BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OFINDIA

ADJUDICATION ORDER NO. EAD-7/BD/NR/2019-20/7407-7417

UNDER SECTION15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995

In respect of

1. Deepa Saurabh Shah *(PAN: BBTPS6761H)* 24, Yogikrupa Society Near DIP Chamber, Manjalpur Vadodara - 390011.	2. Sunil Jain *(PAN: AEBPJ0013P)* Plot No. 68, Bhoi Mohalla Road Tilak Parth Chouraha Indore – 452002.
3. Rahul Gupta *(PAN: AIGPG4489H)* H.No. 570/1, Gali Petrol Pump Wali Gobind Nagar Sirsa – 125055.	4. Decent Vincom Pvt., Ltd., *(PAN: AADCD3148E)* 19, Nityadhan Mukherjee Road Near Howrah Police Station Howrah – 711106.
5. Anthony Gayen *(PAN: ARJPG7901L)* 16E, Manohar Pukur Road Ward No. 84 Kolkata – 700026.	6. Dilip Kumar Mandal *(PAN: BQCPM7585H)* UP Parakanpur Bardon Diamond Harbour, Near Bardon Hospital South 24 Paraganas – 7433332.
7. Badri Prasad & Sons *(PAN: ADUPC9547M)* First Floor, No. 4 Netaji Subhash Road, BBD Bagh Kolkata – 700001.	8. Premsagar Vinimay Pvt., Ltd., *(PAN: AAECP9297K)* 19/1, Sikdarapara Street Kolkata - 700001.
9. Nityadhara Plaza Pvt., Ltd., *(PAN: AADCN9427C)* 8, Lyons Range, 5th Floor Kolkata – 700001.	10. Conquer Barter Pvt., Ltd., *(PAN: AADCC8378F)* 42, Sri Hari Ram Goenka Street Kolkata – 700001.
11. Navdurga Investment Consultants Pvt., Ltd., *(PAN: AACCN9567A)* 8, Lyons Range Kolkata – 700001.	

(The aforesaid entities are hereinafter referred to by their respective names/serial numbers or collectively as "the Noticees")

In the matter of Unisys Software and Holding Industries Ltd.,

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as **'SEBI'**) conducted an investigation in the scrip of Unisys Software and Holding

Industries Ltd., *(hereinafter referred to as **"Unisys" / "Company")*** inter-alia to ascertain any possible violation of the provisions of SEBI Act, 1992 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market)) Regulations, 2003 by certain connected entities during the period January 19, 2010 to November 14, 2014 *(hereinafter referred to as **"Investigation Period" / "IP"***).

2. The investigation revealed that the Noticees who were found to be connected to each other had indulged in manipulative trades which created false or misleading appearance of trading in the scrip of Unisys and further have contributed to the LTP in the scrip through their trades, thereby manipulating the price of the scrip of Unisys during Patches 2, 4, 5 and 6 respectively of the Investigation Period. Therefore, it is alleged that the Noticees have violated the provisions of Section 12 A (a), (b), (c) of SEBI Act read with Regulations 3 (a), (b), (c), & (d), 4 (1), 4 (2) (a) and 4 (2) (e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 *(hereinafter referred to as "PFUTP Regulations")*

FACTS OF THE CASE

3. The shares of Unisys were traded in the Bombay Stock Exchange (BSE). During the period of investigation, it was observed that the price of the scrip opened at ₹50.00 on January 19, 2010, reached a high of ₹313.00 on February 13, 2013 and closed at ₹81.60 on November 13, 2014. Based on the aforesaid abnormal price movement in the scrip of Unisys, it was noticed in the course of investigation that there was continuous up and down movement in the price of the scrip of Unisys. It was also observed that there were certain entities who were found to be trading adversely in the scrip of Unisys. Therefore, based on the outcome of investigation that was conducted in the scrip of Unisys, it was noticed that out of following eight patches of trading periods, there were four patches of price rise and four patches wherein the price of the scrip witnessed fall.

Patch-1 (Price Rise): 19/01/2010 to 29/04/2011

Patch-2 (Price Fall): 02/05/2011 to 19/10/2011

Patch-3 (Price Rise): 20/10/2011 to 22/03/2012

Patch-4 (Price Fall): 23/03/2012 to 28/08/2012

Patch-5 (Price Rise): 29/08/2012 to 12/11/2012

Patch-6 (Price Fall): 13/11/2012 to 22/07/2013

Patch-7 (Price Rise): 13/11/2012 to 22/07/2013

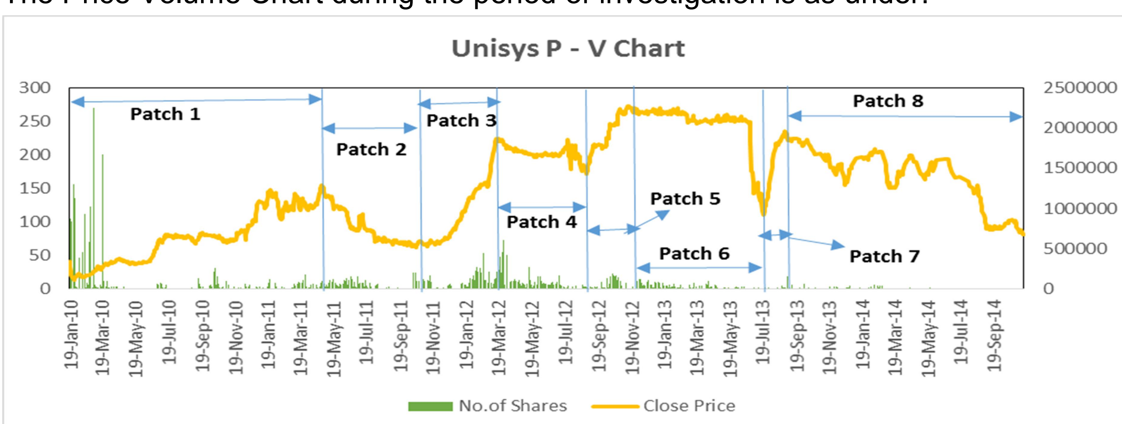
Patch-8 (Price Fall): 03/09/2013 to 13/11/2014

4. The price-volume details during the investigation period is as under:

Table 4: Price Volume details during investigation period - BSE

Patches	Period	Designation	Open	High	Low	Close	Avg. Traded Volume
IP - Patch-1	19/01/2010 to 29/04/2011	Price	50.00	158.00 (29/04/2011)	10.73 (28/01/2010)	154.95	66264
		Volume	609345	2251502 (04/03/2010)	332 (10/02/2011)	105924	
30/04/2011 (sat) and 01/05/2011 (sun) were trading holidays							
IP - Patch-2	02/05/2011 to 19/10/2011	Price	155.00	155.00 (02/05/2011)	56.00 (13/10/2011)	62.25	40526
		Volume	60567	202503 (14/10/2011)	22 (05/10/2011)	103670	
IP - Patch-3	20/10/2011 to 22/03/2012	Price	64.65	230.00 (22/03/2012)	58.50 (01/12/2011)	223.10	78895
		Volume	103351	452945 (21/02/2012)	100 (23/11/2011)	335462	
IP - Patch-4	23/03/2012 to 28/08/2012	Price	212.15	229.50 (multiple dates)	160.25 (01/08/2012)	171.55	68722
		Volume	200392	612282 (28/03/2012)	234 (16/08/2012)	26030	
IP - Patch-5	29/08/2012 to 12/11/2012	Price	161.05	300 (08/11/2012)	161 (29/08/2012)	272.00	47255
		Volume	18394	189426 (16/10/2012)	55 (03/10/2012)	1287	
IP - Patch-6	13/11/2012 to 22/07/2013	Price	266.00	313.00 (13/02/2013)	110.45 (22/07/2013)	110.45	24007
		Volume	1201	122575 (04/12/2012))	1 (09/07/2013)	3	
IP - Patch-7	23/07/2013 to 02/09/2013	Price	105	239 (02/09/2013)	104.95 (23/07/2013)	230.35	10091
		Volume	2432	58212 (02/09/2013)	10 (27/08/2013)	58212	
IP - Patch-8	03/09/2013 to13/11/2014	Price	225.75	225.75 (03/09/2013))	81.60 (Multiple dates)	81.60	6992
		Volume	157470	157470 (03/09/2013)	1 (multiple dates)	100	

5. The Price Volume Chart during the period of investigation is as under:



6. Last traded price (LTP) analysis was carried out for the entire investigation period. The detail of trades by connected entities and their trades that resulted into LTP influence during the investigation period are tabulated below:

(a) It was observed that, during Patch-2 i.e. 02/05/2011 to 19/10/2011, the price of the scrip opened at ₹155.00, reached a low of ₹56.00 and closed at ₹62.25 i.e., resulting in a fall of 59.84% from the opening price. It was observed that Noticee 1 contributed to 10.14% of market Negative Last Traded Price (hereinafter referred to as "negative/(-ve) LTP"). It was further observed that out of the 62 trades executed by the Noticee 1 that contributed to market (–ve) LTP, 56 trades were self-trades that contributed to 9.6% of the market (–ve) LTP and Noticee 1, by repeatedly executing self-trades at prices lower than the LTP for small quantities, contributed to price fall in the scrip and thereby indulged in an act which created a false or misleading appearance of trading amounting to manipulation of the price of the scrip during Patch-2 of the Investigation Period.

