:45 | 12:17:45 | 12:17:33 | 91.75 | 1.75 | 1.94 | 91.75 | 91.75 | 91.75 | 92.45 | 1 | 500 | 1 | 500 | L | L |
| 42 | 04/10/2016 | 14:09:23 | 14:09:23 | 14:09:23 | 93.9 | 1.75 | 1.9 | 93.95 | 93.9 | 93.9 | 92.65 | 1 | 300 | 1 | 300 | L | L |
| 43 | 13/10/2016 | 11:37:57 | 11:37:57 | 11:37:57 | 106.75 | 1.75 | 1.67 | 106.8 | 106.75 | 106.75 | 106 | 1 | 500 | 1 | 500 | L | L |
| 44 | 14/09/2016 | 09:37:11 | 09:37:11 | 09:37:01 | 76.7 | 1.7 | 2.27 | 76.7 | 76.7 | 76.7 | 76.7 | 1 | 42 | 1 | 42 | L | L |
| 45 | 04/10/2016 | 12:16:21 | 12:16:21 | 12:16:17 | 92.2 | 1.7 | 1.88 | 92.2 | 92.2 | 92.2 | 92.45 | 1 | 500 | 1 | 500 | L | L |
| 46 | 13/10/2016 | 09:25:32 | 09:25:32 | 09:20:21 | 107.5 | 1.7 | 1.61 | 107.5 | 107.5 | 107.5 | 105.7 | 1 | 200 | 1 | 200 | L | L |
| 47 | 21/10/2016 | 12:26:22 | 12:26:22 | 12:26:14 | 133.75 | 1.7 | 1.29 | 133.75 | 133.75 | 133.75 | 133.5 | 1 | 200 | 1 | 200 | L | L |
| 48 | 25/10/2016 | 09:33:29 | 09:33:29 | 09:33:06 | 146.95 | 1.7 | 1.17 | 146.95 | 146.95 | 146.95 | 147.5 | 1 | 500 | 1 | 500 | L | L |
| 49 | 07/09/2016 | 15:27:07 | 15:27:07 | 15:23:09 | 51.65 | 1.65 | 3.3 | 51.65 | 51.65 | 51.65 | 51 | 1 | 1 | 1 | 1 | L | L |
| 50 | 05/10/2016 | 13:08:53 | 13:08:53 | 13:08:13 | 91.65 | 1.65 | 1.83 | 91.65 | 91.65 | 91.65 | 90.05 | 1 | 100 | 1 | 200 | L | L |

From the above table it is noted that even from a sample of top 50 positive LTP contributing buy trades, forty-nine trades were involving one share and one trade was involving 250 shares only. Thus even from the sample of top 50 positive LTP contributing buy trades of Noticee-3, it is evident that the Noticee-3 had indulged in trades at higher than LTP of which majority were through small orders.

It is noted that Noticee-3 was buying one-one share at higher price even though sell orders of larger quantities were available. Generally speaking, it is logical that a genuine buyer would want to buy at low price viz., at prevailing or less than prevailing prices and not at a higher price as was the case with the Noticee-3 in the instant matter.

**In respect of Tera Software:**

Regarding the allegation that in the scrip of Tera Software, through 363 buy trades, Noticee-3 contributed Rs.133.75 (being 7.30%) to the total market LTP of Tera Software, it would be relevant to refer to the analysis of 363 buy trades that resulted in positive LTP, as given below:

**Table 20 : LTP Contribution in the scrip of Tera Software through small orders/trades by Noticee-3 during Tera-Phase 1**

| Buyer Name | No. of trades (LTP >0) | Positive LTP Contribution when buy order qty. was of 1 share only | | Positive LTP Contribution when buy order qty. was between 2-10 shares | | Positive LTP Contribution when buy order qty. were more than 10 shares | | Total Positive LTP contribution (Rs.) | % of positive LTP to Total Market positive LTP | % contribution to total market positive LTP through small orders (1-10 shares) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | | | |
| Shripal Sheshmal HUF | 363 | 107.65 | 247 | 12.3 | 35 | 13.8 | 81 | 133.75 | 7.30 % | 6.54% |

From the above table it is noted that these 363 buy trades resulted into positive LTP contribution of Rs.133.75 (being 7.30%) to the total positive market LTP of Tera Software.

As regards the allegation regarding small orders, that out of these 363 buy trades, 282 buy trades were involving small orders which contributed Rs. 199.95 (being 6.64%) to total market positive LTP in Tera Software, it is noted that Noticee-3 has brought out in its reply that the LTP contribution is mentioned as Rs. 199.95 instead of Rs. 119.95. In this regard, the same is noted. The LTP contribution through small orders trades was Rs. 119.95. It is noted that when the Noticee-3 executed such small quantity trades, sell orders of larger quantities were available for trading. Despite availability of sufficient quantity of shares, Noticee-3 continued to place buy orders in small quantity (viz., one to ten shares) for 15 trading days through 282 trades in the scrip of Tera Software.

To cite as example, the top 50 LTP contributing trades of the Noticee-3 in Tera Software are given below:

