BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/SM/DD/2022-23/23324-23355]

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

In respect of:

Noticee No.	Noticee Name	PAN/DIN
1.	Asthvinayak Trexim Pvt. Ltd	**AAICA9562E**
2.	Ms. Licy Roshan Augustin	**BBDPA5689L**
3.	Mr. Ramnbhai Kalubhai Ravat	**BWUPR4206E**
4.	Mr. Hasmukh Rajesh Vaghela	**APJPV2367P**
5.	Ms. Rachana Birjukumar Sanghvi	**CGVPS5623N**
6.	Mr. Vaghela Prakash Kantilal	**AGEPV6889L**
7.	Mr. Amitkumar Govindbhai Parmar	**BIGPP7877P**
8.	Sahilkumar Amrutbhai Vaghela	**ATLPV1359B**
9.	Tapas Santra	**07869574**
10.	Subhashish Malik	**07869583**
11.	Soumen Mitra	**BVOPM3943A**
12.	Sanjoy Kumar Dey	**AYAPD4581B**
13.	Rajesh Bansal	**CIXPB3150K**
14.	Bicki Kumar	**EHBPK5091M**
15.	Rahul Shaw	**ETZPS2286A**
16.	Bikki Singh	**BNGPS4400N**
17.	Sungar Textiles Private Limited	**AAXCS0786K**
18.	Ahmed Zaheer	**AABPZ8319G**
19.	Ankit Jagdishbhai Pithava	**BXVPP0489B**
20.	Bhupendra Chinubhai Shah	**AZGPS3670P**
21.	Dharmesh Nathalal Bhatt	**BZKPB9169D**
22.	Harsha Jagdishbhai Parmar	**BEBPP7680D**
23.	Hitesh Kumar	**BEPPK2873F**
24.	Jagadish Ramjibhai Parmar	**AZKPP7974K**
25.	Kirtan Gopalbhai Dhola	**CYYPD5637A**
26.	Pravinbhai Harishbhai Vyas	**AGEPV5853C**
27.	Ripalben Dahyabhai Chaudhari	**AYJPC9114A**
28.	Splendid Hotels Resorts Private Limited	**AASCS5684F**

29.	Vijay Chunibhai Chauhan	**AKRPC9066F**
30.	Saurabh Mahendrabhai Shah	**FJWPS8403K**
31.	Harshaben Tejasbhai Joshi	**AUYPJ2228H**
32.	Biz Buddy Media Marketing	**AAQFB5415L**

*(hereinafter collectively referred to as "**Noticees**")*

In the matter of V B Industries Limited.

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') received complaints relating to several SMS which were circulated on May 07, 2018 with the recommendation of buying of shares of V B Industries Limited (hereinafter referred to as "**VBIL/ Company/ by name**"). The SMS circulated was sent from the header "HP-ACURAT" with a message *"Mutlibagger Stocks, Growth Picks, Value Picks, Hidden Gem stocks, increase your investment, Intraday Stock tips"* advising to buy shares of the company. Thereafter, SEBI conducted an investigation in the scrip of VBIL for the period April 09, 2018 to May 16, 2018 (hereinafter referred to as '**Investigation period/ IP'**). The focus of the investigation was to ascertain whether there were any violations of the provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations'**) and the SEBI Act, 1992 (hereinafter referred to as '**SEBI Act**') relating to trading in the scrip of VBIL by Noticees during the aforesaid investigation period.

2. The scrip of the company is listed on BSE Ltd (hereinafter referred to as '**BSE'**) and Calcutta Stock Exchange (hereinafter referred to as '**CSE'**).

3. Based on findings of investigation, SEBI alleged that: -
   a) Noticees 1 to 17 and 31 had violated Sections 12 A (a), (b), (c) of SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations,
   b) Noticees 18 to 30 had violated Sections 12 A (a), (b), (c) of SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) and 4(2)(g) of PFUTP Regulations.; and
   c) Noticee 32 had violated Section 12 A(a), (b)(c) of SEBI Act read with Regulations 3(a), (b), (c), (d) and 4(1) and 4(2)(f), (k) and (r) of PFTUP Regulations;

APPOINTMENT OF ADJUDICATING OFFICER

4. Vide communique dated July 01, 2021, the undersigned was appointed as the Adjudicating Officer (hereinafter referred to as '**AO**') under Section 15-I of the SEBI Act and Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules'**) read with Section 19 of the SEBI Act, to inquire into and adjudge under–

    a) Section 15HA of SEBI Act, the alleged violation of Sections 12 A (a), (b), (c) of SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations by Noticees 1 to 17 and 31;
    b) Section 15HA of SEBI Act, the alleged violation of Sections 12 A (a), (b), (c) of SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) and 4(2)(g) of PFUTP Regulations by Noticees 18 to 30;
    c) Section 15HA of SEBI Act, the alleged violation of Sections 12 A (a), (b), (c) of SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(f), (k)and (r)of PFUTP Regulations by Noticee 32;

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

5. A common Show Cause Notice (**SCN**) dated November 09, 2021(hereinafter referred to as '**SCN'**) was issued, *inter-alia*, to Noticees under the provisions of Rule 4(1) of the Adjudication Rules, to show cause as to why an inquiry should not be held against them and why penalty, if any, not be imposed under:
    a) Section 15HA of SEBI Act, for the alleged violation of Sections 12 A (a), (b), (c) of SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations by Noticees 1 to 17 and 31;
    b) Section 15HA of SEBI Act, for the alleged violation of Sections 12 A (a), (b), (c) of SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) and 4(2)(g) of PFUTP Regulations by Noticees 18 to 30; and
    c) Section 15HA of SEBI Act, for the alleged violation of Sections 12 A (a), (b), (c) of SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(f), (k)and (r)of PFUTP Regulations by Noticee 32;

6. The allegations levelled against Noticees1 to 32 in SCN are given below:

    a) Nine (9) Noticees viz. Tapas Santra (Noticee 9) and Subhashish Malik (Noticee 10) as Directors of Outstripe Suppliers Private Limited, Soumen Mitra (Noticee

11) and Sanjoy Kumar Dey (Noticee 12) as Directors of Onceover Dealtrade Pvt. Ltd. and Goldensight Vinimay Pvt Ltd, Rajesh Bansal (Noticee 13) and Bicki Kumar (Noticee 14) as Directors of Nextel Garments Private Limited, Rahul Shaw (Noticee 15) and Bikki Singh (Noticee 16) as Directors of Samudhita Sales Pvt Ltd and Darshwana Trading Pvt Ltd and Sungar Textiles Private Limited (Noticee 17), along with the net-buyer entities, viz., Asthvinayak Trexim Private Ltd (Noticee 1), Licy Roshan Augustine (Noticee 2), Ramnbhai Kalubhai Ravat (Noticee 3), Hasmukh Rajesh Vaghela (Noticee 4), Rachana Birjukumar Sanghvi (Noticee 5), Vaghela Prakash Kantilal (Noticee 6), Amitkumar Govindbhai Parmar (Noticee 7) and Sahilkumar Amrutbhai Vaghela (Noticee 8) created artificial volume and gave a false and misleading appearance of trading in the scrip of VBIL, so as to enable net-sellers to exit in the scrip of VBIL which was not very liquid. Therefore, in view of the aforesaid analysis, it is alleged that Noticees 1 to 17 have violated the provisions of Sections 12 A (a), (b), (c) of SEBI Act and Regulations 3(a), (b), (c), (d),4(1) and 4(2)(a) of the PFUTP Regulations.

b) Thirteen Noticees namely; Ahmed Zaheer (Noticee 18), Ankit Jagdishbhai Pithava (Noticee 19), Bhupendra Chinubhai Shah (Noticee 20), Dharmesh Nathalal Bhatt (Noticee 21), Harsha Jagdishbhai Parmar (Noticee 22), Hitesh Kumar (Noticee 23), Jagadish Ramjibhai Parmar (Noticee 24), Kirtan Gopalbhai Dhola (Noticee 25), Pravinbhai Harishbhai Vyas (Noticee 26), Ripalben Dahyabhai Chaudhari (Noticee 27), Splendid Hotels Resorts Private Limited (Noticee 28), Vijay Chunibhai Chauhan (Noticee 29) and Saurabh Mahendrabhai Shah (Noticee 30) gave a false and misleading appearance of trading scrip of VBIL and carried out circular/reversal trades on multiple days during the pre-SMS period without intending to change the ownership of the shares, thereby creating artificial volume in the scrip of VBIL which was not very liquid. Therefore, in view of the foregoing, it is alleged that Noticees 18 to 30 have violated Sections 12 A (a), (b), (c) of SEBI Act and Regulations 3(a),(b),(c),(d),4(1) and 4(2) (a) & (g) of the PFUTP Regulations.

c) Noticees 30 and 31 created a misleading appearance of trading through small trades and used such trading pattern as device to manipulate and inflate the price of the scrip of VBIL. Therefore, it is alleged that Noticees 30 and 31 has violated Section 12A(a), (b), (c) of SEBI Act and Regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) of PFUTP Regulations.

d) Noticee 32 i.e. Biz Buddy (Partners viz. Mr. Rakesh Natwarlal Bhatt and Mr. Bhavinkumar P Pandya) was directly/ indirectly connected to the bulk SMS sender in the matter and Biz Buddy (Partners viz. Mr. Rakesh Natwarlal Bhatt and Mr. Bhavinkumar P Pandya) had run the campaign and circulated misleading information through website www.accurateinv.com in the scrip of VBIL. Therefore, in view of the foregoing, it is alleged that Noticee 32 has violated Sections 12A(a),(b),(c) of SEBI Act and Regulations 3(a), (b), (c), (d), 4(1), 4(2)(f), 4(2)(k), 4(2)(r) of the PFUTP Regulations.

7. SCN was issued to Noticees through Speed Post Acknowledgement Due(**SPAD**) and also through digitally signed email dated November 10, 2021 to Noticees 1 to 8, 16, 17 and 19 to 32. I note that SCN issued through SPAD was duly delivered to Noticees 2 to 6,8,11, 12, 15, 16, 21, 24, 26, 27, 30, 31 and 32 and that issued to Noticees 1, 7, 9,11,13, 17, 19, 20, 23, 25, 28 and 29 were returned undelivered. Accordingly, SCN was served through newspaper publication to Noticees 1, 7, 9,11,13, 17, 19, 20, 23, 25, 28 and 29. Noticees were granted fifteen days (15) time from the service of the SCN to submit the reply to SCN.

8. In the interest of natural justice an opportunity of personal hearing was granted to Noticees. The status of the same is given below:

Table:2

Noticee No.	**Noticee Name**	**Hearing Notice date/ Email date**	**Date of Hearing**	**Mode of delivery of Hearing Notices**	**Status of personal hearings**
1.	Asthvinayak Trexim Pvt. Ltd	18.10.2022	07.11.2022	Newspaper Publication	Noticee did not appear for the hearing
2.	Ms. Licy Roshan Augustin	31.10.2022	09.11.2022	Digitally signed email and SPAD	
		21.11.2022	07.12.2022	Email	
3.	Mr. Ramnbhai Kalubhai Ravat	31.10.2022	09.11.2022	Digitally signed email and SPAD	
		22.11.2022	07.12.2022	Email	
4.	Mr. Hasmukh Rajesh Vaghela	31.10.2022	09.11.2022	Digitally signed email and SPAD	
		22.11.2022	07.12.2022	SPAD	
5.	Ms. Rachana Birjukumar Sanghvi	31.10.2022	09.11.2022	Digitally signed email and SPAD	
		22.11.2022	07.12.2022	Email	
6.	Mr. Vaghela Prakash Kantilal	31.10.2022	09.11.2022	Digitally signed email and SPAD	
		21.11.2022	07.12.2022	Email	
7.	Mr. Amitkumar Govindbhai Parmar	18.10.2022	09.11.2022	Newspaper Publication	

Noticee No.	Noticee Name	Hearing Notice date/ Email date	Date of Hearing	Mode of delivery of Hearing Notices	Status of personal hearings
8.	Sahilkumar Amrutbhai Vaghela	31.10.2022	09.11.2022	Digitally signed email and SPAD	Noticee did not appear for the hearing
		21.11.2022	07.12.2022	Email	
9.	Tapas Santra	18.10.2022	07.11.2022	Newspaper Publication	
10.	Subhashish Malik				
11.	Soumen Mitra	31.10.2022	10.11.2022	Digitally signed email and SPAD	AR attended the hearing and requested another date
		21.11.2022	23.11.2022	Email and Recorded in the minutes of previous hearing	AR attended hearing and hearing completed
12.	Sanjoy Kumar Dey	31.10.2022	10.11.2022	Digitally signed email and SPAD	AR attended the hearing and requested another date
		21.11.2022	23.11.2022	Email and Recorded in the minutes of previous hearing	AR attended hearing and hearing completed
13.	Rajesh Bansal	18.10.2022	07.11.2022	Newspaper Publication	Noticee did not appear for the hearing
14.	Bicki Kumar				
15.	Rahul Shaw	31.10.2022V	10.11.2022	SPAD	Noticee appeared for the hearing and hearing completed
16.	Bikki Singh	31.10.2022	10.11.2022	Digitally signed email	Noticee did not appear for the hearing
		28.11.2022	07.12.2022	Email	
17.	Sungar Textiles Private Limited	18.10.2022	09.11.2022	Newspaper Publication	Noticee did not appear for the hearing
18.	Ahmed Zaheer	31.10.2022	10.11.2022 17.11.2022 November 10, 2022 and November 17, 2022	Digitally signed email	Noticee appeared for the hearing on both dates and hearing completed
		11.11.2022	10.12.2022	Email	
19.	Ankit Jagdishbhai Pithava	18.10.2022	09.11.2022	Newspaper Publication	Noticee did not appear for the hearing
20.	Bhupendra Chinubhai Shah	18.10.2022	09.11.2022	Newspaper Publication	
21.	Dharmesh Nathalal Bhatt	31.10.2022	10.11.2022	Digitally signed email	
		21.11.2022	07.12.2022	Email	
22.	Harsha Jagdishbhai Parmar	31.10.2022	11.11.2022	Digitally signed email and SPAD	Noticee did not appear for the hearing
		21.11.2022 & 28.11.2022	07.12.2022	Email	
		07.12.2022	12.12.2022	Recorded in the minutes of	Noticee appeared for

Noticee No.	Noticee Name	Hearing Notice date/ Email date	Date of Hearing	Mode of delivery of Hearing Notices	Status of personal hearings
				inspection of documents	the hearing through Authorised Representative (AR) and hearing completed
23.	Hitesh Kumar	18.10.2022	09.11.2022	Newspaper Publication	Noticee did not appear for the hearing
24.	Jagadish Ramjibhai Parmar	31.10.2022	11.11.2022	Digitally signed email and SPAD	Noticee did not appear for the hearing
		21.11.2022	07.12.2022	Email	
		02.12.2022	12.12.2022	Email and Recorded in the minutes of inspection of documents	Noticee appeared for the hearing through Authorised Representative (AR) and hearing completed
25.	Kirtan Gopalbhai Dhola	18.10.2022	09.11.2022	Newspaper Publication	Noticee did not appear for the hearing
26.	Pravinbhai Harishbhai Vyas	31.10.2022	11.11.2022	Digitally signed email and SPAD.	Noticee did not appear for the hearing
		21.11.2022 & 22.11.2022	07.12.2022	Email & Digitally signed email and SPAD	
		02.12.2022	12.12.2022	Email and Recorded in the minutes of inspection of documents	Noticee appeared for the hearing through Authorised Representative (AR) and hearing completed
27.	Ripalben Dahyabhai Chaudhari	31.10.2022	11.11.2022	Digitally signed email and SPAD	Noticee did not appear for the hearing
		21.11.2022	07.12.2022	Email	
28.	Splendid Hotels Resorts Private Limited	18.10.2022	09.11.2022	Newspaper Publication	
29.	Vijay Chunibhai Chauhan	31.10.2022	11.11.2022 November 30, 2022	SPAD	Hearing Notice returned undelivered
		15.11.2022	30.11.2022	Newspaper Publication	Noticee did not appear for the hearing
30.	Saurabh Mahendrabhai Shah	31.10.2022	11.11.2022	Digitally signed email.	Noticee did not appear for the hearing
		21.11.2022	07.12.2022	Email	

Noticee No.	Noticee Name	Hearing Notice date/ Email date	Date of Hearing	Mode of delivery of Hearing Notices	Status of personal hearings
		02.12.2022	12.12.2022	Email and Recorded in the minutes of inspection of documents	Noticee appeared for the hearing through Authorised Representative (AR) and hearing completed
31.	Harshaben Tejasbhai Joshi	31.10.2022	11.11.2022	Digitally signed email and SPAD	Noticee did not appear for the hearing
		21.11.2022 & 22.11.2022	07.12.2022	Email & Digitally signed email and SPAD	
		02.12.2022	12.12.2022	Email and Recorded in the minutes of inspection of documents	Noticee appeared for the hearing through Authorised Representative (AR) and hearing completed
32.	Biz Buddy Media Marketing	31.10.2022	11.11.2022	Digitally signed email and SPAD	Noticee requested for adjournment of the hearing
		21.11.2022	07.12.2022	Email	Noticee appeared for the hearing through Authorised Representative (AR) and hearing completed

9. The status of the replies in the matter is given below: -

Table: 3

Noticee No.	Noticee Name	Date of receipt of reply
1.	Asthvinayak Trexim Pvt. Ltd	No reply submitted
2.	Ms. Licy Roshan Augustin	
3.	Mr. Ramnbhai Kalubhai Ravat	
4.	Mr. Hasmukh Rajesh Vaghela	
5.	Ms. Rachana Birjukumar Sanghvi	
6.	Mr. Vaghela Prakash Kantilal	
7.	Mr. Amitkumar Govindbhai Parmar	
8.	Sahilkumar Amrutbhai Vaghela	
9.	Tapas Santra	
10.	Subhashish Malik	
11.	Soumen Mitra	November 19, 2022
12.	Sanjoy Kumar Dey	November 19, 2022
13.	Rajesh Bansal	No reply submitted
14.	Bicki Kumar	
15.	Rahul Shaw	November 09, 2022 and November 14, 2022
16.	Bikki Singh	No reply submitted
17.	Sungar Textiles Private Limited	
18.	Ahmed Zaheer	November 08, 2022 and November 17, 2022

Noticee No.	Noticee Name	Date of receipt of reply
19.	Ankit Jagdishbhai Pithava	No reply submitted
20.	Bhupendra Chinubhai Shah	
21.	Dharmesh Nathalal Bhatt	
22.	Harsha Jagdishbhai Parmar	December 12, 2022, December 14, 2022 and December 20, 2022
23.	Hitesh Kumar	No reply submitted
24.	Jagadish Ramjibhai Parmar	December 12, 2022, December 14, 2022 and December 21, 2022
25.	Kirtan Gopalbhai Dhola	No reply submitted
26.	Pravinbhai Harishbhai Vyas	December 12, 2022 and December 14, 2022
27.	Ripalben Dahyabhai Chaudhari	No reply submitted
28.	Splendid Hotels Resorts Private Limited	
29.	Vijay Chunibhai Chauhan	
30.	Saurabh Mahendrabhai Shah	December 12, 2022, December 14, 2022 and December 21, 2022
31.	Harshaben Tejasbhai Joshi	December 12, 2022, December 14, 2022 and December 21, 2022
32.	Biz Buddy Media Marketing	November 23, 2021 and December 09, 2022

10. The relevant extract of the reply submitted by Noticee 15 is given below:

a) *I am from a poor family so I stopped my education after passing classing X to help my family by joining service at low salary in a private firm and now working in a private firm having salary of approx. Rs. 15,000/- per month.*

b) *Being a less educated person I have less / no knowledge of English language so not be able to read and understand your letter in English that is why I could not understand the meaning of previous letters send by you. Further when I again received last letter by you then contacted with an educated person and he advised that you should at first contact with SEBI office at Kolkata and also to be appeared in hearing as per notice as on dated 10th November,2022.*

c) *I visited SEBI office at Kolkata with my parents and explained the matter showing notices then they advised us that it is matter of Mumbai so you should contact with Mumbai office then I appeared before you in virtual hearing on 10th November,2022 and give my submission.*

d) *As I understand my personal documents like PAN card, voter card, etc. has been misused for appointing me as a director in the companies as mentioned in your letter which I understood when another educated person read your letter and explained to me. I would like to share one thing that, in the year 2016 I have lost my Pan Card and voter card then lodged a general diary for the same at local police station as on dated 23/02/2016. I have nothing to do with the said companies as a director and transactions with V B Industries Limited.*

e) *Complete fraud had been done with me by misusing of my personal documents to appointing me as a director in Companies (as mentioned by you in your letter) without my knowledge and consent.*

11. The relevant extract of the reply submitted by Noticee 18 is given below: -

a) *He has no connection with VB industries. His broker and financial advisor, Mr. Rajnish Singh, who works in Indian Finance Guaranty Limited (IFGL), had fraudulently done the trading in his name by using his PAN.*

b) *He came to know that IFGL was withdrawing money from his ICICI Bank account and investing in VB Industries was traced in his name. He has given several request to exchange in this issue.*

c) *He had not conducted trade in the shares of VB Industries. He also stated that he was not even a beneficiary in any way and he was not part of their share market operation.*

d) *He is currently the Director of Dermatology and Aesthetic Medicine, Max Hospitals, Saket and Panchsheel Park. He was in service at Safarjung Hospital and he stated that he was the discoverer of the Leprosy Vaccine (Leprovac<Cadila) at National Institute of Immunology. He also stated that he was a faculty at Harvard Medical School and HOD of Indrarastha Appollo Hospital.*

e) *He is not into share market trading in anyway.*

12. The relevant extract of the replies submitted by Noticees 11 and 12 are given below:

a) *The aforesaid Noticees had denied that they were directors of 2 companies. Viz. M/s Onceover Dealtrade Private Limited and M/s Goldensight Vinimay Private Limited or given their consent and approval to become the directors of the said 2 companies. They further submit that their names, signatures and documents have been misused by some unknown person/entities. They came to know about the misuse of their names, details and documents*

b) *They are not much educated and belong to a very poor family and are living in remote village of West Bengal. They are not in a position to take legal action against unknown entities who had misused their names, details and documents as the aforesaid 2 Noticees hardly earns to meet their daily needs.*

c) *They don’t have any knowledge of securities law as they have never traded in the market.*

d) *It is clear that the said 2 companies since their incorporation have not filed statutory returns and therefore the names of the 2 companies had been struck off by the Registrar of Companies, West Bengal.*

e) *It is revealed that the subscribers of the Memorandum and Articles of Association of 4 companies including the said 2 companies are: 1) Barun Kumar Das 2) Gouri Shankar Mandal 3) Pratab Chakrabarty 4) Anup Kumar Deb 5) Avijit Shah 6)*

Chandan Pati. It is to be noted that the names of these entities have been misused by Mr. Devesh Upadhyaya and he had admitted the same before the Income Tax Authorities.

f) *They further submitted that per sub-Section 5 of Section 152 of Companies Act, 2013, a person appointed as a Director shall not act as a Director unless he gives his consent to hold office as Director and such consent has to be filed with the Registrar of Companies within 30 days of his appointment in such manner as may be prescribed. The prescribed manner is specified in Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 which states as under:*

> *"Every person who has been appointed to hold the Office of a Director shall on or before the appointment furnish to the Company a consent in writing to act as such in Form DIR-2. Provided that the Company shall, within thirty days of the appointment of a Director, file such consent with the Registrar in Form DIR-12 along with the fee as provided in the Companies (Registration Offices and Fees) Rules, 2014."*

g) *Upon taking public search of the above mentioned companies from MCA website it is revealed that the Consent letter (in Form DIR-2) attached to Form DIR-12 is wrongly filed. For instance, in case of Appointment of Soumen Mitra and Sanjoy Kumar Dey i.e. the Noticees herein as Director in Goldensight Vinimay Private Limited the Consent letters filed are on behalf of Barun Kumar Das and Gauri Sankar Mandal and not on behalf of Soumen Mitra and Sanjoy Kumar Dey. Moreover, the Consent letter wrongly filed are not signed documents. The same DIR-12 provides for resignation from Directorship of Barun Kumar Das and Gauri Sankar Mandal.*

h) *It is further submitted that the filed DIR-12 is Appointment Letter as an attachment and the said Appointment Letter is to be issued by the Company to the incoming Director. However, in the Dir-12 filed, the Appointment letter is addressed by Barun Kumar Das and Gauri Sankar Mandal to the Company. Further, no Board Resolution recommending and approving the Appointment of Soumen Mitra and Sanjoy Kumar Dey or approving the Resignation of Barun Kumar Das and Gauri Sankar Mandal is attached to the DIR -12 filed with Registrar of Companies. Thus, it is abundant clear that the names, details and documents of the aforesaid Noticees have been grossly misused without the consent, knowledge and approval of the aforesaid Noticees. It is further submitted that all the Noticees are innocent and they were totally unaware about misusing of their names, details and documents*

i) *It was further submitted that the aforesaid Noticees were not recollecting that they have ever signed any documents to become directors of 2 Companies. Indeed, the aforesaid Noticees are not much educated and have very negligible knowledge of English language. It seems that someone has forged their signatures.*

j) *The Noticees have no experience in the securities market and never opened any account with any of the SEBI Registered Broker / Depositories Participant to execute trades in the securities market in their respective names or in any other name including the names of 2 Companies. Indeed, they never visited the office of a Broker. It is further submitted that the aforesaid Noticees have not received or made any payment to any person to purchase / sell of the shares of any Company including VBIL.*

k) *SEBI has not provided the copies of the KYC documents to the Noticees, otherwise, the Noticees could have proved that their signatures, if any, on the KYC documents are not their signatures. The aforesaid Noticees have not violated the provisions of SEBI Act and SEBI PFUTP Regulations.*

l) *Since, Noticees are totally unaware about the transactions executed in the names of 2 Companies wherein they were allegedly shown directors, the aforesaid Noticees are not making submissions on the merit of the case.*

m) *Vicarious liability on the directors of a company cannot be imputed automatically in the absence of any statutory provision to that effect (and therefore by implication, without following any specified procedure in such statutory provision). In the SCN, the provisions of Section 27(1), SEBI Act has not been applied and /or mentioned, whose proviso permits the accused person to present a defense that the contravention was despite the said person knowledge and involvement in that matter. Without prejudice to the aforesaid, it is submitted that vicarious liability cannot be imputed against the aforesaid Noticees herein in the present matter as they are denying that they were/are directors of the Company and had any role in the entire scheme to manipulate the scrip of VBIL. In this regard, they had placed reliance on Sunil Bharti Mittal v. Central Bureau of Investigation, (2015) 4 SCC 609, para 42-44; Mr. Les Barlow v. Secretary of State, [2009] EWHC 46, para 6.*

n) *It is further submitted that for the scheme as alleged in the SCN requires special skills and knowledge of the securities market. The aforesaid Noticees herein are neither having such skills nor having any knowledge of securities market to execute the allege scheme to manipulate the scrip of the Company. It is further submitted that the aforesaid Noticees herein have no connection of whatsoever nature* *with the purported aforesaid Noticees who had circulated the SMSs to offload the shares of the Company in the market*

13. The relevant extract of the reply submitted by Noticee 32 is given below:

a) *Bhavin Pandya had submitted the reply on behalf of Biz Buddy Media Marketing. He and his partner, Mr. Rakesh Bhatt run the Biz Buddy Media Marketing.*

b) *They are engaged in the business of providing services pertaining to website development and digital marketing. As part of their business, they book domain names for their clients sometimes by making payment by themselves on behalf of the customer being a very pretty and insignificant amount used in booking the domain names.*

c) *Noticee 32 stated that the payment for the domain name www.accurateinv.com was made from the credit card of Rakesh Bhatt on behalf of Hanif Shaikh. However, making a payment for anything doesn't make him the owner of it. They are not the owner of the domain www.accurateinv.com. They had made payment on behalf of their customer and they don't have any control over the domain name, website content and development for domain www.accurateinv.com. The details of the owner of the website was already provided by godaddy as mentioned by you in the show cause notice. The address, communication details or the IP address of the domain does not belong to us.*

d) *Noticee 32 stated that the invoice from Godaddy for shopper id no. 185256500 does not reflect any kind of ownership to him, his partner Mr. Rakesh Bhatt and his company Biz Buddy Media Marketing. The person who has booked is Vishal Shah, Contact number is of Mr. Hanif Shaikh, Email Id, Login Id and address does not belong to them.*

e) *He, his partner and Biz Buddy Media Marketing does not have any connection with SMS Header HP-ACURAT. He also stated that they had never circulated any kind of SMS for any of our clients. He deny the ownership of the website www.accurateinv.com and SMS Header HP-ACURAT. His IP address is not connected with the website and any hosting from his side. The sender id HP-ACURAT does not belong to them. Also they have never hired any agency or vendor for circulation of any kind of SMS.*

f) *His partner's credit card is mapped in google and facebook for making payments to Google and Facebook for their clients by Biz Buddy Media Marketing from 2016.*

g) *He states that he and his partner and their company Biz Buddy Media Marketing had never involved in creating, managing and promoting any kind of misleading* *information or in approving any kind of campaigns, content and designing of any creative or website content.*

h) *He also states that he and his partner and their company Biz Buddy Media Marketing had never been in direct or indirect connections with nay of the notices and they don't know any of the notices or never heard about them.*

14. The relevant extract in the similar replies submitted by Noticees 22 vide emails dated December 12, 2022, December 14, 2022 and December 20, 22, Noticee 24 vide emails dated December 12, 2022, December 14, 2022 and December 21, 2022, Noticee 26 vide emails dated December 12, 2022, December 13, 2022 and December 14, 2022 and Noticees 30 and 31 vide emails dated December 12, 2022, December 14,2022 and December 21, 2022, are given as under:

a) *Noticees denies each and every allegation made against them in the said SCN. Nothing stated in the said SCN shall be deemed to be admitted by the Noticee merely on account of non-traverse, unless the same is specifically admitted in this reply. They further stated that all the contentions in their reply were without prejudice to each other.*

b) *From the SCN, the alleged violations against the aforesaid Noticees are of circular/synchronized trades resulting in volume contribution and not that of LTP contribution. It maybe kindly noted that SEBI has admittedly taken a stand in several matters, where it has been held that in cases where trading has not resulted in the creation of any ill-gotten gains and there is no evidence that the trades in question have affected the interest of any investors in any adverse manner, then such offences amount to and are considered trivial and venial offences/violations.*

c) *With respect to the above, in Long Term Capital Gain cases, where according to SEBI artificial transactions were undertaken resulting in the creation of artificial volume; SEBI's own Information Memorandum on Enforcement Action Policy in LTCG cases dated 29th December, 2016 clearly states that, in such LTCG cases pertaining to tax evasion by preferential allottees / beneficiaries would be transferred to the Income Tax Department and SEBI has not even charged the preferential allottees / tax beneficiaries for creation of artificial volume. SEBI has also disposed off SCNs in hundreds of self-trade cases where allegation was of artificial creation of volume because there was no allegation of any ill-gotten gains and loss caused to any investors. Reliance is placed on orders of SEBI i.e. AO order no. RA/JP/166-171/2017 dated September 29, 2017, AO order no.*

RA/JP/184-188/2017 dated September 29, 2017, AO order no. RA/JP/ 172- 181 /2017 dated September 29, 2017, AO order no. EAD/AO-NP/SJ/50/2017 dated June 22, 2017, AO order no. EAD/AO/BJD/VS/96/2018 dated July 26, 2018, AO order no. EAD-5/BS/AO/01/2017-18 dated October 13, 2017, AO order no. EAD-2/SS/GSS/2018-19/792 dated June 29, 2018, AO order no. PM/NK/2018-19/203 dated May 21, 2018, AO order no. EAD-7/BJD/BKM/ 95 /2018-19 dated July 20, 2018, AO order no. EAD-2/DSR/RG/07/2013 dated November 27, 2013 and WTM Order No. WTM/AB/EFD-1/DRA-1/11/ 2018-19 dated December 28, 2018.

d) *Similarly in illiquid stock options cases, the allegation is of artificial trades resulting in the creation of artificial volume. In these cases SEBI has considered the offence so trivial and venial that it has come out with the SEBI Settlement Scheme, 2022, where such violations are being settled on the basis of number of contracts, as per the table below, even lower than the minimum statutory penalty prescribed by law:*

Table:4

Sr. No.	Number of Contracts	Settlement Amount
1.	1-5	1,00,000/-
2.	6-50	2,00,000/-
3.	51 and above	5,00,000/- base amount + 10,000 per contract

e) *From the above table it is extremely clear that the settlement fee is based purely on the basis of number of contracts in which such reversal trades in options have taken place. Clearly creation of artificial volume in every single/specific contract is a separate offence Therefore, offences in 5 contracts i.e. 5 separate offences is being settled at Rs. 20,000 per individual offence and offences in 50 contracts i.e. 50 separate offences is being settled at Rs. 4,000 per individual offence. It is obvious that this is way below the statutory minimum penalty of Rs.5,00,000/- for <u>each</u> violation of PFUTP Regulations.*

f) *Therefore, from the above it is clear that in cases where artificial volume has been created and where trading has not resulted in the creation of any ill-gotten gains and there is no evidence that the trades in question have affected the interest of any investors in any adverse manner, SEBI considers the same as trivial and venial violations.*

g) *SEBI has issued administrative warnings to several entities who allegedly had indulged in Synchronized Trades, LTP Contribution and creation of artificial volume. SEBI had issued only administrative warning on the ground that such Noticees did not make any ill-gotten gains.*

h) *In the present matter, the charge against the aforesaid Noticees is only of alleged creation of artificial volume (volume manipulation) and not even of LTP*

Contribution. Further, the SCN does not allege any ill-gotten gains. These trades in question were entered in the name of the aforesaid Noticees on the advice of the aforesaid Noticees broker and the aforesaid Noticees has never, otherwise, dealt in the stock market. It may kindly be noted that even in more serious offences of manipulation looking to the fact of no ill-gotten gains, SEBI had only issued advisory to be more vigilant and to take care in the future.