(b) During Patch-4 i.e. from 23/03/2012 to 28/08/2012, the price of the scrip opened at ₹212.15, reached a low of ₹160.25 and closed at ₹171.55 i.e., resulting in a fall of 19.14% from the opening price. It was observed that Noticee 2, contributed to 12.17% of market (–ve) LTP. It was further observed that out of the total trades executed by the Noticee 2 that resulted in (–ve) LTP, 12 trades were self-trades that contributed to 7.76% of the market (–ve) LTP and Noticee 2, by executing self-trades at prices lower than the LTP for small quantities contributed to price fall in the scrip and thereby indulged in an act which created a false or misleading appearance of trading amounting to manipulation of the price of the scrip during Patch-4 of the Investigation Period.

(c) Further, it was observed that during Patch-5 i.e. from 29/08/2012 to 12/11/2012, the price of the scrip opened at ₹161.05, reached a high of ₹300.00 and closed at ₹272.00 i.e., registering a rise of 68.89% from the opening price. In this respect, the investigation revealed that the Noticees

3 and 4 by repeatedly placing buy orders for small quantities at prices higher than LTP contributed to price rise in the scrip and thereby alleged to have indulged in an act which created false or misleading appearance of trading amounting to manipulation of the price of the scrip.

(d) It was also revealed in the investigation that based on the analysis of their UCC details, off-market transactions, physical share transfers, financial transactions and MCA data etc., Noticees 4 to 11 were found to be connected with each other. It was observed that Patch-6 i.e. from 13/11/2012 to 22/07/2013, Noticees 4 to 11, who were connected with each other, were found to have executed trades, repeatedly amongst themselves at prices lower than LTP and thereby have contributed to price fall in the scrip of Unisys.

7. In view of the aforementioned factual findings of the investigation, it was alleged that the Noticees have indulged in manipulative trades which created false or misleading appearance of trading in the scrip of Unisys and further have contributed to the LTP in the scrip through their trades, thereby manipulating the price of the scrip of Unisys during Patches 2, 4, 5 and 6 respectively of the Investigation Period. Therefore, it is alleged that the Noticees were found to have violated the provisions of Section 12 A (a), (b), (c) of SEBI Act, 1992 read with Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of SEBI (PFUTP) Regulations, 2003.

APPOINTMENT OF ADJUDICATING OFFICER

8. Pursuant to investigation, SEBI initiated Adjudication Proceedings against the Noticees and appointed the undersigned as the Adjudicating Officer vide Order dated August 31, 2017 under Section 19 of SEBI Act read with Sub-section (1) of Section 15-I of the SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as *"SEBI Adjudication Rules"*) to inquire into and adjudge under Section 15HA of the SEBI Act, for the alleged violation of the provisions of SEBI Act and SEBI (PFUTP) Regulations, by the Noticees.

SHOW CAUSE NOTICE, REPLY AND HEARING

9. A common Show Cause Notice (hereinafter referred to as "SCN") bearing ref. no. EAD/BJD/NJMR/16430/2018 dated June 5, 2018 was issued to the Noticees under Rule 4 of SEBI Adjudication Rules to show cause as to why an inquiry be not held against them in terms of Rule 4 of the SEBI Adjudication Rules and penalty be not imposed under Section 15HA of the SEBI Act, 1992 for the violation alleged to have been committed by them.

10. I note from the postal records that the SCN was received by the Noticees 1, 2, 4, 5, 7, 10 and 11. The SCNs sent to the Noticees 3, 6, 8 and 9 returned undelivered. Therefore, in terms of Rule 7 (b) of SEBI Adjudication Rules, the SCN was sent through digitally signed email to the Noticees 3, 6, 8 and 9 on June 27, 2018. I note that excepting the Noticee 9, the emails sent to the Noticees 3, 6, and 8 did not bounce. Since, the SCN could not be served on the Noticee 9 by way of post / email, in terms of Rule 7 (c) of SEBI Adjudication Rules, an attempt was made to deliver the SCN by hand/affixture, which was unsuccessful.

11. The replies furnished by the Noticees are summarized hereunder:

<u>Reply of the Noticee 2 (Sunil Jain) – Dated June 18, 2018, June 10, 2019 & February 24, 2020</u>

(a) *I would like to clarify that I am a small trader engaged in regular trading activity in securities market. I have traded in the said scrip based on my perception. There was no false intention while dealing in the said scrip. Further, due to low volume in the said scrip, the instances of self-trade occurred and which was unintentional.*

(b) *I had traded in the Unisys scrip not with an intention to manipulate the price, but on the basis of our research to earn profit, but finally ended up in booking loss in the said scrip.*

(c) *By Order dated January 22, 2020, the Hon'ble Whole Time Member, SEBI had restrained me from assessing the securities market and further prohibited me from buying, selling or otherwise dealing in securities directly or indirectly, or being associated with the securities market in any manner, for a period of 3 years from the date of this Order.*

Reply of the Noticee 7 (Badri Prasad & Sons) – Dated June 25, 2018

(a) *It is strongly denied that we are not known to any of the persons or entities mentioned in the SEBI letter and also we are not in receipt of any basis of documents which shows that the persons/entities mentioned in SEBI letter are connected to us.*

(b) *We are a CSE registered stock broking firm and executes the shares trading transactions on or behalf of the clients and for ourselves under normal course of business.*

(c) *With regard to the trading activity by us in the scrip of Unisys was within the legal purview and has been adequately disclosed in the books of accounts of Badri Prasad & Sons. It is well known fact that the transaction executed on the platform provided under the Stock Exchange mechanism is not done on OTC basis and the buyer and the seller do not know each other and that they could only place their respective trades on the Stock Exchange provided platform, which was fully in control of the Stock Exchange so we find it puzzling and hard to believe and it is very amusing that the prices of shares can be manipulated by few persons with such a little trades.*

(d) *We deny and refute all the allegations that we are a part of any manipulation in the stock price of Unisys and in violation of the provisions of SEBI (PFUTP) Regulations.*

Replies of Noticees 4 (Deepa Saurabh Shah), 5 (Anthony Gayen), 10 (Conquer Barter Pvt., Ltd.,) & 11 (Navdurga Investment Consultants Pvt., Ltd., – Dated June 26, 2018

(a) *The Noticees denied the allegations made in the SCN and submitted that they have not violated the provisions of the Regulations as alleged in the SCN.*

(b) *We are in the process of filing a reply, however the same is getting delayed as the compilation of data is taking sometime.*

(c) *Accordingly, the Noticees request to grant short adjournment of four weeks.*

Reply of the Noticee 3 (Rahul Gupta) – Dated February 19, 2020

(a) *The trades done in the scrip of Unisys were executed in the normal course of trading in securities market without the intention of misleading and manipulated trade.*

(b) *That the trades done were done by my brother Mr. Naveen Gupta in my trading ID and he does it without the malafide or dishonest intention.*

(c) *By way of the Hon'ble WTM Order January 22, 2020, I have been prohibited from trading in securities market for 3 years and therefore it is requested not to impose any penalty against me.*

12. In the interest of natural justice and in terms of Rule 4 (3) of SEBI Adjudication Rules, an opportunity of personal hearing was accorded to all the Noticees on March 3, 2020, which was communicated vide notice dated February 10, 2020. I note that the notice of hearing sent to the Noticees 6, 7, 8, 9, 10 and 11 returned undelivered. Therefore, these Noticees were once again given an opportunity of personal hearing on March 17, 2020, which was communicated through digitally signed email on March 6, 2020 under the provisions of Rule 7 (b) of SEBI Adjudication Rules. The emails sent to the Noticees 6, 7, 8, 10 and 11 did not bounce, whereas the email sent to the Noticee 9 bounced.