**Table 25: Top 50 LTP contributing buy trades of the Noticee-3 in Tera Software**

| S. No. | TRADE_DATE | TRADE_TIME | ORDER_LMTIME | CP_ORDER_LMTIME | TRADE_RATE | LTP_RATE | LTP_PERCENT | ORDER_LMRATE | CP_ORDER_LMRATE | ORDER_LTP | CP_ORDER_LTP | TRADED_QTY | CP_ORDER_AVLQTY | ORDER_LMQTY | CP_ORDER_LMQTY | ORDER_TYPE | CP_ORDER_TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 11/12/2015 | 14:51:57.395934 | 14:51:57.395934 | 14:51:53.492446 | 87.5 | 1.95 | 2.28 | 87.5 | 87.5 | 87.5 | 86.6 | 1 | 300 | 1 | 300 | L | L |
| 2 | 16/12/2015 | 09:23:03.478412 | 09:23:03.478412 | 09:22:08.819193 | 96.9 | 1.7 | 1.79 | 96.9 | 96.9 | 96.9 | 97.5 | 1 | 1000 | 1 | 500 | L | L |
| 3 | 31/12/2015 | 09:43:06.805991 | 09:43:06.805991 | 09:39:33.941485 | 87.45 | 1.65 | 1.92 | 87.45 | 87.45 | 87.45 | 86.65 | 1 | 100 | 1 | 100 | L | L |
| 4 | 22/12/2015 | 14:36:01.904194 | 14:36:01.904194 | 14:30:20.241780 | 95.85 | 1.6 | 1.7 | 95.85 | 95.85 | 95.85 | 95.05 | 1 | 1000 | 1 | 400 | L | L |
| 5 | 01/01/2016 | 14:39:44.005669 | 14:39:44.005669 | 14:37:40.561907 | 92 | 1.55 | 1.71 | 92 | 92 | 92 | 92 | 1 | 1 | 1 | 1 | L | L |
| 6 | 01/01/2016 | 14:52:31.564725 | 14:52:31.564725 | 14:51:49.685803 | 91.85 | 1.35 | 1.49 | 91.85 | 91.85 | 91.85 | 90.6 | 1 | 49 | 1 | 100 | L | L |
| 7 | 01/01/2016 | 14:48:10.761312 | 14:48:10.761312 | 14:47:56.429317 | 91.75 | 1.25 | 1.38 | 91.75 | 91.75 | 91.75 | 92 | 1 | 100 | 1 | 100 | L | L |
| 8 | 22/12/2015 | 13:20:25.545992 | 13:20:25.545992 | 13:18:47.068814 | 96.25 | 1.2 | 1.26 | 96.25 | 96.25 | 96.25 | 95.05 | 1 | 1 | 1 | 1 | L | L |
| 9 | 22/12/2015 | 13:38:06.10951 | 13:38:06.109510 | 12:57:44.641205 | 96.9 | 1.15 | 1.2 | 97 | 96.9 | 95.75 | 96.8 | 24 | 25 | 63 | 25 | L | L |
| 10 | 30/12/2015 | 11:19:06.785308 | 11:19:06.785308 | 11:18:26.015854 | 88.45 | 1.15 | 1.32 | 88.45 | 88.45 | 88.45 | 88 | 1 | 50 | 1 | 50 | L | L |
| 11 | 14/12/2015 | 14:46:32.017251 | 14:46:32.017251 | 14:46:31.732302 | 85.75 | 1.1 | 1.3 | 85.8 | 85.75 | 85.75 | 84.65 | 1 | 200 | 1 | 200 | L | L |
| 12 | 17/12/2015 | 13:43:47.840757 | 13:43:47.840757 | 13:38:36.588438 | 97.25 | 1.05 | 1.09 | 97.25 | 97.25 | 97.25 | 97 | 1 | 79 | 1 | 79 | L | L |
| 13 | 22/12/2015 | 09:47:51.992074 | 09:47:51.992074 | 09:43:01.198807 | 97.25 | 1.05 | 1.09 | 97.25 | 97.25 | 97.25 | 95.5 | 2 | 200 | 2 | 200 | L | L |
| 14 | 11/12/2015 | 09:31:26.690336 | 09:31:26.690336 | 09:31:24.289284 | 90 | 1 | 1.12 | 90 | 90 | 90 | 92 | 1 | 100 | 1 | 100 | L | L |
| 15 | 11/12/2015 | 14:48:28.77829 | 14:48:28.778290 | 12:53:56.407320 | 87.95 | 1 | 1.15 | 87.95 | 87.95 | 87.95 | 86.05 | 1 | 50 | 1 | 50 | L | L |
| 16 | 14/12/2015 | 14:17:32.84248 | 14:17:32.842480 | 14:12:06.330105 | 88.1 | 1 | 1.15 | 88.1 | 88.1 | 88.1 | 87.5 | 3 | 1500 | 3 | 1500 | L | L |
| 17 | 14/12/2015 | 14:17:41.312532 | 14:17:41.312532 | 14:12:06.330105 | 88.1 | 1 | 1.15 | 88.15 | 88.1 | 88.1 | 87.5 | 200 | 1500 | 200 | 1500 | L | L |
| 18 | 14/12/2015 | 14:51:46.94993 | 14:51:46.949930 | 14:51:41.502470 | 85.5 | 1 | 1.18 | 85.5 | 85.5 | 85.5 | 84.65 | 1 | 100 | 1 | 100 | L | L |
| 19 | 18/12/2015 | 09:24:40.774081 | 09:24:40.774081 | 09:19:03.622675 | 96 | 1 | 1.05 | 96 | 96 | 96 | 96.4 | 1 | 500 | 1 | 500 | L | L |
| 20 | 21/12/2015 | 11:20:55.93701 | 11:20:55.937010 | 11:14:01.091767 | 98 | 1 | 1.03 | 98 | 98 | 98 | 97.8 | 1 | 500 | 1 | 500 | L | L |
| 21 | 31/12/2015 | 15:27:58.738812 | 15:27:58.738812 | 15:26:52.115077 | 87 | 1 | 1.16 | 87 | 87 | 87 | 86.4 | 1 | 1000 | 1 | 1000 | L | L |
| 22 | 01/01/2016 | 11:56:45.875419 | 11:56:45.875419 | 11:56:18.256388 | 92.5 | 1 | 1.09 | 92.5 | 92.5 | 92.5 | 92.5 | 2 | 846 | 2 | 846 | L | L |
| 23 | 09/12/2015 | 14:54:29.380216 | 14:54:29.380216 | 14:53:18.548465 | 87.45 | 0.95 | 1.1 | 87.45 | 87.45 | 87.45 | 87.5 | 1 | 500 | 1 | 500 | L | L |
| 24 | 10/12/2015 | 11:52:26.800823 | 11:52:26.800823 | 11:49:56.971264 | 90.5 | 0.95 | 1.06 | 90.5 | 90.5 | 90.5 | 89.1 | 1 | 250 | 1 | 250 | L | L |
| 25 | 30/12/2015 | 10:45:20.862567 | 10:45:20.862567 | 10:22:26.315039 | 88 | 0.95 | 1.09 | 88 | 88 | 88 | 87.5 | 1 | 150 | 1 | 150 | L | L |
| 26 | 09/12/2015 | 11:06:58.551028 | 11:06:58.551028 | 11:03:46.140739 | 88 | 0.9 | 1.03 | 88 | 88 | 88 | 87 | 2 | 4009 | 2 | 4009 | L | L |
| 27 | 09/12/2015 | 14:55:01.363836 | 14:55:01.363836 | 14:54:57.377456 | 87.9 | 0.9 | 1.03 | 87.9 | 87.9 | 87.9 | 87.5 | 1 | 500 | 1 | 500 | L | L |
| 28 | 22/12/2015 | 13:15:43.204352 | 13:15:43.204352 | 12:57:44.641205 | 96.9 | 0.9 | 0.94 | 96.9 | 96.9 | 96.9 | 96.8 | 1 | 25 | 1 | 25 | L | L |
| 29 | 29/12/2015 | 15:22:35.009961 | 15:22:35.009961 | 15:21:17.188362 | 88.5 | 0.9 | 1.03 | 88.5 | 88.5 | 88.5 | 88.45 | 2 | 308 | 2 | 308 | L | L |
| 30 | 11/12/2015 | 14:49:41.063601 | 14:49:41.063601 | 12:53:56.407320 | 87.95 | 0.85 | 0.98 | 87.95 | 87.95 | 87.95 | 86.05 | 1 | 50 | 1 | 50 | L | L |
| 31 | 15/12/2015 | 11:51:59.446182 | 11:51:59.446182 | 11:51:48.262594 | 91.9 | 0.85 | 0.93 | 91.9 | 91.9 | 91.9 | 91.65 | 1 | 250 | 1 | 250 | L | L |

| S. No. | TRADE_DATE | TRADE_TIME | ORDER_LMTIME | CP_ORDER_LMTIME | TRADE_RATE | LTP_RATE | LTP_PERCENT | ORDER_LMRATE | CP_ORDER_LMRATE | ORDER_LTP | CP_ORDER_LTP | TRADED_QTY | CP_ORDER_AVLQTY | ORDER_LMQTY | CP_ORDER_LMQTY | ORDER_TYPE | CP_ORDER_TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 32 | 17/12/2015 | 14:32:52.188764 | 14:32:52.188764 | 14:31:03.104391 | 98.6 | 0.85 | 0.87 | 98.6 | 98.6 | 98.6 | 98.35 | 1 | 100 | 1 | 100 | L | L |
| 33 | 18/12/2015 | 09:53:19.888781 | 09:53:19.888781 | 09:45:12.284097 | 95.7 | 0.85 | 0.9 | 95.7 | 95.7 | 95.7 | 96.1 | 1 | 25 | 1 | 25 | L | L |
| 34 | 21/12/2015 | 10:10:20.212492 | 10:10:20.212492 | 10:09:55.065429 | 98.5 | 0.85 | 0.87 | 98.5 | 98.5 | 98.5 | 98.75 | 1 | 1 | 1 | 1 | L | L |
| 35 | 31/12/2015 | 14:38:11.855641 | 14:38:11.855641 | 14:37:32.656021 | 87.5 | 0.85 | 0.98 | 87.5 | 87.5 | 87.5 | 87.7 | 1 | 1 | 1 | 1 | L | L |
| 36 | 09/12/2015 | 14:46:07.633726 | 14:46:07.633726 | 14:46:03.717865 | 90.85 | 0.8 | 0.89 | 90.85 | 90.85 | 90.85 | 90.25 | 1 | 50 | 1 | 50 | L | L |
| 37 | 14/12/2015 | 14:12:08.4316 | 14:12:08.431600 | 14:12:07.561070 | 86.85 | 0.8 | 0.93 | 86.9 | 86.85 | 86.85 | 86.1 | 1 | 200 | 1 | 200 | L | L |
| 38 | 14/12/2015 | 14:46:21.465118 | 14:46:21.465118 | 14:26:57.264255 | 85.8 | 0.8 | 0.94 | 88 | 85.8 | 85.8 | 85.45 | 1 | 200 | 1 | 200 | L | L |
| 39 | 15/12/2015 | 11:24:27.250729 | 11:24:27.250729 | 11:24:24.516968 | 90.5 | 0.8 | 0.89 | 90.5 | 90.5 | 90.5 | 90.8 | 5 | 50 | 5 | 50 | L | L |
| 40 | 15/12/2015 | 12:20:18.35169 | 12:20:18.351690 | 12:19:13.345774 | 93.85 | 0.8 | 0.86 | 93.85 | 93.85 | 93.85 | 94 | 1 | 200 | 1 | 200 | L | L |
| 41 | 15/12/2015 | 14:38:00.019118 | 14:38:00.019118 | 14:26:20.887743 | 98 | 0.8 | 0.82 | 98 | 98 | 98 | 97.25 | 1 | 100 | 1 | 100 | L | L |
| 42 | 15/12/2015 | 14:38:06.493219 | 14:38:06.493219 | 14:26:20.887743 | 98 | 0.8 | 0.82 | 98 | 98 | 98 | 97.25 | 1 | 100 | 1 | 100 | L | L |
| 43 | 21/12/2015 | 11:13:41.801736 | 11:13:41.801736 | 11:13:28.221043 | 97.8 | 0.8 | 0.82 | 97.8 | 97.8 | 97.8 | 97.35 | 1 | 1 | 1 | 10 | L | L |
| 44 | 30/12/2015 | 12:01:55.464114 | 12:01:55.464114 | 11:56:56.435938 | 88 | 0.8 | 0.92 | 88 | 88 | 88 | 88 | 1 | 1 | 1 | 1 | L | L |
| 45 | 09/12/2015 | 14:56:22.672071 | 14:56:22.672071 | 14:56:19.279923 | 87.75 | 0.75 | 0.86 | 87.75 | 87.75 | 87.75 | 87.9 | 1 | 250 | 1 | 250 | L | L |
| 46 | 17/12/2015 | 09:23:09.742405 | 09:23:09.742405 | 09:23:08.965329 | 99 | 0.75 | 0.76 | 99 | 99 | 99.65 | 98.25 | 100 | 100 | 300 | 100 | L | L |
| 47 | 21/12/2015 | 10:09:37.43443 | 10:09:37.434430 | 10:09:36.927815 | 98.75 | 0.75 | 0.77 | 98.75 | 98.75 | 98.75 | 98.95 | 1 | 100 | 1 | 100 | L | L |
| 48 | 22/12/2015 | 09:55:27.618807 | 09:55:27.618807 | 09:49:21.504284 | 96.9 | 0.75 | 0.78 | 96.9 | 96.9 | 96.9 | 97 | 1 | 100 | 1 | 100 | L | L |
| 49 | 30/12/2015 | 12:02:53.133891 | 12:02:53.133891 | 12:02:15.567843 | 88 | 0.75 | 0.86 | 88 | 88 | 88 | 87.5 | 1 | 1 | 1 | 1 | L | L |
| 50 | 30/12/2015 | 12:05:08.713647 | 12:05:08.713647 | 12:03:05.775513 | 88 | 0.75 | 0.86 | 88 | 88 | 88 | 87.5 | 1 | 1 | 1 | 1 | L | L |

From the above table it is noted that even from a sample of top 50 positive LTP contributing buy trades, forty-seven trades were involving buy orders of either one to five shares only and in the remaining three trades were for quantity 63, 200 and 300 shares. Thus even from the sample of top 50 positive LTP contributing buy trades of Noticee-3, it is evident that the Noticee-3 had indulged in trades at higher than LTP of which majority were through small orders.