i) *With reference to the above, the aforesaid Noticees brings to your kind notice the Order no. WTM/SR/IVD/ID-3/20/02/2015 dated February 10, 2015 passed by the WTM Shri. S. Raman, in the scrip of Crazy Infotech Limited. The WTM observed the pattern of transactions executed by the connected entities. Those entities had indulged in self trades and also traded in circular/reversal/synchronized/structured pattern, which resulted into artificial volume and price rise in the scrip of Crazy Infotech. Out of the entire 823 connected entities identified by the investigation department, <u>……</u> <u>SEBI issued administrative warning to the aforesaid 780 entities in May 2011, advising the entities to take care in future and to be more vigilant, in the manner they execute trades, so the their trades do not compromise market integrity in any manner. No other adverse action was taken. We rely on this order in this present matter.</u>*

j) *It may be noted that the aforesaid Noticees were merely a name lender and their account was merely a mule account. The aforesaid Noticees after tremendous effort come to understand that the broker / person who was acting on behalf of the aforesaid Noticees were the same broker. Therefore, in view of the above present SCN sent to these aforesaid Noticees may kindly be dropped. If at all penalty is being levied, it should be levied on these five Noticees jointly and severally considering the alleged violation to be one.*

k) *With reference to the above, the aforesaid Noticees would like to draw your kind attention to an extremely similarly placed matter of Viji Finance Ltd., which was a more serious case which had allegation of not only creation of artificial volume but also manipulation and LTP contribution, wherein the Hon'ble AO vide Order dated December 24, 2020 has levied a penalty of only Rs. 15 lakhs which was to be jointly and severally payable by Noticee Nos. 1 to 78 therein, which is barely amounts to a penalty of Rs. 19,230/- per Noticee.*

l) *In this regard, the aforesaid Noticees would like to refer to the order of Adjudicating Officer, Ms Sangeeta Rathod in respect of 42 entities on the matter of Financial Credit & Guarantee Company Ltd ("FCGL") (Order No. ORDER/SR/2020-21/8886-8924/97-138 dated 3rd September, 2020). In this matter, the 42 entities had allegedly, collectively traded amongst themselves to create artificial volumes on of* *shares during the investigation period and had therefore violated SEBI PFUTP regulations. In para 20.c of the said order, it is stated that "......In light of these case laws I am of a considered opinion that the penalty be imposed jointly and severally as the Noticees are connected and have worked in unison toward the violations established and are collectively responsive for the creation of the artificial volume and therefore collectively liable for the said penalty." A joint and several penalty of Rs, 18 lacs was imposed in the matter.*

m) *This decision of levy of penalty collectively and jointly in this regard was accepted by SEBI when the matter had gone to the Hon'ble Securities Appellate Tribunal against the original order of the AO. (Appeal No. 93 of 2020 dated March 4, 2020).*

n) *Further it is necessary to state that synchronized trades typically happen by simultaneously placing the orders by the buying / selling brokers. This alleged irregularity of synchronized trade cannot happen without the brokers' trading terminals. To enter into a synchronized trade, the infrastructure required is only available with a broker. As stated earlier the aforesaid Noticees were merely a name lender and his account was merely a mule account. Kindly note that SEBI has not charged the aforesaid Noticees broker in this matter.*

o) *The aforesaid Noticees would like to emphasize that the facts of the present matter are extremely close and similar to the facts of the matter of Viji Finance (supra).*

p) *It is humbly submitted that it is the duty of the quasi-judicial authorities to take all submission/arguments/grounds of the aforesaid Noticees into consideration and appropriately deal with the same. Further, all questions/issues posed or raised by the aforesaid Noticees have to be dealt with by the quasi-judicial authority. The quasi-judicial authorities do not have the liberty to ignore or not consider or not deal with the submissions/arguments/grounds put forward by the aforesaid Noticees. If any submission/argument/ground taken by the aforesaid Noticees are rejected by the quasi-judicial authority, reasons for the same must be given. If any submission/argument/ground is ignored or not taken into consideration the same is violation of natural justice. With respect to the same the aforesaid Noticees would like to rely on the following judgment:*

   i. In Yatin Pandaya HUF (Appeal No. 719 of 2021) dated December, 16, 2021, the Hon'ble Securities Appellate Tribunal held that all the grounds and arguments taken by the Noticee have to be appropriately dealt with by the quasi-judicial authority and all questions which are posed for determination have to be appropriately decided. Relevant portion of the order is as follows:

   "We find that a specific plea was raised by the appellant that the proceedings initiated are belated and in support of this submission, had relied upon certain

decisions of this Tribunal which has been indicated in paragraph 4 and 5 on page 47 and 48 of the appeal paper book which is part of the impugned order. In spite of making a specific assertion, the Adjudicating Officer ("AO") has dealt issue-1 in paragraph 12 in a very casual manner without dealing the contention raised by the appellant. Prima facie in our view this amounts to judicial dishonesty."

ii. *In the same matter by its Order dated 23 December, 2021, Hon'ble Securities Appellate Tribunal held that*

"By our order dated December 16, 2021 we had directed the Adjudicating Officer ("AO") to file an affidavit and inspite of the direction no such affidavit has been filed. This itself amounts to contempt the proceedings of this Tribunal. However, we adjourn the proceedings and give an opportunity to the appellant to produce an order of the Supreme Court within four weeks from today as desired by them. List on January 27, 2022 on which date the AO will be present before this Tribunal."

q) *Further, it maybe kindly noted that the above orders cited are binding and must be followed. In this regard, the aforesaid Noticees would like to submit that judicial precedents are binding on all judicial bodies and all judicial bodies should follow such precedents in similar matter without any reservations. In numerous cases, the Hon'ble Securities Appellate Tribunal has held that in adjudicating proceedings, if a party relies on any adjudication order passed in another case, then judicial discipline demands that the Adjudicating Officer considers that order and thereafter passes an order either to follow or distinguish the earlier order or disagree with the order by recording reasons as to how that ought not to be followed. One such order of Hon'ble SAT was passed on August 7, 2014 in the matter of R.M. Shares Trading Private Limited vs. SEBI (Appeal No. 204 of 2014). Your Honour's attention is also drawn to order dated April 20, 2016 of Hon'ble SAT in the matter of M/s Krishna Enterprises v SEBI (Appeal No. 131 of 2015), wherein it was held that passing conflicting orders would not promote the development of securities market and would not be in the interest of the securities market. In the present matter, SEBI must apply the principle of Judicial discipline, in light of above decisions relied upon.*

r) *It has been consistent practice at SEBI to not levy penalty in cases where recovery would not be possible. Attention is drawn to hundreds of DEEMED PUBLIC ISSUE cases where, through a policy note, it was decided not to levy penalties. The aforesaid Noticees can submit further details in this regard, if your Honour so desires.*

s) *In view of the above, your Honour is requested to kindly drop the present proceedings against the aforesaid Noticees and in the alternative consider all the submissions and precedents cited by the aforesaid Noticees, and if at all your Honour decides to levy a penalty, that penalty should be jointly and severally payable by the five Noticees as mentioned above.*

t) *In the matter of Viji Finance Ltd. AO vide its order dated December 24,2020, has levied a penalty of only Rs. 15 lakhs which was to be jointly and severally payable by Noticees 1 to 78 therein, which was barely amounts to a penalty of Rs. 19320/- per Noticee.*

u) *In the matter of Viji Finance Ltd. Noticees had entered into trades among themselves for 12,23,841 shares in the scrip, constituting 40.02% of the total market volume and in the present matter Noticees have allegedly entered into a total quantity circular trades among themselves of 4,68,178 shares in the scrip which constitute 41.62% of the total market volume of 11,24,766.*

v) *Noticees had provided breakup of total quantities of circular trade, total market volume and Daily % of total market volume of circular trades. The same is given below:*

Date of trading	*Total market volume for that day*	*Circular quantity traded among Noticees on that day*
10.04.2018	*20672*	*14250*
11.04.2018	*28815*	*28815*
12.04.2018	*32660*	*30042*
13.04.2018	*47308*	*35077*
16.04.2018	*119171*	*22799*
17.04.2018	*36240*	*35189*
18.4.2018	*31092*	*30222*
19.04.2018	*192283*	*35000*
20.04.2018	*32684*	*31648*
23.04.2018	*117106*	*30310*
24.04.2018	*81252*	*45351*
25.04.2018	*310397*	*60042*
27.04.2018	*75086*	*69433*
Total	*1124766*	*468178*
% of Total Market volume of circular trades by the Noticees on days as mentioned above		*41.62%*

w) *Noticees had requested to conside the order of Viji Finance Ltd. and the percentage of total market volume in the present before imposing any penalty.*

15. Additional submissions made by Noticees 22, 24, 26, 30, 31 and 32 are given below:

Additional submission of Noticee 22

a) *Noticee 22 works on a contract basis and barely earns Rs. 2,50,000/- per annum. Noticee 22 does not indulge in any trading activity by herself. With regard to the* *same the Noticee 22 would like to furnish copy of her KYC Application Form dated December 13, 2017 from which it is extremely clear that the annual income of Noticee 22 fell in the category of between 1 -5 lakhs. From the occupation and yearly income of Noticee 22, it is absolutely clear that her financial/economic status is low and his trading account was merely a mule account.*

***Additional* submission of Noticee 24:**

b) *Noticee 24 is employed in a private job and barely earns Rs. 250000/- per annum. The Noticee does not indulge in any trading activity by himself*

Additional submission of Noticee 26

c) *He is a very small time businessman and barely earns Rs.2,00,000/- per annum. He does not indulge in any trading activity by himself. Noticee 26 has furnished a copy of KYC to justify its contention which shows that his annual income fell in the category between Rs. 1 to 5 lakh.. From the Noticee's occupation and yearly income it is absolutely clear that his financial/ economical status is low and his trading account was merely a mule account.*

Additional submission of Noticee 30

d) *He is a Medical Practitioner and barely earns Rs.2,50,000/- per annum. Noticee 30 has provided copy of his passbook of Canara Bank to justify its contention and bank statement of Axis Bank. From the Noticee's occupation and bank account savings it is absolutely clear that his financial/economical status is low and his trading account was merely a mule account.*

***Additional* submission of Noticee 31**

e) *Noticee 31 has furnished a copy of KYC Application Form dated March 10, 2017 to demonstrate that her annual income is in the range of Rs.1 lakh to Rs. 5 lakh. from which it is extremely clear that the Noticee's annual income fell in the category of between 1 -5 lakhs. From the Noticee's yearly income it is absolutely clear that her financial/economical status is low and his trading account was merely a mule account.*

16. I also note that the SCN issued to Noticees 11 and 12 had been duly served by Digitally Signed email. Thereafter, vide digitally signed email and Hearing Notice dated November

03, 2022, an opportunity of hearing was granted to Noticees 11 and 12. Thereafter, in response to the aforesaid Hearing Notice, Vikas Bengani, Authorised Representative (AR) of Noticees 11 and 12, who was appearing for physical inspection of documents on behalf of Noticees 11 and 12, in another adjudication proceeding on November 03, 2022, also made a request for copies of SCN and Annexures to the SCN in the instant adjudication proceeding. The AR was informed that the SCN and Annexures thereto in the instant matter had been earlier served upon Noticees 11 and 12. However, in the interest of natural justice the aforesaid request of the AR was acceded to and accordingly, on November 03, 2022, Noticees 11 and 12, were again provided a copy of Show Cause Notice and Annexures to the SCN in the instant matter and this fact was duly recorded in the minutes signed by the AR of Noticees 11 and 12. Thereafter, vide email dated November 08, 2022, the AR of Noticees 11 and 12 requested for copies of KYC documents in the matter. In this regard, vide emails dated November 11, 2022 and November 13, 2022, the investigation report (redacted with respect to third party information and internal notings) along with Annexures thereto, including the documents pertaining to the directorships of Noticees 11 and 12 in the two companies namely, Onceover Dealtrade Pvt. Ltd. and Goldensight Vinimay Pvt. Ltd. which are relevant to the instant adjudication proceeding, were also shared with the AR of Noticees 11 and 12. Thereafter, vide email dated November 18, 2022, AR requested for a copy of Internal Guidelines, complete copy of investigation report and KYC documents collected during the course of investigation concerning the two companies, namely, Onceover Dealtrade Pvt. Ltd. and Goldensight Vinimay Pvt. Ltd. Vide email dated November 18, 2022, AR was informed that investigation report (redacted with respect to third party information and internal notings) along with all relevant annexures thereto had been provided to Noticees 11 and 12 and the following relevant documents were shared with the said Noticees:

a. Certificate of Incorporation of Onceover Dealtrade Private Limited.
b. Certificate of Incorporation of Goldensight Vinimay Private Limited.
c. Articles of Association of Onceover Dealtrade Private Limited.
d. Articles of Association of Goldensight Vinimay Private Limited.
e. Form DIR-12 pertaining to Directors of Onceover Dealtrade Private Limited containing details of Soumen Mitra and Sanjoy Kumar Dey.
f. Form DIR-12 pertaining to Directors of Goldensight Vinimay Private Limited containing details of Soumen Mitra and Sanjoy Kumar Dey.

17. Vide the aforesaid email, AR was also informed that in accordance with the law laid down in Hon'ble Supreme Court's judgment in T. Takano v. SEBI, the Investigation Report along with documents which form the basis for the charges made in the SCN and which have a bearing

on the merits of the case had been provided to Noticees 11 and 12. Further, AR was informed that KYC documents as sought by him were not available on records and that the internal guidelines as sought by him were in the nature of internal office document and confidential in nature which cannot be shared. I note that AR has not pursued the matter further.

18. I note that Noticees 22, 24, 26, 30 and 31, vide their emails dated December 02, 2022 requested for inspection of documents and also stated that they had not received the SCN along with its annexures. Accordingly, SCN as well as annexure to SCN was served to Noticees 22, 24, 26, 30 and 31 through emails on December 02, 2022 and December 05, 2022. Further, vide email dated December 02, 2022, Noticees 22 was provided an opportunity of inspection of documents on December 07, 2022. On December 07, 2022, Ms. Saachi Purohit, Authorised Representative(AR) carried out the inspection of documents. During the course of inspection, AR was provided Investigation Report of SEBI in the matter (redacted with respect to third party information and internal notings) and Annexures forming part of Investigation Report was provided to AR, which was acknowledged by AR in the inspection proceedings.

19. On December 12, 2022, Noticees 22, 24, 26, 30 and 31, submitted additional reply to the SCN before the hearing. In the said replies, Noticees 22, 24, 26, 30 and 31 requested for the IR and additional documents in the interest of natural justice:
    - Copy of investigation report.
    - Date on which the findings of the investigation were put up for the information/knowledge of the Whole Time Member.
    - Copy of the material placed before the Whole Time Member to decide that there were sufficient grounds to enquire into the alleged violations.
    - Details of all the material placed before the WTM on the basis of which he decided to initiate proceedings against the Noticee
    - Date on which investigation report was approved by WTM and the present proceedings were approved.
    - Copy of reasons recorded by the Board, Chairman, Member or the Executive Director that there are reasonable grounds to investigate the affairs of the Noticee in the said matter.
    - Copy of Order of the Board authorizing investigation in the matter.
    - Copy of minutes of Committee of Inter Division Chiefs of SEBI that had considered the investigation report.

- ➢ Dates on which Committee of Inter Division Chiefs of SEBI had considered the findings of the Investigation.
- ➢ Details of loss caused to any investors with respect to the trades in question

20. In their additional replies, Noticees 22, 24, 26, 30 and 31 also placed reliance upon the judgment of Hon'ble Supreme Court in the matter of T. Takano vs. SEBI (Civil Appeal Nos. 487-488 of 2022; Decided on February 18, 2022). In this regard, as mentioned earlier in the order, the inspection of Investigaton Report, as sought by Noticees 22, 24, 26, 30 and 31 earlier had already been completed by AR on December 07,2022 and AR was provided all the relevant documents which have a bearing on the adjudication proceedings against the said Noticees.

21. With regards to the fresh request for inspection of additional documents, it was informed to the AR during the hearing that internal documents could not be shared as they are confidential in nature and in line with the ratio laid down in the matter of judgment of Hon'ble Supreme Court in the matter of T. Takano (Supra), all relied upon documents including investigation report have been shared with the said Noticees. I have also perused the judgment of Hon'ble Supreme Court in the matter of T. Takano (Supra) and I note that the relevant documents in the present matter were duly provided to Noticees 22, 24, 26, 30 and 31 during the course of instant proceedings which are in line with the principle pronounced in the aforesaid judgment of Hon'ble Supreme Court. It is pertinent to note that the question before the Hon'ble Supreme Court in the aforesaid judgment was whether an investigation report under Regulation 9 of the PFUTP Regulations must be disclosed to the person to whom a notice to show cause is issued, when all the relied upon documents have been furnished to Noticee. In this context, the Apex court has opined at para 39 of the judgment that "*the actual test is whether the material that is required to be disclosed is relevant for the purpose of adjudication"*. The Apex Court also relied on test for the standard of 'relevancy' laid down by a four judge Bench of the Hon'ble Supreme Court in Khudiram Das v. State of West Bengal (1975) 2 SCC 81. The test is a two prong test where; firstly, the material must have nexus with the order and secondly, the material might have influenced the decision of the authority. The Black's Law Dictionary defines "nexus" as "a connection or link, often a casual one". Since all relevant documents which form the basis for the charges made in the SCN and which have a bearing on the merits of the case were provided to Noticees 22, 24, 26, 30 and 31, I find that the principle pronounced by the Hon'ble Supreme Court in T. Takano (Supra) has been duly complied with in the instant matter. The AR also did not pursue the request of additional documents mentioned vide the Noticees' emails dated December 12, 2022.

22. I note that in the adjudication proceedings in the matter of Edynamics Solution Limited, Late Bhupendra Shah i.e. Noticee 20 (**PAN**: AZGPS3670P) was also one of the Noticees. I note that during the adjudication proceedings in the matter of Edynamics Solution Limited, the representative of Late Bhupendra Shah had stated that he had passed away and had provided a copy of death certificate, issued by Department of Health & Family Welfare, Government of Gujarat in this regard. After verification of the aforesaid death certificate, adjudication proceedings against Late Bhupendra Shah in the matter of Edynamics Solution Limited was abated vide Adjudication Order/SM/S./2022-23/22142-22159 dated December 16, 2022. Placing reliance on the said order, the adjudication proceeding initiated in the present matter i.e. V B Industries Ltd. stands abated against Noticee 20(**PAN**: AZGPS3670P). However, SEBI has the liberty to proceed against Noticee 20, if the aforesaid information is found to be untrue at a later stage.

23. Considering the facts that Noticees 1 to 10, 13, 14, 16, 17, 19, 21, 23, 25, 27 to 29 have neither filed any reply nor have availed the opportunity of personal hearing despite being granted opportunities for the same, I am of the view that principles of natural justice have been complied with but aforesaid Noticees have nothing to submit, and therefore, in terms of rule 4(7) of the Adjudication Rules, the matter can be proceeded ex-parte on the basis of material available on record. In absence of any response from the aforesaid Noticees, I presume that the aforesaid Noticees have admitted to the charges levelled against them. In this regard, I place reliance on the order of Hon'ble Securities Appellate Tribunal (hereinafter referred to as 'SAT') in the matter of Classic Credit Ltd. v. SEBI [2007] 76 SCL 51 (SAT - MUM), *inter- alia*, held that – "*the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show-cause notice were admitted by them*". Similarly, the Hon'ble SAT also, in the case of Sanjay Kumar Tayal & Ors. v. SEBI (in appeal No. 68/2013) decided on February 11, 2014, held that "…*appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges levelled against them in the show cause notices*".

24. In view of the aforesaid observations made by the Hon'ble SAT, I find no reason to take a different view and accordingly, I deem it appropriate to proceed ex-parte against the Noticees 1 to 10, 13, 14, 16, 17, 19, 21, 23, 25, 27 to 29, based on the material available on record.

25. While deciding the case, I also cannot lose sight of settled position of law that the charges in the SCN should be established with valid reasons and in accordance with law. I, therefore, deem it necessary to examine the charges based on the trades of Noticees and supporting documents available on record.

<u>CONSIDERATION OF ISSUES, EVIDENCE AND FINDINGS</u>

26. Having carefully perused the charges levelled against Noticees, replies/submissions filed by Noticees 11, 12, 15, 18, 22, 24, 26, 30 to 32 and other documents/ evidence available on records, I now proceed to deal with the case on merits. The issues that arise for consideration in the present case are:

I. Whether:

   a. Noticees 1 to 17 and 31 have violated Sections 12 A (a), (b), (c) of SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations,

   b. Noticees 18 to 30 have violated Sections 12 A (a), (b), (c) of SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) and 4(2)(g) of PFUTP Regulations.; and

   c. Noticee 32 has violated Section 12 A(a), (b)(c) of SEBI Act read with Regulations 3(a), (b), (c), (d) and 4(1) and 4(2)(f), (k) and (r) of PFTUP Regulations;

II. Do the violations, if any, attract monetary penalty under Section 15HA of SEBI Act?

III. If the answer to the aforesaid issues is in the affirmative, then what should be the quantum of monetary penalty?

27. Before moving forward, it is pertinent to refer to the relevant provisions of Section 12A (a) (b) and (c) of the SEBI Act, Regulations 3 (a), (b), (c) and (d), 4(1) and 4(2) (a), (f), (g), (k) and (r) of the PFUTP Regulations, which are reproduced as under: -

<u>SEBI Act</u>

***Section 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

***"Regulation 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 thereunder;

(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 thereunder

"Regulation 4: Prohibition of manipulative, fraudulent and unfair trade practices

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

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

(a)Indulging in an act which creates false or misleading appearance of trading in securities market.

(f) P*ublishing or causing to publish or reporting or causing to report by a person dealing in securities any information which is not true or which he does not believe to be true prior to or in the course of dealing in securities;*

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

(k) an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of the investors; and

(r) Planting false or misleading news which may induce sale or purchase of securities

Issue 1: - Whether:

a) Noticees 1 to 17 and 31 have violated Sections 12 A (a), (b), (c) of SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations;

b) Noticees 18 to 30 have violated Sections 12 A (a), (b), (c) of SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) and 4(2)(g) of PFUTP Regulations; and

c) Noticee 32 has violated Section 12 A(a), (b)(c) of SEBI Act read with Regulations 3(a), (b), (c), (d) and 4(1) and 4(2)(f), (k) and (r) of PFTUP Regulations;

28. It has been alleged in the SCN that nine (9) Noticees viz. Tapas Santra (Noticee 9) and Subhashish Malik (Noticee 10) as Directors of Outstripe Suppliers Private Limited, Soumen Mitra (Noticee 11) and Sanjoy Kumar Dey (Noticee 12) as Directors of Onceover Dealtrade Pvt. Ltd. and Goldensight Vinimay Pvt Ltd, Rajesh Bansal (Noticee 13) and Bicki Kumar (Noticee 14) as Directors of Nextel Garments Private Limited, Rahul Shaw (Noticee 15) and Bikki Singh (Noticee 16) as Directors of Samudhita Sales Pvt Ltd and Darshwana Trading Pvt Ltd and Sungar Textiles Private Limited (Noticee 17), along with the aforementioned net-buyer entities, viz., Asthvinayak Trexim Private Ltd (Noticee 1), Licy Roshan Augustine (Noticee 2), Ramnbhai Kalubhai Ravat (Noticee 3), Hasmukh Rajesh Vaghela (Noticee 4), Rachana Birjukumar Sanghvi (Noticee 5), Vaghela Prakash Kantilal (Noticee 6), Amitkumar Govindbhai Parmar (Noticee 7) and Sahilkumar Amrutbhai Vaghela (Noticee 8) created artificial volume and gave a false and misleading appearance of trading in the scrip of VBIL, so as to enable the aforesaid 7 net-sellers to exit in the scrip of VBIL which was not very liquid. Therefore, it has been alleged that Noticees 1 to 17 have violated the provisions of Sections 12 A (a), (b), (c) of SEBI Act and Regulations 3(a), (b), (c), (d),4(1) and 4(2)(a) of the PFUTP Regulations.

29. The price volume data for in the scrip of VBIL before, during and after the investigation period is given below:

Table: 5

Period	Date		Opening Price/volume on first day of the period (Rs.)	Closing price/volume on last day of the period (Rs.)	Low price/volume during the period (Rs.)	High price/volume during the period (Rs.)	Average No of shares traded daily during the period	Total number of shares traded during the period
Before IP	**09/01/2018 to 08/04/2018 ***	Price	89.5 (09-Jan-18)	78.50 (06-Apr-18)	78.50 (06-Apr-18)	116.85 (29-Jan-18)	**51,186**	**17,91,493**
		Vol.	3,977 (09-Jan-18)	201 (06-Apr-18)	11 (08-Feb-18)	159358 (18-Jan-18)		
During IP	**09/04/2018 to 16/05/2018**	Price	74.60 (09-Apr-18)	70.90 (16-May-18)	59.40 (26-Apr-18)	78.50 (09-Apr-18)	**3,51,767**	**94,97,709**
		Vol.	5,914 (09-Apr-18)	1,41,128 (16-May-18)	5,914 (09-Apr-18)	10,88,847 (30-Apr-18)		
After IP	**17/05/2018 to 15/08/2018**	Price	67.40 (17-May-18)	33.75 (06-Aug-18)	33.75 (06-Aug-18)	67.40 (17-May-18)	**212**	**6,374**
		Vol.	1,256	1	1 (07-Jun-18 & 06-Aug-18	1,761 (21-May-18)		

30. From the above table as well as from the price volume as available on BSE website, I observe that before the investigation period i.e. from January 09, 2018 to April 08, 2018, the scrip had traded only on 34 days and average number of shares traded on these 34 days was about 51,186 shares with the closing price in the range of Rs.78. 5 to Rs.115.25. Thus, I note that there was negligible trading volume in the scrip prior to IP. I further observe that prior to the IP, on April 06, 2018, only 2 trades for 201 shares had taken place with the closing price of Rs. 78.50. However, after the start of the IP i.e. April 09, 2018 onwards, there was a substantial increase in the volume of trading in the scrip of VBIL. During the investigation period, the daily average number of shares of VBIL traded was 3,51,767 shares and total number of shares traded were 94,97,709 shares. I further, observe that subsequent to investigation period, i.e. May 17, 2018 to August 15, 2018, the scrip was traded for 30 days and the daily average number of shares traded reduced to negligible quantity i.e., 6374 shares and 212 shares traded after investigation period. Therefore, I note that the liquidity in the scrip of VBIL was very low prior to the IP and subsequent to the IP.

31. I also note that SEBI has considered the period from April 07, 2018 to April 29, 2018 as Pre-SMS period and April 30, 2018 to May 16, 2018 as Post- SMS period. The movement in the Price and Volume of the said scrip at BSE during Pre-SMS Circulation period and Post-SMS Circulation period was as follows:

Table:6

Patches	Price/Volume trend	Period		Price Movement				Average Daily Volume
		From	To	Open	High	Low	Close	
Patch-I (Pre-SMS Circulation Period)	Price fall with high trading volume	09/04/2018	27/04/2018	74.60	78.50 (9/4//2018)	59.40 (26/4/2018)	60.10	81,031
Patch-II (Post SMS Circulation Period)	Price rise with very high trading volume	30/04/2018	16/05/2018	60.00	77.90 (16/5/2018)	60.00 (30/4/2018)	70.90	6,90,187

32. From the above table, I note that during the Pre-SMS period, price fall was observed with relatively lesser trading volume. However, during the post-SMS period, high trading volumes and price rise were observed in the scrip of VBIL.

33. I have perused the Unique Client Code (**UCC**), Off-market transactions (during the year 2016 to 2018) and data available at Ministry of Corporate Affairs website ('**MCA Data**') in the scrip of VB Industries and observe the following connection amongst the connected entities as depicted in the table below:

Table: 7

Sr. No.	Entity PAN	Entity Name	Connection	Basis of connection
1	AAECN7441H	Nextel Garments Private Limited	• Entity No. "1" has off-market transactions in shares with Entity No. "3", "4", "9" & "10"	• Off market data
2	AACCO0086H	Onceover Dealtrade Private Limited	• Entity No. "2" has off-market transactions in shares with Entity No. "5", "7" & "9". • Entity No. "2" has common address with Entity No. "4", "5", & "10" viz. *"8/3 Rupchand Roy Street 1st Floor Kolkata 700007"* • Entity No. "2" has common mobile no. with Entity No. "4", & "6" viz. *8229946731"* • Entity No. "2" has common directors with Entity No. "4" viz. "Soumen Mitra & Sanjoy Kumar Dey".	• Off market data • UCC Data • MCA Data
3	AAUCS6150L	Samudhita Sales Private Limited	• Entity No. "3" has off-market transactions in shares with Entity No. "1" & "9". • Entity No. "3" has common address with Entity No. "6" & "7" viz. *"Room No-5 D, 2nd Floor, Surendra Mohan Ghosh Sarani, K0lkata, West Bengal, India, 700001"* • Entity No. "3" has common mobile no. with Entity No. "7" viz. *9831668064"* • Entity No. "3" has common directors with Entity No. "7" viz. "Rahul Shaw & Bikki Singh".	• Off market data • UCC Data • MCA Data
4	AAFCG6292A	Goldensight Vinimay Private Limited	• Entity No. "4" has off-market transactions in shares with Entity No. "1", "7" & "9". • Entity No. "4" has common address with Entity No. "2", "5", & "10" viz. *"8/3 Rupchand Roy Street 1st Floor Kolkata 700007"* • Entity No. "4" has common mobile no. with Entity No. "2", & "6" viz. *8229946731"* • Entity No. "4" has common directors with Entity No. "2" viz. "Soumen Mitra & Sanjoy Kumar Dey".	• Off market data • UCC Data • MCA Data
5	AACCO0067C	Outstripe Suppliers Private Limited	• Entity No. "5" has off-market transactions in shares with Entity No. "2", "9" & "10".	• Off market data • UCC Data • MCA Data

Sr. No.	Entity PAN	Entity Name	Connection	Basis of connection
			• Entity No. "5" has common address with Entity No. "2", "4", & "10" viz. *"8/3 Rupchand Roy Street 1st Floor Kolkata 700007"* • Entity No. "5" has common director with Entity No. "6" viz. "Tapas Santra".	
6	AAHCR0289G	Realstep Vinimay Private Limited	• Entity No. "6" has common address with Entity No. "3" & "7" viz. *"Room No-5 D, 2nd Floor, Surendra Mohan Ghosh Sarani, K0lkata, West Bengal, India, 700001"* • Entity No. "6" has common mobile no. with Entity No. "2", & "4" viz. *8229946731"* • Entity No. "6" has common director with Entity No. "5" viz. "Tapas Santra".	• UCC Data • MCA Data
7	AAFCD0491A	Darshwana Trading Private Limited	• Entity No. "7" has off-market transactions in shares with Entity No. "2", "4" & "9". • Entity No. "7" has common address with Entity No. "3" & "6" viz. *"Room No-5 D, 2nd Floor, Surendra Mohan Ghosh Sarani, K0lkata, West Bengal, India, 700001"* • Entity No. "7" has common mobile no. with Entity No. "3" viz. *9831668064".* • Entity No. "7" has common directors with Entity No. "3" viz. "Rahul Shaw & Bikki Singh".	• Off market data • UCC Data • MCA Data
8	AAXCS0786K	Sungar Textiles Private Limited	• Entity No. "9" has off-market transactions in shares with Entity No. "1", "2", "3", "4", & "5".	• Off market data
9	AAUCS9425J	Sandarshika Vanijya Private Limited	• Entity No. "10" has off-market transactions in shares with Entity No. "1" & "5". • Entity No. "10" has common address with Entity No. "2", "4", & "5" viz. *"8/3 Rupchand Roy Street 1st Floor Kolkata 700007"*	• Off market data • UCC Data

34. From the above table, I note that nine (9) entities, namely, Nextel Garments Private Limited, Onceover Dealtrade Private Limited, Samudhita Sales Private Limited, Goldensight Vinimay Private Limited, Outstripe Suppliers Private Limited, Realstep Vinimay Private Limited, Darshwana Trading Private Limited, Sungar Textiles Private Limited and Sandarshika Vanijya Private Limited were connected to each other.

35. On perusal of the trade log and order log of the scrip of VBIL during the IP, I observe that seven (7) connected entities, namely, Outstripe Suppliers Pvt. Ltd., Onceover Dealtrade Pvt. Ltd., Nextel Garments Pvt. Ltd., Sungar Textiles Pvt. Ltd., Samudhita Sales Pvt. Ltd., Darshwana Trading Pvt. Ltd., Goldensight Vinimay Pvt. Ltd. (hereinafter referred to as **"Sellers"**) had sold 5,57,056 shares which was 45.83% of the total market volume during said period.