13. In this regard, I note that the Noticees 2, 3, 4, 5, 7, 10 and 11 had either submitted their replies on various dates or acknowledged receipt of the SCN. I also note that the Noticees 1, 6 and 8 despite receipt of the SCN either by way of Post / Email did not submit their replies. Further, I note that none of the Noticees appeared for personal hearing scheduled on March 3, 2020 and March 17, 2020.

14. In respect of the Noticee 9, I note that the SCN and notice of hearing could not be delivered by any mode. At this juncture, I note that as per Ministry of Corporate Affairs (MCA) records, the registered office address of the Noticee 11 (Navdurga Investment Consultants Pvt., Ltd.,) is same as that of the Noticee 9 i.e., Nityadhara Plaza Pvt., Ltd., (8, Lyons Range, Kolkata – 700001). It is also pertinent to note from the MCA records that the Board of Directors (Mr. Narendra Joshi and Mr. Ratan Pandit) of both these Noticees Companies (i.e., 9 and 11) are common. In view of the above, I note that since the Noticee 11 vide letter dated June 26, 2018 had acknowledged receipt of SCN, which was sent to the same address as that of the Noticee 9, I note that the Noticee 9 conveniently failed to acknowledge receipt of SCN &

notice of hearing, which was commonly addressed to all the Noticees. In view of the above, since the registered office address, Directors of the Noticee 11are common with that of the Noticee 9 and that the Noticee 11 had acknowledged receipt of the SCN & notice of hearing, I am convinced that the SCN and the notice of hearing has been duly served on the Noticee 9.

15. I note that despite receipt of SCN and notice of hearing the Noticees 1, 6, 8 and 9 did not file their replies and also not attended the personal hearing. In this context, I would like to rely upon the observations of The Hon'ble Securities Appellate Tribunal (SAT) in the matter of Classic Credit Ltd. vs. SEBI (Appeal No. 68 of 2003 decided on December 08, 2006) wherein it, inter alia, observed 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".*

16. The Hon'ble SAT has again in the matter of Sanjay Kumar Tayal & Others v SEBI (Appeal No. 68 of 2013 decided on February 11, 2014), interalia, observed that – *"………………As rightly contended by Mr. Rustomjee, learned senior counsel for respondents, appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges levelled against them in the show cause notices……………..".*

17. In view of the above, I am of the opinion that the SCN and Notices of hearing have been duly served on all the Noticees, but the Noticees 1, 6, 8 and 9 failed to reply and also failed to avail the opportunity of personal hearing. I also note that none of the other Noticees appeared for the personal hearing. I am convinced that the principle of natural justice has been duly followed in the matter, as enough opportunities were provided to the Noticees to reply to the SCN and to appear for hearing. Therefore, I am inclined to decide the matter ex-parte in respect of Noticees 1, 6, 8 and 9 taking into account the evidence /

material available on record. In respect of the other Noticees, I take into consideration the replies submitted by them and accordingly decide the matter vis-à-vis the charges alleged in the SCN.

CONSIDERATION OF ISSUES

18. After perusal of the material available on record, I have the following issues for consideration viz.,

    I. Whether the Noticees have violated the provisions of Section 12 A (a), (b), (c) of SEBI Act read with Regulations 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) and 4 (2) (e) of SEBI (PFUTP) Regulations, 2003?

    II. Whether the Noticees are liable for monetary penalty under Section 15HA of the SEBI Act?

    III. If so, what quantum of monetary penalty should be imposed on the Noticees?

FINDINGS

19. On perusal of the material available on record and giving regard to the facts and circumstances of the case and submissions of the Noticees, I record my findings hereunder.

ISSUE I: Whether the Noticees have violated the provisions of Section 12 A (a), (b), (c) of SEBI Act read with Regulations 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) and 4 (2) (e) of SEBI (PFUTP) Regulations, 2003?

20. Before moving forward, it is pertinent to refer to the relevant provisions of SEBI Act and SEBI (PFUTP Regulations), 2003 which reads as under:

Section 12 (A) (a) (b) (c) of SEBI Act

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;

Regulation 3 of SEBI (PFUTP) Regulations: - Prohibition of certain dealings in securities

3. 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 of SEBI (PFUTP) Regulations: - Prohibition of manipulative, fraudulent and unfair trade practices

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

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:-
(a) indulging in an act which creates false or misleading appearance of trading in the securities market;
(e) any act or omission amounting to manipulation of the price of a security;

21. It has been alleged in the SCN that the Noticee 1 and the Noticee 2 have executed artificial and manipulative trades including large number of self-

trades in the scrip of Unisys. The details of such trades executed by the Noticee 1 and their impact on the LTP of Unisys scrip are tabulated below:

Entity	All trades			LTP >0			LTP < 0			LTP = 0		% of -ve LTP to Mkt -ve LTP
	Sum of LTP Diff	No of trades	Qty	Sum of LTP Diff	No of trades	Qty	Sum of LTP Diff	No of trades	Qty	No of trades	Qty	
Deepa Saurabh Shah	-156.25	100	1114	65.70	25	329	-221.95	62	442	11	343	10.14
Market Total	**-89.95**	**6882**	**4822595**	**2099.65**	**1782**	**1489229**	**-2189.60**	**2407**	**1218242**	**2693**	**2115124**	**100.00**

22. I note from the above table that during the Patch-2 i.e. 02/05/2011 to 19/10/2011, the price of the scrip of Unisys registered a significant fall by 59.84% from the opening price of ₹155.00. From the trade data as mentioned in the above table, I note that during the Patch-2, the Noticee 1 through her executed trades, has contributed significantly to market (–ve) LTP and hence is alleged to have contributed to the fall in the price of Unisys. I further note from the above table that the Noticee 1, by executing 62 trades contributed (–ve) LTP of ₹221.95 (10.14%) of total market (– ve) LTP. I also observe from the trade details annexed to the SCN that out of such 62 trades executed by the Noticee 1 that contributed to market (–ve) LTP, 56 trades were self-trades which resulted into contribution of 9.6% of the total market (–ve) LTP. I also note from the said annexure to the SCN that such 56 self-trades were executed by the Noticee 1 over a period of 28 days involving 199 shares. Thus, on an average, the Noticee 1 has indulged in executing trades of more than 7 shares through self-trades per day in the scrip of Unisys. The trade data annexed to the SCN further shows that in 56 self-trades executed by Noticee 1, the quantities were ranging from 1 – 25 shares and through such self-trades, the Noticee 1 had contributed to (–ve) LTP of ₹210.25. Further, during the Patch-2, the volume of shares traded by Noticee 1, through her self-trades amounts to 17.86% (199 shares) of her total traded volume (1114 shares) in the scrip of Unisys.