It is noted that Noticee-3 was buying small quantity at higher price even though sell orders of larger quantities were available. Generally speaking, it is logical that a genuine buyer would want to buy at low price viz., at prevailing or less than prevailing prices and not at a higher price as was the case with the Noticee-3 in the instant matter.

**In respect of both scrips viz., Cosyn and Tera Software:**

It is noted that while Noticee-3 had, as part of its submissions, made several contentions, Noticee-3 had neither disputed the buy trades that resulted into positive LTP in the scrips nor had Noticee-3 been able to demonstrate any justifiable reason with regard to entering into such trades at higher than LTP of which majority were through small quantity trades despite availability of sufficient sell orders of larger quantity.

In this regard, reliance is placed on orders of Hon'ble Securities Appellate Tribunal ("SAT") in matters involving similar facts and allegations of violations of PFUTP Regulation, as given below:

62.1. Hon'ble SAT order dated December 15, 2021 in **M/s Adamina Traders Pvt. Ltd. vs. SEBI** wherein Hon'ble SAT had held that:

*"…*

*8. <u>It was contended that out of 6519 trades only 554 trades were found to the positive LTP and</u>, therefore, these figures indicates that there was no intention on the part of the appellant to manipulate the price since the remaining trades were either negative LTP or zero LTP. Further, there was a huge difference between the buy time and the sell time and consequently <u>the LTP in 176 trades was very negligible which cannot lead to a conclusion that the appellant indulged in manipulation of price.</u> <u>We are unable to accept this argument as we find from the trading pattern of the appellant that on most occasions the appellant was placing buy orders of miniscule quantity ranging from 1 to 10 shares above LTP though large orders were pending in the system.</u> The WTM has categorically found that out of 176 trades, in a large numbers trades, only one share was purchased. <u>These miniscule trades of one share per day led to increase price of the scrip by Rs. 50.23 which amounted to Rs. 26.34% of the total market positive LTP.</u>*

*9. Thus, in the instant case, **<u>the pattern of trading, namely, placing buy orders in small quantities which led to increase in the price of the scrip was clearly fraudulent and manipulation of the price of the scrip which was violative of Regulations 3 and 4 of the PFUTP Regulations.</u>** Thus, the finding given by the WTM does not suffer from any error of law.*

*…"*

62.2. Hon'ble SAT order dated April 28, 2021 in the matter of **Shri Tarunkumar Brahmbhatt v. SEBI** wherein Hon'ble SAT had held that:

*"……….*

*From the trades executed by the appellants which has been depicted in detail in the impugned order we notice that the appellants placed buy orders above the LTP and that some of the trades were the first trades of the day.* ***<u>It is common sense that when an investor buys he would like to buy a scrip at the lowest possible price and when he wants to sell he would like to get the highest possible price. Why should a person/ investor buy a share at a higher price than what is available on the stock exchange at a lower price unless there is a motive.</u>*** *In the instant case, the trading pattern of the appellants clearly indicates that they were placing buy orders above the LTP which led to market contribution to the positive LTP and also created a new high price (NHP).*

*………."*

63. In view of the foregoing, it is noted that Noticee-3 through 485 buy trades had contributed total of 11.74% (being Rs. 341.75) of the total market positive LTP in the scrip of Cosyn and through 363 buy trades had contributed total of 7.30% (being Rs. 133.75) to the total market LTP in the scrip of Tera Software during the investigation period. Further, out of the 485 buy trades in Cosyn, 370 trades were small quantity trades and out of the 363 buy trades in Tera Software, 282 trades were small quantity trades, despite availability of sufficient sell orders of larger quantity, resulting in increasing the price of scrips and thereby had manipulated the price of the scrips.

In the light of the above facts and circumstances, and drawing support from the various judicial pronouncements mentioned above, it is established that the Noticee-3 had indulged in manipulative trades and therefore has violated section 12A (a), (b), (c) of SEBI Act, Regulations 3(a), (b), (c), (d) and Regulation 4(1), 4(2)(e) of PFUTP Regulations.

**<u>Noticee-4: MBL & Co. Ltd</u>**

64. It is noted from the SCN that the allegations in respect of Noticee-4 pertains to trading activities in the scrip of JIL during the investigation period August 14,

2015 to August 31 (IP-Jubilant). The price of the scrip opened at Rs.177.5 and closed at Rs. 302.65 at NSE. It was observed that Noticee-4 was the top LTP contributor among buyers in the scrip of JIL with a contribution of Rs.110.85 to net LTP and Rs.487.60 to the total market positive LTP (i.e. 8.88% of the total market positive LTP). The details of the same are given in the table below:

**Table 26: LTP contribution by Noticee-4 in the scrip of Jubilant Industries among buyers during IP-Jubilant at NSE**

| Client Name | All LTP Rate | All Traded Qty. | All No. of Trades | Pos. LTP Rate | Pos. Traded Qty. | Pos. no. Trades | Neg. LTP Rate | Neg. Traded Qty. | Neg. no. Trades | Zero Traded Qty. | Zero No Trades | % LTP to total Mar. Pos. LTP |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mbl & Co. Limited (Noticee-4) | 110.85 | 111990 | 4577 | 487.60 | 30749 | 1351 | -376.75 | 30698 | 1365 | 50543 | 1861 | 8.88% |
| Market Total | 127.35 | 4789508 | 73507 | 5488.90 | 1133705 | 17764 | -5361.55 | 987252 | 16706 | 2668551 | 39037 | 100.00% |

It was observed from the above table that the positive LTP contribution of Noticee-4 to positive market LTP was more than 5% of total market positive LTP in the scrip of JIL and the trades of Noticee-4 were analyzed further. The analysis of the same are given in the table below:

**Table 27: LTP Contribution in the scrip of Jubilant Industries through small orders/trades by Noticee-4 during IP-Jubilant**

| Buyer Name | No. of trades (LTP >0) | Positive LTP Contribution when buy order qty. was of 1 share only | | Positive LTP Contribution when buy order qty. was between 2-10 shares | | Positive LTP Contribution when buy order qty. were more than 10 shares | | Total Positive LTP contribution (Rs.) | % of positive LTP to Total Market positive LTP | % contribution to total market positive LTP through small orders (1-10 shares) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | | | |
| MBL & Co. Ltd | 1351 | 340.7 | 608 | 37.4 | 108 | 109.5 | 635 | 487.60 | 8.88% | 6.89% |

It is observed from the above table that, out of 1351 trades with positive LTP contribution, Noticee-4 carried out 716 small buy trades (i.e. buy quantity ranged from 1 to 10 shares per trade) and thereby, contributed positive LTP of Rs 378.1 (Rs 340.7 + Rs 37.4) through such small trades to total market positive LTP.

**Analysis of self-trades executed by Noticee-4 (MBL & Co. Ltd) in the scrip of Jubilant**

The highest counterparty concentration in positive LTP trades was Rs 191.8 i.e. 3.49% of market positive LTP through self-trades. Summary of self-trades by Noticee-4 is placed below in tabular manner.

**Table 28: Summary of self-trades by Noticee-4**

| Clientname | Traded Qty | Number of Self Trades | Number of Days | Ltp Rate | Pos Ltp |
|---|---|---|---|---|---|
| Mbl & Co. Limited | 2157 | 1426 | 11.0 | 51.05 | 191.80 |
| **Total** | **2157** | **1426** | **11.0** | **51.05** | **191.80** |

From the above table it was observed that, Noticee-4 during IP-Jubilant had carried out 1426 self-trades and contributed Rs. 51.05 to net LTP.

Noticee-4 contributed Rs. 191.80 to total market positive LTP i.e. 3.49% of total market positive LTP through 534 self-trades. Further, positive LTP of Rs. 165.95 out of Rs 191.80 was contributed through such self-trades where buy-order quantity ranged from 1 to 10 shares per trade. Also, positive LTP of Rs 168.15 out of Rs 191.8 was contributed through such self-trades where both Buy-terminal ID and Sell-Terminal ID were same i.e. 27132 and buy and sell dealer was also same.