36. From the trade log and order log, I also observe that the counterparties to the trades of the aforesaid seven (7) sellers were concentrated among 15 buyer entities ('**Buyers'**) in respect of the shares sold by the sellers. I note that the said 15 buyers/counterparties were connected among themselves. The details of the connection among the buyers as

established on the basis of UCC details and bank statements, Customer Acquisition Form from Telecom operator (**'CAF'**) are given below:

Table: 8

Sr. No.	PAN	Name of Entity	Connection Details	Basis of Connection
1.	BIGPP7877P	Amitkumar Govindbhai Parmar	Entity no. "1" and "2" have common address "A 175 Sarvottam Nagar New Railway,colony Ahmedabad City Ahmedabad, Sabarmati, Ahmedabad, Gujarat, India, 380005" Entity no. "1" and "3" have common mobile no. "9725607947" The mobile no. "9725607947" being used by Entity No. "1" & "3" and mobile no. "7041041141" being used by Entity No. "3" has same address viz. "A-175 shiv bag Sabarmati, Sarvottam Nagar., Sabarmati, Ahmadabad City, Ahmedabad, Near Railway Colony, Gujarat" as per CAF. Entity no. "1" and "6" have common mobile no. "9428735402"	UCC Data CAF
2.	BOLPP7073L	Prashant Govindbhai Parmar	Entity no. "1" and "2" have common address "A 175 Sarvottam Nagar New Railway,colony Ahmedabad City Ahmedabad, Sabarmati, Ahmedabad, Gujarat, India, 380005"	UCC Data
3.	AQBPC2332C	Roshan Augustine Christian	Entity no. "1" and "3" have common mobile no. "9725607947" The mobile no. "9725607947" being used by Entity No. "1" & "3" and mobile no. "7041041141" being used by Entity No. "3" has same address viz. "A-175 shiv bag Sabarmati, Sarvottam Nagar., Sabarmati, Ahmadabad City, Ahmedabad, Near Railway Colony, Gujarat" as per CAF. Entity no. "3" and "4" have Common Address – "E 242 Sarvottam Nagar, E 242 Sarvottam Nagar, New Railway Colony, Sabarmati, Ahmedabad, 380019".	UCC Data CAF
4.	BBDPA5689L	Licy Roshan Augustine	Entity no. "3" and "4" have Common Address – "E 242 Sarvottam Nagar, E 242 Sarvottam Nagar, New Railway Colony, Sabarmati, Ahmedabad, 11,, 380019"	UCC Data
5.	BHLPB2441M	Vishal Jitendrakumar Barot	Entity no. "5" and "6" have common mobile no. "9428735408" Entity no. "5" transferred funds of Rs. 25,00,000 to Entity No. "10" on 16/04/2018.	UCC Data Bank account statement
6.	CGVPS5623N	Rachana Birjukumar Sanghvi	Entity no. "1" and "6" have common mobile no. "9428735402" Entity no. "5" and "6" have common mobile no. "9428735408"	
7.	BFOPS4241B	Amrish Shah	Received funds of Rs. 25,00,000 on 16/04/2018 from "Priyanka Hiteshkumar". "Priyanka Hiteshkumar Patel" has common phone no. "9428735402" "with Entity No. "6".	Bank account statement and UCC Data of "Priyanka

Sr. No.	PAN	Name of Entity	Connection Details	Basis of Connection
				Hitesh Kumar Patel”
8.	CPGPM9060K	Bhagabhai Sursingbhai Meda	Entity no. “8” and “9” have common mobile no. “9157861808” Received funds of Rs. 25,00,000 on 16/04/2018 from “Priyanka Hiteshkumar”. “Priyanka Hiteshkumar Patel” has common phone no. “9428735402” “with Entity No. “6”.	UCC Data Bank account statement and UCC Data of “Priyanka Hiteshkumar Patel”
9.	BWUPR4206E	Ramnbhai Kalubhai Ravat	Entity no. “8” and “9” have common mobile no. “9157861808”	UCC Data
10.	AGEPV6889L	Vaghela Prakash Kantilal	Entity no. “5” transferred funds of Rs. 25,00,000 to Entity No. “10” on 16/04/2018.	Bank account statement
11.	APJPV2367P	Hasmukh Rajesh Vaghela	No connection could be established from UCC data/bank account statement/CAF. However, his trading pattern was observed to be similar to other entities mentioned in the table. Further, it bought all 58,000 shares (i.e. 100% shares) from the connected entities during the pre-SMS period.	-
12.	ATLPV1359B	Sahilkumar Amrutbhai Vaghela	No connection could be established from UCC data/bank account statement/CAF. However, his trading pattern was observed to be similar to other entities mentioned in the table. Further, it bought all 34,000 shares (i.e. 100% shares) from the connected entities during the pre-SMS period.	-
13.	AWGPS0195J	Dharmendra Chotalal Shah	Entity no. “13” and “14” have the following common: Common Email Id. – dharmendrashah2005@gmail.com Common Address - "2 48 Sundarnagar Near Manish Hal Naranpura Ahmedabad City Naranpura Vistar, Ahmedabad, Gujarat, India, 380013" Common Mobile No. – “9898162452”	UCC Data
14.	AWGPS0178K	Rimmi Dharmendra Shah	Entity no. “13” and “14” have the following common: Common Email Id. – dharmendrashah2005@gmail.com Common Address - "2 48 Sundarnagar Near Manish Hal Naranpura Ahmedabad City Naranpura Vistar, Ahmedabad, Gujarat, India, 380013" Common Mobile No. – “9898162452”	UCC Data
15.	AAICA9562E	Asthvinayak Trexim Private Ltd.	No connection could be established from UCC data/bank account statement/CAF. However, its trading pattern was observed to be similar to other entities mentioned in the table. Further, it bought 99748 shares out of 1,00,000 shares (i.e. 99.75% shares) from the connected entities during the pre-SMS period. Also, it has not traded in the scrip of VBIL before or after the IP.	-

37. These fifteen (15) entities purchased 5,51,160 shares out of 5,57,056 shares sold by the sellers i.e. 98.84% of the total quantity. The details of shares bought by the buyers is given below:

Table:9

Entity Name	Entity PAN	Pre-SMS Period		Post-SMS Period	
		Total Buy	Total Sell	Total Buy	Total Sell
Amitkumar Govindbhai Parmar	BIGPP7877P	36,000	0	0	40,000
Amrish Shah	BFOPS4241B	17,866	0	0	18,000
Asthvinayak Trexim Private Ltd.	AAICA9562E	99,748	0	5,000	1,05,000
Bhagabhai Sursingbhai Meda	CPGPM9060K	8,000	0	0	8,000
Dharmendra Chotalal Shah	AWGPS0195J	6,000	0	0	6,000
Hasmukh Rajesh Vaghela	APJPV2367P	58,000	0	13,802	71,802
Licy Roshan Augustine	BBDPA5689L	74,975	0	2,500	77,500
Prashant Govindbhai Parmar	BOLPP7073L	16,000	0	0	16,000
Rachana Birjukumar Sanghvi	CGVPS5623N	55,000	0	0	55,000
Ramnbhai Kalubhai Ravat	BWUPR4206E	66,571	0	49,000	1,19,000
Rimmi Dharmendra Shah	AWGPS0178K	6,000	0	0	6,000
Roshan Augustine Christian	AQBPC2332C	25,000	0	1,878	26,878
Sahilkumar Amrutbhai Vaghela	ATLPV1359B	34,000	0	0	34,000
Vaghela Prakash Kantilal	AGEPV6889L	38,000	0	0	38,000
Vishal Jitendrakumar Barot	BHLPB2441M	10,000	0	0	10,000
Total Qty. Purchase From Connected Entities		**5,51,160**	**-**	**72,180**	**6,31,180**
Total Traded Quantity		**5 59,000**	**-**		

38. I further observe that during the pre-SMS period, the 15 (fifteen) entities only bought shares of VB Industries and during the post-SMS period sold shares in large quantities.

39. The day wise trading pattern of sellers is analysed in the subsequent paragrpahs.

<u>Analysis of trades executed on April 16, 2018</u>

40. The details of the trades executed by 7 sellers and their major counterparties on April 16, 2018 is placed below:

Table:10

Trade Date	Seller Name	Seller PAN	Total Sell Qty.	Major Counterparty (Buyer Name)	Buyer PAN	Total Buy Qty.
16/04/2018	Outstripe Suppliers Private Limited	AACCO0067C	75,000	Amitkumar Govindbhai Parmar	BIGPP7877P	25,000
				Rachana Birjukumar Sanghvi	CGVPS5623N	25,000
				Ramnbhai Kalubhai Ravat	BWUPR4206E	22,690
Total			**75,000**			**72,690**

41. I note from the order log that Outstripe Suppliers Pvt. Ltd. first placed 5 sell orders for a total quantity of 75,000 shares during 14:35:36 hrs. to 14:42:10 hrs. The details of the same is given below: -

Table:11

ORDER_DATE	ORDER_TIME	ORDERNO	BUY/SELL	CLIENTNAME	RATE	QTY	AUDCODE
16/04/2018	14:35:36.826599	1523849400001644175	S	Outstripe Suppliers Private Limited	66.40	10000	A
	14:35:57.293857	1523849400001644176	S		66.40	10000	A
	14:41:59.892002	1523849400001644181	S		66.40	15000	A

ORDER_DATE	ORDER_TIME	ORDERNO	BUY/SELL	CLIENTNAME	RATE	QTY	AUDCODE
	14:42:05.002375	1523849400001644182	S		66.40	15000	A
	14:42:10.656224	1523849400001644183	S		66.40	25000	A
	15:26:08.834925	1523849400001644183	S		66.20	25000	U
TOTAL						**75,000**	

42. I note that after the placing of the sell orders by Outstripe Suppliers Pvt. Ltd., the below mentioned buyers placed large buy orders to match the prices and quantity of the said sell orders:

Table:12

Buy order Client	Time	Price	Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Net Quantity
Amitkumar Govindbhai Parmar	14:41:11 to 14:54:10	66.40	25,000 (58)	-	25,000
Rachana Birjukumar Sanghvi	14:51:29 (A) 14:51:31 (D) 14:54:23 to 14:59:08 (A)	65.95 66.40	25,000 (1) 25,000 (45)	25,000 (1) (Order which was placed at Rs. 65.95 was deleted)	25,000
Ramnbhai Kalubhai Ravat	14:59:30 to 15:04:06	66.40	25,000 (32)	-	25,000
TOTAL					**75,000**

43. From the order log, I note that subsequent to placement of sell orders by Outstripe Suppliers Private Limited, between14:35:36 hrs. and 10:35:57 hrs. at Rs. 66:40, there were no buy orders placed by any buyers till 14:41:11 hrs. Subsequently, Noticee 7 placed buy order at Rs. 66.40 for 200 shares. i.e. Noticee 7, placed three orders for 250 shares, 300 shares and 500 shares at Rs. 66. 40 between 14:41:17 hrs to 14:41:36 hrs. Subsequently, Outstripe Suppliers Private Limited, again placed three sell orders for 55000 shares (15000+15000+25000) between 14:41:59 hrs. to 14:42:10 hrs. I note that subsequently, Noticee 7 placed 30 orders for 10,250 shares at Rs. 66.40 between 14:42:56 hrs to 14:46:03 hrs. I also note that there were no sell orders or buy order placed by any person between 14:41:59 hrs. to 14:46:03 hrs. Noticee 7 again placed 10 buy orders for 7700 shares between 14: 47:37 hrs to 14:49: 31 hrs at Rs. 66.40. I also observe that between 14:51:45 hrs. to 14:54:10 hrs., Noticee 7 again placed 12 buy orders for 5800 shares at Rs. 66:40.

44. I also note that between 14:42: 10 hrs to 15:02:00 hrs, there was only 1 sell order of 1849 shares placed by Noticee 27 at 14:47:36 hrs. for a price of Rs. 66.20. Similarly, I note that between 14:42:10 hrs to 14:49:31 hrs. there was only 1 buy order of 1755 shares placed by Noticee 23 at Rs. 66. 40(buy order time: 14:47:44 hrs.) I also note that after 14: 49: 31 hrs., Noticee 5 placed order of 25000 shares at 14:51:29 hrs. and she deleted the said order at 14:51:31 hrs. Thereafter, Noticee 7 placed 12 buy orders between 14:51:45 hrs to 14:54:10

hrs., Noticee 5 placed 45 orders between 14:54: 23 hrs to 14:59:08 hrs and Noticee 3 placed 26 buy orders.

45. I observe that between 15:02:03 hrs to 15:04:06 hrs, there were only 2 sell orders placed by Pallavi Joshi for 2310 shares (price Rs. 66.35), and Amit Kumar Gupta for 100 shares (price Rs. 66.30). I also note that during the aforesaid time, Noticee 3 placed 5 buy orders for total of 13,800 shares. I also note that 2 orders of 300 and 400 shares were placed by Noticee 3 at Rs. 66.35 shares and remaining buy orders were placed at Rs. 66.40.

46. I also note that the total quantity of sell orders placed by the sellers and total quantity of buy orders placed by the buyers as mentioned in Table no. 12 was exactly the same i.e. 75,000 shares. Further, none of the above mentioned entities had placed any buy order before the sell orders were placed by the sellers on that day. Moreover, as mentioned earlier in the order, the buyers mentioned in Table-12 had not traded in the scrip of VB Industries during January 01, 2018 to April 16, 2018 and also they neither placed buy orders nor traded in the scrip of VB Industries on the trading days on which no sell orders were placed by the connected entities during the pre-SMS period. From the above analysis, I observe that the buyers mentioned in Table 12 above started placing buy orders with the sell orders of the Outstripe Suppliers Pvt. Ltd. and continued for upto 20 minutes from the first seller order placed by Outstripe Suppliers Pvt. Ltd. The cumulative buy orders placed by the buyers mentioned in Table 12 above exactly matched the sell order of Outstripe Suppliers Pvt. Ltd. i.e. 75000 shares. Further, I observe that their buy orders rates were also same or slightly higher/lower than the sell order rate of Outstripe Suppliers Pvt. Ltd. to match respective sell and buy orders. I am of the view that the aforesaid trading demonstrates a concerted attempt by Outstripe Suppliers Pvt. Ltd. and their buyers to match trades between themselves. I also note that 72690 shares i.e. (99.60%) of the sell orders of 75000 shares of the Outstripe Suppliers Pvt. Ltd matched with the buy orders placed by the buyers mentioned at Table 12 above and these trades contributed 62.93 % of the total market volume of the 1,19,171 shares on April 16, 2018 in the scrip of VBIL which was not very liquid in nature, which leads me to conclusion that these trades were executed with a manipulative intent of providing exit to Outstripe Suppliers Pvt. Ltd.

47. Further, from the trade log, I note that out of 75000 shares sell quantity placed by Outstripe Suppliers Pvt. Ltd., 72690 shares quantities were matched with Amit Kumar Paramar, Rachana Sanghvi and Ramanbhai Ravat which was 96.92% of 75000 shares sell quantity placed by Outstripe Suppliers Pvt. Ltd.

48. From the buy orders placed by Amit Kumar Parmar, Rachana Sanghavi and Raman bhai Ravat, I note that they had placed multiple small orders only to show volume in the scrip of VBIL even though quantity of large sell orders was available in the market. I also note that when buyers were available at small quantity, Outstripe Suppliers Pvt. Ltd. placed sell orders for large quantities. All these pattern of placing sell orders for large quantity and placing buy orders for small quantities shows a manipulative intent on the part of sellers and buyers to create a misleading volume of trading to induce the investors in the scrip of VBIL.

49. From the foregoing analysis, I find that the buyers mentioned at Table 12 had placed a large number of buy orders in tandem with the high number of sell orders placed by Outstripe Suppliers Pvt. Ltd. with the intent of manipulating the trading volume by trading exclusively between themselves and to provide the exit to Outstripe Suppliers Pvt. Ltd. Therefore, on the basis of the manipulative trading pattern noted above, I find that the said buyers and Outstripe Suppliers Pvt. Ltd. manipulated the trading volume in the scrip of VBIL. I am of the view that such a trading pattern was not a mere coincidence but was the outcome of meeting of minds between the buyers and sellers specified above and their deliberate conduct in furtherance of the same, which was a part of a common manipulative and fraudulent strategy to provide exit to the aforesaid seller, in the scrip of VBIL which was not very liquid in nature.

<u>Analysis of trades executed on April 19, 2018</u>

50. The trades executed by the sellers of the order and their major buyers as observed from trade log and order log is given below: -

Table:13

Trade Date	Seller Name	Seller PAN	Total Sell Qty.	Major Counterparty (Buyer Name)	Buyer PAN	Total Buy Qty.
19/04/2018	Darshwana Trading Pvt Ltd	AAFCD0491A	50,000	Amrish Shah	BFOPS4241B	8,000
	Nextel Garments Private Limited	AAECN7441H	50,000	Bhagabhai Sursingbhai Meda	CPGPM9060K	8,000
	Samudhita Sales Pvt Ltd	AAUCS6150L	50,000	Dharmendra Chotalal Shah	AWGPS0195J	6,000
	Sungar Textiles Private Limited	AAXCS0786K	6,000	Licy Roshan Augustine	BBDPA5689L	25,000
				Rachana Birjukumar Sanghvi	CGVPS5623N	30,000
				Ramnbhai Kalubhai Ravat	BWUPR4206E	29,381
				Rimmi Dharmendra Shah	AWGPS0178K	6,000
				Roshan Augustine Christian	AQBPC2332C	25,000
				Vaghela Prakash Kantilal	AGEPV6889L	8,000
				Vishal Jitendrakumar Barot	BHLPB2441M	10,000
TOTAL			**1,56,000**	**TOTAL**		**1,55,381**

51. From the above table, I note that four sellers namely, Samudhita Sales Pvt. Ltd., Darshwana Trading Pvt. Ltd., Nextel Garments Pvt. Ltd. and Sungar Textiles Pvt. Ltd. placed 7 sell orders for a total quantity of 1,56,000 shares during 13:30:25 hrs. to 14:09:43 hrs. The order placed by aforesaid entities is given below:

Table: 14

ORDER_DATE	ORDER_TIME	ORDERNO	BUYSELL	PANNO	CLIENTNAME	RATE	QTY	AUDCODE
19/04/2018	13:30:25.709722	1524108600001653120	S	AAUCS6150L	Samudhita Sales Pvt Ltd	63.80	30,000	A
19/04/2018	13:30:49.679026	1524108600001653121	S	AAFCD0491A	Darshwana Trading Pvt Ltd	63.80	25,000	A
19/04/2018	13:30:58.942519	1524108600001653122	S	AAFCD0491A	Darshwana Trading Pvt Ltd	63.85	25,000	A
19/04/2018	13:33:04.326962	1524108600001653123	S	AAUCS6150L	Samudhita Sales Pvt Ltd	63.85	20,000	A
19/04/2018	13:39:20.452894	1524108600001653124	S	AAECN7441H	Nextel Garments Private Limited	63.80	25,000	A
19/04/2018	13:39:26.642136	1524108600001653125	S	AAECN7441H	Nextel Garments Private Limited	63.85	25,000	A
19/04/2018	14:09:43.978778	1524108600001653226	S	AAXCS0786K	Sungar Textiles Private Limited	63.85	6,000	A
TOTAL							**1,56,000**	

52. I note from the order log that after placing of sell orders by the said sellers, the below mentioned buyers placed large buy orders to match the prices and quantity:

Table:15

Buy order Client	Time	Price	Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Net Quantity
Roshan Augustine Christian	13:56:58	63.80	25000 (1)	-	25000
Licy Roshan Augustine	13:57:17	63.80	25000 (1)	-	25000
Vishal Jitendrakumar Barot	13:57:39	63.80	10000 (1)	-	10000
Rachana Birjukumar Sanghvi	13:59:55 to 14:07:08	63.80 63.85	12500 (22) 17500 (43)	500 (1) Price of 1 order of 500 quantity changed to 63.85	30000
Vaghela Prakash Kantilal	14:02:39	63.90	8000 (1)	-	8000
Amrish Shah	14:02:48	63.90	8000 (1)	-	8000
Bhagabhai Sursingbhai Meda	14:02:57	63.90	8,000 (1)	-	8,000
Rimmi Dharmendra Shah	14:05:30	63.90	6,000 (1)	-	6,000
Dharmendra Chotalal Shah	14:05:42	63.90	6,000 (1)	-	6,000
Ramnbhai Kalubhai Ravat	14:07:28 to 14:15:42	63.80 63.90	600 (1) 29400 (78)	-	30000
TOTAL (Added – Deleted)					**1,56,000**

53. On perusal of the order log, I note that before the sell order placed by Samudhita Sales Pvt. Ltd. at 13:30:25 hrs, the buy orders and sell orders placed were in the range of 1 shares to 5019 shares. From 13:27:19 hrs., Noticee 20 had placed sell order for 2598 shares. From 13:27:19 hrs to 13:30:24 hrs., there was no sell order in the system and also no buy orders were placed. I note that from 13:30:25 hrs. to 13:39:26 hrs., sell orders were placed by Samudhita Sales Pvt. Ltd. (2 sell orders of 30,000 shares and 20,000 shares), Darshwana Trading Pvt. Ltd. (2 sell orders of 25000 shares each) and Nextel Garments Pvt. Ltd. (2 sell orders for 25000 shares each). I also note that from 13:42:32 hrs to 13:53:19 hrs., there was one sell order placed by Noticee 20 for 2,421 shares, and 2 buy orders placed by Noticee

26 for 2421 shares (2400 shares and 21 shares) at Rs.63.8. I note that buy orders placed by Noticee 26 matched with Noticee 20 and pending sell orders placed by Samudhita Sales Pvt. Ltd., Darshwana Trading Pvt. Ltd. and Nextel Garments Pvt. Ltd. were available in the system.

54. I note that from 13:56:58 hrs. to 14:09:42 hrs., there were no sell orders placed by any persons and there were 97 buy orders placed by various persons including 1 order each by Rimmi Dharmendra Shah, Dharmendra Chotalal Shah, Amrish Shah, Noticee 6, Roshan Augustine Christian, Noticee 2, Bhagabhai Sursingbhai Meda, 67 orders by Noticee 5, and 23 orders by Noticee 3.

55. I note that at 14:09:47 hrs., Noticee 17 again placed a sell order for 6,000 shares at Rs. 63.90. Immediately, from 14:09:47 hrs to 14:10:34 hrs., Noticee 3 placed 9 orders for 3600 shares at Rs.63.90. Noticee 3 again placed buy orders at 14:10:37 hrs. and 14:10:44 hrs., at a price of Rs.63.80 and Rs.63.90, respectively, for 500 shares each. From 14:10:44 hrs to 14:15:42 hrs., Noticee 3 again placed 46 orders for 18000 shares at Rs. 63.90. I note that between 14:10:44 hrs. to 14:15:42 hrs., there were no buy orders placed by any person and only 2 sell orders were placed by Kamlaben Dilipbhai Joshi for 619 shares at Rs. 63.90.

56. From the buy orders placed by Noticees 2, 3, 5 and 6, I note that they had placed multiple small orders even though quantity of large sell orders was available in the market. I also note that when buyers were available at small quantity, Darshwana Trading Pvt. Ltd., Nextel Garments Pvt. Ltd., Samudhita Sales Pvt. Ltd. and Noticee 17 placed sell orders for large quantities. All these pattern of placing sell orders for large quantity and placing buy orders for small quantities shows a manipulative intent on the part of sellers and buyers to show a misleading appearance of volume and induce the investors in the scrip of VBIL.

57. I note that the total quantity of sell orders placed by the sellers and total quantity of buy orders placed by the buyers was exactly the same i.e. 1,56,000 shares. Further, none of the above mentioned buyers (in Table-15) had placed any buy order before the sell orders were placed by the sellers on that day. Moreover, as mentioned earlier in the order, the above buyers in Table-15 had not traded in the scrip of VBIL during January 01, 2018 to April 16, 2018 and also during the pre-SMS perod they had neither placed buy orders, (except for one entity viz. Rimmi Dharmendra Shah who had placed buy order for miniscule quantity of 100 shares on April 20, 2018 at 10:31:35 hrs. and the said order was immediately deleted at 10:31:37 hrs.) nor traded in the scrip of VBIL on the trading days on which no sell orders were placed by the connected entities.

58. I also note from the order log that the buyers mentioned in Table-15 above started placing buy orders almost simultaneously with sell orders of the sellers mentioned at Table-13 above and continued for up to 45 minutes from the first sell order placed by the sellers mentioned at Table-13. The cumulative buy orders placed by the buyers mentioned in Table-15 above exactly matched the sell order quantity of the sellers mentioned at Table-13i.e. 1,56,000 shares. Further, I observe that their buy order rates were also same or slightly higher than the sell order rate of the sellers mentioned at Table-13 above to match the respective sell and buy orders. I am of the view that the aforesaid trading demonstrates a concerted attempt by the aforesaid sellers and their buyers to match trades between themselves in order to create a misleading appearance of volume. From the foregoing analysis, I find that the buyers mentioned at Table 15 had placed a large number of buy orders in tandem with the high number of sell orders placed by sellers mentioned in Table 13, with the intent of manipulating the trading volume by trading exclusively between themselves and to provide the exit to the 4 sellers. Therefore, on the basis of the manipulative trading pattern noted above, I find that the buyers as mentioned in Table 15 and sellers mentioned in Table 13, manipulated the trading volume in the scrip of VBIL. I am of the view that such a trading pattern was not a mere coincidence but was the outcome of meeting of minds between the buyers and sellers respectively and their deliberate conduct in furtherance of the same, which was a part of a common manipulative and fraudulent strategy to provide exit to the 4 sellers, in the scrip of VBIL which was not very liquid in nature.

59. I also note that 1,55,381 shares (i.e. 99.60%) of the sell orders of 1,56,000 shares of the sellers mentioned at Table-13 matched with the buy orders placed by the buyers mentioned in Table-15 above and these trades contributed 80.81% of the total market volume of 1,92,283 shares on April 19, 2018 in the scrip of VBIL which was not very liquid in nature, which leads me to conclusion that these trades were executed with a manipulative intent of providing exit to the aforesaid sellers.

Analysis of trades executed on April 23, 2018

60. The trades executed by the sellers and their major counterparties as observed from trade log and order log is given below:

Table:16

Trade Date	Seller Name	Seller PAN	Total Sell Qty.	Major Counterparty (Buyer Name)	Buyer PAN	Total Buy Qty.
23.04.2018	Nextel Garments Private Limited	AAECN7441H	15,000	Amitkumar Govindbhai Parmar	BIGPP7877P	11,000
	Onceover Dealtrade Pvt Ltd	AACCO0086H	36,081	Amrish Shah	BFOPS4241B	9,866
	Sungar Textiles Private Limited	AAXCS0786K	25,000	Hasmukh Rajesh Vaghela	APJPV2367P	8,000

Trade Date	Seller Name	Seller PAN	Total Sell Qty.	Major Counterparty (Buyer Name)	Buyer PAN	Total Buy Qty.
				Ramnbhai Kalubhai Ravat	BWUPR4206E	14,500
				Vaghela Prakash Kantilal	AGEPV6889L	30,000
			76,081			**73,336**

61. I note that the 3 sellers viz. Nextel Garments Pvt. Ltd., Onceover Dealtrade Pvt. Ltd. and Sungar Textiles Pvt. Ltd. placed 4 sell orders for a total quantity of 80,000 shares during 14:46:26 hrs. to 14:53:48 hrs. I note that, a quantity of 3,919 shares was deleted by Onceover Dealtrade Pvt. Ltd. at 15:15:52 hrs. The details are placed below:

Table:17

Table 17 : Orders placed by Connected entities on April 23, 2018								
ORDER_DATE	**ORDER_TIME**	**ORDERNO**	**BUY SELL**	**PANNO**	**CLIENTNAME**	**RATE**	**QTY**	**AUD CODE**
23/04/2018	14:46:26.264533	1524454200001596073	S	AAECN7441H	Nextel Garments Pvt Ltd	63.8	15,000	A
	14:51:04.007729	1524454200001596079		AAXCS0786K	Sungar Textiles Pvt Ltd	63.8	25,000	A
	14:53:48.054862	1524454200001596080		AACCO0086H	Onceover Dealtrade Pvt Ltd	63.8	40,000	A
	15:15:52.816748	1524454200001596080				63.8	40,000	D
TOTAL (Added – Deleted) = 76,081							**80,000**	

62. After the placing of the sell orders by the aforementioned sellers, the below mentioned buyers placed large buy orders to match the prices and quantity:

Table: 18

Buy order Client	**Time**	**Price**	**Added Quantity (No. of orders)**	**Deleted Quantity/ Updated (No. of orders)**	**Net Quantity**
Amitkumar Govindbhai Parmar	14:55:34 to 15:03:49	63.75 63.80	2,000 (4) 13,000 (22)	-	15,000
Ramnbhai Kalubhai Ravat	15:04:03 to 15:10:54 (A) 15:30:00 (D)	63.80 63.75	15,000 (22) 500 (1)	500 (1) (Order placed at Rs. 63.75 was deleted)	15,000
Vaghela Prakash Kantilal	15:06:16 to 15:08:22	63.80 63.75	27,500 (15) 2500 (1)	Price of 1 order updated from 63.75 to 63.80	30,000
Amrish Shah	15:08:46 to 15:09:34	63.80	10,000 (10)	-	10,000
Hasmukh Rajesh Vaghela	15:11:23 to 15:11:38	63.80	8,000 (2)	-	8,000
TOTAL (Added – Deleted)					**78,000**

63. On perusal of the order log, I note that before the sell order was placed by Nextel Garments Pvt. Ltd. at 14:46:26 hrs., the buy orders and sell orders placed were in the range of 1

shares to 5019 shares. I note that before the sell order was placed by Nextel Garments Pvt. Ltd., the earlier sell order was placed at 14:30:24 hrs., by Noticee 23 for 2872 shares at Rs. 63.90. Nextel Garments Pvt. Ltd. placed a sell order at 14:46:26 hrs. for 15000 shares at Rs. 63. 80. Subsequent to placement of sell orders, I note that between 14:48:11 hrs. to 14:49:00 hrs., Noticee 20 placed 1 buy order, Noticee 23 placed 1 sell order and Kamala Ben Joshi placed 1 sell order 2000 shares and placed 2 buy orders for 151 and 222 shares. The buy order placed by Noticee 20 matched with Noticee 23 for 1458 shares and 720 shares with Nextel Garments Pvt. Ltd. Sell order placed by Kamala Ben Joshi for 2000 shares matched with 4 buy orders of Noticee 7 for 2000 shares (placed between 14:55:34 hrs. to 14:55:48 hrs.). The balance sell order of 720 shares of Noticee 23 matched with 2 buy orders of Kamala Ben Joshi.

64. I note that at 14:51:04 hrs., Noticee 17 placed sell order for 25,000 shares at Rs. 63.80. At 14:53:48 hrs., Onceover Dealtrade Pvt. Ltd. placed sell order for 40,000 shares at Rs.63.80. I note that no buy orders or sell orders were placed between 14:51:04 hrs to 14:53:48 hrs. Subsequent to aforesaid sell order Noticee 7 placed 4 buy orders between 14:55:34 hrs to 14:55:48 hrs. for total 2,000 shares at Rs. 63.80. I observe that between 14:56:02 hrs to 14:56:16 hrs., Kamlaben Joshi placed one buy order and one sell order. I note that between 14:56:48 hrs to 15:11: 38 hrs. there were 527 buy orders for 78,302 shares placed by Amit Kumar Parmar (22 buy orders for 13,000 shares), 10 buy orders by Amrish Shah for 10,000 shares, 2 buy order 8,000 shares by Hasmukh Vaghela, 448 buy orders for 1,792 shares, 23 buy orders for 15,500 shares by Noticee 3, 16 buy orders for 30,000 shares placed by Noticee 6 and 1 buy order for 10 shares placed by Deepak Kukreja-HUF. I note that during the aforesaid time period there were only 2 sell orders (1 order each) of 1,190 shares placed by Pallavi Joshi and Noticee 30. I note that at 15:15:52 hrs. Onceover Dealtrade Pvt. Ltd. deleted the 3,919 shares orders.

65. From the buy orders placed by Noticees 7, 3, 6 and 4, I note that they had placed multiple orders only to show volume in the scrip of VBIL even though quantity of large sell orders was available in the market. I also note that when buyers were available at small quantity, Nextel Garments Pvt. Ltd., Onceover Dealtrade Pvt. Ltd. and Noticee 17 placed sell orders for large quantities. All these pattern of placing sell orders for large quantity and placing buy orders for small quantities shows a manipulative intent on the part of sellers and buyers to induce the investors in the scrip of VBIL.

66. I note that the total quantity of sell orders placed by the sellers as mentioned in Table 16 and total quantity of buy orders placed by the buyers mentioned in Table 18 is similar i.e. 76,081 sell quantity and 78,000 buy quantity orders. None of the above mentioned buyers (in Table-

18) had placed any buy order before the sell orders were placed by the sellers on that day i.e. before 14:46:26 hrs. Moreover, buyers mentioned in Table-18 had not traded in the scrip of VBIL during January 01, 2018 to April 16, 2018 and also during the pre-SMS period, they neither placed buy orders nor traded in the scrip of VBIL on the trading days on which no sell orders were placed by the sellers.

67. I note from the order log that the buyers mentioned in Table-18 above started placing buy orders almost simultaneously with sell orders of the sellers mentioned at Table-16 above and continued for upto 30 minutes from the first sell order placed by the sellers mentioned at Table-16. The cumulative buy orders of 78,000 shares placed by the buyers mentioned in Table-18 closely matched the sell order quantity of 76,081 shares by the sellers mentioned at Table-16. Further, I note that their buy order rates (except for the order by Amitkumar Govindbhai Parmar at Rs. 63.75 for total of 2,000 shares) were also same as the sell order rate of the sellers mentioned at Table-16 above to match the respective sell and buy orders. Further, the 2 buy orders placed by the entities, namely, Ramnbhai Kalubhai Ravat & Vaghela Prakash Kantilal at prices lower than the sell orders of the connected entities mentioned at Table-16 were deleted and modified, respectively, to match the prices of said sell orders. I am of the view that the aforesaid trading demonstrates a concerted attempt by the aforesaid sellers and buyers to match trades between themselves. From the foregoing analysis, I find that the buyers mentioned at Table 18 had placed a large number of buy orders in tandem with the high number of sell orders placed by sellers mentioned in Table 16, with the intent of manipulating the trading volume by trading exclusively between themselves and to provide the exit to the 3 sellers. Therefore, on the basis of the manipulative trading pattern noted above, I find that the buyers as mentioned in Table 18 and sellers mentioned in Table 16 manipulated the trading volume in the scrip of VBIL. I am of the view that such a trading pattern was not a mere coincidence but was the outcome of meeting of minds between the buyers and sellers respectively and their deliberate conduct in furtherance of the same, which was a part of a common manipulative and fraudulent strategy to provide exit to the aforesaid sellers, in the scrip of VBIL which was not very liquid in nature.

68. I note that 73,336 shares i.e. 96.39% of the sell order of 76,081 shares of the sellers mentioned at Table-16 matched with the buy order placed by the buyers mentioned in Table-18 above and these trades contributed 62.62% of the total market volume of 1,17,106 shares on April 23, 2018 in the scrip of VBIL, which was not very liquid in nature, which leads me to conclusion that these trades were executed with a manipulative intent of providing exit to the aforesaid 3 sellers.