23. I also note from the trade logs that out of the 56 self-trades executed by the Noticee 1, 18 of her trades were first trades (1st trade of the trading day in the scrip by way of first placing order in the system) that contributed ₹93.45 to

market (–ve) LTP (4.7% of market (–ve) LTP). The details of such first executed by the Noticee are tabulated below:

Date of the trade	Trade details				Buy order details			Sell order details			Time Diff b/w Buy and Sell order
	LTP variance	Time	Price	Qty	Time	Price	Qty	Time	Price	Qty	
27/06/2011	-0.4	09:45:03	90.5	1	09:44:56	90.5	50	09:45:03	90.5	1	00:00:07
18/08/2011	-9.5	09:20:09	65	1	09:15:03	65	25	09:20:09	65	1	00:05:06
23/08/2011	-8.9	09:22:32	71	1	09:22:20	71	25	09:22:32	71	1	00:00:12
30/08/2011	-2.5	09:21:12	70	5	09:21:04	70	100	09:21:12	70	5	00:00:07
02/09/2011	-2.95	10:12:56	70	1	10:12:51	70	1	10:12:56	68.85	1	00:00:06
08/09/2011	-4.95	09:23:48	65	1	09:23:35	65	100	09:23:48	65	1	00:00:13
09/09/2011	-6.75	09:37:51	67	10	09:37:44	67	25	09:37:51	66	10	00:00:07
12/09/2011	-4.1	09:26:10	65	25	09:26:04	65	25	09:26:10	65	25	00:00:06
13/09/2011	-3.3	10:29:32	68.5	1	10:29:24	68.5	1	10:29:32	68.35	1	00:00:08
19/09/2011	-2.45	09:21:33	67.05	1	09:21:28	67.05	100	09:21:33	67.05	1	00:00:05
20/09/2011	-5	09:26:53	63	1	09:26:42	63	50	09:26:53	63	1	00:00:11
21/09/2011	-5.9	09:23:12	65	1	09:23:02	65	100	09:23:12	65	1	00:00:10
27/09/2011	-7.8	09:24:18	63	1	09:24:13	63	50	09:24:18	62.6	1	00:00:05
04/10/2011	-6.5	09:27:56	60.5	1	09:27:51	60.5	1	09:27:56	60.2	1	00:00:05
05/10/2011	-6	09:31:49	62	1	09:31:41	62	50	09:31:49	61	1	00:00:07
11/10/2011	-4.55	09:22:06	65.25	5	09:22:00	65.25	5	09:22:06	65	5	00:00:06
14/10/2011	-6	09:18:55	58	5	09:18:48	58	50	09:18:55	57.2	5	00:00:07
18/10/2011	-5.9	09:17:51	58.5	1	09:17:47	58.5	25	09:17:51	58	1	00:00:05
Total	**₹93.45 (4.7% of Total market (–ve) LTP)**										

24. I note from the above table that in 17 out of 18 instances of first trades executed by the Noticee 1 in the scrip of Unisys by way of self-trades; the difference in timing between buy order and sell order was within range of 5 seconds to 13 seconds. For instance, on September 27, 2011, Noticee 1 placed buy order at 09:24:13 for 50 shares at ₹63.00 per share and within a period of 5 seconds, a sell order was placed by her at 09:24:18 for 1 share at ₹62.60 per share. Accordingly, the trade was executed at ₹62.6 which was ₹7.80 {(-ve) LTP contribution} less than the last traded price. Again, on October 14, 2011, a buy order was placed by Noticee 1 at 09:18:48 for 50 shares at ₹58.00 per share and after 7 seconds a sell order was placed at 09:18:55 for 1 share at ₹57.2 per share by herself and such a self-trade was executed at ₹57.2 thereby contributing to market (–ve) LTP of ₹6.00. Similarly, the Noticee apparently deliberately continued to place sell orders in smaller quantities in comparison to the quantities of her own buy orders that were available in the system and thereby continued to contribute to (–ve) LTP of the scrip. Interestingly, it is observed that the Noticee 1 was placing sell

order at price lower than the buy order on continuous basis, which is contrary to the normal business prudence wherein buyer intends to buy at lower price and seller always strives for higher price.

25. Thus, I note from the aforesaid trading pattern that the Noticee 1 has first placed buy orders at a price lower than the LTP and simultaneously (within a few seconds) has placed sell orders for smaller quantities at a price lower than the buy orders placed by her a few seconds ago, which have resulted in matching of her own buy-sell orders and in execution of the trades that were lower than the LTP and in this manner, the trades executed by Noticee1 have resulted in contributing to (–ve) LTP on the said scrip. As stated earlier, the Noticee 1 has neither filed any reply to the SCN, nor has preferred to make any submission by availing the opportunity of personal hearing. Effectively, no explanation has been furnished by her justifying her action in executing self-trades that too, executing such trades repeatedly at prices lower than the LTP. There is nothing on record to indicate or to suggest that the Noticee 1 was engaged in jobbing transactions. Further, it is not the case that through such self-trades she wanted to negate / cancel the buy orders placed by her inadvertently hence, the sell orders were placed a few seconds after to nullify those buy orders. Had it been the case, the quantities of shares in both buy and sell orders would have been identical. Rather, from the records, it is evident that immediately after placing the buy orders, the Noticee 1 has placed sell orders mostly for 1 share only, at prices lower than the buy order prices. It is beyond one's understanding for example, as to why she was interested in buying shares at ₹63.00 on 27.09.2011 when, she herself sold share at a price lower than the LTP i.e. ₹ 62.60/- per share at the same time. Indulging in such trades frequently coupled with the facts that such trades were executed at a price lower than the LTP, the Noticee 1 in the process has negatively contributed ₹93.45 to the price of the scrip through 18 such trades and also has made an overall (– ve) LTP contribution of ₹210.25, thereby causing price fall in the scrip of Unisys through 62 of her trades. I am of the view that placing orders and executing trades on a frequent basis and contributing majorly to the price fall in the scrip even at the cost of sustaining

personal loss would not be viewed as trades executed prudently in the normal course of trading in securities market. Resorting to such trades by the Noticee 1 were bound to create misleading appearances and false perceptions in the mind of innocent investors about the trades in the said scrip leading to generation of artificial volume in the scrip as well as distorting the informed decision making by genuine investors. The trades executed by the Noticee 1 by no standard can be held as genuine trades executed in the normal course of trading in securities, as evident from trading pattern as narrated above which glaringly highlights that the Noticee 1 had no intention of actually purchasing or selling the shares of Unisys with any motive to earn profit.

26. From the aforesaid, I find that through her abnormal trading pattern, the Noticee 1 has indulged in execution of self-trades quite frequently and by executing such trades, she has deliberately manipulated the price of the scrip. Her trading pattern of buying only 1 share in one trade on a number of occasions and her decision each time to buy the stock at a price lower than the LTP that too in the smallest possible lot, further manifests her intention that she was not interested in buying the stock as a genuine buyer or trader of the securities market, rather her trading behaviour clearly indicates her intention to trade in the scrip only to distort the market equilibrium with respect to the share of Unisys.

27. In respect of the Noticee 2, it has also been alleged that he has executed artificial and manipulative trades in the scrip of Unisys by way of self-trades during Patch-4 i.e. from 23/03/2012 to 28/08/2012, and the trades of Noticee 2 were similar to the trades executed by Noticee 1 in patch-2. The details of such trades executed by Noticee 2 and their contribution to the LTP of the scrip of Unisys are tabulated below:

Entity	All trades			LTP >0			LTP < 0			LTP = 0		% of -ve LTP to Mkt -ve LTP
	Sum of LTP Diff	No of trades	Qty	Sum of LTP Diff	No of trades	Qty	Sum of LTP Diff	No of trades	Qty	No of trades	Qty	
Sunil Jain	-142.05	232	5027	82.75	46	1459	-224.80	134	1211	52	2357	12.17
Market Total	**-51.45**	**7203**	**7490698**	**1795.40**	**1030**	**1382132**	**-1846.85**	**1426**	**1038136**	**4747**	**5070430**	**100.00**

28. I note from the above table that during the Patch-4, the price of the scrip opened at ₹212.15, reached a low of ₹160.25 and closed at ₹171.55 which means, during patch-4, the price of the scrip witnessed a fall of 19.14% from the opening price. As highlighted in the above table, the investigation has revealed that the Noticee 2 contributed significantly to such market (–ve) LTP of the scrip i.e. he contributed 12.17% of market (–ve) LTP of the scrip. It is alleged that in the SCN that out of the 134 trades executed by the Noticee 2 through which he contributed to market (–ve) LTP of the scrip, 12 trades were self-trades and such selftrades themselves have negatively contributed ₹143.30 that constitutes 7.76% of the market (–ve) LTP. I also note that out of 12 such self-trades executed by Noticee 2, 11 such self-trades were executed for quantities ranging from 1-10 shares. Details of such 12 self-trades executed by the Noticee 2 have been tabulated below:

Date of the trade	Trade details				Buy order details			Sell order details			Time Diff b/w Buy and Sell order
	LTP variance	Time	Price	Qty	Time	Price	Qty	Time	Price	Qty	
11/07/2012	-2.8	15:15:30	196.15	30	14:48:13	196.15	100	15:15:30	196.15	70	00:27:17
30/07/2012	-17.85	15:06:50	181.05	1	15:06:48	181.05	10	15:06:50	181.05	1	00:00:02
06/08/2012	-8.95	13:24:47	200.05	1	13:24:46	200.05	1	13:24:47	200.00	1	00:00:01
16/08/2012	-11.1	14:05:28	186.20	1	14:05:22	186.20	25	14:05:28	186.20	1	00:00:06
16/08/2012	-11.3	14:18:17	186.20	1	14:18:12	186.20	25	14:18:17	186.20	1	00:00:05
17/08/2012	-19.65	09:23:20	178.05	1	09:23:14	178.05	100	09:23:20	178.05	1	00:00:05
17/08/2012	-22.9	09:29:26	178.15	2	09:29:16	178.15	100	09:29:26	178.15	2	00:00:10
17/08/2012	-14.5	10:15:28	181.50	5	10:15:27	181.50	5	10:15:28	181.40	5	00:00:01
17/08/2012	-11.45	11:23:38	186.05	5	11:23:37	186.05	5	11:23:38	186.00	5	00:00:01
17/08/2012	-0.95	14:19:21	184.05	5	14:19:18	184.05	1	14:19:21	184.05	5	00:00:03
21/08/2012	-11.9	12:17:16	175.15	1	12:17:15	175.15	1	12:17:16	175.10	1	00:00:01
23/08/2012	-9.95	14:26:31	173.55	1	14:26:28	173.55	10	14:26:31	173.55	1	00:00:03
Total	**₹143.3 (7.76% of Total market (–ve) LTP)**			**54**			**383**			**94**	

29. I note from the above table that in 11 out of 12 instances of self-trades executed by the Noticee 2 in the scrip of Unisys, the time difference between placing buy order and sell order by Noticee 2 was within a range of 1 second to 10 seconds. In fact, in 4 such self-trades the difference between buy order and sell order was just 1 second. For instance, on August 06, 2012, the Noticee 2 placed buy order at 13:24:46 for 1 share at ₹200.05 per share and immediately after 1 second, a sell order was placed by him at 13:24:46 for 1

share at ₹200 per share. Accordingly, the trade was executed at ₹200.05 which was ₹8.95 (LTP contribution) less than last traded price. Again, on August 21, 2012, a buy order was placed by Noticee 2 at 12:17:15 for 1 share at ₹175.15 per share and immediately thereafter a sell order was placed by him at 12:17:16 for 1 share at ₹175.10 per share and the said trade was executed at ₹175.15 thereby contributing to (–ve) LTP of ₹11.19. It is noted that the Noticee 2 continued to place orders in smaller quantities (in a range of 1 to 10 shares) on both buy and sell side within a time difference of few seconds and thereby continued to contribute to (–ve) LTP to the scrip, by executing such self-trades.

30. It is observed that the Noticee 2 has not provided any plausible justification for executing self-trades on 12 occasions nor has he explained as to why on each instance, his self-trade has resulted in contributing a price fall in the scrip of Unisys. The Noticee 2 has submitted that these self-trades were not intentional. However, from the trades as highlighted in the above table, it can be observed that while on the one hand the Noticee 2 has placed buy orders for 383 shares, at the same time he has taken counter party position to his own buy orders by placing sell orders in a manner that his own buy orders and sell orders matched and got executed only to contribute to (– ve) LTP of the price of the scrip of Unisys. In the aforesaid manner, the Noticee 2 has effectively placed buy order for 383 shares against which he sold only 54 shares through the above mentioned 12 self-trades. It is also noted that such 12 self-trades were executed over a period of 7 days for selling those 54 shares. Thus, on an average, the Noticee 2 has indulged in executing trades of more than 7 shares through self-trades per trading day in the scrip of Unisys thereby, has contributed approximate ₹143 to the price fall in the scrip of Unisys over a period of 7 days

31. I also note from the details of trades executed by the Noticee 2 that he has executed a large numbers of trades in Unisys shares during the Patch-4 of the investigation. In this Patch, Noticee the has indulged in execution of 232 trades for a total quantity of 5027 shares although, as per the allegations

made in the SCN, Noticee has traded in 1211 shares through 134 trades which have contributed (–ve) LTP to the tune of ₹224.80.

32. Further, as already seen in the preceding paragraph that the Noticee 2 has contributed (–ve) LTP of more than ₹143.00 by executing 12 self-trades, involving trade in only 54 shares. The malicious intention behind the execution of such trades that have substantially contributed to the price fall of the scrip is writ large from the facts that despite there being good trading volume, the Noticee has preferred to sell the scrip in very small quantities and on a majority of occasions has sold only 01-05 shares. The Noticee has not furnished any explanation as to why majority of his trades were executed below the LTP. I note that the Noticee by placing sell orders and that too for smaller quantities to match his own buy orders at a price lower than LTP at frequent intervals, has continuously caused the price of the scrip to fall, hence, the Noticee 2 cannot be said to have executed fair and genuine trades in the scrip of Unisys. As noted above, Noticee has allegedly traded in 1211 shares of Unisys in 134 trades, however, he has contributed very significantly to (–ve) LTP through his 12 self-trades, which involved only 54 shares. There cannot be any fair and prudent business reasons for the Noticee to explain as to why and under what circumstances; he had to sell shares below the LTP on a continuous basis. Therefore, I note that such a trading pattern on the part of Noticee 2 highlights that he had no genuine intention of purchasing or selling the shares of Unisys.

33. Self-trades are in common parlance known as trades executed in the stock market wherein, both the buyer and the seller remain the same entity, meaning thereby, the entity in such trades is same on both the sides i.e. buy and sell side. As a result of self-trade, there is no change in beneficial ownership of the security. I have noted above the frequency and number of self-trades executed by Noticee 1 & Noticee 2 in the scrip of Unisys. As self-trades do not result in change in the beneficial ownership, consequently, no effective transfer of shares takes place in a self-trade. In such a scenario, self-trades are unscrupulously used as a tool for generating artificial volume and for creating misleading appearance of trading in a scrip. While dealing with

the matter of self-trades, the Hon'ble Securities Appellate Tribunal (hereinafter referred to as "SAT") in the case of Balwinder Singh v. SEBI (DoD-11.02.2014) have observed that self-trades (or wash-trades) are per se, not allowed under SEBI Act and regulations made thereunder. In the matter of Chirag Tanna v. The Adjudicating Officer (DoD 16.06.2011), while dealing with the consequences of self-trades or trades which do not result in transfer of beneficial ownership, the Hon'ble SAT have further observed that *"such trades are admittedly fictitious and are executed merely to create artificial volume in the traded scrip. Normally, such trades are found to be fictitious and not genuine for the reason that in such trades buyer and seller remains the same. Therefore, even though there may not be an abnormal movement in the price of a scrip, entities who are alleged to have indulged in such self-trades, without assigning any bonafide reasons to explain the circumstances for resorting to execution of self-trades, it would not be proper to permit self-trades without any imputation merely on the ground that such trades had not caused any movement in the price of the scrip or the entities had no malafide intention to manipulate the scrip."* In the instant matter, it has already been found that there was significant price movement in the scrip of Unisys, caused by execution of self-trades by the Noticee 1 & Noticee 2 for which no justification has been furnished by the said Noticees. I also note that the Hon'ble SAT in the case of HJ Securities Pvt Ltd v. SEBI (DOD-11.05.2012), have made the observation that simply because the number of such self-trades is not large by itself cannot justify execution of self-trades.

34. I find from the preceding paragraphs that the Noticee1 has not filed any submission /reply and has preferred not to appear before me for personal hearing to advance any submissions in response to the allegations made in the SCN. In the absence of any documents or evidence to rebut the allegations made in the SCN, I have to deal with the matter based on the aforesaid trade analysis and other material available on record. I note that the Noticee 2 has contended that he has traded in very small quantities of Unisys scrip and by no means he can manipulate the price of scrip by trading in such small quantities. In this regard, through the trade data as captured in the table

above, I have already pointed out earlier how Noticee 2 has executed 12 self-trades mostly for very small quantities of the scrip of Unisys ranging from 1 – 10 shares and thereby has contributed (–ve) LTP of ₹143.30 i.e 7.76% of market (–ve) LTP. Therefore, the contentions of the Noticee 2 that he has traded in very small quantities and by no means he can manipulate the price of scrip by trading in such small quantities is an untenable plea taken by him since by executing such trades in small quantities only, he has been able to significantly contribute to (–ve) LTP in the scrip of Unisys. Further, Noticee 2 has advanced an argument that he had incurred losses while trading in the scrip of Unisys. The argument of incurring loss while dealing in the scrip of Unisys would rather go against the Noticee. It is but natural that Noticee or any person is bound to incur loss when he/she indulges in executing trades on repeated basis, by placing orders below the LTP. The trading pattern and conduct of the Noticee do not support the submissions advanced by him. It has not been explained as to how on each time his trades got executed below LTP. Moreover, as discussed earlier, the Noticee 2 through his 12 self-trades has contributed ₹143.30 (–ve) LTP to the price of Unisys, which implies that on an average the contribution of each of his 12 self-trades to the price fall was around ₹12.00. One has to appreciate that any transaction executed with the intention to defeat the market mechanism is itself sufficient enough to prove the malafide intentions behind such transactions. In the instant case, the trading pattern of Noticee 2 and in particular the self- trades executed by Noticee 2 in the scrip of Unisys have no relation with the profit / loss incurred by the Noticee 2 in the scrip, since such trades were consciously aimed at causing fall in the price of the scrip of Unisys.