In view of the above, it was alleged that by placing buy orders of such miniscule quantity (1-10 shares) at a price higher than the LTP, Noticee-4 indulged in manipulative trading practices wherein it contributed a total of 6.89% to total market positive LTP through such small orders trades, and thereby contributed a total of 8.88% to the total market positive LTP in the scrip of Jubilant Industries during IP-Jubilant. Further, Noticee-4 executed 534 self-trades which lead to a positive LTP contribution of Rs. 191.80 (i.e. 3.49% of total market positive LTP).

Therefore, it was alleged that Noticee-4 violated the provisions of section 12A (a), (b) and (c) of SEBI Act, 1992, Regulation 3(a), (b), (c), (d) by indulging in manipulative device and dealing in securities in a fraudulent manner as described in the previous paragraphs and violated Regulation 4(1) and Regulation 4(2) (a),(e), (g) of PFUTP Regulations, 2003 by indulging in act which created false or misleading appearance of trading in the securities market, by manipulating the price of the aforesaid scrip and by entering into transactions in securities without the intention of performing it such as the self-trades executed by it.

65. As regards rationale for small orders, Noticee-4 has not made any submissions during the instant proceedings, as part of its reply to the SCN. Further, in this regard, it is noted from the material available on record that as regards reason for placing small orders, Noticee had, during the investigation, submitted to SEBI that in order to know the current LTP, they placed such small orders. In view of said response by Noticee-4 to SEBI during the investigation, SEBI inter alia indicating that the reply was not proper, vide its email dated January 23, 2022 had sought complete and proper reply from the Noticee-4. However once again Noticee 4 had merely stated that single quantity was traded so as to enable to know the current LTP so as to take appropriate necessary action. The relevant para of the SCN, in this regard, are reproduced as under:

*"*

*…..*

*9) In view of the above, SEBI sought certain details from Noticee-4 vide e-mail dated Jan 19, 2022, including reason for placing small orders and self-trades. Noticee-4, vide its reply dated Jan 21, 2022 submitted that in order to know the current LTP, they placed such small orders. Further, it submitted that self-trades were done in order to square-off its positions.(copy of e-mail and its reply placed as Annexure-3)*

*10) However, it is seen that the submission dated January 21, 2022 was improper and incomplete. Therefore, SEBI sent an e-mail dated January 23, 2022 to Noticee-4 seeking complete and proper reply. Noticee-4 vide its reply dated January 24, 2022 submitted that it traded in Secondary market and basically indulged in proprietary trading with main activity of Jobbing/Arbitrage through number of trades. Further, it submitted that it engaged in manual trading and the single quantity was traded so as to enable to know the current LTP.(copy of e-mail and its reply is placed as Annexure- 4)*

*…..*

*"*

It is noted that as regards reason behind so many small buy trades, Noticee did not provide complete details and actual reason to SEBI during the investigation despite having been specifically asked, as detailed above. This had been specifically brought out in the SCN also. However, it is noted that no submissions have been made by the Noticee as part of its reply to the SCN, in this regard. Accordingly, it is construed that Noticee-4 has not demonstrated any plausible reason with regard to the alleged small buy trades.

66. Noticee-4 had inter alia submitted that it had traded in the scrip of JIL in normal course of its business activity. The buying of shares of JIL was not concentrated but spread across 12 days.

In this regard, it is noted from material available on record that Noticee-4 being a buyer of the scrip, was executing multiple buy orders repeatedly at higher than LTP in the scrip of JIL and was also executing self-trades with miniscule quantity at higher than the LTP of the scrip.

In JIL, Noticee-4 carried out 1351 trades with positive LTP contribution of Rs. 487.60 (8.88%) to the total positive market LTP of JIL. Further, 716 out of such 1351 i.e., approx. 53% of trades above LTP involved small quantity (i.e. one to ten shares) and such trades itself contributed Rs. 378.1 to the positive LTP of JIL (being 6.89% of the total market positive LTP).

Further, as regards self-trades, it is noted that Noticee-4 had carried out 1426 self-trades which resulted in net positive LTP contribution of Rs.51.05 and total positive LTP contribution of Rs.191.80 of which Rs.168.15 was through such self-trades where the terminal IDs (Buy and Sell) and dealer (buy and sell) were one and same. In this regard, from the trade log it is noted that the Buy and Sell Location ID were also the same. In view thereof, the contention of Noticee-4 in this regard is devoid of merit and hence cannot be accepted.

67. As regards the alleged self-trades, Noticee-4 as part of its reply to SCN had inter alia stated that the self-trades were unintentionally executed due to absence of prevention checks on the stock exchange. Noticee-4 has inter alia also contended that it had no mens-rea to manipulate or create misleading appearance of trading in the scrip of JIL which is evident from the fact that self-trades constituted 0.05% of total shares traded in JIL and 2.17% of total trade count in the JIL during the IP. Few instance of self-trades will ipso facto not be

illegal. In the absence of any impact on prime/volume of the scrip, PFUTP violations cannot be alleged.

Noticee-4 had inter alia contended that SEBI has itself acknowledged that self-trades are per se not illegal. Regulators have from time to time come out with relevant circulars recognizing the existence of self-trades. Self- trades are not possible in current scenario due to introduction of self-trade prevention check by stock exchanges in 2015. The onus to alert an intermediary is on stock exchanges. However, no such steps were taken or cautionary issued by the stock exchange.

In this regard, it is noted that Noticee-4 had traded in the scrip of JIL on 12 trading days during the IP and that Noticee-4 had self-trades on 11 trading days out total 12 trading days. Further, in this regard, it is noted that on 11 trading days, Noticee-4 had carried out 1426 self-trades involving 2157 shares. It is also noted that in 1227 out of total 1426 self-trades of Noticee-4 during the IP, the Buy and Sell Terminal ID and buy and sell dealer and Buy and Sell Location ID were same.

Noticee-4 has contended that the self-trades were unintentional and there was no mens-rea because the volume of such trades is miniscule compared to the total volume of the scrip during the investigation period. Noticee-4 has also contended that the self-trades were few instances which amounted to 2.17% of the total trades in the scrip during the IP. In this regard, it is noted that except for stating that these were unintentional and few, Noticee-4 has neither demonstrated how the same were unintentional nor provided any plausible rationale as to why it was carrying out such trades including at higher than LTP and majority of which involved small quantity (one to ten shares). Logically speaking there is no reason why any genuine trader would concurrently be a buyer and seller to himself in a scrip on same day within few seconds at same price having same location ID, same terminal ID and same dealer, as was observed in the instant case.

Besides, in this regard, it is also noted that in terms of number of trades in the scrip of JIL during the IP, Noticee-4 had total 4577 trades of which 1426 were self-trades which in terms of percentage works out to approx. 31.16% i.e., almost one third of noticee's number of trades. In view thereof, in particular that, approx. 77.60% of Noticee's positive LTP contributing trades were through small orders and having regard to facts that approximately one-third of the trades of Noticee-4 were self-trades, majority of self-trades were involving same terminal id and same dealer and same Buy and Sell Location ID, the contention of Noticee-4 in this regard, cannot be accepted.

It is noted that Noticee-4 had contributed a total of Rs.191.80 to the total market positive LTP of the market in the scrip through these self-trades of which Rs.165.95 was contributed through such trades where buy quantity ranged from one to ten shares.

Noticee-4 had inter alia submitted that all jobbers were allotted separate terminals. In this backdrop, considering that majority of the self-trades were carried out through same terminal ID and by same dealer and within few seconds, it cannot be mere coincidence that on 11 out of 12 trading days during which the Noticee-4 had traded in the scrip of JIL during the IP, a sell order at higher than LTP was placed from same terminal ID and then the same was matched by a buy order from the same terminal ID to buy shares at higher than LTP. To cite as example, top 10 LTP contributing self-trades of Noticee-4 wherein small quantity trades were executed at higher than LTP through same terminal ID within short period of time between the sell order time and buy order time are given below:

**Table 29: Top 10 LTP contributing self-trades of Noticee-4 wherein small quantity trades were executed at higher than LTP through same terminal ID**

| TRADE DATE | TRADE TIME | BUY ORDER LAST MODIFIED TIME | SELL ORDER LAST MODIFIED TIME | Trade Price | LTP DIFF IN Rs. | LTP DIFF IN % | BUY ORDER LST MOD PRICE | SELL ORDERS LST MOD PRICE | TRADED QUANTITY | BUY ORDER LAST MOD QTY | SORD LAST MOD QTY | BUY TERMINAL ID | SELL TERMINAL ID | BUY ORDER TYPE | SELL ORDER TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 25/08/2015 | 09:15:07 | 09:15:07 | 09:15:06 | 238.9 | 3.9 | 1.63 | 235 | 235 | 1 | 1 | 200 | 27132 | 27132 | Limit Order | Limit Order |

| TRADE DATE | TRADE TIME | BUY ORDER LAST MODIFIED TIME | SELL ORDER LAST MODIFIED TIME | Trade Price | LTP DIFF IN Rs. | LTP DIFF IN % | BUY ORDER LST MOD PRICE | SELL ORDERS LST MOD PRICE | TRADED QUANTITY | BUY ORDER LAST MOD QTY | SORD LAST MOD QTY | BUY TERMINAL ID | SELL TERMINAL ID | BUY ORDER TYPE | SELL ORDER TYPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 25/08/2015 | 10:48:34 | 10:48:34 | 10:48:21 | 231.45 | 2.95 | 1.27 | 228.5 | 228.5 | 1 | 1 | 299 | 27132 | 27132 | Limit Order | Limit Order |
| 25/08/2015 | 10:48:56 | 10:48:56 | 10:48:21 | 231.45 | 2.95 | 1.27 | 228.5 | 228.5 | 1 | 1 | 299 | 27132 | 27132 | Limit Order | Limit Order |
| 25/08/2015 | 10:48:22 | 10:48:22 | 10:48:21 | 231.45 | 2.85 | 1.23 | 228.6 | 228.6 | 1 | 1 | 299 | 27132 | 27132 | Limit Order | Limit Order |
| 25/08/2015 | 11:16:39 | 11:16:39 | 11:16:36 | 228.85 | 2.55 | 1.11 | 226.3 | 226.3 | 1 | 1 | 100 | 27132 | 27132 | Limit Order | Limit Order |
| 25/08/2015 | 11:12:24 | 11:12:24 | 11:12:18 | 229.95 | 2.3 | 1 | 227.65 | 227.65 | 1 | 1 | 200 | 27132 | 27132 | Limit Order | Limit Order |
| 25/08/2015 | 11:24:23 | 11:24:23 | 11:24:22 | 228 | 2.2 | 0.96 | 225.8 | 225.8 | 1 | 1 | 107 | 27132 | 27132 | Limit Order | Limit Order |
| 27/08/2015 | 12:31:04 | 12:31:04 | 12:31:03 | 272 | 2.9 | 1.07 | 269.1 | 269.1 | 1 | 1 | 663 | 27132 | 27132 | Limit Order | Limit Order |
| 27/08/2015 | 12:50:55 | 12:50:55 | 12:50:55 | 269.8 | 2.85 | 1.06 | 266.95 | 266.95 | 1 | 1 | 180 | 27132 | 27132 | Limit Order | Limit Order |
| 28/08/2015 | 13:25:34 | 13:25:34 | 13:25:28 | 291 | 2.4 | 0.82 | 288.6 | 288.6 | 1 | 1 | 500 | 27132 | 27132 | Limit Order | Limit Order |

It is noted from the above Table that Noticee-4 was placing limit sell orders from terminal ID 27132 and matching the sell orders by placing limit buy orders through same terminal ID 27132 of one-one shares within few seconds (0 to 35 seconds of which five trades had difference of mere 0-1 second only). These self-trades resulted into contribution of positive LTP of the scrip indicating that Noticee-4 was buying and selling from/to itself that too at a higher price thereby resulting in establishing high price. Through such trading pattern, Noticee-4 was itself increasing the LTP of JIL scrip and thereby contributed Rs. 191.8 to the total market positive LTP of the scrip which was 3.49% of the total market positive LTP.

In this regard, reliance is placed on order dated May 13, 2022 of Hon'ble SAT wherein on similar facts and circumstances as in the instant proceedings, Hon'ble SAT had upheld the violations of PFUTP Regulations by the MBL and Company Ltd (viz., Noticee-4 in the present matter). The relevant excerpts are reproduced below:

> *"….*
> *8. Before the learned WTM the appellant pleaded as under :-*
> *That the self-trades were non-intentional, non-manipulative and inadvertent. SEBI had already accepted vide circular dated February 8, 2013 that in the electronic trading system self-trades may occur. Therefore, it had asked the stock exchanges to put the system whereby such self-trades would not occur.*

*The appellant carries proprietary trading with activities of jobbing and arbitrage. It's multiple servers are kept at various locations. Therefore, there would be likelihood of self-trade occurring as the trades are carried out through different branches from different locations. The trading pattern of the appellant has not affected the price or volume of the scrip of the company. Therefore, it cannot be alleged that the appellant had violated the provisions of the PFUTP Regulations. In three cases, the AO of the respondent SEBI had closed the proceedings against the appellant wherein similar allegations of self-trades were made. The volume of the impugned transactions was not very significant. There was no intention to manipulate the price and, therefore, the appellant wanted that the proceedings be dropped.*

*9. Before the learned AO, the appellant relied on the ratio of the decisions of this Tribunal in the case of S. P. J. Stockbrokers Pvt. Ltd. vs. SEBI Appeal No. 52 of 2013 decided on September 4, 2013 and Kapil Chaturabhuj Bhuptni vs. SEBI Appeal No. 95 of 2013 decided on October 10, 2013 as well as some other decisions of the AO wherein in the cases of self-trades the notices therein were absolved.*

*…………*

*18. Considering the facts of the present case that <u>the appellant's clear intention was to manipulate the price of the scrip by first placing huge sell orders for a higher price and then buy a single share from the same terminal</u>, in our view, the order passed by the learned WTM or the penalty imposed by the learned AO needs no interference……*

*"*

Moreover, the above order of Hon'ble SAT was upheld by Hon'ble Supreme Court's judgement in MBL and Company Limited Vs. SEBI (Civil Appeal No. 4262-4263 of 2022) wherein the SC held that:

*"………*

*12 In the present case, the WTM, while imposing an order of debarment, has specifically applied her mind to the issue as regards the impact of such a manipulation. While dealing with this aspect, the WTM has observed that the manipulation of the price of scrips seriously impinges upon other counter parties in the securities market. In other words, the impact of a manipulation which is carried out by a participant in the securities market cannot be assessed only in terms of the gain which has been caused to the participants themselves, but in terms of the wider consequences of the action on the securities market.*

*………..*

*14 The securities market deals with the wealth of investors. Any such manipulation is liable to cause serious detriment to investors' wealth. In this backdrop, the order which has been passed by the WTM cannot be regarded as disproportionate so as to result in the interference of this Court in the exercise of its jurisdiction under Section 15Z of the SEBI Act. Moreover, the WTM has prohibited the appellant from participating in its proprietary account for a specified period, leaving it open to the appellant to continue operation in their broking account.*

*15 For the above reasons, we are not inclined to accede to the submissions which have been urged on behalf of the appellant. The appeals shall stand dismissed.*

*……….*

*"*

In view of the aforesaid, in particular that in 86% of the self-trades (1227 self-trades out of 1426 self-trades) the Buy-Terminal ID and Sell-Terminal ID were same, buy and sell dealer was also same, all these were limit orders, the time difference between the buy order and sell order was few seconds, that almost one-third of the trades of the Noticee were self-trades, that Noticee-4 had indulged in such self-trades on 11 out of total 12 trading days during which it had traded in the scrip of JIL during the IP, that such trades had contributed Rs.191.80 which was 3.49% of the total market positive LTP, that Noticee has not demonstrated plausible reason behind such self-trades save for merely stating that the same were unintentional, it is difficult to accept that such self-trades were unintentional. Therefore, the contention of the Noticee-4 in this regard cannot be accepted.

68. Noticee-4 has submitted that its trades were independent and totally in isolation to transaction carried out by other entities. There was no nexus-connivance or collusion with promoters, directors, employees and any of its connected entities. It had no interest in the rise or fall in the price of the scrip except for intraday squaring off trades.

In this regard, remaining being submissions in the nature of mere statement or views or opinion of Noticee-4, as regards collusion or nexus with promoters, trades being isolated and independent, investor loss or complaints etc., the same need not be a pre-condition for proving any market misconduct. Accordingly, contention of the Noticcee-4 in this regard is devoid of merits and hence not acceptable.

In this regard, reliance is also placed on following orders of Hon’ble SAT:

68.1. Hon’ble SAT order dated September 05, 2022 in **Diren Dharamdas Agarwal HUF v SEBI** wherein Hon’ble SAT has held that:

*“….*

*7. It was urged that the appellant was not connected with the Company or with the co-promoters nor was connected with the counter party nor was connected with other entities as indicated in the show cause notice. In this regard, the appellant has relied* *upon a decision of this Tribunal in the matter of Sapna Dilip Bombaywala vs SEBI (Appeal no. 143 of 2020 decided on June 24, 2020) and in the matter of M/s Nishith M. Shah HUF vs SEBI (Appeal no. 97 of 2019 decided on January 16, 2020). In our opinion the said decisions are distinguishable and are not applicable to the facts in question. <u>Even if there is nothing to establish any connection between buyer and seller, we are of the opinion that in the instant case the trades executed by the appellant were clearly manipulative and therefore violative of Regulation 3 & 4 of the PFUTP Regulations.</u>*

*…….*

*"*

68.2. Hon'ble SAT order dated January 04, 2021 in **Tanuj Khandelwal v. SEBI** wherein Hon'ble SAT has held that:

*"*

*….*

*7. …We find that except on three occasions the appellant only sold one share at a time on a daily basis. This trading pattern created misleading appearance with intention to manipulate the market if not the price. <u>Thus, even if there is no connection with the buyer the trading pattern shows a concerted effort to manipulate the market and therefore, we are of the opinion that the appellant was not acting as a genuine seller. We also find that the appellant had no bonafide intention to sell because inspite of sufficient buy orders being placed with abundant quantity being available in the market the appellant was only placing sell orders of one share at a time. This clearly shows his intention of manipulating the market for vested reasons.</u>*

*….*

*"*

69. Noticee-4 has contended that SCN is silent on the fact that there were both buy and sell transactions. It is not that Noticee has specifically bought the shares during the IP. Further, it is not that trades in the scrip were only focused during the investigation period.