Analysis of trades executed on April 25, 2018

69. The trades executed by the sellers and their major counterparties as observed from trade log and order log is given below: -

Table:19

Trade Date	Seller Name	Seller PAN	Total Sell Qty.	Major Counterparty (Buyer Name)	Buyer PAN	Total Buy Qty.
25.04.2018	Goldensight Vinimay Pvt Ltd	AAFCG6292A	40,000	Asthvinayak Trexim Private Ltd.	AAICA9562E	99,748
	Nextel Garments Pvt Ltd	AAECN7441H	50,000	Hasmukh Rajesh Vaghela	APJPV2367P	50,000
	Onceover Dealtrade Pvt Ltd	AACCO0086H	89,000	Licy Roshan Augustine	BBDPA5689L	49,975
	Outstripe Suppliers Pvt Ltd	AACCO0067C	52,000	Prashant Govindbhai Parmar	BOLPP7073L	16,000
	Sungar Textiles Pvt Ltd	AAXCS0786K	18,975	Sahilkumar Amrutbhai Vaghela	ATLPV1359B	34,000
TOTAL			**2,49,975**			**2,49,723**

70. I note that the 5 sellers, namely, Goldensight Vinimay Pvt. Ltd., Nextel Garments Pvt. Ltd., Onceover Dealtrade Pvt. Ltd., Outstripe Suppliers Pvt. Ltd. and Sungar Textiles Pvt. Ltd. placed 11 sell orders for a total quantity of 3,00,000 shares during 13:02:03 hrs. to 14:39:47 hrs. A quantity of 50,000 shares was deleted by Outstripe Suppliers Pvt. Ltd. at 13:02:06 hrs. The details are placed below:

Table:20

ORDER_DATE	ORDER_TIME	ORDERNO	BUYSELL	PANNO	CLIENTNAME	RATE	QTY	AUDCODE
25/04/2018	13:02:03.627607	1524627000001604342	S	AACCO0067C	Outstripe Suppliers Private Limited	65.65	50000	A
	13:02:06.186737	1524627000001604342				65.65	50000	D
	13:32:14.880487	1524627000001604343		AACCO0086H	Onceover Dealtrade Pvt Ltd	61.5	30000	A
	13:32:28.880147	1524627000001604344				61.4	18000	A
	13:32:48.454664	1524627000001604345		AACCO0067C	Outstripe Suppliers Private Limited	61.4	20000	A
	13:33:01.352046	1524627000001604346				61.5	32000	A
	14:35:07.303490	1524627000001604369		AAECN7441H	Nextel Garments Private Limited	61.5	50000	A
	14:35:13.117908	1524627000001604370		AAXCS0786K	Sungar Textiles Private Limited	62.7	19000	A
	14:35:48.751240	1524627000001604370				61.7	19000	U
	14:36:01.086450	1524627000001604373		AACCO0086H	Onceover Dealtrade Pvt Ltd	61.6	25000	A
	14:36:11.306773	1524627000001604374		AACCO0086H		61.7	16000	A
	14:36:36.278984	1524627000001604375		AAFCG6292A	Goldensight Vinimay Pvt Ltd	61.6	20000	A
	14:39:47.792317	1524627000001604376				61.7	20000	A
	14:49:42.445253	1524627000001604376				61.6	20000	U
	14:49:42.661723	1524627000001604374		AACCO0086H	Onceover Dealtrade Pvt Ltd	61.6	16000	U

ORDER_DATE	ORDER_TIME	ORDERNO	BUYSELL	PANNO	CLIENTNAME	RATE	QTY	AUDCODE
	14:49:42.662731	1524627000001604370		AAXCS0786K	Sungar Textiles Private Limited	61.6	19000	U
TOTAL (Added/Updated – Deleted) = 2,50,000								

71. I note that after the placing of the sell orders by the abovementioned sellers as mentioned in Table 19, the below mentioned buyers placed large buy orders to match the prices and quantity:

Table:21

Buy order Client	Time	Price	Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Quantity
Hasmukh Rajesh Vaghela	13:55:45 to 13:57:23	61.50	50,000 (6)	-	50,000
Licy Roshan Augustine	13:57:44 to 14:35:25	61.50	50,002 (6)	1 order of 10,000 qty. updated.	50,000
Asthvinayak Trexim Private Limited	14:44:40 to 14:48:49	61.60	1,00,000 (2)		1,00,000
Sahilkumar Amrutbhai Vaghela	14:48:58 (A) 14:48:59 (D) 14:49:44 (A) 14:51:03 (A)	61.50 61.70 61.60	25,000 (1) 25,000 (1) 9,000 (1)	25,000 (1) (Order placed at Rs, 61.50 was deleted)	34,000
Prashant Govindbhai Parmar	14:51:17 to 14:51:24	61.60	16,000 (2)	-	16,000
TOTAL					**2,50,000**

72. I note that the total quantity of sell orders placed by the sellers as mentioned in Table 19 and total quantity of buy orders placed by the buyers as mentioned in Table 21 was same i.e. 2,50,000 shares. I further note that none of the above mentioned entities had placed any buy order before the sell orders were placed by the sellers as mentioned in Table 19 on that day i.e. before 13:32:14 hrs. Moreover, the buyers mentioned in Table-21 had not traded in the scrip of VBIL during January 01, 2018 to April 16, 2018 and also neither placed buy orders nor traded in the scrip of VBIL on the trading days on which no sell orders were placed by the sellers during the pre-SMS period.

73. From perusal of the order log, I note that the buyers mentioned in Table-21 above started placing buy orders almost simultaneously with sell orders of the sellers mentioned at Table-19 above and continued for upto 1.5 hours from the first sell order placed by the sellers mentioned at Table-19. The cumulative buy orders placed by the buyers mentioned in Table-21 above exactly matched the sell order quantity of the sellers mentioned at Table-19 i.e. 2,50,000 shares. Further, I observe that their buy order rates were either same or slightly higher than the sell order rate of the connected entities mentioned at Table19 above the respective sell and buy orders. I am of the view that the aforesaid trading demonstrates a concerted attempt by the aforesaid sellers and their counterparty buyers to match trades between themselves. From the foregoing analysis, I find that the buyers mentioned at Table 21 had placed a large number of buy orders in tandem with the high number of sell orders

placed by sellers mentioned in Table 19, with the intent of manipulating the trading volume by trading exclusively between themselves and to provide exit to the 5 sellers. Therefore, on the basis of the manipulative trading pattern noted above, I find that the buyers as mentioned in Table 21 and sellers mentioned in Table 19 manipulated the trading volume in the scrip of VBIL. I am of the view that such a trading pattern was not a mere coincidence but was the outcome of meeting of minds between the buyers and sellers respectively and their deliberate conduct in furtherance of the same, which was a part of a common manipulative and fraudulent strategy to provide exit to the 5 sellers, in the scrip of VBIL, which was not very liquid in nature.

74. I note that 2,49,723 shares i.e. 99.89% of the sell order of 2,50,000 shares of the sellers mentioned at Table19 matched with the buy order placed by the buyers mentioned in Table-21 above and these trades contributed 80.45% of the total market volume of 3,10,397 shares on April 25, 2018 in the scrip of VBIL, which was not very liquid in nature, which leads me to conclusion that these trades were executed with a manipulative intent of providing exit to the aforesaid sellers.

75. Further, I observe 8 entities (out of 15 buyers) viz. 1) Asthvinayak Trexim Pvt. Ltd., 2) Licy Roshan Augustine, 3) Ramnbhai Kalubhai Ravat, 4) Hasmukh Rajesh Vaghela, 5) Rachana Birjukumar Sanghvi, 6) Vaghela Prakash Kantilal, 7) Amitkumar Govindbhai Parmar and 8) Sahilkumar Amrutbhai Vaghela had purchased more than 5% of the total shares sold by the aforesaid 7 sellers during the pre-SMS period.

76. Thus, on account of the foregoing observations, I am of the view that such significant increase in the trading volume in the scrip of VBIL can be attributed to the manipulative trading pattern of the sellers and buyers in the scrip of VBIL. Therefore, I am inclined to conclude that as a result of the aforesaid matched trades executed by the aforesaid entities, investors were induced into trading in the scrip, based on a misleading impression of high liquidity and trading volume in the otherwise illiquid scrip of VBIL.

77. In view of the trading pattern as analysed in the preceding paragraphs, I also note that there was a meeting of minds between the aforementioned buyers and sellers, whereby they created artificial volume and gave a misleading appearance of trading in the scrip of VBIL, so as to enable the aforesaid seven (7) sellers to exit in the scrip of VBIL which was not very liquid in nature and also lured the investors to trade in an otherwise illiquid scrip.

78. At this juncture, I find it pertinent to discuss the scope and ambit of PFUTP Regulations. I note that Regulations 3(a)–(d) of the PFUTP Regulations, *inter-alia*, prohibit employment of

any manipulative/deceptive device, scheme, or artifice to defraud in connection with dealing in securities; engaging in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with dealing in securities. Regulation 4(1) of the PFUTP Regulations provides for prohibition on indulging in fraudulent or unfair trade practices in securities. Regulation 4(2)(a) of the PFUTP Regulations provides that an act in the course of dealing in securities shall be deemed to be fraudulent or an unfair trade practice if it involves indulging in an act that creates a false or misleading appearance of trading in the securities market. The common thread through these provisions is that the ingredients of fraud/ manipulation/ unfair trade practices must be satisfied. In this regard, I find it pertinent to note that fraud has been defined in Regulation 2(1)(c) of PFUTP Regulations, which is reproduced hereunder:

"*(c) "fraud" includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include—*

(1) a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;

(2) a suggestion as to a fact which is not true by one who does not believe it to be true;

(3) an active concealment of a fact by a person having knowledge or belief of the fact;

(4) a promise made without any intention of performing it;

(5) a representation made in a reckless and careless manner whether it be true or false;

(6) any such act or omission as any other law specifically declares to be fraudulent,

(7) deceptive behaviour by a person depriving another of informed consent or full participation,

(8) a false statement made without reasonable ground for believing it to be true.

(9) the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price.

And "fraudulent" shall be construed accordingly."

79. From the aforementioned definition of 'fraud' as given in Regulation 2(1)(c) of PFUTP Regulations, I note that for an act or omission to be considered as fraud under the aforesaid

definition, the same has to be done in order to induce another person or his agent to deal in securities. At this juncture, I find it pertinent to refer to decision of Hon'ble Supreme Court of India in the matter of SEBI vs. Shri Kanaiyalal Baldevbhai Patel (Civil Appeal No. 2595 of 2013; Decided on September 20, 2017). In the aforementioned judgment, the Hon'ble Supreme Court of India while discussing the ambit of fraud under PFUTP Regulations has held as under:

"The difference between inducement in criminal law and the wider meaning thereof as in the present case, is that to make inducement an offence the intention behind the representation or misrepresentation of facts must be dishonest whereas in the latter category of cases like the present the element of dishonesty need not be present or proved and established to be present. In the latter category of cases, a mere inference, rather than proof, that the person induced would not have acted in the manner that he did but for the inducement is sufficient. No element of dishonesty or bad faith in the making of the inducement would be required… To attract the rigor of Regulations 3 and 4 of the 2003 Regulations, mens rea is not an indispensable requirement and the correct test is one of preponderance of probabilities… The inferential conclusion from the proved and admitted facts, so long the same are reasonable and can be legitimately arrived at on a consideration of the totality of the materials, would be permissible and legally justified." It has been established earlier that the aforesaid trades executed by sellers and buyers induced investors to trade in the illiquid scrip of VBIL which was tantamount to fraud. Thus, placing reliance on the aforesaid judgement, I find that the aforesaid trades executed by sellers and buyers induced investors to trade in the illiquid scrip of VBIL which was tantamount to fraud.

80. I also find it pertinent to note that in cases of market manipulation or fraud, where direct evidence may not be available, transactions are to be tested for any manipulation based on the conduct of parties and the abnormal nature of transactions and the charge of market manipulation or fraud must be proved on a preponderance of probabilities. At this juncture, I find it pertinent to refer to the judgement of the Hon'ble Supreme Court in the matter of SEBI vs. Kishore R. Ajmera (2016) 6 SCC 368 (Judgment dated February 23, 2016) wherein it was held that, "*While the screen based trading system keeps the identity of the parties anonymous it will be too naive to rest the final conclusions on said basis which overlooks a meeting of minds elsewhere. Direct proof of such meeting of minds elsewhere would rarely be forthcoming. The test, in our considered view, is one of preponderance of probabilities so far as adjudication of civil liability arising out of violation of the Act or the provisions of the Regulations framed thereunder is concerned… It is the judicial duty to take note of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a*

reasonable conclusion therefrom. The test would always be that what inferential process that a reasonable/prudent man would adopt to arrive at a conclusion…The test, in our considered view, is one of preponderance of probabilities so far as adjudication of civil liability arising out of violation of the Act or the provisions of the Regulations framed thereunder is concerned… The conclusion has to be gathered from various circumstances like that volume of the trade effected; the period of persistence in trading in the particular scrip; the particulars of the buy and sell orders, namely, the volume thereof; the proximity of time between the two and such other relevant factors." I further note the judgement of Hon'ble SAT in the matter of Shri Lakhi Prasad Kheradi vs. SEBI (Appeal No. 232 of 2017; Order dated June 21, 2018) wherein it was held that: "*As held by the Apex Court in the case of SEBI V/s Kishore R. Ajmera reported in (2016) 6 SCC 368, in the absence of direct evidence, by taking into account immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded it is open to an AO to arrive at a reasonable conclusion that the trade executed were manipulated trades. In the facts of the present case, in our opinion, no fault can be found with the decision of the AO that the trades executed by the appellant were manipulative trades and hence, the appellant was guilty of violating the SEBI Act and the PFUTP Regulations*."

81. Thus, placing reliance on the aforesaid judgements, I am of the view that the crucial factor in determining violation of PFUTP Regulations is the manipulative trading pattern, irrespective of the quantum of actual volume traded. Therefore, in view of the above observations regarding the pattern of trading and conduct of the parties and placing reliance on the aforesaid judgment, I find that preponderance of probabilities indicates that the trading pattern of sellers along with the counterparty buyers had colluded to create a misleading appearance of trading in the scrip of VBIL and manipulated the volume of the scrip upwards during the IP, and thereby violated the provisions of PFUTP Regulations.

82. Placing reliance on the aforesaid judgements and based on the foregoing analysis of connection and trading pattern as well as considering preponderance of probability, I find that the sellers and buyers had collectively indulged in a common manipulative and fraudulent strategy, which led to creation of misleading appearance of trade in the scrip of VBIL at BSE, and induced investors to trade in the illiquid scrip of VBIL, which is tantamount to 'fraud'

83. I note that Noticees 11 and 12, in their submissions have contended that their signatures have been grossly misused without their consent, knowledge and approval and have been forged to show their directorship in 2 companies' viz. Onceover Dealtrade Private Limited and Goldensight Vinimay Private Limited. I note that apart from making a mere bald

statement, the said Noticees have not produced any evidence to show the mismatch in their signatures or prove that their signatures had been forged and also that the names, details and documents of the Noticees have been grossly misused without their consent, knowledge and approval. Moreover, although aforesaid Noticees have contended that their signatures have been forged, I note that they do not appear to have taken any meaningful legal recourse on their part and have not furnished any proof of having filed any First Information Report with the police, which in my view, would have been a prudent course of action in such circumstances. Therefore, I find that the aforesaid contentions of said Noticees are not tenable.

84. Noticees 11 and 12 have also contended that their appointment as directors in the Onceover Dealtrade Private Limited and Goldensight Vinimay Private Limited was done without their consent, knowledge and approval and that their names, details and documents have been grossly misused without their consent, knowledge and approval in order to show their directorship in the aforesaid companies. Noticees 11 and 12 have also contended that the relevant MCA form DIR-12 which shows the appointment of Noticees 11 and 12 as directors of aforesaid companies does not contain the authentic letter of appointment as the letter of appointment in the MCA records was not signed by the said Noticees. I note that Noticees 11 and 12 have also contended that the Consent letter attached to Form DIR-12 was wrongly filed. In this regard, said Noticees have contended that in respect of the appointment of as Director in Goldensight Vinimay Private Limited, the consent letters have been filed on behalf of Barun Kumar Das and Gauri Sankar Mandal and not on behalf of Soumen Mitra and Sanjoy Kumar Dey and that the same were not signed documents and the same Form DIR-12 provides for resignation from Directorship of Barun Kumar Das and Gauri Sankar Mandal. The said Noticees have also contended that the appointment letter in the Form DIR-12 was addressed by Barun Kumar Das and Gauri Sankar Mandal to the Company and no Board Resolution recommending and approving the Appointment of Soumen Mitra and Sanjoy Kumar Dey or approving the Resignation of Barun Kumar Das and Gauri Sankar Mandal was attached to the DIR -12 filed with the Registrar of Companies. I note that in support of the aforesaid contentions, the said Noticees have not produced the aforesaid consent letters or appointment letters referred to in the aforesaid contention. I further note that in the aforesaid contentions, Noticees have not indicated the particulars of the resolution of board of directors or of the board meeting which, as per the aforesaid contention, was required in respect of the said Noticees. I also note that the said Noticees have not produced any documents to show that the Consent letter attached to Form DIR-12 was wrongly filed and have also failed to show that the said consent letter was not a signed document. Thus, I note that the said Noticees have not produced any documents to corroborate the aforesaid

contentions. Therefore, I find that Noticees 11 and 12 have not been able to corroborate their claim that they were not directors of the aforesaid companies. I also find that the extant records, including the MCA Form DIR-12 filed by the aforesaid companies, establish that Noticees 11 and 12 were directors of Onceover Dealtrade Private Limited and Goldensight Vinimay Private Limited respectively during the IP. Therefore, I find the aforesaid contention of the said Noticees to be untenable. Thus, I conclude that the said Noticees were directors of M/s Onceover Dealtrade Private Limited and M/s Goldensight Vinimay Private Limited respectively during the IP.

85. I further note that Noticees 11 and 12 have contended that in other matters, Adjudication Orders have been passed exonerating entities which had raised a similar contention as that of the Noticees. In this regard, Noticees have placed reliance upon Adjudication Orders dated January 27, 2022 and July 19, 2022, passed in the matter of Avijit Shah and Rajib Rajbanshi, and also placed reliance upon the statement of an entity which was recorded in proceedings under Income Tax Act, 1961 ("Income Tax proceedings"). However, I find that the facts and circumstances in the aforesaid Adjudication Orders are distinguishable from the facts and circumstances of the instant case. I also find that the records pertaining to Income Tax proceedings are not related to the Noticees. Thus, I find that the aforesaid Adjudication Orders and the aforesaid recorded statement relied upon by the said Noticees are not relevant in the instant adjudication proceeding. Therefore, I find the aforesaid contention of the said Noticees to be without merit.

86. Noticees 11 and 12 have also contended that SEBI has not provided the copies of the KYC documents to the Noticees with which the Noticees could have proved that their signatures, if any, on the KYC documents were not their signatures. I note that the aforesaid contentions of the said Noticees do not indicate as to whether reference is being made to KYC documents of the relevant companies or the directors of the said companies, i.e., Noticees themselves. Be that as it may, it is not SEBI's case that the said Noticees have executed trades on their own account or have received any payments in relation to the same in their bank accounts. The allegations in the SCN pertain to trades executed by the respective companies in which the said Noticees were directors. Therefore, I note that the KYC documents of the said Noticees are of no relevance in the instant matter. Therefore, I find the aforesaid contention of the said Noticees to be untenable.

87. Noticees 11 and 12 have also contended that the emails mentioned in the SCN also do not belong to them. However, I note that the said emails are email addresses under the domain of the respective companies and thus, this contention is of no relevance.

88. Therefore, I am of the view that the aforesaid contentions of Noticees 11 and 12 are devoid of merit.

89. I note that Noticee 15 in his reply has submitted that he is from a poor family and stopped his education after passing classing X to help his family by joining service at low salary in a private firm and working in a private firm having salary of approx. Rs. 15,000/- per month. Noticee has also submitted that being a less educated person, he has less / no knowledge of English language and does not understand the meaning of the artificial volume created in case of V B Industries Limited. Noticee has further submitted that his personal documents like PAN card, voter card etc. has been misused for appointing him as a director in the companies. Further, Noticee has submitted that in the year 2016, he had lost his PAN card, voter card and had lodged a general diary for the same at local police station on February 23, 2016. In this regard, I note from the company master data available on the MCA website that Noticee 15 was a director of Samudhita Sales Pvt. Ltd. and Darshwana Trading Pvt. Ltd. since June 16, 2015, i.e., prior to the year 2016 when he lodged a police complaint alleging loss of his PAN card and voter card. In this regard, I also find that Noticee 15 has not shown any evidence of legal action taken by him w.r.t. wrongful inclusion of his name as a director in the aforesaid companies since 2015. Therefore, I find that the contention raised by Noticee 15 is devoid of any merit.

90. I further note that Noticees 1 to 10, 13, 14, 16 and 17 have not made any submissions in respect of the allegations. Thus, I am of the view that Noticees 1 to 10, 13, 14, 16 and 17 have admitted to the allegations made in the SCN.

91. In view of the above, I note that during the pre-SMS period, the seven (7) net-sellers namely, Outstripe Suppliers Pvt. Ltd., Onceover Dealtrade Pvt. Ltd., Nextel Garments Pvt. Ltd. , Sungar Textiles Pvt. Ltd., Samudhita Sales Pvt. Ltd., Darshwana Trading Pvt. Ltd. and Goldensight Vinimay Pvt. Ltd. along with the net buyer entities who had placed large buy orders, namely, Amitkumar Govindbhai Parmar, Asthvinayak Trexim Pvt. Ltd., Hasmukh Rajesh Vaghela, Licy Roshan Augustine, Rachana Birjukumar Sanghvi, Ramnbhai Kalubhai Ravat, Sahilkumar Amrutbhai Vaghela and Vaghela Prakash Kantilal, created artificial volume and gave a misleading appearance of trading in the scrip of VBIL, so as to enable the aforesaid 7 net-sellers to exit in the scrip of VBIL which was not very liquid in nature and created false and misleading appearing in the scrip of VBIL.

92. I note that it is settled legal position that although a company is a separate legal entity, it can only act through its directors and therefore persons holding the position of a director cannot escape responsibility for the actions of the company. As the directors of the company

are responsible for the affairs of the company, I am of the view that the directors of Onceover Dealtrade Pvt. Ltd., Nextel Garments Pvt. Ltd., Sungar Textiles Pvt. Ltd., Samudhita Sales Pvt. Ltd., Darshwana Trading Pvt. Ltd. and Goldensight Vinimay Pvt. Ltd. are responsible for the trades carried out by the aforesaid companies. At this juncture, I find it pertinent to refer to the judgement of the Hon'ble SAT in the matter of Shri N. Narayanan vs. SEBI (Appeal No. 29 of 2012) wherein it was held that- "…*The role of a whole time director is very significant and material in running day to day affairs of a company. His role and responsibility are equivalent to that of a managing director in as much as he is expected to spend his whole time in the management of the company. This implies a high level of accountability and knowledge of the overall functioning of the company..."* I further note that the aforesaid judgement of Hon'ble SAT was upheld by Hon'ble Supreme Court in N. Narayanan vs. Adjudicating Officer, SEBI (Civil Appeal Nos. 4112-4113 of 2013; Decided on 26.04.2013), in which it was held that-"*Company though a legal entity cannot act by itself, it can act only through its Directors. They are expected to exercise their power on behalf of the company with utmost care, skill and diligence. This Court while describing what is the duty of a Director of a company held in Official Liquidator v. P.A. Tendolkar (1973) 1 SCC 602 that a Director may be shown to be placed and to have been so closely and so long associated personally with the management of the company that he will be deemed to be not merely cognizant of but liable for fraud in the conduct of business of the company even though no specific act of dishonesty is provide against him personally. He cannot shut his eyes to what must be obvious to everyone...*"

93. Therefore, in view of the foregoing observation and placing reliance upon the aforesaid judgements of Hon'ble Supreme Court and Hon'ble SAT, I am of the view that nine (9) Noticees viz. Tapas Santra (Noticee 9) and Subhashish Malik (Noticee 10) as Directors of Outstripe Suppliers Pvt. Ltd., Soumen Mitra (Noticee 11) and Sanjoy Kumar Dey (Noticee 12) as Directors of Onceover Dealtrade Pvt. Ltd. and Goldensight Vinimay Pvt. Ltd., Rajesh Bansal (Noticee 13) and Bicki Kumar (Noticee 14) as Directors of Nextel Garments Pvt. Ltd., Rahul Shaw (Noticee 15) and Bikki Singh (Noticee 16) as Directors of Samudhita Sales Pvt. Ltd. & Darshwana Trading Pvt. Ltd., and Sungar Textiles Pvt. Ltd. (Noticee 17), along with the aforementioned net-buyer entities, viz., Asthvinayak Trexim Pvt. Ltd. (Noticee 1), Licy Roshan Augustine (Noticee 2), Ramnbhai Kalubhai Ravat (Noticee 3), Hasmukh Rajesh Vaghela (Noticee 4), Rachana Birjukumar Sanghvi (Noticee 5), Vaghela Prakash Kantilal (Noticee 6), Amitkumar Govindbhai Parmar (Noticee 7) and Sahilkumar Amrutbhai Vaghela (Noticee 8) manipulated the trading volume and gave a misleading appearance of trading in the scrip of VBIL, so as to enable the aforesaid 7 net-sellers to exit in the scrip of VBIL which was not very liquid.

94. In view of the foregoing findings and considering preponderance of probabilities, I find that the allegation that Noticees 1 to 17, violated Sections 12A (a), (b) and (c) of the SEBI Act and Regulations 3(a), (b), (c), (d), Regulations 4(1), and 4(2)(a) stands established.

95. It has been alleged in SCN that the thirteen (13) Noticees namely; Ahmed Zaheer (Noticee 18), Ankit Jagdishbhai Pithava (Noticee 19), Bhupendra Chinubhai Shah (Noticee 20), Dharmesh Nathalal Bhatt (Noticee 21), Harsha Jagdishbhai Parmar (Noticee 22), Hitesh Kumar (Noticee 23), Jagadish Ramjibhai Parmar (Noticee 24), Kirtan Gopalbhai Dhola (Noticee 25), Pravinbhai Harishbhai Vyas (Noticee 26), Ripalben Dahyabhai Chaudhari (Noticee 27), Splendid Hotels Resorts Private Limited (Noticee 28), Vijay Chunibhai Chauhan (Noticee 29) and Saurabh Mahendrabhai Shah (Noticee 30) gave a false and misleading appearance of trading scrip of VBIL and carried out circular/reversal trades on multiple days during the pre-SMS period without intending to change the ownership of the shares, thereby creating artificial volume in the scrip of VBIL which was not very liquid.

96. At this juncture, I deem it appropriate to refer to the judgement of the Hon'ble Securities Appellate Tribunal ('Hon'ble SAT') in Ketan Parekh vs. SEBI (Appeal No. 2 of 2004; Order dated 14.07.2006) in which circular trades have been discussed. In the aforesaid judgement, it was held as follows:

"… one of the methods commonly employed by manipulators to create an impression of high trade volumes and rising prices is circular trading. This is how it works: a manipulator targets a scrip and acquires as much of the floating stock as is necessary to ensure his profits and creates an illusion of high trading volumes at the counter. He indulges in what is called circular trading where a few of them get together and buy and sell large blocks of shares among themselves. The shares are sold to associates at a price higher than what is prevailing in the market who in turn sell them to another associate for even a higher price. All transactions usually cancel out each other and the shares remain within the circle without any genuine trading transaction. This creates an impression that the stock is an actively traded one and sought after and, therefore, such transactions attract those outside the circle to buy the stocks. In other words, the general investing public gets induced to buy such stocks.

97. Placing reliance upon the judgement of Hon'ble SAT in Ketan Parekh vs. SEBI (Supra), I note that circular trades are trades comprising large blocks of shares among limited number of entities in a calibrated manner where a few entities get together and buy and sell large blocks of shares among themselves without any genuine trading transaction for creating an impression of high trade volumes and rising prices in a scrip. As held in the aforesaid

judgement circular trades create an impression that a scrip is an actively traded one and sought after and, therefore, such transactions attract those outside the circle to buy the stocks

98. As held in the aforesaid judgement circular trades create an impression that a scrip is an actively traded one and sought after and, therefore, such transactions attract those outside the circle to buy the stocks.

99. On perusal of the trade log and order log, I note that Noticees 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29 and 30 had traded among themselves on multiple days and contributed significant volume in scrip of VBIL. The day-wise detailed analysis of the trading pattern of these entities during the pre-SMS period is depicted in subsequent paragraphs.

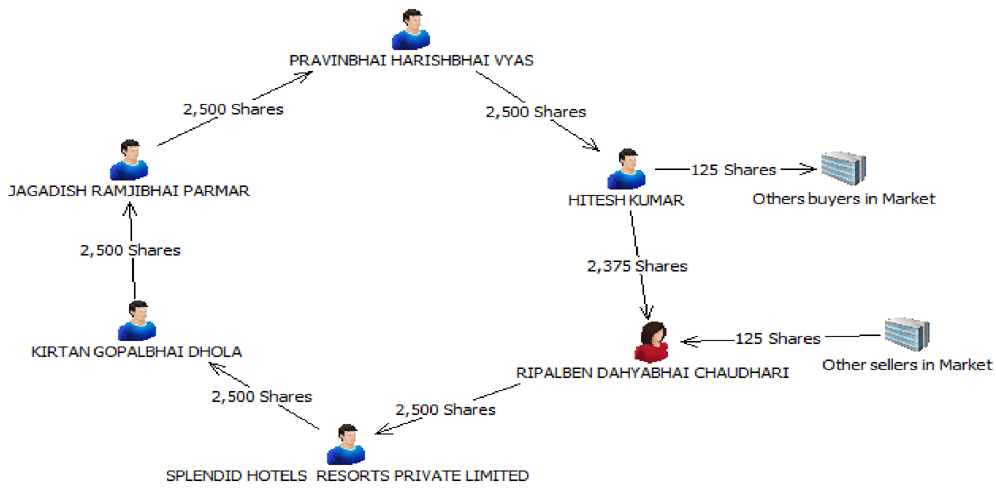
Analysis of trading pattern on April 10, 2018

100. On perusal of the trade log and order log, I note that below mentioned entities traded among themselves in the scrip of VBIL on April 10, 2018 and contributed 68.93% of the market volume on that day. A tabular representation of the said trades is placed below:

Table:22

Buyer Name	Seller Name	Traded Quantity
Pravinbhai Harishbhai Vyas	Jagadish Ramjibhai Parmar	2,500
Hitesh Kumar	Pravinbhai Harishbhai Vyas	2,500
Ripalben Dahyabhai Chaudhari	Hitesh Kumar	2,375
Splendid Hotels Resorts Private Limited	Ripalben Dahyabhai Chaudhari	2,500
Kirtan Gopalbhai Dhola	Splendid Hotels Resorts Private Limited	2,500
Jagadish Ramjibhai Parmar	Kirtan Gopalbhai Dhola	2,500
Total Circular Quantity Traded among the entities (Minimum quantity traded among entities × No. of entities) (i.e. 2,375 x 6)		14,250
% of Total Market Volume traded as Circular Quantity among the entities		68.93%
Total Market Volume		20,672

101. A graphical representation of the above mentioned trades among the entities is placed below:



102. The details of the matching orders between the aforesaid entities, as observed from the order log is given below:

Table:23

Client Name	Time	Buy/ Sell	Price	Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Buy Order Quantity	Total Sell Order Quantity
Jagadish Ramjibhai Parmar	14:45:20 to 14:45:32 (A) 15:30:00 to 15:30:00 (D)	B	71.00 to 72.30	388 (6)	388 (6)	-	-
Jagadish Ramjibhai Parmar	14:45:46	S	74.00	2500 (1)	-	-	2500
Pravinbhai Harishbhai Vyas	14:46:00 to 14:46:03	B	74.00	2500 (3)	-	2500	-
Pravinbhai Harishbhai Vyas	14:46:35	S	74.25	2500 (1)	-	-	2500
Hitesh Kumar	14:46:39 to 14:46:41	B	74.25	2500 (3)		2500	
Hitesh Kumar	14:48:03	S	74.25	2500 (1)	-		2500
Ripalben Dahyabhai Chaudhari	14:48:05 to 14:48:32 (A) 14:48:16 (A) 14:48:21 (D)	B	74.25 74.20	2425 (9) 150(1)	75 (1)	2500	-
Ripalben Dahyabhai Chaudhari	14:48:54	S	74.15	2500 (1)	-	-	2500
Splendid Hotels Resorts Private Limited	14:48:55 to 14:48:58	B	74.15	2500 (3)	-	2500	-
Kirtan Gopalbhai Dhola	14:49:04 (A) 14:49:06 (D)	B	71.00	2500 (1)	2500 (1)	-	-
Splendid Hotels Resorts Private Limited	14:49:20	S	74.10	2500 (1)	-	-	2500
Kirtan Gopalbhai Dhola	14:49:21 to 14:49:24	B	74.10	2500 (3)	-	2500	-
Kirtan Gopalbhai Dhola	14:50:47	S	74.05	2500 (1)		-	2500
Jagadish Ramjibhai Parmar	14:50:49 to 14:50:53	B	74.05	2500 (3)	-	2500	-
Total						15,000	15,000

103. From the above table, I note the following:

a) Jagadish Ramjibhai Parmar, i.e., Noticee 24, put 6 buy orders during 14:45:20 hrs. to 14:45:32 hrs. at prices ranging from Rs. 71.00 to Rs. 72.30 for a total quantity of 388 shares. At 14:45:46 hrs, Noticee 24 placed sell order at Rs. 74.00 for 2500 shares. The LTP at the time of placing these orders was Rs. 71.00.

b) Between 14:46:00 hrs. to 14:46:03 hrs., Pravinbhai Harishbhai Vyas, i.e., Noticee 26 placed 3 buy orders at Rs. 74.00 for a total quantity of 2,500 shares. All these 3 orders were executed with trades matched with the sell order of Noticee 24 at Rs. 74.00, thus, increasing the LTP by Rs. 3/-. Immediately after buying 2,500 shares, Noticee 26 placed sell order of 2,500 shares at Rs. 74.25 at 14:46:35 hrs.

c) Between 14:46:39 hrs. to 14:46:41 hrs., Hitesh Kumar i.e. Noticee 23, placed 3 buy orders at Rs. 74.25 for a total quantity of 2,500 shares. All these 3 orders were executed with trades matched with the sell order of Noticee 26 at Rs. 74.25, thus, increasing the LTP by Rs. 0.25. Immediately after buying 2,500 shares, Noticee 23 placed sell order of 2,500 shares at Rs. 74.25 at 14:48:03.

d) Between 14:48:05 hrs. to 14:48:32 hrs., Ripalben Dahyabhai Chaudhari, i.e., Noticee 27 placed 9 buy orders at Rs. 74.25 for a total quantity of 2,425 shares and 1 buy order of 150 shares at Rs. 74.20. A total of 2,375 shares in these 9 buy orders were executed with trades matched with the sell order of Hitesh Kumar i.e. Noticee 23 at Rs. 74.25 and the remaining order of 50 shares was executed with trades matched with other sellers in the market. Further, with regard to the buy order for 150 share at Rs. 74.20, a total of 75 shares was executed in the market and remaining quantity of 75 shares was deleted by her at 14:48:21 hrs. Immediately after buying 2,500 shares, Noticee 27 placed sell order of 2,500 shares at Rs. 74.15 at 14:48:54.

e) Between 14:48:55 hrs to 14:48:58 hrs, Splendid Hotels Resorts Private Limited, i.e., Noticee 28 placed 3 buy orders at Rs. 74.25 for a total quantity of 2,500 shares. All these 3 orders were executed with trades matched with the sell order of Noticee 27 at Rs. 74.25. Immediately after buying 2,500 shares, Noticee 28 placed sell order of 2,500 shares at Rs. 74.10 at 14:49:20 hrs.

f) Between 14:49:21 hrs to 14:49:24 hrs, Kirtan Gopalbhai Dhola i.e. Noticee 25, placed 3 buy orders at Rs. 74.10 for a total quantity of 2,500 shares. All these 3 orders were executed with trades matched with the sell order of Noticee 28 at Rs. 74.10. Immediately after buying 2,500 shares, Noticee 25 placed sell order of 2,500 shares at Rs. 74.05 at 14:50:47. Moreover, before placing the aforesaid buy orders for 2,500 shares at Rs. 74.10, Noticee 25 had placed a buy order of 2,500 shares at Rs. 71.00 at 14:49:06 hrs. which was deleted at 14:49:06 hrs. i.e. just before the sell order of Noticee 35 at Rs. 74.10.

g) Between 14:50:49 hrs. to 14:50:53 hrs., Noticee 24 placed 3 buy orders at Rs. 74.05 for a total quantity of 2,500 shares. All these 3 orders were executed with trades matched with the sell order of Noticee 25 at Rs. 74.05.