35. In this regard, it is pertinent to draw reference to the observations made by the Hon'ble SAT in the matter of Shri Lakhi Prasad Kheradi Vs SEBI (Appeal No. 232 of 2017) vide Order dated June 21, 2018, wherein the Hon'ble SAT inter-alia observed that *"Very fact that the appellant had indulged in self-trades/ LTP/ NHP without giving any justifiable reason, clearly justifies the inference drawn by the AO that the trades executed by the appellant were manipulative trades".* Further, the Hon'ble SAT observed 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 trades 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".

36. In the light of the aforesaid discussion, various judicial observations highlighted above and from the records available, it leaves no doubt in my mind that the self-trades executed by the two Noticees satisfy all the ingredients to be held as trades executed with an intention to create artificial volumes as well as price fall in the scrip of Unisys. I have already made my observation relating to self-trades executed by the two Noticees, the frequency with which such self-trades were executed and the timing between the buy and sell orders in such trades executed by the two Noticees. By executing such self-trades, the Noticee 1 and Noticee 2 have adversely influenced the price of the scrip of Unisys during the Investigation Period and have also helped in creating artificial volume and thereby, have generated a false appearance of trading in scrip of Unisys. Under the circumstances, I have no doubt in holding that, in the present case, the trading conduct on part of Noticee 1 and Noticee 2, has been fraudulent and manipulative in nature that was designed to induce or misguide the investors in securities market by painting a misleading picture of trading in the scrip of Unisys and by pulling the price of the scrip down through their dubious and manipulative trading behaviour. Accordingly, I hold that the Noticees 1 and 2 had violated the provisions of Section 12 A (a), (b), (c) of SEBI Act read with Regulations 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) and 4 (2) (e) of SEBI (PFUTP) Regulations, 2003.

37. I note that in the SCN, Noticee 3 and Noticee 4 have been alleged to have placed buy orders for small quantities in the scrip of Unisys repeatedly at a price higher than LTP during Patch-5 i.e. from 29/08/2012 to 12/11/2012.

Accordingly, the Noticees alleged to have been substantially contributed to the market Positive Last Traded Price (hereinafter referred to as "positive/(+ve) LTP") of the scrip.

38. During Patch-5, the price of the scrip opened at ₹161.05, reached a high of ₹300 and closed at ₹272 i.e., registering a rise of 68.89% from the opening price. The details of trades executed by the Noticee 3 and Noticee 4 during Patch-5 in the scrip of Unisys on the LTP and their impact on the price of the scrip, as alleged in the SCN, are tabulated below:

Entity	All Trades			LTP > 0			LTP < 0			LTP = 0		% of +ve LTP to mkt +ve LTP
	Sum of LTP Diff	No of trades	Qty	Sum of LTP Diff	No of trades	Qty	Sum of LTP Diff	No of trades	Qty	No of trades	Qty	
Decent Vincom Pvt.Limited	249.15	419	4469	394.55	96	941	-145.40	225	2744	98	784	28.64
Rahul Gupta	101.05	74	5775	202.70	39	2023	-101.65	12	2003	23	1749	14.71
Market Total	**100.45**	**3324**	**2457250**	**1377.75**	**564**	**480800**	**-1277.30**	**597**	**137002**	**2163**	**1839448**	**100.00**

39. I note from the above table that the Noticee 3 contributed 14.71% to (+ve) LTP by executing 39 trades on 9 trading days during Patch-5. It is also noted from the trade logs annexed to the SCN that Noticee 3 has repeatedly placed buy orders for small quantities at prices higher than LTP and by such acts, has contributed to price rise in the scrip of Unisys. Details of such buy orders in various quantities are tabulated below:

Entity	Buy Order Quantity	No. of (+ve) LTP trades	(+ve) LTP	(+ve) LTP as % of mkt (+ve) LTP	No. of Trading Days (+ve) LTP
Rahul Gupta	1	8	93.15	6.76	6
	2	-	-	-	
	4	1	0.40	0.03	
	5	4	19.90	1.44	
	6	1	0.10	0.01	
	9	1	0.10	0.01	
	10	3	45.35	3.29	
	Total of 1-10	**18**	**159**	**11.54**	**6**
	11-20	2	5.35	0.39	2
	21 – 50	8	12.35	0.90	2
	51-100	1	0.05	0.00	1
	>100	10	25.95	1.88	5
	Total	**39**	**202.70**	**14.71**	**9**

40. I note from the above table no. 7 that the Noticee 3 has placed buy orders ranging from 1 to 10 shares in 18 trades on 6 trading days and has contributed ₹159 (+ve) LTP of the scrip that constituted (11.54% of market (+ve) LTP) of the scrip. Likewise, by placing buy order quantities ranging from 11 to 20 shares and 21 to 50 shares, Noticee no. 3 has contributed (+ve) LTP of ₹5.35 and ₹12.35 respectively (corresponding to 0.39% and 0.90% of market (+ve) LTP). I note from the table no. 6 & 7 above, that Noticee 3, has repeatedly entered into trades on several days (9 days) and significantly contributed to market (+ve) LTP of ₹202.70 (14.71% of total market (+ve) LTP) in the said scrip. The details of a few such trades wherein Noticee 3 has contributed to (+ve) LTP by executing trades of single share of the Company are tabulated below:

Date of the trade	Trade details					Buy order details			Sell order details		
	Time	Price	Qty	LTP	LTP variance	Time	Price	Qty	Time	Price	Qty
10/09/2012	15:02:27	213	1	202.1	10.9	15:02:27	213	1	14:38:52	213	30
13/09/2012	09:16:34	254.90	1	214.8	40.1	09:16:34	254.90	1	09:15:02	254.9	50
22/10/2012	12:15:12	270	1	251.6	18.4	12:15:12	270	1	09:33:01	270	49
29/10/2012	14:25:30	269.1	1	261.5	7.6	14:25:30	269.1	1	14:04:09	269.1	100
11/09/2012	12:36:45	215.15	1	209	6.15	12:36:45	215.15	1	11:09:03	215.15	9
11/09/2012	15:18:08	221	1	215	6	15:18:08	221	1	14:55:46	221	150
10/09/2012	13:37:25	212.55	1	210	2.55	13:37:25	212.55	1	13:01:23	212.55	25

41. I note from the above table that the Noticee 3 has repeatedly placed buy orders above the LTP. For instance, on September 10, 2012, Noticee placed a buy order for one share at the price of ₹213 per share which was ₹10.9 away from the LTP, while the quantity available for sell at the price of ₹213 was 30 shares. Similarly, on September 13, 2012, when the LTP was ₹214.8, the Noticee 3 placed a buy order for one share at the price of ₹254.9, whereas the counter party was ready to sell 50 shares at the price of ₹254.9. It gives a strong indication from the above that the Noticee 3 was not acting as genuine buyer and had no bonafide intention to buy the shares of Unisys because, in-spite of availability of larger quantity of sell orders in the system, he was placing small quantity of buy orders, such as buy orders for 1 share in 13 trades and for 5 shares in 6 trades in order to match the sell order rates, thereby contributing to significant positive LTP of ₹202.70 (14.71% of total market positive LTP) in the scrip. It is evident from the afore stated trading

pattern that the intention of the Noticee 3 was to push the price of the scrip higher and not to enter into any actual buy transactions as a genuine investor of the securities market. I also note that the Noticee has not been able to provide any rationale / justification to suggest if any positive news / declaration or development in the affairs of the company had actually taken place whether there were any other reasons which induced him so much so to buy the shares of Unisys at a price higher than LTP, in expectation of better gains in the future.