In this regard, going with the submission of the Noticee-4 that it used to carry out arbitrage/jobbing which was normally to take benefit of intraday price fluctuations, and that the total buy was equal to total sell, for an intraday trader it is but natural that for total of buy trades on a given day there would also be corresponding total of sell trades as at end of day, as such traders generally square off their trading positions so as to have net zero position at day end. Besides, in this regard, the subject matter of the instant proceedings are the buy side trades of Noticee-4 during the investigation period that were at higher than LTP. Accordingly, the contentions of Noticee-4, in this regard cannot be accepted.

70. Noticee-4 has inter alia contended that only 27.46% of shares are alleged to be above LTP and 72.54 % of shares are alleged to be at LTP or below LTP. Only certain percentage of trade resulted in positive LTP. Majority trades were either at LTP or below. This proves beyond reasonable doubt that there was no intent to manipulate price of the scrip.

Noticee-4 has inter alia contended that its trades have also contributed to negative LTP, hence the allegation that the intent was only to positively affect the price of shares is not correct.

Noticee-4 has inter alia contended that its trades have also contributed to negative LTP, hence the allegation that the intent was only to positively affect the price of shares is not correct.

In this regard, it is noted that the subject matter of the instant proceedings were the buy side trades of Noticee-4 during the investigation period that were at higher than LTP and majority of which were involving small orders and accordingly allegedly manipulative in nature, as alleged in the SCN. Besides, in this regard, irrespective of contention that the number of shares traded at higher than LTP price was 27.46%, the net LTP contribution by Noticee-4 was positive viz., Rs.110.85 to the net market positive LTP of the scrip, which implies that overall the buy trades of Noticee-4 have resulted into positive LTP contribution in the scrip. It is noted that Noticee-4, through 1351 buy trades had contributed 8.88% to market positive LTP and that on all the 12 trading days during the investigation period, Noticee-4 had carried out small quantity buy trades at higher than LTP that too despite availability of sell orders of larger quantity thereby Noticee-4 had contributed Rs.378.1 being 6.89% of the total market positive LTP through such small trades.

As regards contention of the Noticee-4 regarding intention to manipulate price, reliance is placed on Hon'ble Supreme Court Judgment dated September 19, 2022 in **SEBI vs Abhijit Rajan**, wherein it was inter alia held that:

"

*…..*
*It is no doubt true that the Court clarified in paragraph 62 of its decision in Kanaiyalal Baldevbhai Patel (supra) that mens rea is not an indispensable requirement to attract the rigor of FUTP Regulations, 2003. This Court held that the correct test is one of preponderance of probabilities.*
*…..*
*"*

Further in this regard, reliance is also placed on Chairman, SEBI vs. Shriram Mutual Fund, wherein the Hon'ble Supreme Court had inter alia held:

*"*
*…*
*The impugned Order sets the stage for various market players to violate statutory regulations with impunity and subsequently plead ignorance of law or lack of mens rea to escape the imposition of penalty. The imputing mens rea into the provisions of Chapter VIA is against the plain language of the statute and frustrates entire purpose and object of introducing Chapter VIA to give teeth to the SEBI to secure strict compliance of the Act and the Regulations.*
*…..*
*"*

Further, in this regard, it is noted that while Noticee-4 had contended comparing the percentage in terms of quantity, however Noticee-4 has not demonstrated any plausible reason for entering into trades at higher than LTP, being subject matter of instant proceedings. In any case, that 72.54 % of the shares were at other than positive LTP contributing trades, in itself would not justify or do away with the 27.46% of the shares at higher than LTP, otherwise alleged to be manipulative. Accordingly, the contention of the Noticee-4 in this regard is devoid of merit and hence cannot be accepted.

71. Noticee-4 has inter alia contended that it only made a profit of Rs. 22,694/- in JIL.

In this regard, it is noted that making profit and market misconduct are two distinct aspects and that making profit need not be a pre-condition as such for proving a market misconduct and hence contention of Noticee-4 in this regard is devoid of merit and cannot be accepted.

In this regard, reliance is placed on Hon'ble SC judgment dated May 26, 2022 in MBL and Company Limited vs. SEBI, wherein Hon'ble SC inter alia held that:

> "…
> *12 …In other words, the impact of a manipulation which is carried out by a participant in the securities market cannot be assessed only in terms of the gain which has been caused to the participants themselves, but in terms of the wider consequences of the action on the securities market.*
> …"

72. Noticee-4 had contended that the transactions were at prevailing price and had no impact on market equilibrium. Both the scrip had been liquid throughout and highly traded.

In this regard, it is noted that Noticee-4 was executing buy trades at a price which was higher than the LTP of the scrip by placing a small quantity order which resulted in the price of the scrip going up. Through this trading pattern, Noticee-4 was impacting the price in JIL scrip as can be seen from the LTP contribution to the JIL scrip during the investigation period.

In this regard, reliance is placed on Hon'ble SAT order dated March 21, 2014 in Saumil Bhavnagari Vs. SEBI, the relevant text of which is as under:

> *"... but by purchasing shares at the higher price in LTP in most of the trades, the noticee had given a wrong impression about the liquidity of the scrip in the market. It must not be forgotten that every trade establishes the price of the scrip and the <u>noticee's trading at higher than LTP resulted in the price of the scrip going up and were done with a view to set the price at a desired level and thereby influencing the innocent/gullible investors."</u>*

In this regard, it is noted that Noticee-4 has not demonstrated why it had entered into buy trades at higher than LTP too with majority of such trades involving small orders at higher than the LTP and Self-trades, resulting in positive LTP contribution in JIL. In view thereof, the contention of Noticee-4 in this regard do not hold merit and cannot be accepted.

73. Noticee-4 has cited SEBI orders viz. order dated September 06, 2017 in the matter of First Financial Services Ltd.; order dated September 19, 2017 in the matter of Pine Animation Ltd; order dated September 21, 2017 in the matter of

Kailash Auto Finance Ltd; order dated October 05, 2017 in the matter of Mishka Finance and Trading Ltd. and submitted that directions imposed on entities with similar allegation of LTP contribution was revoked by SEBI.

In this regard, it is noted that each matter may be unique in its facts and circumstances based on which the violations are ascertained. In any case, the instant matter is distinct in so far as in all the orders cited by the Noticee-4, the revocation orders were passed revoking the earlier directions (wrt respective entities) as upon completion of investigation by SEBI, there were no adverse findings /prima facie findings were observed in the Investigation report, contrary to the fact that the instant proceedings are pursuant to investigation by SEBI as also brought out in the SCN. Accordingly, contention of the Noticee-4 in this regard is devoid of merit and hence cannot be accepted.

74. Noticee-4 has cited various cases, as given under foregoing paras 19.22 and 19.23 and submitted that strict proof/ compelling evidence is required for serious charge of fraud.

In this regard, it is noted that the standard of proof in quasi-judicial proceedings are based on preponderance of probability, which has to be ascertained from the facts and circumstances of the matter. In this regard, reliance is placed on Hon'ble Supreme Court judgment in Kishore R. Ajmera wherein it was held that-

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

Further, in the matter of SEBI v/s Rakhi Trading, Hon'ble Supreme Court has held that

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

Further, reliance is placed on Hon'ble SAT order dated June 21, 2018 in **Shri Lakhi Prasad Kheradi v. SEBI** wherein Hon'ble SAT has held that:

> *"…*
> *Facts recorded in paras 15 to 17 of the impugned order clearly establish that the trades executed by the appellant had the effect of net positive LTP of Rs. 85.35. <u>Very fact that the appellant had indulged in self trades/ LTP/ NHP without giving any justifiable reason, clearly justifies the inference drawn by the AO that the trades executed by the appellant were manipulative trades.</u>*
> *…"*

75. Having dealt with the contentions of Noticee-4, I now proceed with the allegation in the SCN wrt Noticee-4:

Regarding the allegation that in the scrip of JIL, through 1351 buy trades, Noticee-4 contributed Rs. 487.60 (being 8.88%) to the total market positive LTP of JIL, it is relevant to refer to the analysis of the 1351 buy trades that resulted in positive LTP, as given below:

**Table 27: LTP Contribution in the scrip of JIL through small orders/trades by Noticee-4 during IP-Jubilant**

| Buyer Name | No. of trades (LTP >0) | Positive LTP Contribution when buy order qty. was of 1 share only | | Positive LTP Contribution when buy order qty. was between 2-10 shares | | Positive LTP Contribution when buy order qty. were more than 10 shares | | Total Positive LTP contribution (Rs.) | % of positive LTP to Total Market positive LTP | % contribution to total market positive LTP through small orders (1- |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | Positive LTP contribution | No. of trades | | | |

| | | | | | | | | | | 10 shares) |
|---|---|---|---|---|---|---|---|---|---|---|
| MBL & Co. Ltd | 1351 | 340.7 | 608 | 37.4 | 108 | 109.5 | 635 | 487.60 | 8.88% | 6.89% |

From the above table it is noted that through such 1351 positive LTP contributing buy trades, Noticee-4 contributed Rs.487.60 (being 8.88%) to the total market positive LTP of JIL during the IP.