104. Therefore, in view of the foregoing and placing reliance on the aforesaid judgement of Hon'ble SAT in the matter of Ketan Parekh vs. SEBI, I observe that Noticees 24, 26, 23, 27, 28, 25 had instantly placed buy and sell orders (within seconds) one after the other to match the price and quantity of the counterparty client and such trades were circular trades. The entities traded 14,250 shares among them out of the matching buy/sell orders of 15,000 shares placed by them i.e. 95.00% of the order quantity was traded by the entities among themselves during the day by entering into circular trades.

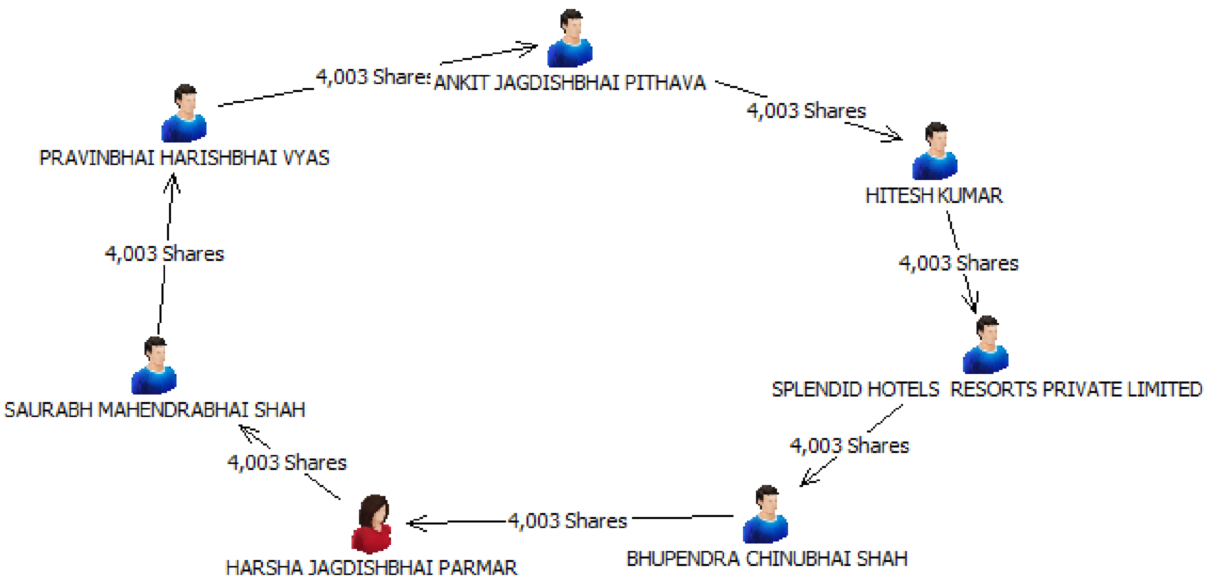
Analysis of trading pattern on April 11, 2018

105. From the trade log and order log, I note that the following entities traded among themselves in the scrip of VBIL on April 11, 2018 and contributed 97.24% of the market volume on that day. A tabular representation of the said trades is placed below:

Table:24

Buyer Name	Seller Name	Traded Quantity
Ankit Jagdishbhai Pithava	Pravinbhai Harishbhai Vyas	4,003
Hitesh Kumar	Ankit Jagdishbhai Pithava	4,003
Splendid Hotels Resorts Private Limited	Hitesh Kumar	4,003
Bhupendra Chinubhai Shah	Splendid Hotels Resorts Private Limited	4,003
Harsha Jagdishbhai Parmar	Bhupendra Chinubhai Shah	4,003
Saurabh Mahendrabhai Shah	Harsha Jagdishbhai Parmar	4,003
Pravinbhai Harishbhai Vyas	Saurabh Mahendrabhai Shah	4,003
Total Circular Quantity Traded among the entities *(Minimum quantity traded among entities × No. of entities) (i.e. 4,003 x 7)*		**28,021**
% of Total Market Volume traded as Circular Quantity among the entities		**97.24%**
Total Market Volume		**28,815**

106. A graphical representation of the above mentioned trades among the entities is placed below:



107. The details of the matching orders between the aforesaid entities, as observed from the trade log and order log is given below:

Table:25

Client Name	**Time**	**Buy/ Sell**	**Price**	**Added Quantity (No. of orders)**	**Deleted Quantity/ Updated (No. of orders)**	**Total Buy Order Quantity**	**Total Sell Order Quantity**
Pravinbhai Harishbhai Vyas	09:24:35	S	73.60	4003 (1)	-	-	4003
Ankit Jagdishbhai Pithava	09:24:36 to 09:24:41	B	73.60	4005 (5)	2 (1)	4003	-
Bhupendra Chinubhai Shah	09:25:56 (A) 09:25:57 (D)	B	72.00	1 (1)	1 (1)	-	-
Saurabh Mahendrabhai Shah	09:26:20 (A) 09:26:21 (D)	B	72.00	1 (1)	1 (1)	-	-
Saurabh Mahendrabhai Shah	09:50:30 (A) 10:11:59 (A)	S	73.60 73.30	2382 (1) 1621 (1)	-	-	4003
Pravinbhai Harishbhai Vyas	09:50:31 to 09:50:33 10:11:58 to 10:12:01	B	73.60 73.30	2382 (2) 1621 (3)	-	4003	-
Harsha Jagdishbhai Parmar	10:44:14 (A) 10:44:16 (A)	B	72.00	1 (1)	1 (1)	-	-
Harsha Jagdishbhai Parmar	10:44:31 10:48:38	S	73.60 73.65	2541 (1) 1462 (1)	-	-	4003
Saurabh Mahendrabhai Shah	10:44:35 to 10:44:39	B	73.60 73.65	2541 (3) 1462 (2)	-	4003	-
Bhupendra Chinubhai Shah	11:13:23 11:31:54	S	73.75 73.65	2036 (1) 1967 (1)	-	-	4003
Harsha Jagdishbhai Parmar	11:13:26 to 11:13:33	B	73.75 73.65	2036 (5) 1967 (5)	-	4003	-
Ankit Jagdishbhai Pithava	11:58:56	S	73.20	4003 (1)	-	-	4003
Hitesh Kumar	11:58:56 to 11:58:57	B	73.20	4003 (2)	-	4003	-
Splendid Hotels Resorts Private Limited	13:05:54	S	73.55	4003(1)	-	-	4003
Bhupendra Chinubhai Shah	13:05:56 to 13:06:01	B	73.95 73.55	1500 (1) 2503 (4)	-	4003	-
Hitesh Kumar	13:40:58 14:28:56	S	73.40 73.30	1919 (1) 2084 (1)	-	-	4003

Client Name	Time	Buy/ Sell	Price	Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Buy Order Quantity	Total Sell Order Quantity
Splendid Hotels Resorts Private Limited	13:40:59 to 13:41:00 14:28:57 14:28:59 to 14:29:00	B	73.40 73.95 73.30	1919 (2) 2000 (1) 84 (2)	-	4003	-
Total						**28,021**	**28,021**

108. From the above, I note the following:

a) At 09:24:35 hrs, Noticee 26 placed 1 sell order of 4003 shares at Rs. 73.60. The LTP at the time of placing these orders was Rs. 72.35.

b) Immediately after the abovementioned order, Ankit Jagdishbhai Pithava i.e. Noticee 19 placed 5 buy orders for 4,005 shares at Rs. 73.60 during 09:24:36 hrs to 09:24:41 hrs. The said 5 buy orders were matched with the aforementioned sell order of Noticee 26 and trades were executed for 4,003 shares (out of buy order of 4,005 shares) at Rs. 73.60 per share, thus, adding Rs. 1.25 to the LTP. Further, Noticee 19 deleted the remaining quantity of buy order i.e. 2 shares at 09:24:43. Subsequently, Noticee 19 placed sell order for 4,003 shares at Rs. 73.20 at 11:58:56.

c) Immediately after the abovementioned sell order, Noticee 23 placed 2 buy orders for 4,003 shares at Rs. 73.20 during 11:58:56 hrs and 11:58:57 hrs. These 2 orders were executed with trades matched with the sell order of Ankit Jagdishbhai Pithava i.e. Noticee 19 at Rs. 73.20. After buying 4,003 shares, Noticee 23 placed 2 sell orders for total quantity of 4,003 shares during 13:40:58 hrs and 14:28:56 hrs i.e. 1,919 shares at Rs. 73.40 and 2084 shares at Rs. 73.30.

d) Further, Noticee 26, placed 5 buy orders for total quantity of 4,003 shares during 09:50:31 and 10:12:01. These, buy orders were executed with trades matched with the 2 sell orders placed by Noticee 30 for total quantity 4,003 shares during 09:50:30 hrs and 10:11:59 hrs.

e) Harsha Jagdishbhai Parmar i.e. Noticee 22 placed sell order at Rs. 73.60 for 2,541 shares at 10:44:31 hrs and Noticee 30 also placed 3 sell orders for total quantity of 2,541 shares at Rs. 73.60 during 10:44:35 hrs to 10:44:39 hrs. These orders were matched and trades were executed. Thereafter, Noticee 22 placed sell order for 1,462 shares at Rs. 73.65 at 10:48:38 hrs and Noticee 30 also placed 3 buy order for total quantity of 1,462 shares at 73.65 during 10:48:42 hrs to 10:48:45 hrs. There, orders were also matched and trades were executed among them. Thus, at total of 4,003 shares were traded between Noticee 22 and Noticee 30.

f) Immediately after selling 4,003 shares, Noticee 22 placed buy orders for total quantity of 4,003 shares during 11:13:26 hrs to 11:32:04 hrs i.e. 5 buy orders for total quantity of 2,036 shares at Rs. 73.75 and 5 buy orders for total quantity of 1,967 shares at Rs.

73.65. Further, just before Noticee 22 placed her buy orders, Bhupendra Chinubhai Shah i.e. Noticee 20 had placed 2 sell order for 4,003 shares during 11:13:23 hrs and 11:31:54 hrs i.e. i.e. 2,036 shares at Rs. 73.75 and 1,967 shares at Rs. 73.65. These orders were matched with trades executed among them.

g) Later, Noticee 28 placed 1 sell order for 4,003 shares at 73.55 at 13:05:54 hrs and immediately after the said order, Noticee 20 placed 5 buy orders for total quantity of 4,003 shares during 13:05:56 hrs and 13:06:01 hrs. These, orders were matched and trade for 4,003 shares were executed.

h) Immediately after selling 4,003 shares, Noticee 28 placed 5 buy orders for total quantity of 4,003 shares during 13:40:59 hrs and 14:29:00 hrs i.e. i.e. total of 1,919 shares at Rs. 73.40 and 2000 shares at Rs. 73.95 and 84 shares at Rs. 73.30. These, orders were matched and executed with the aforementioned sell orders placed by Hitesh Kumar i.e. Noticee 23.

109. Therefore, in view of the foregoing and placing reliance on the aforesaid judgement of Hon'ble SAT in the matter of Ketan Parekh v/s. SEBI, I observe that Noticees 26,19, 23, 22, 30, 20, 28 and 23 had instantly placed buy and sell orders (within seconds) one after the other to match the price and quantity of the counterparty client and such trades were circular trades. The entities traded 28,021 shares among them out of the matching buy/sell orders of 28,021 shares placed by them i.e. 100% of the order quantity was traded by the entities among themselves during the day by entering into circular trades.

<u>Analysis of trading pattern on April 12, 2018</u>

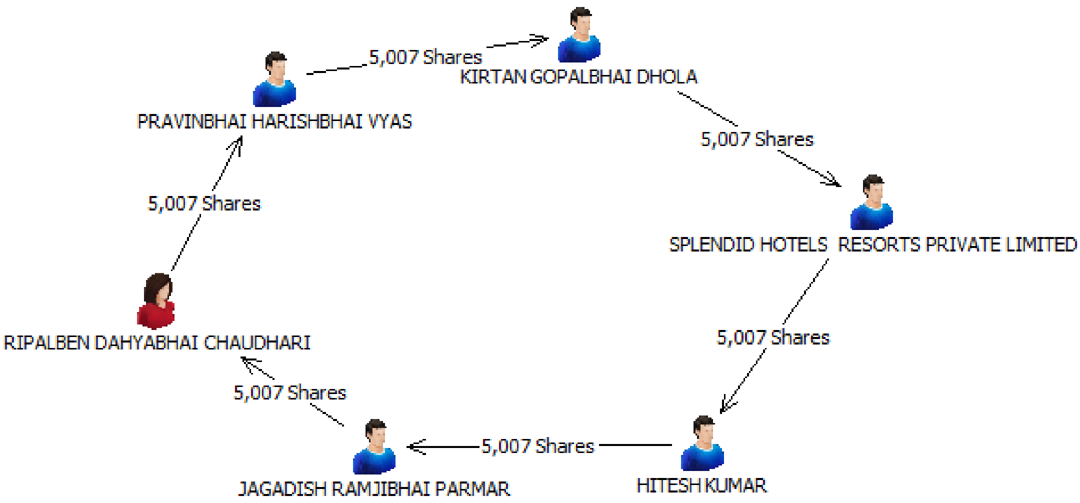
110. From the trade log and order log, I note that the following entities traded among themselves in the scrip of VBIL on April 12, 2018 and contributed 91.98% of the market volume on that day. A tabular representation of the said trades is placed below:

Table:26

Buyer Name	Seller Name	Traded Quantity
Kirtan Gopalbhai Dhola	Pravinbhai Harishbhai Vyas	5,007
Splendid Hotels Resorts Private Limited	Kirtan Gopalbhai Dhola	5,007
Hitesh Kumar	Splendid Hotels Resorts Private Limited	5,007
Jagadish Ramjibhai Parmar	Hitesh Kumar	5,007
Ripalben Dahyabhai Chaudhari	Jagadish Ramjibhai Parmar*	5,007
Pravinbhai Harishbhai Vyas	Ripalben Dahyabhai Chaudhari	5,007
Total Circular Quantity Traded among the entities *(Minimum quantity traded among entities × No. of entities) (i.e. 5,007 x 6)*		**30,042**
% of Total Market Volume traded as Circular Quantity among the entities		**91.98%**
Total Market Volume		**32,660**

** In addition to the mentioned trades, Jagadish Ramjibhai Parmar i.e. Noticee 24 had also placed buy orders for a total of 1,717 shares during 09:27:58 hrs and 10:53:00 hrs at prices* *ranging from Rs. 73.00 to Rs 73.75. Out of these orders, buy trades pertaining a total of 838 shares were executed in the market and he sold these 838 shares on the same day at Rs. 72.80 14:59:40 hrs to Samudhita Sales Pvt. Ltd.*

111. A graphical representation of the above mentioned trades among the entities is placed below:



112. The details of the matching orders between the aforesaid entities, as observed from the trade log and order log is given below:

Table:27

Client Name	**Time**	**Buy/ Sell**	**Price**	**Added Quantity (No. Of Orders)**	**Deleted Quantity/ Updated (No. Of Orders)**	**Total Buy Order Quantity**	**Total Sell Order Quantity**
Pravinbhai Harishbhai Vyas	09:28:30	S	73.60	5007 (1)	-	-	5007
Kirtan Gopalbhai Dhola	09:28:30 To 09:28:32	B	73.60	5007 (2)	-	5007	-
Ripalben Dahyabhai Chaudhari	10:41:20 (A) 10:41:23 (D)	B	73.60	1 (1)	1 (1)	-	-
Ripalben Dahyabhai Chaudhari	10:42:37	S	73.55	5007 (1)	-	-	5007
Pravinbhai Harishbhai Vyas	10:42:40 To 10:42:41	B	73.55	5007 (2)	-	5007	-
Kirtan Gopalbhai Dhola	12:48:27 12:52:44	S	73.50 73.55	2719 (1) 2288 (1)	-	-	5007
Splendid Hotels Resorts Private Limited	12:48:28 To 12:48:29 12:52:47 To 12:52:49	B	73.50 73.55	2719 (2) 2288 (3)	-	5007	-
Jagadish Ramjibhai Parmar	12:52:00	S	73.60	-	-	-	5007
Ripalben Dahyabhai Chaudhari	12:52:04 To 12:52:12	B	73.60	5007 (8)		5007	
Splendid Hotels Resorts Private Limited	13:33:18	S	73.45	5007 (1)	-	-	5007
Hitesh Kumar	13:33:19 To 13:33:21	B	73.45	5007 (2)	-	5007	-

Client Name	Time	Buy/ Sell	Price	Added Quantity (No. Of Orders)	Deleted Quantity/ Updated (No. Of Orders)	Total Buy Order Quantity	Total Sell Order Quantity
Hitesh Kumar	13:43:55 13:54:20	S	73.50 73.55	3218 (1) 1789 (1)	-	-	5007
Jagadish Ramjibhai Parmar	13:43:55 To 13:43:56 13:54:21 To 13:54:23	B	73.50 73.55	3218 (2) 1789 (2)		5007	-
TOTAL						**30,042**	**30,042**

113. From the above, I note the following:

a) Notice 26 placed 1 sell order for 5,007 shares at Rs. 73.60 at 09:28:30 hrs. Immediately after the said order, Noticee 25 placed 2 buy orders for a total quantity of 5,007 shares at Rs. 73.60 during 09:28:30 hrs and 09:28:32 hrs. The said orders were matched and executed.

b) Noticee 27 placed 1 sell order for 5,007 shares at Rs. 73.55 at 10:42:37 hrs. Immediately after the said order, Noticee 26 placed 2 buy orders for a total quantity of 5,007 shares at Rs. 73.55 during 10:42:40 hrs and 10:42:41 hrs. The said orders were matched and executed.

c) Noticee 25 placed 2 sell orders for total quantity of 2,719 shares at Rs. 73.50 at 12:48:27 hrs and 2,288 shares at Rs. 73.55 at 12:52:44 hrs. Immediately after the said order, Noticee 28 placed 2 buy orders for a total quantity of 2,719 shares at Rs. 73.50 during 12:48:28 hrs and 12:48:29 hrs and 3 buy orders for a total quantity of 2,288 shares during 12:52:47 hrs and 12:52:49 hrs. The said orders for total quantity of 5,007 shares were matched and executed.

d) Noticee 24 placed 1 sell order for 5,007 shares at Rs. 73.60 at 12:52:00 hrs. Immediately after the said order, Noticee 27 placed 8 buy orders for a total quantity of 5,007 shares at Rs. 73.60 during 12:52:04 hrs and 12:52:12 hrs. The said orders were matched and executed.

e) Noticee 28 placed 1 sell order for 5,007 shares at Rs. 73.45 at 13:33:18 hrs. Immediately after the said order, Noticee 23 placed 2 buy orders for a total quantity of 5,007 shares at Rs. 73.45 during 13:33:19 hrs and 13:33:21 hrs. The said orders were matched and executed.

f) Noticee 23 placed 2 sell orders for 3,218 shares at Rs. 73.50 at 13:43:55 hrs and 1,789 shares at Rs. 73.55 at 13:54:20 hrs. Immediately after the said order, Noticee 24 placed 2 buy orders for a total quantity of 3,218 shares at Rs. 73.50 during 13:43:55 hrs and 13:43:56 hrs and 2 buy orders more buy orders for total quantity of 1,789 shares at Rs. 73.55 during 13:54:21 hrs and 13:54:23 hrs. The said orders for total quantity of 5,007 shares were matched and executed.

114. Therefore, in view of the foregoing and placing reliance on the aforesaid judgement of Hon'ble SAT in the matter of Ketan Parekh v/s. SEBI, I observe that Noticees 26, 25, 27,28,24,23 had instantly placed buy and sell orders (within seconds) one after the other to match the price and quantity of the counterparty client and such trades were circular trades. The entities traded 30,042 shares among them out of the matching buy/sell orders of 30,042 shares placed by them i.e. 100% of the order quantity was traded by the entities among themselves during the day by entering into circular trades.

115. I note from the trade log and order log that, a similar trading pattern with same modus operandi as explained above was also observed during other trading days during the pre-SMS period among entities including the aforementioned entities. The day-wise brief analysis is given below:

Analysis of trading pattern on April 13, 2018

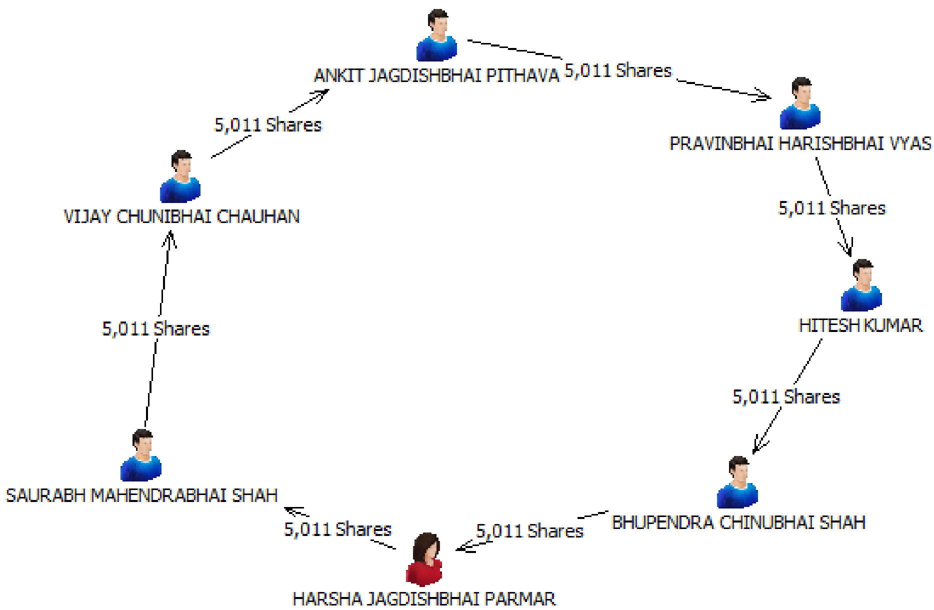
116. From the trade log and order log, I note that the following entities traded among themselves in the scrip of VBIL on April 13, 2018 and contributed 74.15% of the market volume on that day. A tabular representation of the said trades is placed below:

Table:28

Buyer Name	Seller Name	Traded Quantity
Ankit Jagdishbhai Pithava	Vijay Chunibhai Chauhan	5,011
Pravinbhai Harishbhai Vyas	Ankit Jagdishbhai Pithava*	5,011
Hitesh Kumar	Pravinbhai Harishbhai Vyas	5,011
Bhupendra Chinubhai Shah	Hitesh Kumar	5,011
Harsha Jagdishbhai Parmar	Bhupendra Chinubhai Shah	5,011
Saurabh Mahendrabhai Shah	Harsha Jagdishbhai Parmar	5,011
Vijay Chunibhai Chauhan	Saurabh Mahendrabhai Shah	5,011
Total Circular Quantity Traded among the entities *(Minimum quantity traded among entities × No. of entities) (i.e. 5,011 x 6)*		**35,077**
% of Total Market Volume traded as Circular Quantity among the entities		**74.15%**
Total Market Volume		**47,308**

**Ankit Jagdishbhai Pithava also placed sell orders for 10,000 shares 11:02:15 which were purchased by Harshaben Tejasbhai Joshi during 11:02:20 to 11:02:24.*

117. A graphical representation of the above mentioned trades among the entities is placed below:



118. The details of the matching orders between the aforesaid entities, as observed from the trade log and order log is given below:

Table:29

Client Name	Time	Buy/ Sell	Price	Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Buy Order Quantity	Total Sell Order Quantity
Saurabh Mahendrabhai Shah	09:03:24 to 09:03:56 (A) 09:28:26 to 09:28:26 (D)	B	72.60 to 73.10	1512 (10)	1512 (10)	-	-
Vijay Chunibhai Chauhan	09:16:32	S	73.70	5011 (1)	-	-	5011
Ankit Jagdishbhai Pithava	09:16:36 to 09:16:38	B	73.70	5011 (2)	-	5011	-
Saurabh Mahendrabhai Shah	09:49:57 10:08:01	S	73.65 73.65	2036 (1) 2975 (1)	-	-	5011
Vijay Chunibhai Chauhan	09:49:58 to 09:50:04 10:08:04 to 10:08:06	B	73.65 73.65	2036 (4) 2975 (2)	-	5011	-
Harsha Jagdishbhai Parmar	10:36:41 (A) 10:36:48 (D)	S	73.50	2565 (1)	2365 (1)	-	-
Harsha Jagdishbhai Parmar	10:51:04 11:13:03	S	73.60 73.55	2541 (1) 2471 (1)	1 (1)	-	5011
Saurabh Mahendrabhai Shah	10:51:08 to 10:51:13 11:13:05 to 11:13:11	B	73.60 73.55	2541 (2) 2470 (5)	-	5011	-
Ankit Jagdishbhai Pithava	11:00:02 11:22:12	S	73.20 72.95	2716 (1) 2295 (1)	-	-	5011
Pravinbhai Harishbhai Vyas	11:00:02 to 11:00:04	B	73.20 74.00 72.95	2700 (1) 16 (1) 2295 (2)	-	5011	-
Pravinbhai Harishbhai Vyas	12:25:01 12:39:12	S	73.30 73.25	3216 (1) 1795 (1)	-	-	5011

Client Name	Time	Buy/ Sell	Price	Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Buy Order Quantity	Total Sell Order Quantity
Hitesh Kumar	12:25:03 to 12:25:04 12:39:14 to 12:39:16	B	73.30 74.00 73.25	3216 (2) 1700 (1) 95 (1)	-	5011	-
Bhupendra Chinubhai Shah	13:00:07	S	73.80	5011 (1)	-	-	5011
Harsha Jagdishbhai Parmar	13:00:10 to 13:00:23	B	73.80	5011 (6)	-	5011	-
Hitesh Kumar	13:51:31 14:07:23	S	73.25 69.60	3413 (1) 1598 (1)	-	-	5011
Bhupendra Chinubhai Shah	13:51:32 to 13:51:34	B	73.25	3413 (2) 1598 (1)	-	5011	-
TOTAL						**35,077**	**35,077**

119. Therefore, in view of the foregoing and placing reliance on the aforesaid judgement of Hon'ble SAT in the matter of Ketan Parekh v/s. SEBI, I observe that Noticees 19, 26, 23, 20, 22, 29, 30 had instantly placed buy and sell orders (within seconds) one after the other to match the price and quantity of the counterparty client and the such trades were circular trades. The entities traded 35,077 shares among them out of the matching buy/sell orders of 35,077 shares placed by them i.e. 100% of the order quantity was traded by the entities among themselves during the day by entering into circular trades.

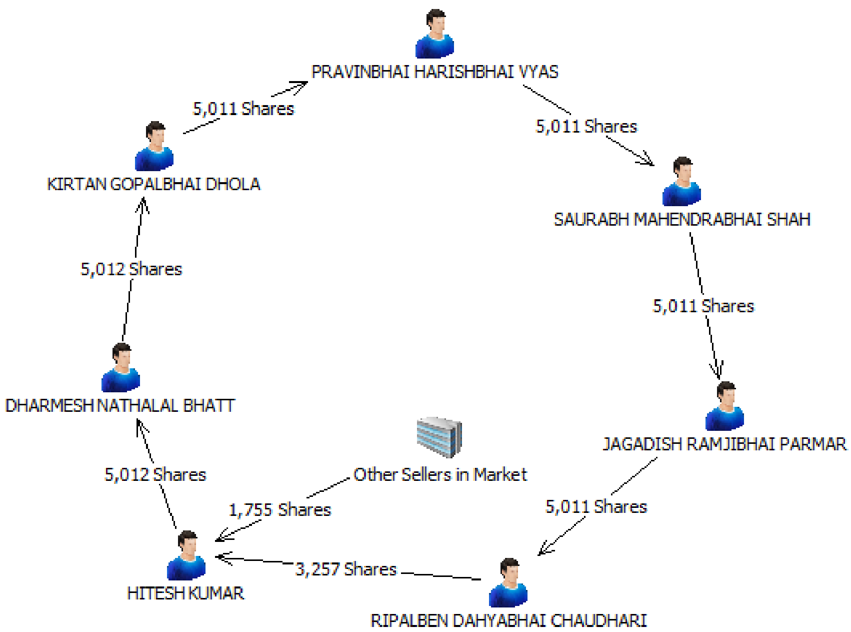
<u>Analysis of trading pattern on April 16, 2018</u>

120. From the trade log and order log, I note that the following entities traded among themselves in the scrip of VBIL on April 16, 2018 and contributed 19.13% of the market volume on that day. A tabular representation of the said trades is placed below:

Table:30

Buyer Name	Seller Name	Traded Quantity
Pravinbhai Harishbhai Vyas	Kirtan Gopalbhai Dhola	5011
Saurabh Mahendrabhai Shah	Pravinbhai Harishbhai Vyas	5011
Jagadish Ramjibhai Parmar	Saurabh Mahendrabhai Shah	5011
Ripalben Dahyabhai Chaudhari	Jagadish Ramjibhai Parmar	5011
Hitesh Kumar	Ripalben Dahyabhai Chaudhari	3257
Dharmesh Nathalal Bhatt	Hitesh Kumar	5012
Kirtan Gopalbhai Dhola	Dharmesh Nathalal Bhatt	5012
Total Circular Quantity Traded among the entities *(Minimum quantity traded among entities × No. of entities) (i.e. 3,257 x 7)*		**22,799**
% of Total Market Volume traded as Circular Quantity among the entities		**19.13%**
Total Market Volume		**1,19,171**

121. A graphical representation of the above mentioned trades among the entities is placed below:



122. The details of the matching orders between the aforesaid entities, as observed from the trade log and order log is given below:

Table:31

Client Name	**Time**	**Buy/ Sell**	**Price**	**Added Quantity (No. of orders)**	**Deleted Quantity/ Updated (No. of orders)**	**Total Buy Order Quantity**	**Total Sell Order Quantity**
Kirtan Gopalbhai Dhola	09:16:15 09:16:23	S	69.40 69.30	1 (1) 5011 (1)	-	-	5011
Pravinbhai Harishbhai Vyas	09:16:24 (A) 09:16:26 (D)	S	69.30	5011 (1)	5011 (1)	-	-
Pravinbhai Harishbhai Vyas	09:16:28 to 09:16:30	B	69.30	5011 (2)	-	5011	-
Pravinbhai Harishbhai Vyas	10:38:31	S	68.20	5011 (1)	-	-	5011
Saurabh Mahendrabhai Shah	10:38:33 to 10:38:42	B	68.20	5200 (8)	189 (1)	5011	-
Saurabh Mahendrabhai Shah	11:52:24 12:03:48	S	68.50 68.55	2564 (1) 2447 (1)	-	-	5011
Jagadish Ramjibhai Parmar	11:52:29 to 11:52:37 12:03:51 to 12:03:58	B	68.50 68.55	2564 (5) 2447 (6)	-	5011	-
Dharmesh Nathalal Bhatt	12:10:04 12:54:22	S	68.00 67.60	2711 (1) 2301 (1)	-	-	5011
Kirtan Gopalbhai Dhola	12:10:06 to 12:10:07 12:54:24 to 12:54:25	B	68.00 67.60	2711 (2) 2301 (2)	-	5011	-
Hitesh Kumar	13:23:33 13:33:43	S	67.20 66.95	3754 (1) 1258 (1)	-	-	5012
Dharmesh Nathalal Bhatt	13:23:35 to 13:23:41 13:33:45 to 13:33:48	B	67.20 66.95	3754 (4) 1258 (2)	-	5011	-

Client Name	Time	Buy/ Sell	Price	Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Buy Order Quantity	Total Sell Order Quantity
Jagadish Ramjibhai Parmar	13:24:07 13:25:32	S	67.55 67.00	2514 (1) 2497 (1)	-	-	5011
Ripalben Dahyabhai Chaudhar	13:24:10 to 13:24:15 13:25:36 to 13:25:44	B	67.55 67.00	2609 (5) 2497 (7)	-	5106	-
Hitesh Kumar	13:56:10 13:56:12 14:47:44	B	66.80 67.90 66.40	3200 (1) 57 (1) 1755 (1)		5012	-
Ripalben Dahyabhai Chaudhari	13:56:11 14:47:36	S	66.80 66.20	3257 (1) 1849 (1)		-	5106
Total						**35,173**	**35,173**

123. Therefore, in view of the foregoing and placing reliance on the aforesaid judgement of Hon'ble SAT in the matter of Ketan Parekh v/s. SEBI, I observe that Noticees 26, 30, 24,27, 23, 21, 25 had instantly placed buy and sell orders (within seconds) one after the other to match the price and quantity of the counterparty client and such trades were circular trades. The entities traded 22,799 shares among them out of the matching buy/sell orders of 35,173 shares placed by them i.e. 68.73% of the order quantity was traded by the entities among themselves during the day by entering into circular trades.