42. The Noticee 3 has tried to defend himself before me, by stating that the trades were not executed by him but were executed by his brother Mr. Naveen Gupta. Although, the Noticee 3 has claimed to have not executed the trades, he has not denied that, the trades executed by his brother were within his knowledge and under his authorization. Curiously enough, even after coming to know from the SCN served on him that these alleged abnormal trades were executed by his brother, he preferred to accept the same by not disputing the trades executed on his behalf. I note that the Noticee has neither furnished any evidence / document to support his contentions that the trades were not indeed carried out by his brother nor has he contended that the trades which were executed by his brother were without any authorization from him. Therefore, in the absence of any evidence contrary to rebut the allegations, I am relying on the materials available on record which strongly suggest that the trades were indeed executed by the Noticee 3 and were not executed as genuine trades by a person who claims that he used to trade in securities based on the material information available in the public domain. The inclination to buy the scrip repeatedly over and above the LTP does not find any support from the fundamentals of the Company, more so, when one is confronted with the small / negligible quantities of shares bought by the Noticee at prices higher than LTPs during the period as demonstrated above.

43. With regard to the trades executed by the Noticee 4, I note from the details mentioned the above table mentioned in Para 38 above that the Noticee 4 has also contributed 28.64% to market (+ve) LTP of the scrip by executing 96

trades on 15 trading days during Patch5. I further note that the Noticee 4 has repeatedly placed buy orders for small quantities at a price higher than the LTP and by such acts, has contributed to price rise in the scrip of Unisys. Details of such buy orders in various quantities placed by Noticee 4 are tabulated below:

Entity	Buy Order Quantity	No. of (+ve) LTP trades	(+ve) LTP	(+ve) LTP as % of mkt (+ve) LTP	No. of Trading Days (+ve) LTP
Decent Vincom Private Ltd.,	**1**	**10**	**80.45**	**5.84**	**5**
	2	2	32.00	2.32	2
	3	10	41.70	3.03	4
	4	2	3.80	0.28	2
	5	19	27.80	2.02	2
	6	2	8.90	0.65	2
	7	1	3.00	0.22	1
	8	2	5.30	0.38	2
	9	-	-	-	-
	10	7	72.70	5.28	2
	Total 1-10	**55**	**275.65**	**20.01**	**11**
	11 – 20	6	36.85	2.67	5
	21 – 50	21	33.85	2.46	1
	51-100	4	20.80	1.51	1
	>100	10	27.40	1.99	3
	Total	**96**	**394.55**	**28.64**	**15**

44. I note from the above table that the Noticee 4 has placed buy orders for shares ranging from 1 to 10 shares in 55 trades on 11 trading days and thereby has contributed ₹275.65 constituting 20.01% of market (+ve) LTP so as to raise the market price of the scrip. Similarly, by placing buy order quantities ranging from 11 to 20 shares and from 21 to 50 shares, Noticee 4 has contributed (+ve) LTP of ₹36.85 and ₹33.85 respectively (corresponding to 2.67% and 2.46% of market (+ve) LTP) in the scrip of Unisys. I further note that by executing such trades, Noticee 4 has contributed 28.64% to the market (+ve) LTP through his 96 trades on 15 trading days during Patch5 of the Investigation Period. Thus on the whole, I note from the table no. 6 & 9 above, that Noticee 4, has repeatedly entered into trades on several days (15 days) and has contributed to significant positive LTP of ₹394.55 (28.64% of total market positive LTP). In this regard, details of a few such trades wherein

Noticee 4 has contributed to (+ve) LTP by executing trades of only single shares, are tabulated below:

Date of the trade	Trade details					Buy order details			Sell order details		
	Time	Price	Qty	LTP	LTP variance	Time	Price	Qty	Time	Price	Qty
29/08/2012	11:46:29	179.2	1	166	13.2	11:46:27	179.2		11:46:29	179	
31/08/2012	14:41:24	180	1	165.05	14.95	14:41:24	180	1	14:40:24	180	1
31/08/2012	15:12:27	188.5	1	171.1	17.4	15:12:27	188.5	1	15:12:14	188.5	1
06/09/2012	13:48:32	199	1	188.2	10.8	13:48:32	199	1	12:29:12	199	20
02/11/2012	15:11:54	265.95	1	262.05	3.9	15:11:54	265.95	1	13:01:03	265.95	35

45. I note from the above table that the Noticee 4 has repeatedly placed buy orders for only 1 share of Unisys at a price higher than the LTP. For instance, on September 06, 2012, the Noticee placed a buy order for one share at the price of ₹199 per share which was ₹10.80 away from the LTP (₹188.20) It is pertinent to note here that the seller was ready to sell 20 shares at the said price but the Noticee preferred to buy only one share. Similarly, on November 02, 2012, when the LTP was ₹262.05, the Noticee 4 again placed a buy order for one share only at the price of ₹265.95, even though the counter party was ready to sell 35 shares at the said price of ₹188.5. It is noted from the above that after a sell order was placed in the system, the Noticee 4 with an intention to contribute to the rise in the price of the scrip has placed buy order for only one share of Unisys and thereby has succeeded in contributing to artificial price hike in the scrip. The aforesaid trading pattern of the Noticee 4 clearly exhibits his intention of manipulating the LTP of the scrip upwards by placing his buy orders for one share only at a price higher than the LTP, despite the fact that the sellers were ready to sell more quantities at the said price. It is evident from the trading pattern of the Noticee 4 that by placing buy orders at prices above LTP of the scrip which were subsequently matched by sell orders, it has contributed significantly to the market (+ve) LTP by ₹394.55 which constituted 28.64% of total market (+ve) LTP in the said scrip. The above discussed trading pattern signifies that the intention of the Noticee 4 was not genuine and that it had no bonafide intention to buy the shares of Unisys.

46. In this regard, in my considered opinion, the normal business prudence demands that buyers always intend to buy at lowest possible price whereas a seller always wants to sell at the highest possible price. However, the trading pattern adopted by the Noticee 4 as exhibited above, defies such common sense, business prudence and logic and raises a bonafide suspicion about the true intentions of the Noticee behind executing such trades. As in the case of the other Noticees (Noticee 1, 2 and 3), the Noticee 4 also has indulged in the such abnormal trading in the scrip, which did not have any market fundamental or strong financials to support such disproportionate rise in the price of the scrip. The extra exuberance displayed by the Noticee to acquire the scrip at higher price far away from LTP is not justified by the negligible quantities of shares bought by him. The malicious intent of the Noticee 4 further becomes explicit when confronted with the trade details and the way it has conducted its trades in the scrip as highlighted above. I note from the the records that on most of the occasions, Noticee has placed his buy orders above the LTP to match the pending sell order. While placing its buy orders the Noticee has never chosen to wait to watch the movement of the price so as to place its order accordingly, and instead, on most of the occasions, his trading behaviour is guided by his malafide intention to contribute to the LTP and in this manner, he had traded only 941 shares in 96 trades.

47. As discussed aforesaid, I note from the trading pattern of Noticee 3 and Noticee 4 that the trades of these two Noticees had an abnormal impact on the price of the scrip. Despite sufficient sell orders being available in the market, they chose to buy only one share in many of their transactions. By these trades, they merely matched the price of prevailing sell orders which were placed at a higher price than the LTP so as to contribute to the increase in scrip price with each of their trades, and thereby have misled the investors.

48. Keeping in view the afore stated trading pattern exhibited by the Noticee 3 and Noticee 4, it may be relevant to note that Hon’ble SAT, in the matter of Ketan Parekh v. SEBI (Appeal No. 2 of 2004 decided on 14.07.2006) had an occasion to deal with the propriety of non-genuine trades and have made the following observations:

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

49. The Hon'ble Supreme Court of India in the case of SEBI v. Rakhi Trading Pvt. Ltd., (2018) 13 SCC 753 has appreciated that fairness, integrity and transparency are the hallmarks of the stock market in India and the stock market is not a platform for any fraudulent or unfair trade practice. The Hon'ble apex Court has further observed that "The SEBI Act, 1992 was enacted to protect the interest of the investors in securities. Protection of interest of investors should necessarily include prevention of misuse of the market."