As regards the allegation regarding small orders, that out of these 1351 buy trades, 716 trades were involving small orders which contributed Rs. 378.10, it is noted from the trade log in the scrip of JIL that when the Noticee-4 executed such small quantity trades, sell orders of larger quantities were available for trading. Despite availability of sufficient quantity of shares, the Noticee continued to buy shares in small quantity (one to ten shares) on 12 out of total 12 trading days through 716 trades in the scrip of JIL. To cite as example, the top 50 LTP contributing buy trades of Noticee-4 in the scrip of JIL are given below:

**Table 30: the top 50 LTP contributing buy trades of Noticee-4 in the scrip of JIL**

| S.No. | TRADE DATE | TRADE TIME | BUY ORDER LAST MODIFIED TIME | SELL ORDER LAST MODIFIED TIME | Trade Price | LTP DIFF IN Rs. | LTP DIFF IN % | BUY ORDER LST MOD PRICE | SELL ORDERS LST MOD PRICE | TRADED QUANTITY | BUY ORDER LAST MOD QTY | SORD LAST MOD QTY |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 25/08/2015 | 10:35:34 | 10:35:34 | 10:35:31 | 234.75 | 4.75 | 2.02 | 230 | 230 | 1 | 1 | 50 |
| 2 | 25/08/2015 | 09:15:07 | 09:15:07 | 09:15:06 | 238.9 | 3.9 | 1.63 | 235 | 235 | 1 | 1 | 200 |
| 3 | 25/08/2015 | 11:00:32 | 11:00:32 | 10:58:53 | 231.4 | 3.25 | 1.4 | 228.15 | 228.15 | 3 | 3 | 50 |
| 4 | 25/08/2015 | 10:47:34 | 10:47:34 | 10:47:33 | 231.7 | 3.15 | 1.36 | 228.55 | 228.55 | 1 | 1 | 6 |
| 5 | 25/08/2015 | 10:48:34 | 10:48:34 | 10:48:21 | 231.45 | 2.95 | 1.27 | 228.5 | 228.5 | 1 | 1 | 299 |
| 6 | 25/08/2015 | 10:48:56 | 10:48:56 | 10:48:21 | 231.45 | 2.95 | 1.27 | 228.5 | 228.5 | 1 | 1 | 299 |
| 7 | 27/08/2015 | 12:31:04 | 12:31:04 | 12:31:03 | 272 | 2.9 | 1.07 | 269.1 | 269.1 | 1 | 1 | 663 |
| 8 | 25/08/2015 | 10:48:22 | 10:48:22 | 10:48:21 | 231.45 | 2.85 | 1.23 | 228.6 | 228.6 | 1 | 1 | 299 |
| 9 | 27/08/2015 | 12:50:55 | 12:50:55 | 12:50:55 | 269.8 | 2.85 | 1.06 | 266.95 | 266.95 | 1 | 1 | 180 |
| 10 | 25/08/2015 | 11:24:45 | 11:24:45 | 11:24:41 | 227.9 | 2.8 | 1.23 | 225.1 | 225.1 | 7 | 7 | 7 |
| 11 | 25/08/2015 | 11:16:39 | 11:16:39 | 11:16:36 | 228.85 | 2.55 | 1.11 | 226.3 | 226.3 | 1 | 1 | 100 |
| 12 | 25/08/2015 | 11:24:07 | 11:24:07 | 11:24:05 | 227.95 | 2.5 | 1.1 | 225.45 | 225.45 | 1 | 1 | 1 |
| 13 | 28/08/2015 | 13:25:34 | 13:25:34 | 13:25:28 | 291 | 2.4 | 0.82 | 288.6 | 288.6 | 1 | 1 | 500 |
| 14 | 25/08/2015 | 11:12:24 | 11:12:24 | 11:12:18 | 229.95 | 2.3 | 1 | 227.65 | 227.65 | 1 | 1 | 200 |
| 15 | 25/08/2015 | 11:24:23 | 11:24:23 | 11:24:22 | 228 | 2.2 | 0.96 | 225.8 | 225.8 | 1 | 1 | 107 |

| S.No. | TRADE DATE | TRADE TIME | BUY ORDER LAST MODIFIED TIME | SELL ORDER LAST MODIFIED TIME | Trade Price | LTP DIFF IN Rs. | LTP DIFF IN % | BUY ORDER LST MOD PRICE | SELL ORDERS LST MOD PRICE | TRADED QUANTITY | BUY ORDER LAST MOD QTY | SORD LAST MOD QTY |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 16 | 28/08/2015 | 13:43:01 | 13:43:01 | 13:43:01 | 290.5 | 2.2 | 0.76 | 288.3 | 288.3 | 1 | 1 | 25 |
| 17 | 25/08/2015 | 09:15:17 | 09:15:17 | 09:15:14 | 237.95 | 2.15 | 0.9 | 235.8 | 235.8 | 1 | 1 | 100 |
| 18 | 25/08/2015 | 09:36:06 | 09:36:06 | 09:36:06 | 240.85 | 2.15 | 0.89 | 238.7 | 238.7 | 1 | 1 | 10 |
| 19 | 25/08/2015 | 09:36:06 | 09:36:06 | 09:36:07 | 240.85 | 2.15 | 0.89 | 238.7 | 238.7 | 1 | 1 | 19 |
| 20 | 25/08/2015 | 09:36:11 | 09:36:11 | 09:36:09 | 240.85 | 2.15 | 0.89 | 238.7 | 238.7 | 1 | 1 | 36 |
| 21 | 25/08/2015 | 11:42:48 | 11:42:48 | 11:42:48 | 218.45 | 2.15 | 0.98 | 216.3 | 216.3 | 1 | 1 | 26 |
| 22 | 26/08/2015 | 10:09:15 | 10:09:15 | 10:09:13 | 273.35 | 2.15 | 0.79 | 271.2 | 271.2 | 1 | 1 | 100 |
| 23 | 27/08/2015 | 12:39:24 | 12:39:24 | 12:39:23 | 272 | 2 | 0.74 | 270 | 270 | 1 | 1 | 334 |
| 24 | 25/08/2015 | 10:35:43 | 10:35:43 | 10:35:43 | 234 | 1.95 | 0.83 | 232.05 | 232.05 | 1 | 1 | 50 |
| 25 | 27/08/2015 | 12:07:52 | 12:07:52 | 12:07:52 | 273.95 | 1.95 | 0.71 | 272 | 272 | 1 | 1 | 10 |
| 26 | 28/08/2015 | 12:00:06 | 12:00:06 | 11:59:58 | 293.95 | 1.95 | 0.66 | 292 | 292 | 1 | 1 | 100 |
| 27 | 25/08/2015 | 09:15:26 | 09:15:26 | 09:15:25 | 237.9 | 1.9 | 0.8 | 236 | 236 | 1 | 1 | 200 |
| 28 | 25/08/2015 | 11:42:02 | 11:42:02 | 11:41:45 | 218.8 | 1.8 | 0.82 | 217 | 217 | 1 | 1 | 55 |
| 29 | 28/08/2015 | 13:21:22 | 13:21:22 | 13:21:20 | 289.85 | 1.8 | 0.62 | 288.05 | 288.05 | 1 | 1 | 22 |
| 30 | 28/08/2015 | 13:22:49 | 13:22:49 | 13:22:48 | 289.9 | 1.8 | 0.62 | 288.1 | 288.1 | 1 | 1 | 40 |
| 31 | 17/08/2015 | 09:26:09 | 09:26:09 | 09:26:08 | 212.75 | 1.75 | 0.82 | 211 | 211 | 1 | 1 | 1 |
| 32 | 26/08/2015 | 09:50:30 | 09:50:30 | 09:50:30 | 262 | 1.75 | 0.67 | 260.25 | 260.25 | 1 | 78 | 1 |
| 33 | 25/08/2015 | 10:37:13 | 10:37:13 | 10:37:09 | 232.8 | 1.7 | 0.73 | 231.1 | 231.1 | 20 | 20 | 731 |
| 34 | 25/08/2015 | 10:46:13 | 10:46:12 | 10:46:21 | 231.65 | 1.7 | 0.73 | 229.95 | 229.95 | 6 | 6 | 6 |
| 35 | 25/08/2015 | 11:07:29 | 11:07:29 | 11:07:09 | 229.9 | 1.65 | 0.72 | 228.25 | 228.25 | 1 | 1 | 100 |
| 36 | 27/08/2015 | 12:48:28 | 12:48:28 | 12:48:27 | 268.95 | 1.65 | 0.61 | 267.3 | 267.3 | 1 | 1 | 10 |
| 37 | 27/08/2015 | 13:04:04 | 13:04:04 | 13:03:54 | 272.95 | 1.65 | 0.6 | 271.3 | 271.3 | 1 | 1 | 100 |
| 38 | 14/08/2015 | 09:45:36 | 09:45:36 | 09:45:35 | 181.6 | 1.6 | 0.88 | 180 | 180 | 1 | 1 | 99 |
| 39 | 28/08/2015 | 09:21:26 | 09:21:26 | 09:21:26 | 279.55 | 1.6 | 0.57 | 277.95 | 277.95 | 1 | 1 | 100 |
| 40 | 14/08/2015 | 09:27:03 | 09:27:03 | 09:26:31 | 179.95 | 1.55 | 0.86 | 178.4 | 178.4 | 1 | 1 | 1 |
| 41 | 25/08/2015 | 10:42:27 | 10:42:27 | 10:39:15 | 232.75 | 1.55 | 0.67 | 231.2 | 231.2 | 1 | 1 | 698 |
| 42 | 31/08/2015 | 12:49:22 | 12:49:22 | 12:49:22 | 304.5 | 1.5 | 0.49 | 303 | 303 | 1 | 1 | 7 |
| 43 | 17/08/2015 | 09:26:11 | 09:26:11 | 09:26:14 | 212.5 | 1.45 | 0.68 | 211.05 | 211.05 | 1 | 1 | 53 |
| 44 | 18/08/2015 | 09:41:31 | 09:41:31 | 09:41:31 | 241.95 | 1.45 | 0.6 | 240.5 | 240.5 | 1 | 1 | 100 |
| 45 | 14/08/2015 | 15:10:41 | 15:10:41 | 15:10:42 | 194.4 | 1.4 | 0.72 | 193 | 193 | 1 | 1 | 200 |
| 46 | 21/08/2015 | 09:32:01 | 09:32:01 | 09:32:01 | 247.75 | 1.4 | 0.57 | 246.35 | 246.35 | 1 | 1 | 100 |
| 47 | 17/08/2015 | 09:48:11 | 09:48:11 | 09:48:11 | 227.95 | 1.35 | 0.59 | 226.6 | 226.6 | 1 | 1 | 165 |
| 48 | 26/08/2015 | 09:59:57 | 09:59:57 | 09:59:57 | 276.35 | 1.35 | 0.49 | 275 | 275 | 27 | 300 | 27 |
| 49 | 27/08/2015 | 12:20:13 | 12:20:13 | 12:20:04 | 273.95 | 1.35 | 0.49 | 272.6 | 272.6 | 1 | 1 | 100 |
| 50 | 27/08/2015 | 12:51:36 | 12:51:36 | 12:51:33 | 267.85 | 1.35 | 0.5 | 266.5 | 266.5 | 6 | 6 | 7 |