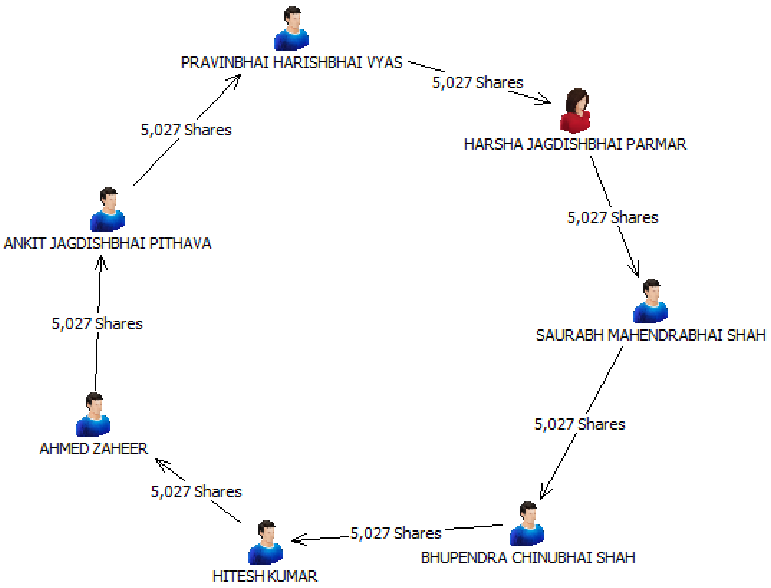
<u>Analysis of trading pattern on April 17, 2018</u>

124. From the trade log and order log, I note that the following entities traded among themselves in the scrip of VBIL on April 17, 2018 and contributed 97.10% of the market volume on that day. A tabular representation of the said trades is placed below:

Table:32

Buyer Name	Seller Name	Traded Quantity
Pravinbhai Harishbhai Vyas	Ankit Jagdishbhai Pithava	5027
Harsha Jagdishbhai Parmar	Pravinbhai Harishbhai Vyas	5027
Saurabh Mahendrabhai Shah	Harsha Jagdishbhai Parmar	5027
Bhupendra Chinubhai Shah	Saurabh Mahendrabhai Shah	5027
Hitesh Kumar	Bhupendra Chinubhai Shah	5027
Ahmed Zaheer	Hitesh Kumar	5027
Ankit Jagdishbhai Pithava	Ahmed Zaheer	5027
Total Circular Quantity Traded among the entities *(Minimum quantity traded among entities × No. of entities) (i.e. 5027 x 7)*		**35,189**
% of Total Market Volume traded as Circular Quantity among the entities		**97.10%**
Total Market Volume		**36,240**

125. A graphical representation of the above mentioned trades among the entities is placed below:



126. The details of the matching orders between the aforesaid entities, as observed from the trade log and order log is given below:

Table:33

Client Name	Time	Buy/ Sell	Price	Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Buy Order Quantity	Total Sell Order Quantity
Ankit Jagdishbhai Pithava	09:16:39	S	67.00	5027 (1)	-	-	5027
Pravinbhai Harishbhai Vyas	09:16:40 to 09:16:42	B	67.00	5027 (2)	-	5027	-
Pravinbhai Harishbhai Vyas	10:03:53 10:05:50	S	65.00 65.20	3316 (1) 1711 (1)	-	-	5027
Harsha Jagdishbhai Parmar	10:03:57 to 10:04:04 10:05:51 to 10:05:56	B	65.00 65.20	3316 (5) 1711 (4)		5027	-
Harsha Jagdishbhai Parmar	11:20:23 11:42:49	S	65.75 65.75	2564 (1) 2463 (1)	-	-	5027
Saurabh Mahendrabhai Shah	11:20:27 to 11:20:30 11:42:52 to 11:42:56	B	65.75 65.75	2564 (3) 2463 (5)	-	5027	-
Saurabh Mahendrabhai Shah	11:57:13	S	66.00	5027 (1)	-	-	5027
Bhupendra Chinubhai Shah	11:57:17 to 11:57:29	B	66.00	5027 (12)	-	5027	-
Ahmed Zaheer	12:49:23 13:03:50	S	65.45 65.40	3303 (1) 1724 (1)	-	-	5027
Ankit Jagdishbhai Pithava	12:49:25 to 12:49:26 13:03:54 to 13:03:55	B	65.45 65.40	3303 (3) 1724 (3)	-	5027	-
Hitesh Kumar	13:33:44	S	64.95	5027 (1)	-	-	5027
Ahmed Zaheer	13:33:45 to 13:33:46	B	65.30 64.95	5000 (1) 27 (1)	-	5027	-
Bhupendra Chinubhai Shah	13:56:18 14:10:33	S	65.35 65.35	2354 (1) 2673 (1)	-	-	5027

Client Name	Time	Buy/ Sell	Price	Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Buy Order Quantity	Total Sell Order Quantity
Hitesh Kumar	13:56:21 to 13:56:23 14:10:34 to 14:10:36	B	65.35 65.90 65.35	2354 (2) 2600 (1) 73 (1)	-	5027	-
Total						**35,189**	**35,189**

127. Therefore, in view of the foregoing and placing reliance on the aforesaid judgement of Hon'ble SAT in the matter of Ketan Parekh v/s. SEBI, I observe that Noticees 26,22, 30, 20, 23,18, 19 had instantly placed buy and sell orders (within seconds) one after the other to match the price and quantity of the counterparty client and such trades were circular trades. The entities traded 35,189 shares among them out of the matching buy/sell orders of 35,189 shares placed by them i.e. 100% of the order quantity was traded by the entities among themselves during the day by entering into circular trades.

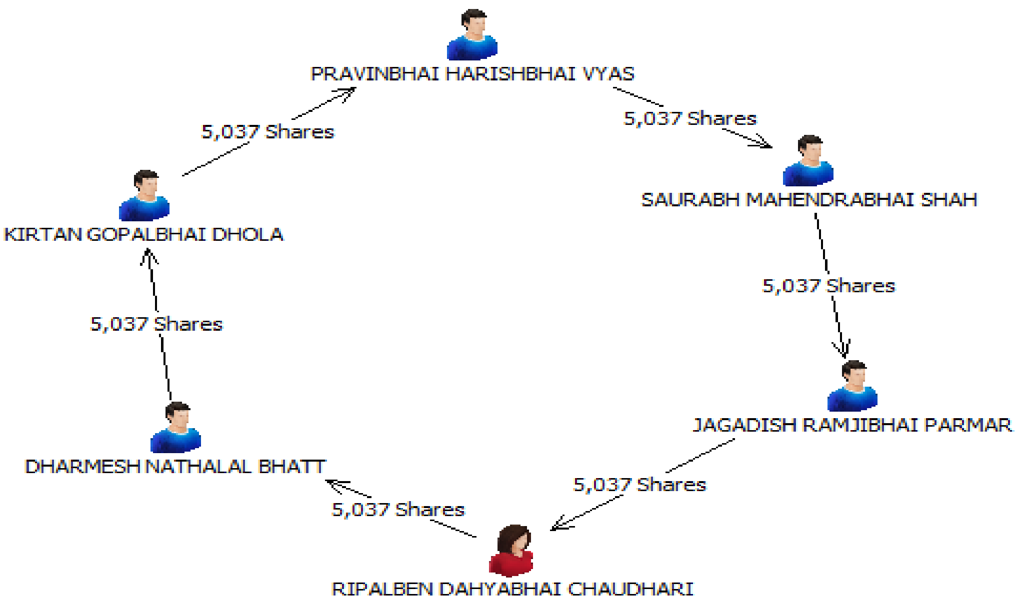
<u>Analysis of trading pattern on April 18, 2018</u>

128. From the trade log and order log, I note that the following entities traded among themselves in the scrip of VBIL on April 18, 2018 and contributed 97.20% of the market volume on that day. A tabular representation of the said trades is placed below:

Table:34

Buyer Name	Seller Name	Traded Quantity
Pravinbhai Harishbhai Vyas	Kirtan Gopalbhai Dhola	5,037
Saurabh Mahendrabhai Shah	Pravinbhai Harishbhai Vyas	5,037
Jagadish Ramjibhai Parmar	Saurabh Mahendrabhai Shah	5,037
Ripalben Dahyabhai Chaudhari	Jagadish Ramjibhai Parmar	5,037
Dharmesh Nathalal Bhatt	Ripalben Dahyabhai Chaudhari	5,037
Kirtan Gopalbhai Dhola	Dharmesh Nathalal Bhatt	5,037
Total Circular Quantity Traded among the entities *(Minimum quantity traded among entities × No. of entities) (i.e. 5,037 x 6)*		**30,222**
% of Total Market Volume traded as Circular Quantity among the entities		**97.20%**
Total Market Volume		**31,092**

129. A graphical representation of the above mentioned trades among the entities is placed below:



130. The details of the matching orders between the aforesaid entities, as observed from the trade log and order log is given below:

Table:35

Client Name	Time	Buy/ Sell	Price	Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Buy Order Quantity	Total Sell Order Quantity
Kirtan Gopalbhai Dhola	09:15:59	S	64.00	5037	-	-	5037
Pravinbhai Harishbhai Vyas	09:15:59 to 09:16:00	B	64.00 66.75	5000 (1) 37 (1)	-	5037	-
Pravinbhai Harishbhai Vyas	09:26:08 10:06:18	S	63.85 63.75	2676 (1) 2361 (1)	-	-	5037
Saurabh Mahendrabhai Shah	09:26:08 to 09:26:15	B	63.85 63.75	2676 (5) 2361 (4)	-	5037	-
Saurabh Mahendrabhai Shah	11:14:56	S	63.70	5037 (1)	-	-	5037
Jagadish Ramjibhai Parmar	11:15:02 to 11:15:20	B	63.70	5037 (11)	-	5037	-
Dharmesh Nathalal Bhatt	11:57:20 12:48:48	S	64.10 63.75	2977 (1) 2060 (1)	-	-	5037
Kirtan Gopalbhai Dhola	11:57:23 to 11:57:25	B	61.10 63.75	2977 (3) 2060 (4)	-	5037	-
Jagadish Ramjibhai Parmar	13:23:07	S	63.85	5037 (1)	-	-	5037
Ripalben Dahyabhai Chaudhari	13:23:12 to 13:23:25	B	63.85	5037 (8)	-	5037	-
Ripalben Dahyabhai Chaudhari	14:19:21	S	63.80	5.37 (1)	-	-	5.307
Dharmesh Nathalal Bhatt	14:19:23 14:19:25	B	63.90 63.80	4900 (1) 137 (1)	-	5037	-
Total						**30,222**	**30.222**

131. Therefore, in view of the foregoing and placing reliance on the aforesaid judgement of Hon’ble SAT in the matter of Ketan Parekh vs. SEBI, I observe that, Noticees 26, 30, 24, 27, 21, 25 had instantly placed buy and sell orders (within seconds) one after the other to match the price and quantity of the counterparty client and such trades were circular trades.

The entities traded 30,222 shares among them out of the matching buy/sell orders of 30,222 shares placed by them i.e. 100% of the order quantity was traded by the entities among themselves during the day by entering into circular trades.

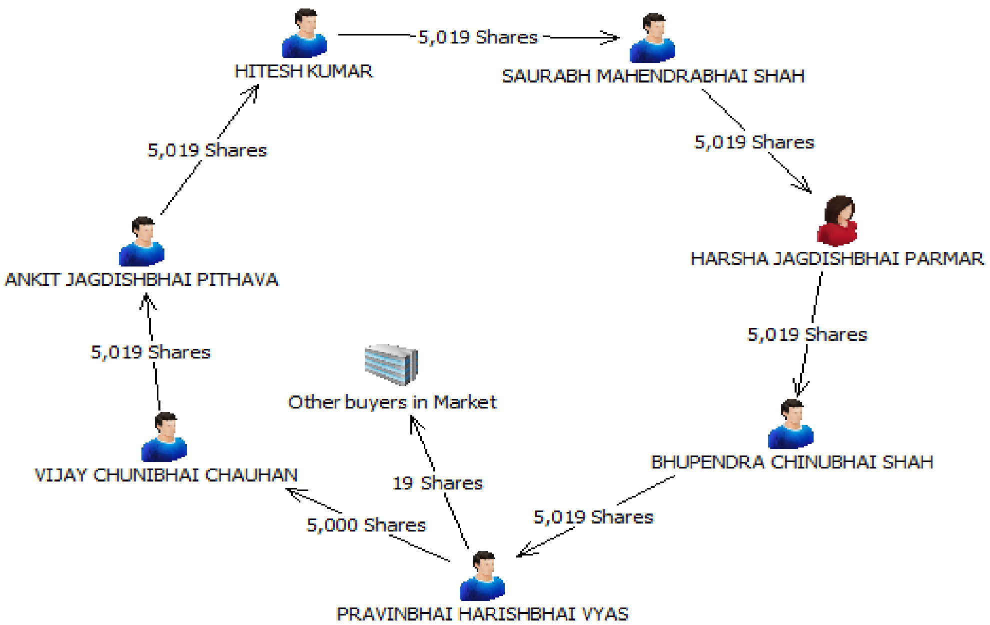
Analysis of trading pattern on April 19, 2018

132. From the trade log and order log, I note that the following entities traded among themselves in the scrip of VBIL on April 19, 2018 and contributed 18.20% of the market volume on that day. A tabular representation of the said trades is placed below:

Table:36

Buyer Name	Seller Name	Traded Quantity
Hitesh Kumar	Ankit Jagdishbhai Pithava	5,019
Saurabh Mahendrabhai Shah	Hitesh Kumar	5,019
Harsha Jagdishbhai Parmar	Saurabh Mahendrabhai Shah	5,019
Bhupendra Chinubhai Shah	Harsha Jagdishbhai Parmar	5,019
Pravinbhai Harishbhai Vyas	Bhupendra Chinubhai Shah	5,019
Vijay Chunibhai Chauhan	Pravinbhai Harishbhai Vyas	5,000
Ankit Jagdishbhai Pithava	Vijay Chunibhai Chauhan	5,019
Total Circular Quantity Traded among the entities *(Minimum quantity traded among entities × No. of entities) (i.e. 5000 x 7)*		**35,000**
% of Total Market Volume traded as Circular Quantity among the entities		**18.20%**
Total Market Volume		**1,92,283**

133. A graphical representation of the above mentioned trades among the entities is placed below:



134. The details of the matching orders between the aforesaid entities, as observed from the trade log and order log is given below:

Table:37

Client Name	Time	Buy/ Sell	Price	Added Quantity (No. Of Orders)	Deleted Quantity/ Updated (No. Of Orders)	Total Buy Order Quantity	Total Sell Order Quantity
Ankit Jagdishbhai Pithava	09:16:24 (A) 09:16:27 (D)	S	64.50	5019 (1)	5019 (1)	-	-
Ankit Jagdishbhai Pithava	09:16:45	S	64.50	5019 (1)	-	-	5019
Hitesh Kumar	09:16:45 To 09:16:46	B	64.50	5019 (2)	-	5019	-
Hitesh Kumar	09:36:15 10:22:07	S	64.30	3617 (1) 1402 (1)	-	-	5019
Saurabh Mahendrabhai Shah	09:36:15 To 09:36:18 10:22:08 To 10:22:10	B	64.30 64.90 64.80	3617 (2) 1000 (1) 402 (1)	-	5019	-
Saurabh Mahendrabhai Shah	11:00:02 11:37:28	S	64.80 65.05	2564 (1) 2455 (1)	-	-	5019
Harsha Jagdishbhai Parmar	11:00:03 To 11:00:08 11:37:30 To 11:37:36	B	64.80 65.05	2564 (5) 2455 (6)	-	5019	
Harsha Jagdishbhai Parmar	11:54:51 12:04:07	S	65.05 64.80	2598 (1) 2421 (1)	-	-	5019
Bhupendra Chinubhai Shah	11:54:54 To 11:55:00 12:04:10 To 12:04:14	B	65.05 64.80	2598 (5) 2421 (4)	-	5019	-
Vijay Chunibhai Chauhan	12:57:11 13:21:14	S	64.90 64.85	2911 (1) 2108 (1)	-	-	5019
Ankit Jagdishbhai Pithava	12:57:13 To 12:57:14 13:21:16 To 13:21:17	B	65.50 64.90 64.85	2900 (1) 11 (1) 2108 (2)	-	5019	-
Bhupendra Chinubhai Shah	13:27:19 (A) 13:42:32 (A) 13:42:35 (D) 13:42:49 (A)	S	64.85 64.35 63.75	2598 (1) 2421 (1) 2421 (1)	2421 (1)	-	5019
Pravinbhai Harishbhai Vyas	13:27:23 To 13:27:24	B	64.85 63.75	2598 (2) 2421 (2)	-	5019	-
Pravinbhai Harishbhai Vyas	14:10:36	S	63.80	5019 (1)	-	-	5019
Vijay Chunibhai Chauhan	14:10:37 To 14:10:39	B	63.80	5019 (1)	-	5019	-
Total						**35,133**	**35,133**

135. Therefore, in view of the foregoing and placing reliance on the aforesaid judgement of Hon’ble SAT in the matter of Ketan Parekh v/s. SEBI, I observe that Noticees 23,30, 22, 20, 26, 29, 19 had instantly placed buy and sell orders (within seconds) one after the other to match the price and quantity of the counterparty client. The entities traded 35,000 shares among them out of the matching buy/sell orders of 35,133 shares placed by them i.e. 99.99% of the order quantity was traded by the entities among themselves during the day by entering into circular trades.

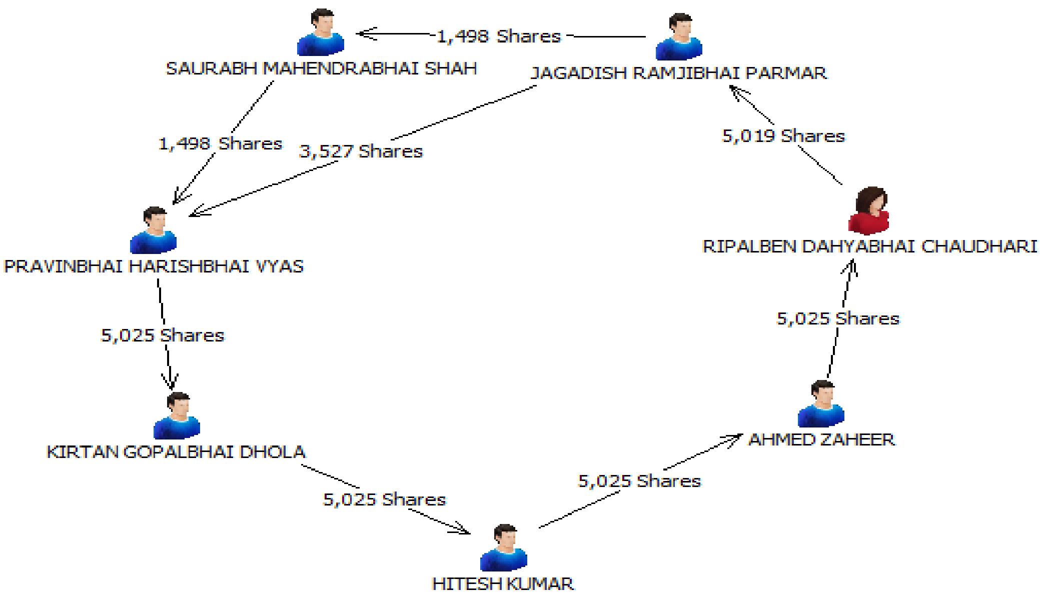
Analysis of trading pattern on April 20, 2018

136. From the trade log and order log, I note that the following entities traded among themselves in the scrip of VBIL on April 20, 2018 and contributed 96.94% of the market volume on that day. A tabular representation of the said trades is placed below:

Table:38

Buyer Name	Seller Name	Traded Quantity
Kirtan Gopalbhai Dhola	Pravinbhai Harishbhai Vyas	5,025
Hitesh Kumar	Kirtan Gopalbhai Dhola	5,025
Ahmed Zaheer	Hitesh Kumar	5,025
Ripalben Dahyabhai Chaudhari	Ahmed Zaheer	5,025
Jagadish Ramjibhai Parmar	Ripalben Dahyabhai Chaudhari	5,025
Pravinbhai Harishbhai Vyas	Jagadish Ramjibhai Parmar	3,527
Saurabh Mahendrabhai Shah	Jagadish Ramjibhai Parmar	1,498
Pravinbhai Harishbhai Vyas	Saurabh Mahendrabhai Shah	1,498
Total Circular Quantity Traded among the entities *(Minimum quantity traded among entities × No. of entities) (i.e. 3,527 x 6 plus 1,498 x 7)*		**31,648**
% of Total Market Volume traded as Circular Quantity among the entities		**96.94%**
Total Market Volume		**32,684**

137. A graphical representation of the above mentioned trades among the entities is placed below:



138. The details of the matching orders between the aforesaid entities, as observed from the trade log and order log is given below:

Table:39

Client Name	Time	Buy/ Sell	Price	Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Buy Order Quantity	Total Sell Order Quantity
Pravinbhai Harishbhai Vyas	09:15:52	S	65.15	5025 (1)	-	-	5025
Kirtan Gopalbhai Dhola	09:15:53 to 09:15:55	B	65.15	5025 (3)	-	5025	-

Client Name	Time	Buy/ Sell	Price	Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Buy Order Quantity	Total Sell Order Quantity
Jagadish Ramjibhai Parmar	09:26:11 11:11:30	S	65.30 65.50	3527 (1) 1498 (1)	-	-	5025
Pravinbhai Harishbhai Vyas	09:26:13 to 09:26:16 09:35:51 09:35:52	B	65.30 65.70 67.90	3527 (2) 1490 (2) 8 (1)	-	5025	-
Saurabh Mahendrabhai Shah	09:35:51	S	65.70	1498 (1)	-	-	1498
Saurabh Mahendrabhai Shah	11:11:34 TO 11:11:36	B	65.50	1498 (3)	-	1498	-
Ripalben Dahyabhai Chaudhari	11:56:17 12:58:40	S	65.60 65.55	2478 (1) 2547 (1)	-	-	5025
Jagadish Ramjibhai Parmar	11:56:20 TO 11:56:26 12:58:43 TO 12:58:51	B	65.60 65.55	2478 (5) 2547 (7)	-	5025	-
Kirtan Gopalbhai Dhola	12:27:39 12:30:21	S	65.50 65.35	3618 (1) 1407 (1)	-	-	5025
Hitesh Kumar	12:27:42 TO 12:27:43 12:30:23 TO 12:30:25	B	65.50 65.35	3618 (2) 1407 (2)	-	5025	-
Hitesh Kumar	13:50:06 13:52:58	S	65.50 65.35	3618 (2) 1407 (2)	-	-	5025
Ahmed Zaheer	13:50:07 13:52:58 TO 13:53:00	B	65.50 65.35	3618 (1) 1407 (2)	-	5025	
Ahmed Zaheer	14:41:41	S	65.50	5025 (1)	-	-	5025
Ripalben Dahyabhai Chaudhari	14:41:41 TO 14:41:52	B	65.50	5025 (8)	-	5025	-
Total						**31,648**	**31,648**

139. Therefore, in view of the foregoing and placing reliance on the aforesaid judgement of Hon’ble SAT in the matter of Ketan Parekh v/s. SEBI, I observe that Noticees 23, 18, 27, 24, 30, 26, 25 had instantly placed buy and sell orders (within seconds) one after the other to match the price and quantity of the counterparty client and such trades were circular trades. The entities traded 31,648 shares among them out of the matching buy/sell orders of 31,648 shares placed by them i.e. 100% of the order quantity was traded by the entities among themselves during the day by entering into circular trades.

<u>Analysis of trading pattern on April 23, 2018</u>

140. From the trade log and order log, I note that the following entities traded among themselves in the scrip of VBIL on April 23, 2018 and contributed 25.88% of the market volume on that day. A tabular representation of the said trades is placed below:

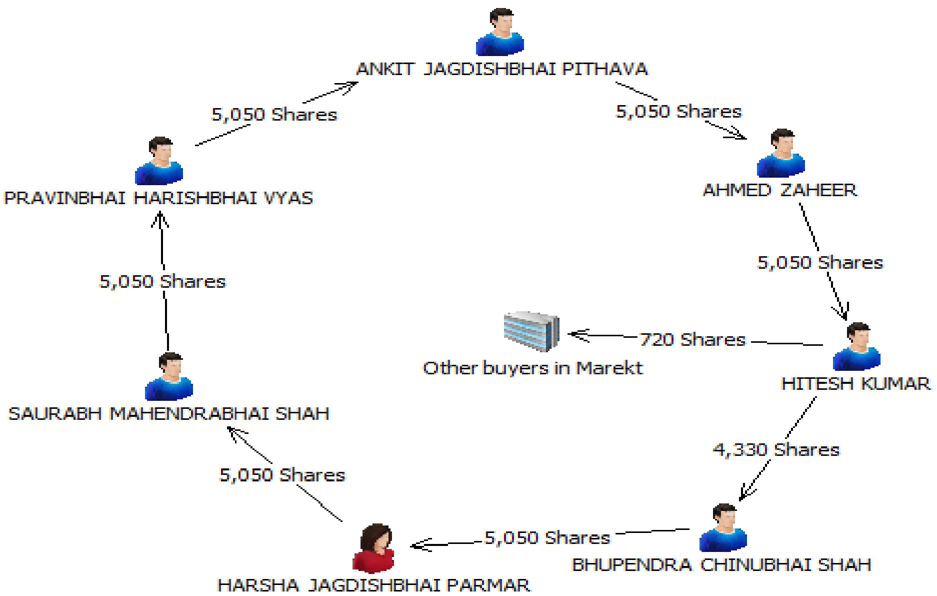
Table:40

Buyer Name	Seller Name	Traded Quantity
Ankit Jagdishbhai Pithava	Pravinbhai Harishbhai Vyas	5,050
Ahmed Zaheer	Ankit Jagdishbhai Pithava	5,050
Hitesh Kumar	Ahmed Zaheer	5,050

Buyer Name	Seller Name	Traded Quantity
Bhupendra Chinubhai Shah	Hitesh Kumar	4,330
Harsha Jagdishbhai Parmar	Bhupendra Chinubhai Shah	5,050
Saurabh Mahendrabhai Shah	Harsha Jagdishbhai Parmar	5,050
Pravinbhai Harishbhai Vyas	Saurabh Mahendrabhai Shah*	5,050
Total Circular Quantity Traded among the entities *(Minimum quantity traded among entities × No. of entities) (i.e. 4,330 x 7)*		**30,310**
% of Total Market Volume traded as Circular Quantity among the entities		**25.88%**
Total Market Volume		**1,17,106**

**Saurabh Mahendrabhai Shah also purchased and sold 345 shares with other entities.*

141. A graphical representation of the above mentioned trades among the entities is placed below:



142. The details of the matching orders between the aforesaid entities, as observed from the trade log and order log is given below:

Table:41

Client Name	Time	Buy/ Sell	Price	Total Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Buy Order Quantity	Total Sell Order Quantity
Pravinbhai Harishbhai Vyas	09:15:42 (A) 09:15:44 (D)	B	65.20	5000 (1)	5000 (1)	-	-
Ankit Jagdishbhai Pithava	09:15:42 09:15:53	B	65.20	4999 (1) 51 (1)	-	5050	-
Pravinbhai Harishbhai Vyas	09:15:46 TO 09:15:51	S	65.20	5050 (2)	-	-	5050
Saurabh Mahendrabhai Shah	09:55:45	S	65.20	5050 (1)	-	-	5050
Pravinbhai Harishbhai Vyas	09:55:46 to 09:55:47	B	65.20	5050 (2)	-	5050	-
Harsha Jagdishbhai Parmar	11:46:38	S	65.00	5050 (1)	-	-	5050
Saurabh Mahendrabhai Shah	11:46:41 to 11:46:53	B	65.00	5050 (10)	-	5050	-
Bhupendra Chinubhai Shah	12:53:40	S	66.10	5050 (1)	-	-	5050

Client Name	Time	Buy/ Sell	Price	Total Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Buy Order Quantity	Total Sell Order Quantity
Harsha Jagdishbhai Parmar	12:53:42 to 12:53:54	B	66.10	5050 (10)	-	5050	-
Ankit Jagdishbhai Pithava	13:13:50 13:22:18 (A) 13:22:22 (D) 13:22:36	S	66.10 65.20 63.95	2711 (1) 2339 (1) 2339 (1)	2339 (1)	-	5050
Ahmed Zaheer	13:13:51 to 13:13:53 13:22:37 to 13:22:40	B	66.10 64.95	2711 (2) 2339 (3)	-	5050	-
Ahmed Zaheer	13:59:55	S	63.90	5050 (1)	-	-	5050
Hitesh Kumar	13:59:55 to 13:59:56	B	63.90 64.00	5000 (1) 50 (1)	-	5050	-
Hitesh Kumar	14:30:24 14:48:13	S	63.90 63.75	2872 (1) 2178 (1)	-	-	5050
Bhupendra Chinubhai Shah	14:30:27 to 14:48:11	B	64.00 63.90 63.75	700 (1) 2172 (4) 2178 (1)	2178 (1) Price updated to 63.80	5050	-
Total						**35,350**	**35,350**

143. Therefore, in view of the foregoing and placing reliance on the aforesaid judgement of Hon'ble SAT in the matter of Ketan Parekh v/s. SEBI, I observe that Noticees 19, 18, 23, 20, 22, 30, 26 had instantly placed buy and sell orders (within seconds) one after the other to match the price and quantity of the counterparty client. The entities traded 34,630 shares among them out of the matching buy/sell orders of 35,350 shares placed by them i.e. 100% of the order quantity was traded by the entities among themselves during the day by entering into circular trades.

Analysis of trading pattern on April 24, 2018

144. From the trade log and order log, I note that the following entities traded among themselves in the scrip of VBIL on April 24, 2018 and contributed 55.82% of the market volume on that day. A tabular representation of the said trades is placed below:

Table:42

Buyer Name	Seller Name	Traded Quantity
Jagadish Ramjibhai Parmar	Pravinbhai Harishbhai Vyas	10,004
Saurabh Mahendrabhai Shah	Jagadish Ramjibhai Parmar	7,800
Ripalben Dahyabhai Chaudhari	Jagadish Ramjibhai Parmar	2,204
Ripalben Dahyabhai Chaudhari	Saurabh Mahendrabhai Shah	7,307
Kirtan Gopalbhai Dhola	Ripalben Dahyabhai Chaudhari*	10,004
Pravinbhai Harishbhai Vyas	Kirtan Gopalbhai Dhola	10,004
Total Circular Quantity Traded among the entities *(Minimum quantity traded among entities × No. of entities) (i.e. 7,307 x 7 plus 2,204 x 4)*		**45,351**

% of Total Market Volume traded as Circular Quantity among the entities	55.82%
Total Market Volume	81,252

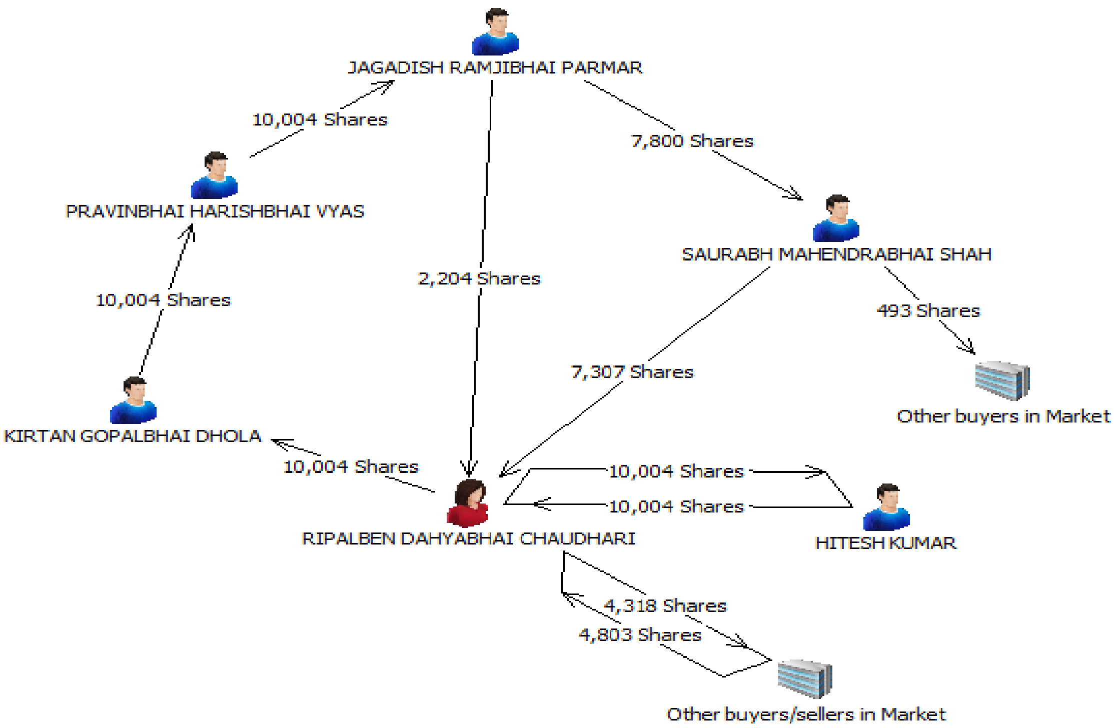
** Ripalben Dahyabhai Chaudhari also purchased 4803 and sold 4318 shares in the market with other entities.*

145. Further, it was observed that the below mentioned shares were reversed between Ripalben Dahyabhai Chaudhari and Hitesh Kumar:

Table:43

Buyer Name	Seller Name	Traded Quantity
RIPALBEN DAHYABHAI CHAUDHARI	HITESH KUMAR	10,004
HITESH KUMAR	RIPALBEN DAHYABHAI CHAUDHARI	10,004
Total Reversed Quantity		**20,008**

146. A graphical representation of the above mentioned circular trades among the entities is placed below:



147. The details of the matching orders between the aforesaid entities, as observed from the trade log and order log is given below:

Table:44

Client Name	Time	Buy/ Sell	Price	Total Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Buy Order Quantity	Total Sell Order Quantity
Pravinbhai Harishbhai Vyas	09:15:37 09:27:24	S	63.90 63.10	5001 (1) 5003 (1)		-	10004
Jagadish Ramjibhai Parmar	09:15:37 to 09:15:40 09:27:25 to 09:27:32	B	63.90 63.10	5001 (3) 5003 (6)	-	10004	-
Kirtan Gopalbhai Dhola	09:48:23	S	63.10	10004 (1)	-	-	10004

Client Name	Time	Buy/ Sell	Price	Total Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Buy Order Quantity	Total Sell Order Quantity
Pravinbhai Harishbhai Vyas	09:48:26 to 09:48:28	B	63.10	10004 (3)	-	10004	-
Ripalben Dahyabhai Chaudhari	11:29:08	S	63.10	10004 (1)	-	-	10004
Kirtan Gopalbhai Dhola	11:29:09 to 11:29:10	B	63.10	10004 (2)	-	10004	-
Hitesh Kumar	13:30:27	S	63.10	10004 (1)	-	-	10004
Ripalben Dahyabhai Chaudhari	13:30:28 to 13:30:33	B	63.10	10004 (5)	-	10004	-
Ripalben Dahyabhai Chaudhari	13:48:35	S	63.10	10004 (1)	-	-	10004
Hitesh Kumar	13:48:36 to 13:48:37	B	63.10	10004 (2)		10004	-
Jagadish Ramjibhai Parmar	13:49:21 (A) 13:57:09 (D) 13:57:09 (A)	S	63.15 63.15 63.60	10004(1) 2004 (1)	2204 (1)	-	10004
Saurabh Mahendrabhai Shah	13:49:24 to 13:49:33	B	63.60 63.15	3000 (1) 4800 (3)	-	7800	-
Saurabh Mahendrabhai Shah	13:56:52	S	63.60	7800 (1)	-	-	7800
Ripalben Dahyabhai Chaudhari	13:57:13 TO 14:47:41	B	63.60 to 62.65	14314 (11)	-	14314	-
Ripalben Dahyabhai Chaudhari	14:21:09 to 14:23:31	S	63.15 to 63.00	4310 (5)	-	-	4310
Total						**72,134**	**72,134**

148. Therefore, in view of the foregoing and placing reliance on the aforesaid judgement of Hon’ble SAT in the matter of Ketan Parekh v/s. SEBI, I observe that Noticees 24, 30, 23, 27, 25, 26 had instantly placed buy and sell orders (within seconds) one after the other to match the price and quantity of the counterparty client and such trades were circular trades. The entities traded 65,359 shares among them out of the matching buy/sell orders of 72,314 shares placed by them i.e. 90.61% of the order quantity was traded by the entities among themselves during the day by entering into circular trades.

<u>Analysis of trading pattern on April 25, 2018</u>

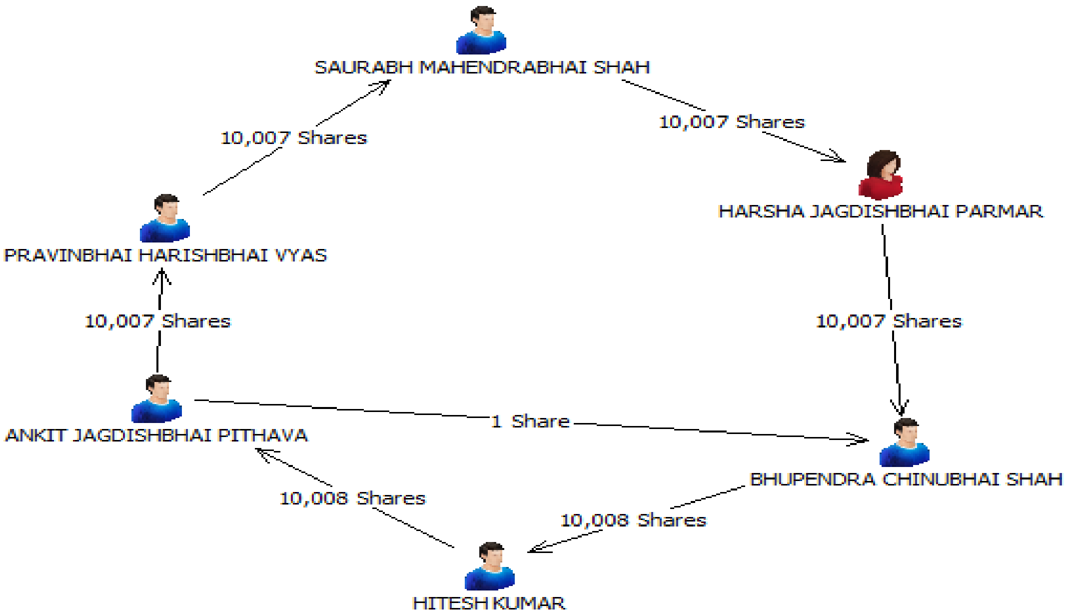
149. From the trade log and order log, I note that the following entities traded among themselves in the scrip of VBIL on April 25, 2018 and contributed 19.34% of the market volume on that day. A tabular representation of the said trades is placed below:

Table:45

Buyer Name	Seller Name	Traded Quantity
Saurabh Mahendrabhai Shah	Pravinbhai Harishbhai Vyas	10,007
Harsha Jagdishbhai Parmar	Saurabh Mahendrabhai Shah	10,007
Bhupendra Chinubhai Shah	Harsha Jagdishbhai Parmar	10,007
Hitesh Kumar	Bhupendra Chinubhai Shah	10,008
Ankit Jagdishbhai Pithava	Hitesh Kumar	10,008
Pravinbhai Harishbhai Vyas	Ankit Jagdishbhai Pithava	10,007
Bhupendra Chinubhai Shah	Ankit Jagdishbhai Pithava	1

Buyer Name	Seller Name	Traded Quantity
Total Circular Quantity Traded among the entities *(Minimum quantity traded among entities × No. of entities) (i.e. 10,007 x 6)*		**60,042**
% of Total Market Volume traded as Circular Quantity among the entities		**19.34%**
Total Market Volume		**3,10,397**

150. A graphical representation of the above mentioned trades among the entities is placed below:



151. The details of the matching orders between the aforesaid entities, as observed from the trade log and order log is given below:

Table:46

Client Name	Time	Buy/ Sell	Price	Total Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Buy Order Quantity	Total Sell Order Quantity
Pravinbhai Harishbhai Vyas	09:16:11	S	62.70	10007 (1)	-	-	10007
Saurabh Mahendrabhai Shah	09:16:11 09:16:13	B	62.70 65.75 62.70	4000 (1) 4000 (1) 2007 (1)	-	10007	-
Saurabh Mahendrabhai Shah	09:26:20	S	62.60	10007 (1)	-	-	10007
Harsha Jagdishbhai Parmar	09:26:24 to 09:29:13 (A) 09:29:17 to 09:29:18 (D)	B	62.60	10147 (129)	140 (2)	10007	-
Harsha Jagdishbhai Parmar	09:31:04 to 09:31:52	S	62.40 to 62.55	10007 (9)	-	-	10007
Ankit Jagdishbhai Pithava	09:55:52 13:38:49	S	62.20 61.25	10007 (1) 1 (1)	-	-	10008
Pravinbhai Harishbhai Vyas	09:55:55 to 09:55:59	B	62.20	10007 (5)	-	10007	-
Bhupendra Chinubhai Shah	09:59:38 to 12:23:48 (A) 15:30:00 to 15:30:00 (D)	B	61.00 to 62.50	12522 (111)	2414 (8)	10008	-

Client Name	Time	Buy/ Sell	Price	Total Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Buy Order Quantity	Total Sell Order Quantity
Hitesh Kumar	13:38:39	S	61.34	10008 (1)	-	-	10008
Ankit Jagdishbhai Pithava	13:38:44 13:38:45	B	61.40 61.35	10000 8	-	10008	-
Hitesh Kumar	14:06:34 to 14:06:40	B	62.75 62.40	2500 (1) 7508 (4)	-	10008	-
Bhupendra Chinubhai Shah	14:06:32(A) 15:10:30 (D)	S	62.40	10108 (1)	100 (1)		10008
Total						**60,045**	**60,045**

152. Therefore, in view of the foregoing and placing reliance on the aforesaid judgement of Hon'ble SAT in the matter of Ketan Parekh v/s. SEBI, I observe that Noticees 30, 22, 20, 23, 19, 26 had instantly placed buy and sell orders (within seconds) one after the other to match the price and quantity of the counterparty client and such trades were circular trades. The entities traded 60,042 shares among them out of the matching buy/sell orders of 60,045 shares placed by them i.e. 99.99% of the order quantity was traded by the entities among themselves during the day by entering into circular trades.

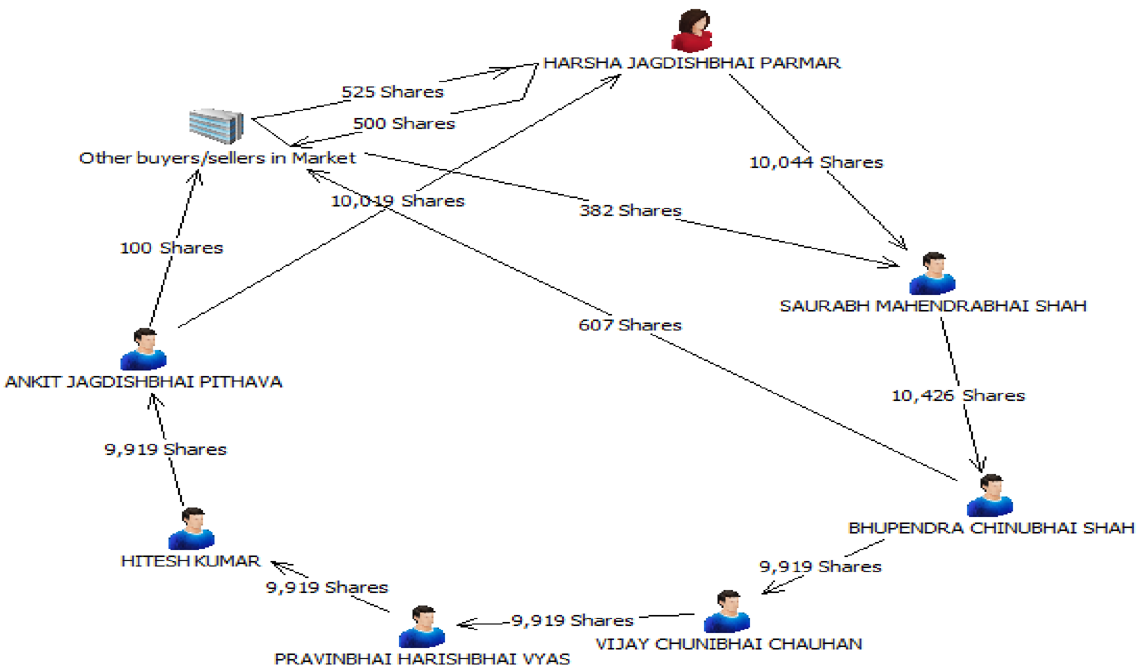
<u>Analysis of trading pattern on April 27, 2018</u>

153. From the trade log and order log, I note that the following entities traded among themselves in the scrip of VBIL on April 27, 2018 and contributed 92.47% of the market volume on that day. A tabular representation of the said trades is placed below:

Table:47

Buyer Name	Seller Name	Traded Quantity
Harsha Jagdishbhai Parmar	Ankit Jagdishbhai Pithava	10,019
Saurabh Mahendrabhai Shah	Harsha Jagdishbhai Parmar	10,044
Bhupendra Chinubhai Shah	Saurabh Mahendrabhai Shah	10,426
Vijay Chunibhai Chauhan	Bhupendra Chinubhai Shah	9,919
Pravinbhai Harishbhai Vyas	Vijay Chunibhai Chauhan	9,919
Hitesh Kumar	Pravinbhai Harishbhai Vyas	9,919
Ankit Jagdishbhai Pithava	Hitesh Kumar	9,919
Total Circular Quantity Traded among the entities *(Minimum quantity traded among entities × No. of entities) (i.e. 9,919 x 6)*		**69,433**
% of Total Market Volume traded as Circular Quantity among the entities		**92.47%**
Total Market Volume		**75,086**

154. A graphical representation of the above mentioned trades among the entities is placed below:



155. The details of the matching orders between the aforesaid entities, as observed from the trade log and order log is given below:

Table:48

Client Name	Time	Buy/ Sell	Price	Total Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Buy Order Quantity	Total Sell Order Quantity
Harsha Jagdishbhai Parmar	09:22:33 to 09:31:04	B	59.80 to 62.00	14310 (58)	-	14310	-
Ankit Jagdishbhai Pithava	09:29:23 to 09:29:43	S	60.10 to 60.45	10019 (5)	-	-	10019
Hitesh Kumar	10:00:28 (A) 10:00:39 (D) 10:24:15 (A)	S	60.55 64.40	6723 (1) 3319 (1)	123 (1)	-	10042
Ankit Jagdishbhai Pithava	10:00:29 to 10:00:36 10:24:16 to 10:24:19	B	60.55	6700 (5) 3319 (4)	-	10019	-
Harsha Jagdishbhai Parmar	10:55:22 to 10:55:27 (A) 10:56:36 to 10:56:36 (D) 10:59:56 (A)	S	60.45 60.40	5000 (1) 5044 (1) 6032 (2)	6032 (2)	-	10044
Saurabh Mahendrabhai Shah	10:55:31 to 11:18:37 (A) 11:00:47 to 11:18:41	B	59.00 to 60.45	24813 (184)	14387 (7)	10426	-
Pravinbhai Harishbhai Vyas	11:05:57 11:15:18	S	60.30 60.25	2500 (1) 7419 (1)	-	-	9919
Hitesh Kumar	11:06:01 to 11:06:03	B	60.30 60.25	2500 (3) 7419 (2)	-	9919	
Saurabh Mahendrabhai Shah	11:02:03 (A) 12:04:13 (A) 12:44:08 (A) 12:44:43 (D)	S	60.35 60.25 60.00	382 (1) 5000 (1) 5426 (1)	382 (1)	-	10426
Bhupendra Chinubhai Shah	12:04:16 to 12:44:29 (A) 12:44:31	B	60.00 to 60.25	10664 (51)	135 (1)	10526	-

Client Name	Time	Buy/ Sell	Price	Total Added Quantity (No. of orders)	Deleted Quantity/ Updated (No. of orders)	Total Buy Order Quantity	Total Sell Order Quantity
Vijay Chunibhai Chauhan	12:12:44	S	60.25	9919 (1)	-	-	9919
Pravinbhai Harishbhai Vyas	12:12:45 to 12:12:46	B	60.25	9919 (2)	-	9919	-
Bhupendra Chinubhai Shah	12:45:05 12:45:10 13:55:26	S	60.00 59.85 60.00	200 (1) 282 (1) 10044 (1)	-	**-**	10526
Vijay Chunibhai Chauhan	13:55:29 to 13:55:31	B	60.00	9919 (2)	-	9919	-
Total						**75,038**	**70,895**

156. Therefore, in view of the foregoing and placing reliance on the aforesaid judgement of Hon'ble SAT in the matter of Ketan Parekh v/s. SEBI, I observe that Noticees 22, 30, 20, 29, 26, 23, 19 had instantly placed buy and sell orders (within seconds) one after the other to match the price and quantity of the counterparty client and such trades were circular trades. The entities traded 70,165 shares among them out of the matching buy/sell orders of 70,895 shares placed by them i.e. 97.94% of the order quantity was traded by the entities among themselves during the day by entering into circular trades.

157. I also observe the following connection between the aforesaid entities on the basis of UCC data, off-market transfer and information/ details obtained from MCA website:

Table:49

Sr. No.	Name of Entity	Connection	Basis of Connection
1.	Ankit Jagdishbhai Pithava (Noticee 19)	• Entity No. "1" has off market transactions with Entity No. "2" & "3".	• Off-market share transfer data
2.	Kirtan Gopalbhai Dhola (Noticee 25)	• Entity No. "2" has off market transactions with Entity No. "1".	• Off-market share transfer data
3.	Ripalben Dahyabhai Chaudhari (Noticee 27)	• Entity No. "3" has off-market transactions with Entity No. "1".	• Off-market share transfer data
4.	Bhupendra Chinubhai Shah(Noticee 20)	• Entity No. "4" & "5" have common phone no. viz. "9825432947"	• UCC Data
5.	Pravinbhai Harishbhai Vyas (Noticee 26)	• Entity No "5", "6", "7" & "8" have common phone no. viz. "9924491361"	• UCC Data
6.	Saurabh Mahendrabhai Shah (Noticee 30)	• Entity No "5", "6", "7" & "8" have common phone no. viz. "9924491361"	• UCC Data
7.	Jagadish Ramjibhai Parmar (Noticee 24)	• Entity No "5", "6", "7" & "8" have common phone no. viz. "9924491361" • Entity No "7" & "8" have common address viz." D-416 Ghanshyamnagar Nobal Nagar Opp Kotarpur Water Worker Ahmedabad 382340, Opp Kotarpur Water Worker, Ahmedabad, 382340" • Entity No "7" & "8" have common phone no. viz. "7984047534"	• UCC Data
8.	Harsha Jagdishbhai Parmar (Noticee 22)	• Entity No "5", "6", "7" & "8" have common phone no. viz. "9924491361" • Entity No "7" & "8" have common address viz." D-416 Ghanshyamnagar Nobal Nagar Opp Kotarpur Water Worker	• UCC Data

Sr. No.	Name of Entity	Connection	Basis of Connection
		Ahmedabad 382340, Opp Kotarpur Water Worker, Ahmedabad, 382340" • Entity No "7" & "8" have common phone no. viz. "7984047534"	

158. I note from the above table that Noticees 19,20, 22, 24, 25, 26, 27 and 30 were connected to each other.

159. The aforesaid trading pattern of the Noticees 18 to 30 in the illiquid scrip of VB Industries indicates that Noticees 18 to 30 had indulged in trading in significant volume in the said scrip during the IP. Although, no specific connection is established between Noticees 18, 21, 23,28 and 29 with Noticees 19, 20,22, 24,25,26,27 and 30, I find that the aforesaid circular trades between 18 to 30 demonstrate that they were a result of prior meeting of minds among the Noticees. I am of the view that the aforementioned circular trades were not a mere coincidence but were the outcome of meeting of minds among the Noticees and a deliberate conduct on the part of the Noticees, which was a part of a common strategy to trade in the scrip without any intention of changing beneficial ownership of shares and thereby manipulate the trading volume of the scrip upwards during the IP at BSE and create a misleading appearance of trading in the scrip of VBIL.

160. From the definition of 'fraud' as given in Regulation 2(1)(c) of PFUTP Regulations, I note that for an act or omission to be considered as fraud under the aforesaid definition, the same has to be done in order to induce another person or his agent to deal in securities. In this respect, I place reliance on the judgement of Hon'ble Supreme Court of India in SEBI and Ors v. Kanaiyalal Baldevbhai Patel (Supra), wherein it has been held that inducement is required to constitute 'fraud' under PFUTP Regulations. In this regard, it has been established earlier that the aforesaid circular trades executed by Noticees induced investors to trade in the illiquid scrip of VBIL which was tantamount to fraud.

161. I also find it pertinent to note that in cases of market manipulation or fraud, where direct evidence may not be available, transactions are to be tested for any manipulation based on the conduct of parties and the abnormal nature of transactions and the charge of market manipulation or fraud must be proved on a preponderance of probabilities. In this respect, I place reliance upon the judgement of the Hon'ble Supreme Court in the matter of SEBI vs. Kishore R. Ajmera (2016) 6 SCC 368 (Judgment dated February 23, 2016) and the judgement of Hon'ble SAT in the matter of Shri Lakhi Prasad Kheradi vs. SEBI (Appeal No. 232 of 2017; Order dated June 21, 2018) as discussed above.

162. As held by Hon'ble SAT in the matter of Ketan Parekh v/s. SEBI(Supra), *"The manipulators not only increase artificially the trading volumes but also benchmark the price because every trade establishes the price of the scrip. Circular trading is among the easiest ways to increase volumes. Tragically, retail investors and day traders are most vulnerable to such trading as they follow the herd mentality because they lack market intelligence and experience to diagnose such cases and they are usually the ones left holding the parcel when the music stops."*

163. Thus, placing reliance on the aforesaid judgements, I am of the view that the crucial factor in determining violation of PFUTP Regulations is the manipulative trading pattern, irrespective of the quantum of actual volume traded. Therefore, In view of the above observations regarding the pattern of trading and conduct of the parties and placing reliance on the aforesaid judgments. I find that preponderance of probabilities indicates that Noticees 18 to 30 colluded to create a misleading appearance of trading in the scrip of VBIL and manipulated the volume of the scrip upwards during the IP.

164. Placing reliance on the aforesaid judgements and based on the foregoing analysis of connection and trading pattern as well as considering preponderance of probability, I find that by indulging in circular trades by trading among themselves Noticces 18 to 30 had collectively indulged in a common manipulative and fraudulent strategy, which led to creation of misleading appearance of trade in the scrip of VBIL, and induced investors to trade in the illiquid scrip of VBIL which is tantamount to '*fraud'*.

165. I note that in their submissions, Noticees 22, 24, 26 and 30 have not disputed the finding that they are connected entities. I also note that Noticees have admitted to the impugned trades executed by them. However, the said Noticees have contended that in the present matter, the charge against the Noticees was only that of alleged creation of artificial volume (volume manipulation) and not LTP contribution and that the SCN does not allege any ill-gotten gains and thus, no adverse action should be taken against them. I also note that Noticees 22,24,26 and 30 have contended that in certain other matters where trading had not resulted in the creation of any ill-gotten gains and had not adversely affected the interest of investors, SEBI has not taken any adverse action and not imposed penalty. In this regard, said Noticees have placed reliance on the Information Memorandum on Enforcement Action Policy in LTCG cases dated 29th December, 2016. The said Noticees have also contended that SEBI has also disposed off SCNs in several self-trade cases where allegation was of artificial creation of volume because there was no allegation of any ill-gotten gains or loss caused to any investors. I note that the said Noticees have placed reliance upon some instances of administrative warnings and the Order dated February 10, 2015 passed by the

Hon'ble Whole Time Member (WTM), Shri S Raman in the matter of Crazy Infotech Limited. In this regard, I note that the allegations in the matter of Crazy Infotech Limited pertained only to self-trades executed by the Noticees therein. I note that the allegations in the instant matter pertain to circular trading by Noticees. Thus, the facts and circumstances in the instant proceeding are entirely different and accordingly, I find that the aforesaid order relied upon by the said Noticees is not applicable to the instant proceedings. The said Noticees have contended for imposition of a lesser penalty, if any, in the instant matter and placed reliance on the Adjudication Orders passed by Ld. Adjudicating Officer in the matter of Viji Finance Limited and in the matter of Financial Credit & Guarantee Company Ltd in which penalties of Rs. 15 lakhs and Rs 18 lakhs were imposed w.r.t. allegations of price manipulation of scrip. I note that the facts and circumstances in the instant matter, are completely different from the adjudication orders quoted by the said Noticees. I also note that the said Noticees have made contradictory submissions quoting certain other orders of SEBI where penalties have been levied by Hon'ble AOs. I note that instant adjudication proceedings have been initiated in terms of SEBI's Order dated June 23, 2021, on the basis of specific facts supporting the allegations of violation of PFUTP Regulations against the aforesaid Noticees. I also note that the instant adjudication proceedings were initiated solely for the examination of the charges in respect of the trades of aforesaid Noticees. Be that as it may, I regard the aforesaid contentions of the said Noticees to be more in nature of questioning SEBI's policy regarding enforcement actions in such matters and find these to be outside the purview of the present adjudication proceedings. Therefore, I am not inclined to deal with the aforesaid contention of Noticees 22, 24, 26 and 30.

166. Noticees 22, 24, 26 and 30 have further contended that these trades were entered in the name of the Noticees on the advice of their broker and they were merely name lenders and their accounts were merely mule accounts. Thus, the said Noticees contend that since the broker was acting on behalf of the Noticee and most likely other Noticees who have also not traded on their own and have done so through their broker in this matter to carry out trades in a coordinated manner to create an artificial impression of active trading thus creating artificial volume in the scrip, the present violation should be considered as a single violation and joint and several liabilities should be imposed, if at all. I note that the aforesaid contentions amount to an admission that the aforesaid circular trades were executed by the said Noticees. In this regard, I further note that it is a matter of record that trades in the scrip of VBIL were executed on the accounts of the aforesaid Noticees. However, the aforesaid Noticees have not submitted any material to establish that their accounts were used as mule accounts for executing trades by other persons or using funds from other persons. In any case, apart from making a mere statement, the said Noticees do not appear to have taken

any meaningful legal recourse on their part at the relevant point of the time nor did they try to delve deeper into the nature of these unauthorised transactions in their bank accounts and Demat accounts to identify their source, which in my view, would have been a prudent course of action in that situation. At this juncture, I refer to the judgement of Hon'ble SAT in the matter of Rahul H. Shah vs. SEBI (Appeal No. 83 of 2012 decided on May 11, 2012) in which it had been held that, "*Name lending is a fraudulent activity and requires to be curbed for maintaining the sanctity of the securities market*". The Hon'ble SAT has also reiterated the said position of law in the matter of Dhananjay Kumar vs. SEBI (Appeal No. 316 of 2022; Decided on June 28, 2022) wherein it was held that, "*These transactions have not been disputed by the appellant except alleging that he was unaware and that the account was fraudulently used by these entities… We find that in this regard the appellant himself stated that he noticed unauthorized transaction in January and February 2015 but did nothing in this regard… No reason has been given as to why he could not initiate any steps earlier. We also find that the alleged transactions have not been disputed by the appellant. The appellant admits that he opened the trading account and in good faith gave the relevant details, blank cheque books to one Mr. Avinash Kumar Rai who allegedly made fraudulent transactions from his saving bank account. Be that as it may, the fact remains that at the end of the day the appellant is responsible for such act*." Thus, placing reliance on the aforesaid judgements, I find that name lending is a serious offence which not only threatens the integrity of the market but also adversely affects the interest of investors. Therefore, placing reliance on the aforesaid judgements of Hon'ble SAT, I find that Noticees 22, 24, 26 and 30 were themselves responsible for trades executed on their accounts and the said Noticees cannot be absolved of the responsibility for such trades. In view of the foregoing, I am not inclined to accept the aforesaid contentions of the said Noticees.

167. Therefore, based on the foregoing findings, placing reliance on the aforesaid judgements and considering preponderance of probabilities, I find that the Noticees 22, 24, 26 and 30 had indulged in a collective strategy of circular trades involving substantial quantity of shares in order to mislead and induce investors to trade in the scrip of VBIL based on a misleading impression of high liquidity and trading volume in the scrip of VBIL which was not very liquid in nature and thereby created a misleading appearance of trading in the scrip of VBIL, which amounts to a fraudulent activity in terms of Regulations 3(a), (b), (c), (d), and Regulations 4(1), and 4(2)(a) and 4(2)(g) of PFUTP Regulations.

168. Noticee 18 in his reply has contended that he has no connection with VBIL and his broker and financial advisor had fraudulently done trading in his name by using his PAN. However, I also note that during the course of investigation, Noticee vide his email dated December

15, 2020 had submitted that the trades carried out in the scrip of VBIL were as per his routine trading and were based on his own research and analysis. Thus, I note that Noticee 18 has given contradictory statements at two different stages in the present proceedings. I also note that Noticee 18 does not appear to have taken any meaningful legal recourse on his part and has not furnished any proof of having filed any First Information Report with the police, which in my view, would have been a prudent course of action in such circumstances. Therefore, I find that the aforesaid contention of said Noticee 18 is not tenable.

169. I note that Noticees 19, 21, 23, 25, 27 to 29 have not made any submissions in respect of the allegations. Thus, I am of the view that Noticees 19,21, 23, 25, 27 to 29 have admitted to the allegations made in the SCN.

170. In view of the foregoing findings, I find that the allegation that Noticees 18 to 30 have violated Sections 12A(a), (b), (c) of SEBI Act and Regulations 3(a), (b), (c), (d) and Regulations 4(1), 4(2)(a) and 4(2)(g) of PFUTP Regulations, stands established.W.r.t. Noticee 20, as noted earlier in the order, the instant adjudication proceedings against him stands abated. Accordingly, SCN issued to Noticee 20 on November 09, 2021 is disposed of.

171. It has also been alleged in the SCN that Noticees 30 and 31 created a misleading appearance of trading through small trades and used such trading pattern as device to manipulate and inflate the price of the scrip of VBIL. Therefore, it is alleged that Noticees 30 and 31 have violated Section 12A(a), (b), (c) of SEBI Act and Regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) of PFUTP Regulations.

172. In this regard, I note that during Patch-II, i.e., Price Rise period from 28/4/2018 to 16/05/2018, the price of the scrip at BSE opened at Rs. 62.70 (previous trading day closed at Rs. 62.65), touched a high of Rs. 77.90 and closed at Rs. 70.90. The top 10 entities who contributed highest positive LTP to Total Market positive LTP is tabulated below:

Table: 50

Client Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of positive LTP to Total Market positive LTP
	Sum of LTP diff	Sum of Quantity	No of trades	Sum of LTP diff	QTY traded	No of trades	Sum of LTP diff	QTY traded	No of trades	QTY traded	No of trades	

Harshaben Tejasbhai Joshi	33.65	181169	8310	54.30	7967	420.00	-20.65	11382	226	161820	7664	26.35
Saurabh Mahendrabhai Shah	10.15	425396	78010	17.95	24219	257.00	-7.80	13931	123	387246	77630	8.71
Pallavi Sanjaybhai Joshi	-1.90	196681	3050	6.15	7960	47.00	-8.05	35911	100	152810	2903	2.99
Arcadia Share Stock Brokers Pvt. Ltd.	-6.55	648916	1520	5.25	55277	43.00	-11.80	106996	168	486643	1309	2.55
Jagadish Ramjibhai Parmar	-2.85	354827	4819	2.70	25253	35.00	-5.55	18401	74	311173	4710	1.31
Harsha Jagdishbhai Parmar	-2.80	288335	5158	2.55	7190	28.00	-5.35	30605	74	250540	5056	1.24
Ankit Jagdishbhai Pithava	-5.05	136590	1314	2.35	5947	31.00	-7.40	52540	81	78103	1202	1.14
Hari Om Singh Kushwaha	2.30	6500	20	2.30	225	2.00	0.00	0	0	6275	18	1.12
M Praveenjaya kumar	2.05	7300	45	2.05	1081	7.00	0.00	0	0	6219	38	1.00
Satyaswaroopchandrashekar	1.90	69	5	1.90	57	3.00	0.00	0	0	12	2	0.92
Total	30.90	2245783	102251	97.50	135176	873	-66.60	269766	846	1840841	100532	47.32
Market Total	10.60	8282246	124223	206.05	625456	2261	-195.45	749686	2165	6907104	119797	100.00

173. From the above table, I note that during Patch II, the price and volume in the shares of the company increased and the top 10 entities contributed Rs 30.90 to net LTP in 1,02,251 trades and Rs 97.50 to positive LTP (47.32% of market positive LTP) in 873 trades with volume of 1,35,176 shares. I also note that positive LTP contribution of 2 entities viz. HarshabenTejabhai Joshi i.e. Noticee 31 and Saurabh Mahendrabhai Shah Noticee 30, was more than 5% to total market positive LTP during the Patch-II.

174. On perusal of the trade log and Order log, I note that the trades carried out by Noticee 31 contributed Rs 54.30 to positive LTP i.e. 26.35% of market positive LTP in 420 trades. I further note that, while contributing Rs. 54.30 to positive LTP, Noticee 31 had traded on only 3 trading days during the Patch-II. The details are placed below:

Table: 51

Sr. No	Trade Date	Positive LTP Contribution	No. of trades	No. of shares traded
1.	30/04/2018	0.80	8	5,070
2.	07/05/2018	52.15	394	2,521
3.	09/05/2018	1.35	18	326
TOTAL		54.30	420	7,967

175. From the above table I note that Noticee 31 had contributed Rs. 52.15 positive LTP (out of total positive LTP of Rs. 54.30) on one trading day i.e. on May 07, 2018 while buying only 2,521 shares in 394 trades. The details of the counterparty-wise positive LTP contribution by Noticee 31 on May 07, 2018 is placed below:

Table: 52

Seller Name	Positive LTP contribution (Rs.)	Traded quantity	No. of Trades
Shveta Mishra	19.80	720	114
Mandira Chakraborty	15.15	678	87
Pathik Natwarlal Thakkar	9.30	622	102
Kintalivenkatagaddenna	4.85	257	51
Vibrant Securities Private Limited	1.60	145	26
Sachin Rameshrao Shende	0.75	40	5
Arcadia Share Stock Brokers Pvt. Ltd	0.30	40	5
Manoj Kumar Rana	0.15	8	1
Saurabh Mahendrabhai Shah	0.15	2	1
Harsha Jagdishbhai Parmar	0.05	1	1
Janki Nandan Pancholi	0.05	8	1
Grand Total	52.15	2521	394

176. I also observe that Noticee 31 contributed Rs. 50.70 as positive LTP while buying 2,422 shares in 380 trades carried out with the top 5 five counterparties out of total 11 counterparties to her trades which contributed positive LTP. On further analysis of these 380 trades of Noticee 31, the following was observed:

Table: 53

Buyer Name	No. Of Orders	Order Quantity Range Per Order	Total Order Quantity	Seller Name	Quantity Per Order (No. Of Sell Orders)
Harshaben Tejasbhai Joshi	114	8	912	Shveta Mishra	100 (1) 900 (1)
Harshaben Tejasbhai Joshi	87	8	696	Mandira Chakraborty	2000 (1)
Harshaben Tejasbhai Joshi	102	8	816	Pathik Natwarlal Thakkar	1000 (1) 550 (1) 500 (1) 450 (1) 3 (19)
Harshaben Tejasbhai Joshi	51	8	408	Kintalivenkatagaddenna	3345 (1) 1345 (1) 565 (1)
	26	208		Vibrant Securities Private Limited	4133 (1) 2001 (1)

177. I note from the above trading pattern of Noticee 31, as tabulated above, that existing sell orders for large quantity of shares were available but she repeatedly placed the buy orders for very small quantity (8 shares per order) for miniscule quantities of shares at a price above the LTP at BSE and contributed to significant positive LTP.