From the above table it is noted that even from a sample of top 50 positive LTP contributing buy trades, forty-eight trades were involving buy orders of one to seven shares and two trades were involving buy orders of quantity 78, 20 and 300only. Thus even from the sample of top 50 positive LTP contributing buy trades of Noticee-4, it is evident that the Noticee-4 had indulged in trades at higher than LTP of which majority were through small orders.

As regards the allegation of self-trades, it is noted that Noticee-4 had traded in the scrip of JIL on 12 trading days during the IP and that Noticee-4 had self-trades on 11 trading days out total 12 trading days. Noticee-4 had carried out 1426 self-trades involving 2157 shares. It is noted that almost one-third of the trades of the Noticee-4 in the scrip were self-trades and had contributed Rs.191.80 which was 3.49% of the total market positive LTP. Noticee-4 through 1227 out of the 1426 self-trades (being 86% of all self-trades), having same Buy and Sell Terminal ID, same buy and sell dealer and same Buy and Sell Location ID, had contributed Rs.168.15 to the total market positive LTP in the scrip.

It is noted that while Noticee-4, as part of its submissions, had raised various contentions, Noticee-4 had neither disputed the buy trades that resulted into positive LTP and the self-trades in the scrip nor had Noticee-4 demonstrated any plausible reason behind entering into such buy trades at higher than LTP, majority of which were through small orders despite availability of sufficient sell orders of larger quantity and the self-trades.

76. In view of the foregoing, it is noted that Noticee-4 through its buy trades, had contributed Rs. 487.60 (being 8.88%) to the total market positive LTP of JIL out of which Rs. 378.10 (being 6.89%) was contributed through trades involving small orders, resulting in increasing the price of scrips and thereby had manipulated the price of the scrip. Further, Noticee-4 had 1426 self-trades out of which 534 self-trades contributed Rs. 191.80 (being 3.495) to the total market positive LTP, of which Rs. 165.95 was contributed through small quantity self-trades and Rs. 168.15 was through such self-trades where both buy and sell terminal-ID, the dealer were same and buy and sell location id were same,

thereby created false and misleading appearance of trading in the securities by entering into transactions in securities without the intention of performing it.

In light of the above facts, and drawing support from various judicial pronouncements mentioned in the forgoing paragraphs, it is established that Noticee-4 violated Section 12A (a), (b),(c) of SEBI Act, Regulations 3(a), (b), (c), (d) and Regulation 4(1), 4(2)(a) (e) (g) of PFUTP Regulations.

**Issue No. II: If yes, whether the Noticees are liable for imposition of monetary penalty under Section 15HA of SEBI Act, 1992?**

77. It has been established in the preceding paragraphs that Noticee 1 to 3 violated the provisions of Section 12A (a), (b),(c) of SEBI Act, Regulations 3(a), (b), (c), (d) and Regulation 4(1), 4(2)(e) of PFUTP Regulations and Noticee-4 violated the provisions of Section 12A (a), (b), (c) of SEBI Act, Regulations 3(a), (b), (c), (d) and Regulation 4(1), 4(2) (a),(e) and (g) of PFUTP Regulations.

78. It is noted that the Hon'ble Supreme Court of India in the matter of SEBI v/s 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......"*

79. Therefore, for the above violations, as brought out in the foregoing paragraphs, I find that Noticees are liable for monetary penalty under section 15HA of the SEBI Act which provides as following: -

> ***"………***
> ***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.*
> *……………."*

**Issue No. III: If yes, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in section 15J of the SEBI Act?**

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

> **SEBI Act**
> *"………..*
> *Factors to be taken into account while adjudging quantum of penalty.*
> *15J. While adjudging quantum of penalty under 15- 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.*
> *…………..".*

In the instant matter, I note that the material on record does not indicate the amount of disproportionate gain or unfair advantage made by the Noticees, as a result of the aforesaid violations nor does it bring out the amount of loss caused to investor or group of investors. As regards, repetitive nature of default, I note from material available on record and from SEBI website that penalty has been imposed upon Noticee 2, 3, 4, as detailed in the table below:

| *Noticee* | *Order Date (DD.MM.YY)* | *In the matter* | *Amount of penalty (INR)* | *Provisions Violated* | *Penalty imposed Under section* |
|---|---|---|---|---|---|
| *Noticee-2 and Noticee-3* | *24.02.21* | *In the matter of Garware Polyester Limited* | *25,00,000/- (Joint and several to be paid by three Noticees)* | *12A (a), (b) and (c) of the SEBI Act and regulation 3 (a), (b), (c), (d) read with regulation 4(1), 4 (2)(a),(e)and (g) of the PFUTP Regulations.* | *Under Section 15HA of SEBI Act, 1992* |

| | | | | | |
|---|---|---|---|---|---|
| *Noticee-4* | *17.03.20* | *In the matter of Gujarat NRE Coke Ltd* | *10,00,000/-* | *Section 12 A (a) (b) and (c) of SEBI Act read with Regulation 3 (a) (b) (c) (d) read with Regulation 4 (1), 4(2)(a), (e)and (g) of SEBI (PFUTP) Regulations* | *Under Section 15HA of SEBI Act, 1992.* |

Further, as regards Noticee-2, I note from submissions of the Noticee 2 herself that she had lent /allowed her account to be used. In my view market misconduct involving such manipulative trades pose serious risk to orderly functioning of the securities market and affect the market integrity. Such violations deserve suitable penalty commensurate with the violations committed so as to act as a deterrent.

**ORDER**

81. Considering the facts and circumstances of the instant case, the material available on record, the factors mentioned preceding paragraphs and in exercise of the powers conferred upon me under section 15-I of the SEBI Act 1992 read with Rule 5 of the Adjudication Rules, I hereby impose the following penalty, as per table below, on the Noticees for the aforementioned violations, as discussed in this order. In my view, the said penalty is commensurate with the violation committed by the Noticees in this case:

| **S. No.** | **Name of the Noticees** | **Penalty Under Section** | **Penalty Amount** (INR) |
|---|---|---|---|
| 1 | Kajalben Kiranbhai Trivedi | Section 15HA of SEBI Act, 1992 | 5,00,000/- |
| 2 | Rachita Shripalkumar Shah | Section 15HA of SEBI Act, 1992 | 7,00,000/- |
| 3 | Shripal Sheshmal HUF | Section 15HA of SEBI Act, 1992 | 6,00,000/- |
| 4 | MBL & Co. Ltd | Section 15HA of SEBI Act, 1992 | 12,00,000/- |

82. The Noticees shall remit /pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website

of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link:

**ENFORCEMENT → ORDERS → ORDERS OF AO → PAY NOW**

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

84. 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: May 31, 2023** | **AMAR NAVLANI** |
| **PLACE: MUMBAI** | **ADJUDICATING OFFICER** |