178. The analysis of the trading pattern of Noticee 31 in respect of the her all 420 trades which contributed to positive LTP is also placed below:

Table : 54

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			
Harshaben Tejabhai Joshi	420	0.50	1	52.70	399	1.55	20	54.30	26.35%	25.60%

179. I note that out of 420 buy trades of Noticee 31 contributed positive LTP of Rs 54.30, for 400 trades, the buy order quantity was between 1 to 10 shares, which contributed to positive LTP of Rs.52.75 i.e. 25.60% of the market positive LTP.

180. It was also observed that in the majority of the trades (400 trades out of 420 trades), Noticee 31 had put very small buy orders with quantity of shares ranging between the rage of 1-10 shares (average buy order quantity of approx. 8 shares). I note that in 380 trades out of these 400 trades the difference between the matching available sell quantity and the ordered buy quantity was in the range of 72 to 31,840 shares (The average sell quantity was 1,466 shares against the 400 trades).

181. I note that in 398 instances, Noticee 31 repeatedly placed buy orders in very small quantity between 1 to 10 shares to match the already existing sell orders which were available at rate higher than the LTP. The LTP contributed through such trades was Rs 52.55 i.e. 25.50% of the market positive LTP. In 2 instances, Noticee 31 placed buy orders in very small quantity between 1 to 10 shares first and contributed positive LTP of Rs. 0.2 (0.10% of market positive LTP) through such trades.

182. Day wise summary of such 420 trades of Harshaben Tejal bhai Joshi is as below:

Table: 55

Date	Number of trades	LTP Contribution	Traded Qty.	Sell order LMQ(range)	Buy order LMQ(range)
30.04.2018	8	0.80	5070	1250-31844	4-3500
07.05.2018	394	52.15	2521	2-4133	1-8
09.05.2018	18	1.35	376	100-5000	2-22
Grand Total	420	54.30	7967		

183. From the table, I note that Noticee 31 was following the above mentioned trading pattern on three different days and contributed positive LTP of Rs. 54.30 i.e., 26.35% of total market positive LTP through such trades.

184. In view of the above trading pattern, I observe that the buy orders were placed by Noticee 31 without any real intention of buying shares, and hence such buy orders were not genuine and were intended to execute trades which would contribute to LTP of the scrip and create a misleading appearance of trade. I am of the view that the foregoing analysis demonstrates that the aforesaid trades of Noticee 31 were manipulative in nature even though the quantity of shares in the aforesaid small trades did not substantially contribute to the trading volume in the scrip of VBIL.

185. Similarly, from the trades carried out by Noticee 30, I note that he had contributed Rs 17.95 to positive LTP i.e. 8.71% of market positive LTP in 257 trades.

186. I note that out of the 262 trades, single buy orders were placed before sell orders and in 260 trades, the buy orders were placed after the corresponding sell orders or same time (time gap was none or in micro-seconds), contributing 8.39 % of market positive LTP.

187. I note from the trading pattern of Noticee 30, as tabulated below, that sell orders for large quantity of shares were available but Noticee 30 repeatedly placed the buy orders for small quantity and contributed to significant positive LTP. I note that Noticee 30 followed this trading pattern on continuously in 243 trades out of 257 trades and contributed to significant positive LTP.

188. The analysis of the trading pattern of Noticee 30 in respect of the aforementioned 257 trades is placed below:

Table : 56

Buyer Name	No. of trades (LTP >0)	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 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			
Saurabh Mahendrabhai Shah	257	6.75	98	8.50	124	2.7	35	17.95	8.71%	7.40%

189. I note that out of 257 buy trades of Noticee 30 contributed positive LTP of Rs 17.95, for 98, trades the buy order quantity was only 1 share whereas for 124 trades the buy order quantity ranged between 2 to 10 shares, which in total contributed to positive LTP of Rs. 15.25 i.e. 7.40% of the market positive LTP.

190. It was also observed that in the majority of the trades (222 trades out of 257 trades), Noticee 30 had put buy orders with small quantity of shares i.e. between the rage of 1-10 shares (average buy order quantity of approx. 2.32 shares). I note that in 218 trades out of these 222 trades, the difference between the available sell quantity and the ordered buy quantity was in the range of 47 to 59,686 shares (The average sell quantity was approx. 5274 shares).

191. I note that in 220 instances, Noticee 30 repeatedly placed buy orders in very small quantity between 1 to 10 shares to match the already existing sell orders which were available at rate higher than the LTP. The LTP contributed through such trades was Rs 15.15 i.e. 7.35% of the market positive LTP. Further, in 2 instances, Noticee 30 placed buy orders in very small quantity between 1 to 10 shares first and contributed positive LTP of Rs. 0.1 (0.05% of market positive LTP) through such trades.

192. Days wise summary of such 222 trades of Noticee 30 is as below:

Table: 57

Date	**Number of trades**	**LTP Contribution**	**Traded Qty.**	**Buy order LMQ (range)**	**Sell order LMQ (range)**
30-04-2018	2	0.1	2	1	31844 - 31844
02-05-2018	38	2.05	38	1	1 - 59687
03-05-2018	4	0.2	4	1	5000 - 10000
04-05-2018	37	1.85	74	2	500 - 25000
07-05-2018	11	0.6	22	2	500 - 29740
08-05-2018	8	0.6	16	2	1000 - 5000
09-05-2018	1	0.05	2	2	2500 - 2500
10-05-2018	72	5.9	92	1 - 2	1 - 25000
11-05-2018	13	0.8	60	1 - 9	100 - 15000

14-05-2018	21	1.9	101	1 - 8	50 - 13000
15-05-2018	15	1.2	92	2 - 8	1 - 5000
Total	**222**	**15.25**	**503**		

193. Thus, on the basis of the above trading pattern and analysis, I note that Noticee 30 placed a buy orders without any real intention of buying shares, and hence such buy orders were not genuine and were intended to execute trades which would contribute to LTP of the scrip and create a misleading appearance of trade. I am of the view that the foregoing analysis demonstrates that the aforesaid trades of Noticee 30 were manipulative in nature even though the quantity of shares in the aforesaid small trades did not substantially contribute to the trading volume in the scrip of VBIL.

194. From the definition of 'fraud' as given in Regulation 2(1)(c) of PFUTP Regulations, I note that for an act or omission to be considered as fraud under the aforesaid definition, the same has to be done in order to induce another person or his agent to deal in securities. In this respect, I place reliance on the judgement of Hon'ble Supreme Court of India in SEBI and Ors v. Kanaiyalal Baldevbhai Patel (Supra), wherein it has been held that inducement is required to constitute 'fraud' under PFUTP Regulations. In this regard, it has been noted that there was a substantial increase in the trading volume during the IP which in my view can be attributed to the trades executed by the entities including Noticees 30 and 31. Therefore, it may not be wrong to conclude that such trades induced investors to trade in the illiquid scrip of VBIL which was tantamount to 'fraud'.

195. I also find it pertinent to note that in cases of market manipulation or fraud, where direct evidence may not be available, transactions are to be tested for any manipulation based on the conduct of parties and the abnormal nature of transactions and the charge of market manipulation or fraud must be proved on a preponderance of probabilities.

196. Thus, placing reliance on the judgements of the Hon'ble Supreme Court in the matter of SEBI vs. Kishore R. Ajmera (2016) 6 SCC 368 (Judgment dated February 23, 2016) and the judgement of Hon'ble SAT in the matter of Shri Lakhi Prasad Kheradi vs. SEBI (Appeal No. 232 of 2017; Order dated June 21, 2018), I am of the view that the crucial factor in determining violation of PFUTP Regulations is the manipulative trading pattern, irrespective of the quantum of actual volume traded. Therefore, in view of the above observations regarding the pattern of trading and conduct of the parties and placing reliance on the aforesaid judgment as well as considering the preponderance of probabilities, I find that Noticees 30 and 31 in the scrip of VBIL, had colluded to create a misleading appearance of trading in the scrip of VBIL and manipulated the volume of the scrip upwards during the IP and that trades carried out by Noticees 30 and 31 were executed with a common manipulative and

fraudulent strategy, which led to creation of misleading appearance of trade in the scrip of VBIL, and induced investors to trade in the illiquid scrip of VBIL which is tantamount to '*fraud'.*

197. Noticees 30 and 31 in their reply have contended that there was no specific allegation w.r.t. LTP contribution. However, I note that SCN issued to Noticee 30 and 31 clearly spells out the allegation levelled against them for LTP contribution. Further, it has been established in the order that Noticees 30 and 31 contributed significantly in LTP by placing small quantities of shares and used such trading pattern as device to manipulate and inflate the price of the scrip of VBIL. In view of the same, I do not agree with the contention raised by Noticees 30 and 31 that there was no allegation w.r.t. LTP creation.

198. Noticee 31 has further contended that these trades were entered in her name on the advice of her broker and she was merely a name lender and her account was merely a mule account. Thus, the said Noticee contends that since the broker was acting on behalf of the Noticee and most likely other Noticees who have also not traded on their own and have done so through their broker in this matter to carry out trades in a coordinated manner to create an artificial impression of active trading thus creating artificial volume in the scrip, the present violation should be considered as a single violation and joint and several liabilities should be imposed, if at all. I note that the aforesaid contentions amount to an admission that the aforesaid circular trades were executed by the said Noticee. In this regard, I further note that it is a matter of record that trades in the scrip of VBIL were executed on the account of the aforesaid Noticee. However, the aforesaid Noticee has not submitted any material to establish that her account was used as a mule account for executing trades by other persons or using funds from other persons. In any case, apart from making a mere statement, the said Noticee does not appear to have taken any meaningful legal recourse on her part at the relevant point of the time nor did she try to delve deeper into the nature of these unauthorised transactions in her bank account and Demat account to identify their source, which in my view, would have been a prudent course of action in that situation. At this juncture, I refer to the judgement of Hon'ble SAT in the matter of Rahul H. Shah vs. SEBI (Appeal No. 83 of 2012 decided on May 11, 2012) in which it had been held that, "*Name lending is a fraudulent activity and requires to be curbed for maintaining the sanctity of the securities market*". The Hon'ble SAT has also reiterated the said position of law in the matter of Dhananjay Kumar vs. SEBI (Appeal No. 316 of 2022; Decided on June 28, 2022) wherein it was held that, "*These transactions have not been disputed by the appellant except alleging that he was unaware and that the account was fraudulently used by these entities… We find that in this regard the appellant himself stated that he noticed unauthorized transaction in January and February 2015 but did nothing in this regard… No*

reason has been given as to why he could not initiate any steps earlier. We also find that the alleged transactions have not been disputed by the appellant. The appellant admits that he opened the trading account and in good faith gave the relevant details, blank cheque books to one Mr. Avinash Kumar Rai who allegedly made fraudulent transactions from his saving bank account. Be that as it may, the fact remains that at the end of the day the appellant is responsible for such act." Thus, placing reliance on the aforesaid judgements, I find that name lending is a serious offence which not only threatens the integrity of the market but also adversely affects the interest of investors. Therefore, placing reliance on the aforesaid judgements of Hon'ble SAT, I find that Noticee 31 was herself responsible for trades executed on her account and the said Noticee cannot be absolved of the responsibility for such trades. In view of the foregoing, I am not inclined to accept the aforesaid contentions of the said Noticee.

199. In view of the same, I find that allegation levelled against Noticees 30 and 31 that they had deployed a manipulative trading pattern involving small trades in the scrip of VBIL and thereby violated Section 12A (a), (b), (c) of SEBI Act and Regulations 3(a), (b), (c), (d), 4(1) of PFUTP Regulations stands established. I also find that the quantity of shares in the aforesaid small trades by Noticee 31 did not substantially contribute to the trading volume in the scrip. Therefore, as regards the LTP contribution and volume contribution made by the aforesaid trades of Noticee 31, I find that the charge under Regulation 4(2)(a) of PFUTP Regulations does not stand established. Therefore, I find that Noticee 31 has violated Section 12A (a), (b), (c) of SEBI Act and Regulations 3(a), (b), (c), (d), 4(1) of PFUTP Regulations.

200. It has been alleged in the SCN that Noticee 32 had run a campaign of circulating misleading information through the website www.accurateinv.com in the scrip of VBIL and thereby violated Sections 12A(a), (b), (c) of SEBI Act and Regulations 3(a), (b), (c), (d), 4(1), 4(2)(f), 4(2)(k), 4(2)(r) of the PFUTP Regulations.

201. I note that SEBI received complaints with respect to website www.accurateinv.com (hereinafter referred to as, "**the website/by name**") and bulk Short Message Service messages (hereinafter referred to as, "**SMS messages/text messages**") sent through SMS headers, namely, HP- ACURAT on May 07,2018 with the recommendation of buying shares of VBIL. I note that the said SMS were circulated from header HP- ACURAT with a message Mutlibagger Stocks, Growth Picks, Value Picks, Hidden Gem stocks, increase your investment, Intraday Stock tips" advising to buy shares of the company. I observe from the Call Data Record(**CDR**) of the aforesaid SMS header that the following text messages were allegedly circulated with the SMS header HP- ACURAT during the IP:

Table:58

Date	SMS Content
28-Apr-18	MULTIBAGGER Buy V B INDUSTRIES LTD (BSE Code: 539123) For This Week TARGET 65+ & Final TARGET 120+ in 3 Months. Every Week Price Will Go UP Minimum 5% To 10%.
30-Apr-18	MULTIBAGGER Buy V B INDUSTRIES LTD (BSE Code: 539123) For This Week TARGET 65+ & Final TARGET 120+ in 3 Months. Every Week Price Will Go UP Minimum 5% To 10%.
30-Apr-18	You Can Read Our Research Report For Multi Bagger V B INDUSTRIES on This Link: **www.Accurateinv.com**/Report%^- Click on This Link or Copy and Paste on Your Browser
07-May-18	BTST BUY / ADD More V B IND (539123) For Tomorrow Target 68.50++& Any Time It Will Hit 1 or 2 UPPER CIRCUIT in This Week So BUY & HOLD For This Week Target 73++
15-May-18	BTST Buy More V B IND (539123) For Tomorrow Target 76++ & Final Target 120++%^ALL BIG VALUE INVESTORS AND PORTFOLIO MANAGERS ARE CONTINUE BUYING THIS HIDDEN GEM

202. From the perusal of the above SMS messages, I observe that the messages pertained to the scrip of VBIL and made direct reference to the website www.accurateinv.com.I further observe that the SMS messages claimed that the VBIL stock was a multi bagger stock that would fetch high profits in a short period of time and gave recommendations to buy the scrip of VBIL.

203. In this regard, on perusal of the payment details provided by the domain service provider, Go daddy, vide email dated July 17, 2019 and information provided by Citibank vide email dated January 28, 2020, in respect of the purchase of the aforesaid website, I observe that the payment with respect to the website www.accurateinv.com was made by one of the partner of Noticee 32, namely, Rakesh Natvarlal Bhatt, using his Citibank credit card.

204. I also observe that in the statement of one of the partner of Noticee 32, namely, Bhavin Pandya recorded on January 13, 2020, Mr. Bhavin Pandya had stated as follows:

a) Mr. Bhavinkumar P Pandya along with Mr. Rakesh Natwarlal Bhatt were partners in the partnership frim named Biz Buddy which was a digital marketing agency for the clients from SME like machine manufacturers, Textile manufacturers, retail shop owners and resort owners. It was involved in social media marketing, website development and management.

b) This domain www.accurateinv.com was booked by his partnership firm Biz Buddy for Mr. Hanif Shekh and the payment of Rs. 580.14 made on April 22, 2018 for booking the domain viz. www.accurateinv.com was not charged from Mr. Hanif Shekh.

c) Mr. Bhavinkumar P Pandya stated that Mr. Hanif Shekh was regular client of Biz Buddy for Google Adverds and the firm had received funds from Mr. Hanif Shekh for the services of Googel Adverds.

d) Mr. Bhavinkumar P Pandya also stated that the partnership firm viz. Biz Buddy is in existence but the partners have separated and not working together since February 2019. He also submitted that the Cyber Crime Branch, Gandhinagar had enquired from him about partner Mr. Rakesh Natwarlal Bhatt regarding certain payment made from Mr. Rakesh Natwarlal Bhatt's credit card on behalf of Mr. Hanif Shekh against whom certain complaint has been registered for cheating.

205. I further observe from the Credit card statement of Mr. Rakesh Bhatt one of the partner of Noticee 32, as provided by Citi bank vide its email dated January 28, 2020, a payment of Rs. 580.14 was made by Mr. Rakesh Bhatt to GoDaddy for purchasing the website. I also observe from the Bank Account statement of Noticee 32 maintained with HDFC Bank (Account number:- 50200026821850) that several large payments to Google for Google Adverds were made from the said bank account of Noticee 32. I further note from the Credit Card statement of Noticee 2 and the Bank Account statement of Noticee 32 that the Noticee 32 have purchased the website domain from Go Daddy by using their own funds.

206. In this regard, Noticee 32 in its reply has submitted that it had paid for the website www.accurateinv.com. However, Noticee 32 has contended that the aforesaid website had been purchased on behalf of their client, namely, Mr. Hanif Shaikh Noticee 32 has further contended that even though it had purchased the aforesaid website, they did not own it. The said Noticee has also contended that the SMS header HP-Accurate was also not owned by it. Noticee 32 in its reply stated that as per the SCN, the person who has booked the said domain name is Mr. Vishal and the contact number of Mr. Hanif Shaikh was provided. I note that apart from a mere assertion, Noticee 32 has not provided any evidence such as a domain purchase invoice pertaining to the website to substantiate their claim that the client had purchased the website. I also note that Noticee 32 has not provided any documents to show that it was engaged by any client to purchase the aforesaid website. Thus, the contention that the website domain was purchased on behalf of the clients of Noticee 32 is devoid of merits. Therefore, I am not inclined to accept the aforesaid contentions of Noticee 32. in this regard, I also note that Noticee 32 has not disputed the fact that the website had been purchased by it. Thus, I conclude that the website www.accurateinv.com belonged to the Noticee 32.

207. As noted earlier in the order, SMS circulated on April 28, 2018 and April 30, 2018 stated that the scrip of VBIL was a multibagger stock and for this scrip, the target was Rs. 65+ & final target price of Rs. 120+ in 3 months and every week the price will go up minimum 5 % to 10%. The SMS circulated on April 30, 2018. Also stated that, "*You Can Read Our Research Report For Multi Bagger V B INDUSTRIES on This Link:*

www.Accurateinv.com*/Report%^- Click on This Link or Copy and Paste on Your Browser*". Similarly, SMS circulated on May 07, 2018 stated that, "*BTST BUY / ADD More V B IND (539123) For Tomorrow Target 68.50++& Any Time It Will Hit 1 or 2 UPPER CIRCUIT in This Week So BUY & HOLD For This Week Target 73++* ". The SMS circulated on May 15, 2018 stated that, *"BTST Buy More V B IND (539123) For Tomorrow Target 76++ & Final Target 120++%^ALL BIG VALUE INVESTORS AND PORTFOLIO MANAGERS ARE CONTINUE BUYING THIS HIDDEN GEM*." In this regard, I note from the BSE price volume data (as available on BSE website) that in a span of eight months, the price of VBIL had decreased from Rs. 89.50 on January 09, 2018 to Rs.33.75 as on August 06, 2018. I also note that there was no trading in the scrip during the period August 06, 2018 to August 14, 2018. Thus, I note that in a span of eight months, from January 09, 2018 to August 15, 2018, the price of VBIL had decreased 62 %, which was much below the target price of Rs. 120 (three month targets) as claimed in the aforesaid SMS messages. I have also perused the BSE historical data pertaining to the scrip for the financial year 2016-2017 and for the period April 01, 2017 to January 08, 2018. I note that during the financial year 2016-17, the price of the VBIL opened at Rs. 374.8 and closed at Rs. 319.7. Thus there was decrease of 14.70% in the price of the scrip of VBIL. I note that during the period April 01, 2017 to January 08, 2018, the price of the VBIL was opened at Rs.319.9 and closed at Rs. 86.65. Thus, I note that there was sharp decrease in the price of VBIL, by 73%. I note that the aforementioned BSE price-volume data and BSE historical data demonstrate that the share price of VBIL had suffered decrease of 14.70% and 73% during the financial year 2016-17 and during the period April 01, 2017 to January 08, 2018, which could only lead to returns far below the target price of 120 as claimed in the SMS messages. Therefore, I find that the claims made in the aforesaid SMS messages about the scrip of VBIL being a multibagger stock that could fetch extraordinary high returns in a short period of three months were false and misleading and contained baseless claims which were designed to mislead investors about the returns which could be earned in the scrip of VBIL.

208. I also note that during the period between April 07, 2018 to April 29, 2018 (hereinafter referred to as, "**pre-SMS period**"), the daily average trading volume in the scrip of VBIL was 81,031 shares. I further note that during the post SMS period the average daily volume was 6,90,187 which was around 9 times of the average daily of pre-SMS period. Considering the aforementioned increase in the daily average trading volume in the scrip of VBIL during the SMS period, it can be justifiably concluded that investors had been induced to trade in the scrip of VBIL on the basis of the aforesaid SMS messages. Therefore, I find that the aforesaid bulk SMS messages were false and misleading advertisements regarding the

scrip of VBIL and were tantamount to a fraudulent device in order to lure investors into buying the scrip of VBIL.

209. I also observe that the aforesaid circulated SMS messages, while giving recommendations to buy the scrip of VBIL, encouraged recipients of the messages to read the purported research report for VBIL available at www.Accurateinv.com. Since the website belonged to Noticees, I am inclined to conclude that the Noticee 32, being owners of the said website, were responsible for the dissemination of the aforesaid bulk SMS messages.

210. I also find it pertinent to note that in cases of market manipulation or fraud, where direct evidence may not be available, transactions are to be tested for any manipulation based on the conduct of parties and the abnormal nature of transactions and the charge of market manipulation or fraud must be proved on a preponderance of probabilities. In this respect, I place reliance upon the judgement of the Hon'ble Supreme Court in the matter of SEBI vs. Kishore R. Ajmera (2016) 6 SCC 368 (Judgment dated February 23, 2016) and the judgement of Hon'ble SAT in the matter of Shri Lakhi Prasad Kheradi vs. SEBI (Appeal No. 232 of 2017; Order dated June 21, 2018).

211. Therefore, on the basis of the foregoing findings, and placing reliance on the aforesaid judgements, the facts and circumstances of the case lead me to conclude that the Noticee 32, who owned the website www.accurateinv.com, had operated a campaign of circulating misleading and false bulk SMS messages pertaining to the scrip of VBIL by using the website www.accurateinv.com to lure investors into buying the scrip of VBIL, which shows manipulative intent on the part of the Noticee 32 to defraud investors.

212. In this regard, I note that Regulations 3(a)–(d) of the PFUTP Regulations, inter alia, prohibit employment of any manipulative/deceptive device, scheme or artifice to defraud in connection with dealing in securities; engaging in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with dealing in securities. I note that Regulation 4(1) of the PFUTP Regulations provides for a prohibition on indulging in fraudulent or unfair trade practices in securities. I further note that Regulation 4(2)(f) prohibits to publish or causing to publish or report or causing to report by a person dealing in a securities any information which is not true or which he does not believe to be true or in the course of dealing in securities. Similarly, Regulation 4(2)(k) prohibits an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of the investors. Regulation 4(2)(r) also prohibits planting false or misleading news which may induce sale or purchase of securities.

213. At this juncture, I find it pertinent to refer to the judgement of Hon'ble Supreme Court of India in the matter of N. Narayanan vs. SEBI [(2013) 12 SCC 152] in which it was held as follows:

"if market abuse is not properly curbed, then it would result in defeating the very object and purpose of SEBI Act......Prevention of market abuse and preservation of market integrity is the hallmark of Securities Law…Market manipulation is normally regarded as the "unwarranted" interference in the operation of ordinary market forces of supply and demand and thus undermines the "integrity" and efficiency of the market... Section 12A read with Regulations 3 and 4 of the Regulations 2003 essentially intended to preserve 'market integrity' and to prevent 'Market abuse'."

214. From the definition of 'fraud' as given in Regulation 2(1)(c) of PFUTP Regulations, discussed above, I note that for an act or omission to be considered as fraud under the aforesaid definition, the same has to be done in order to induce another person or his agent to deal in securities. In this respect, I place reliance on the judgement of Hon'ble Supreme Court of India in SEBI and Ors v. Kanaiyalal Baldevbhai Patel (Civil Appeal No. 2595 of 2013; Decided on September 20, 2017), as discussed above, where it has been held that inducement is required to constitute 'fraud' under PFUTP Regulations.

215. Therefore, placing reliance upon the aforesaid judgements, I find that the attending facts and circumstances in the instant case demonstrate manipulative intent and conduct of the Noticee 32. Thus, based on the facts and circumstances established above and on a preponderance of probabilities, I find that the dissemination of the aforesaid false and misleading SMS messages in order to lure investors into buying the scrip of VBIL, constituted an "unwarranted" interference in the operation of ordinary market forces of supply and demand in relation to the scrip of VBIL and thus amounted to market abuse.

216. Thus, in view of the foregoing findings, facts and circumstances of the case and placing reliance on the aforesaid judgements, I conclude that the Noticee 32, who owned the website www.accurateinv.com, had operated a campaign of circulating misleading and false bulk SMS messages pertaining to the scrip of VBIL by using the aforesaid website with the intent to manipulate the market. Therefore, I find that the allegation that the Noticee 32 has violated Sections 12A(a), (b), (c) of SEBI Act and Regulations 3(a), (b), (c), (d), Regulations 4(1) and 4(2)(f), (k) and(r) of the PFUTP Regulations, stands established.

Issue II: Do the violations, if established, attract monetary penalty under Section 15HA of SEBI Act?

217. I note 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......".* Therefore, placing reliance on the aforesaid judgement, the above violations, as established in the foregoing paragraphs, make Noticees liable for monetary penalty as per details below:

a) Under Section 15HA of SEBI Act for the aforesaid violations of provisions of Sections 12 A (a), (b), (c) of SEBI Act read with Regulations 3(a), (b), (c), (d) and 4(1) and 4(2)(a) of PFUTP Regulations by Noticees 1 to 17;
b) Under Section 15HA of SEBI Act for the aforesaid violations of provisions of Section 12 A (a), (b), (c) of SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) and 4(2)(g) of PFUTP Regulations by Noticees 18, 19 and 21 to 30;
c) Under Section 15HA of SEBI Act for the aforesaid violations of provisions of Section 12 A (a), (b), (c) of SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) of PFUTP Regulations by Noticee 31; and
d) Under Section 15HA of SEBI Act for the aforesaid violations of provisions of Section 12 A (a), (b), (c) of SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(f), 4(2)(k) and 4(2)(r) of PFUTP Regulations by Noticee 32.

218. The text of Section 15HA of SEBI Act is reproduced below: -

SEBI Act

Penalty for fraudulent and unfair trade practices

Section 15HA of SEBI Act:- *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 III: If so, what would be the quantum of monetary penalty that can be imposed on the Noticee after taking into consideration the factors mentioned in section 15J of the SEBI Act, 1992?

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

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

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

(c) the repetitive nature of the default.

220. In view of the charges as established, the facts and circumstances of the case, the quantum of penalty would depend on the factors listed in Section 15J of SEBI Act. In the instant case, having regard to the factors listed in Section 15J of SEBI Act, it is noted that the material available on record does not demonstrate any quantifiable gain or unfair advantage accrued to Noticees or the extent of loss suffered by the investors as a result of the default. As regard to the repetitive nature of the violation, I find that vide adjudication orders passed in the matters of Edynamics Solutions Limited, Viji Finance Limited, Darshan Orna Limited, Steel Exchange India Limited, Vani Commercials Limited, Gala Global Products Limited, and Global Infratech and Finance Limited penalty was imposed on the Noticees 11, 12, 17, 19, 23, 25, 26, and 30 respectively for indulging in manipulative trades and thereby violating PFUTP Regulations. In respect of Noticees 1 to 10, 13 to 16, 18, 21, 22, 24, 27 to 29, 31 and 32, I observe that there are no records to show repetitive defaults of a similar nature have been committed by them. I also observe that it has been established that Noticees 1 to 19 and 21 to 31 had indulged in manipulation of trading volume and created a misleading appearance of trade in the scrip of VBIL which misled and induced genuine investors to trade in the said scrip. Such acts violate the fundamental tenets of market integrity. Such acts, if dealt with lightly, could seriously undermine investors’ confidence in the securities market and therefore, merit appropriate penalty commensurate with such violations

221. In respect of Noticee 32, I find that it disseminated false and misleading information through bulk SMSes to gullible investors. I am of the view that such manipulative acts of the Noticee 32 also misled and induced genuine investors to trade in the scrip and harm them and therefore such acts also violate the fundamental tenets of market integrity. Such acts, if dealt with lightly, could seriously undermine investors’ confidence in the securities market and therefore, merit appropriate penalty commensurate with such violations.

<u>ORDER</u>

222. Having considered all the facts and circumstances of the case, the material available on record, and also the factors mentioned in Section 15J of the SEBI Act, as enumerated above, I, in exercise of the powers conferred upon me under Section 15-I of the SEBI Act

read with Rule 5 of the Adjudication Rules, hereby impose the following penalty on Noticees 1 to 19 and 21 to 32 under Section 15 HA of SEBI Act.:

Noticee No	**Noticee Name**	**Penalty**
1	Asthvinayak Trexim Pvt. Ltd	**Rs. 5,00,000/- (Rupees Five Lakh only)**
2	Ms. Licy Roshan Augustin	**Rs. 5,00,000/- (Rupees Five Lakh only)**
3	Mr. Ramnbhai Kalubhai Ravat	**Rs. 5,00,000/- (Rupees Five Lakh only)**
4	Mr. Hasmukh Rajesh Vaghela	**Rs. 5,00,000/- (Rupees Five Lakh only)**
5	Ms. Rachana Birjukumar Sanghvi	**Rs. 5,00,000/- (Rupees Five Lakh only)**
6	Mr. Vaghela Prakash Kantilal	**Rs. 5,00,000/- (Rupees Five Lakh only)**
7	Mr. Amitkumar Govindbhai Parmar	**Rs. 5,00,000/- (Rupees Five Lakh only)**
8	Sahilkumar Amrutbhai Vaghela	**Rs. 5,00,000/- (Rupees Five Lakh only)**
9	Tapas Santra	**Rs. 5,00,000/- (Rupees Five Lakh only)**
10	Subhashish Malik	**Rs. 5,00,000/- (Rupees Five Lakh only)**
11	Soumen Mitra	**Rs. 6,00,000/- (Rupees Six Lakh only)**
12	Sanjoy Kumar Dey	**Rs. 6,00,000/- (Rupees Six Lakh only)**
13	Rajesh Bansal	**Rs. 5,00,000 /-(Rupees Five Lakh only)**
14	Bicki Kumar	**Rs. 5,00,000/- (Rupees Five Lakh only)**
15	Rahul Shaw	**Rs. 5,00,000/- (Rupees Five Lakh only)**
16	Bikki Singh	**Rs. 5,00,000/- (Rupees Five Lakh only)**

Noticee No	Noticee Name	Penalty
17	Sungar Textiles Private Limited	**Rs. 6,00,000/- (Rupees Six Lakh only)**
18	Ahmed Zaheer	**Rs. 5,00,000/- (Rupees Five Lakh only)**
19	Ankit Jagdishbhai Pithava	**Rs. 6,00,000/- (Rupees Six Lakh only)**
21	Dharmesh Nathalal Bhatt	**Rs. 5,00,000/- (Rupees Five Lakh only)**
22	Harsha Jagdishbhai Parmar	**Rs. 5,00,000/- (Rupees Five Lakh only)**
23	Hitesh Kumar	**Rs. 6,00,000/- (Rupees Six Lakh only)**
24	Jagadish Ramjibhai Parmar	**Rs. 5,00,000/- (Rupees Five Lakh only)**
25	Kirtan Gopalbhai Dhola	**Rs. 6,00,000/- (Rupees Six Lakh only)**
26	Pravinbhai Harishbhai Vyas	**Rs. 6,00,000/- (Rupees Six Lakh only)**
27	Ripalben Dahyabhai Chaudhari	**Rs. 5,00,000/- (Rupees Five Lakh only)**
28	Splendid Hotels Resorts Private Limited	**Rs. 5,00,000/- (Rupees Five Lakh only)**
29	Vijay Chunibhai Chauhan	**Rs. 5,00,000/- (Rupees Five Lakh only)**
30	Saurabh Mahendrabhai Shah	**Rs. 6,00,000/- (Rupees Six Lakh only)**
31	Harshaben Tejasbhai Joshi	**Rs. 5,00,000/- (Rupees Five Lakh only)**
32	Biz Buddy Media Marketing	**Rs. 5,00,000/- (Rupees Five Lakh only)**

223. I am of the view that the said penalty is commensurate with the lapse/omission on the part of the Noticees 1 to 19 and 21 to 32.

224. Noticees 1 to 19 and 21 to 32 shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of “SEBI - Penalties

Remittable to Government of India", payable at Mumbai, OR through online payment facility available on the 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. In case of any difficulties in payment of penalties, Noticees 1 to 19 and 21 to 32 may contact the support at portalhelp@sebi.gov.in.

225. Noticees 1 to 19 and 21 to 32 shall forward said Demand Draft or the said confirmation of e-payment made in the format as given in table below which should be sent to "The Division Chief, EFD – DRA - 4, Securities and Exchange Board of India, SEBI Bhavan, Plot no. C- 7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e-mail id:- tad@sebi.gov.in

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

226. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties of Noticees 1 to 19 and 21 to 32.

227. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticees 1 to 18 and 19 to 32 and also to SEBI. Further, a copy of this order is also sent to the legal heir of Noticee 20.

Date: January 31, 2023 **SOMA MAJUMDER**

Place: Mumbai **Adjudicating Officer**