50. In this connection, I would like to refer to the observations made by the Hon'ble SAT in its order dated March 21, 2014 in Saumil Bhavnagari Vs. SEBI which are as under: *"… but by purchasing shares at the higher price in LTP in most of the trades, the Noticee had given a wrong impression about the liquidity of the scrip in the market. It must not be forgotten that every trade establishes the price of the scrip and the Noticee's trading at higher than LTP resulted in the price of the scrip going up and were done with a view to set the price at a desired level and thereby influencing the innocent/gullible investors. By purchasing at a higher price in most of his trades, the Noticee had given the wrong impression about the price of the scrip in the market. It is an accepted state of affairs that in cases of manipulation of the volume and / or price of particular scrip, it is usually an arduous task to obtain direct evidence.*

However, the analysis of the trade and order logs as undertaken hereinabove, establishes the malafied intention of the appellant.”

51. In the light of the aforesaid observations of the Hon’ble SAT and Hon’ble Supreme Court of India, and after considering the trading pattern, and the manner and frequency with which such trades were executed by the Noticee 3 and Noticee4, it constrains me to hold that the Noticee 3 and Noticee 4 were not acting as genuine buyers and had no bona fide intention to buy the shares of Unisys. I therefore hold that the trading behaviour of the Noticee 3 and the Noticee4 in the scrip of Unisys has been glaringly ill motivated, fraudulent and was intended towards manipulating the price of the shares of Unisys is in violation of Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a), (e) of SEBI (PFUTP) Regulations, 2003.

52. During the investigation in the matter, certain entities including Noticee 4 to 11 were identified as connected entities based on their inter-se relationships as ascertained from their common addresses, KYC documents, UCC data received from the stock exchange, common directorship, off market transfers, their details available on MCA website and bank account statements, etc. From the materials available on record, I note that Noticee 4 & Noticee 10 were connected through a common Director. Similarly, the Noticee 9 and the Noticee 11 were also connected through two common directors. The investigation found that the Noticee 4 had done off-market transactions in the shares of Unisys with Noticee 6 (Dilip Kumar Mandal), while Noticee 6 and Noticee 5 (Anthony Gayen) shared common phone numbers. Besides, there are off market transfers of shares of Unisys between Noticee 7 (Badri Prasad & Sons) and Noticee 8 (Premsagar Vinimay Private Limited) with other connected entities. The Noticees 7 in its written reply contended the connection established with other Noticees. I note that the Noticees are connected each other by way of common directorship among various Noticees, common phone numbers and the fact that there were off-market transactions in shares of Unisys amongst different Noticees. Considering the aforesaid inter se relations, in my view it can be reasonably concluded from the materials on record that the Noticee 4 to 11 are connected entities.

53. Before dealing with the issue as to whether the acts of the Noticee 4 to 11 during the Patch-6 of the Investigation Period have resulted in violations of provisions of SEBI Act or the rules or the regulations made thereunder, it is necessary to deal with the gravity of the offence and violations that have been allegedly caused by the trading in the scrip of Unisys by these 8 connected entities. I note that from the SCN that, the Investigation has revealed that there was unusual downward price movement in the scrip of Unisys, during the Patch-6 (13/11/2012 to 22/07/2013), when the price of the scrip opened at ₹266, reached a low of ₹110.45 and closed at ₹110.45 thereby witnessing a fall of 58.48% compared to the opening price

54. It has been alleged in the SCN that amongst the entities which contributed to (-ve) market LTP in the scrip of Unisys, Noticee 4, Noticee 5 and Noticee 6 were amongst the top 10 entities that contributed to (–ve) LTP as sellers during Patch-6 of the Investigation Period. The details of (–ve) LTP contribution by Noticees no. 4 to 9 as sellers during Patch-6 of Investigation Period are also tabulated below:

S. No.	Noticee Name	All trades			(+ve) LTP			(-ve) LTP			(0) LTP		% of (–ve) LTP to Mkt (–ve) LTP
		Sum of LTP Diff	No of trades	Qty	Sum of LTP Diff	No of trades	Qty	Sum of LTP Diff	No of trades	Qty	No of trades	Qty	
1	Antony Gayen (Noticee 5)	-309.10	391	114152	36.25	20	24040	-345.35	165	5778	206	84334	23.31
2	Decent Vincom Private Limited (Noticee 4)	-20.35	41	16550	34.75	13	3572	-55.10	6	432	22	12546	3.72
3	Dilip Kumar Mandal (Noticee 6)	-13.65	37	5450	1.25	3	1590	-14.90	17	400	17	3460	1.01
4	Premsagar Vinimay Pvt Ltd (Noticee 8)	-3.05	7	392	-	-	-	-3.05	4	342	3	50	0.21
5	Badri Prasad & Sons (Noticee 7)	-0.50	21	1609	5.00	1	100	-5.50	6	200	14	1309	0.37
6	Nityadhara Plaza Pvt Ltd (Noticee 9)	-0.15	3	3500	0.05	1	3101	-0.20	1	350	1	49	0.01
Group Total		-346.80	500	141653	77.30	38	32403	**-424.10**	**199**	**7502**	263	101748	**28.63**
Market Total		-161.55	4486	4057097	1320.15	477	676823	-1481.7	718	**180996**	3291	3199278	100.00

55. I note from the above table that Noticees 4 to 9 contributed ₹-424.10 of (–ve) LTP constituting 28.63% of market (–ve) LTP by selling in the scrip of Unisys. I note that this 28.63% of (–ve) LTP contribution by Noticee 4 to 9 has been generated out of only 4.14% of market volume (7502 shares out of a total of 180996 shares traded during the period) and those 7502 shares were traded in 199 trades only. Thus, it is apparent that the Noticees nos. 4 to 9, despite trading in very low volumes have contributed substantially to the fall in the price of the scrip of Unisys during the patch6 of the Investigation Period.

56. In addition to the above, SCN has also alleged that by trading amongst themselves, these eight group entities (Noticee 4 to 11) have contributed ₹188.20 to market (– ve) LTP in 131 trades which constituted 12.70% of market (–ve) LTP. The details of such trades amongst the Noticee 4 to 11 during Patch-6 are placed below:

	-ve LTP (No. of –ve LTP trades)							
Buyers →	**Premsagar Vinimay Private Limited**	**Badri Prasad & Sons**	**Conquer Barter Private Limited**	**Decent Vincom Private Limited**	**Navdurga Investment Private Limited**	**Dilip Kumar Mandal**		
Sellers ↓							**No. of –ve LTP trades**	**-ve LTP (% of market –ve LTP)**
Anthony Gayen	-	-7.30 (5)	-58.25 (16)	-91.90 (81)	-	-	102	-157.45 (10.63)
Dilip Kumar Mandal	-	-	-	-13.00 (15)	-	-	15	-13.00 (0.88)
Decent Vincom Private Limited	-2.00 (1)	-	-	-1.00 (1)	-	-6.00 (1)	3	-9.00 (0.61)
Badri Prasad and Sons	-	-	-	-5.50 (6)	-	-	6	-5.50 (0.37)
Premsagar Vinimay Pvt Ltd	-	-	-	-3.05 (4)	-	-	4	-3.05 (0.21)
Nityadhara Plaza Pvt Ltd	-	-	-	-	-0.20 (1)	-	1	-0.20 (0.01)
						Total	**131**	**188.20 (12.70)**

57. I note from the above table that that the six connected entities namely, Noticees 4 to 9 have sold the shares of Unisys at prices lower than LTP to six other connected entities from the same group namely Noticees 4, 6, 7, 8, 10 & 11. In this whole scheme of mutual trades amongst themselves, the Noticees 4, 6, 7, 8, 10 & 11, by buying the shares of Unisys from the sellers (Noticee 4 to 9), have aided in the process contributing to the price fall in the scrip. Further, in the course of trading amongst each other, the Noticees 4 to 11, have repeatedly executed trades with each other (131 trades) and have

contributed to significant (–ve) LTP to the tune of ₹188.20 (12.70% of total market negative LTP). In order to highlight the repeated trades executed for very less quantities of shares the trades executed for a quantity up to 20 shares per trade and the trades executed for more than 20 shares per trade, have been segregated in the table below:

Buy Order Quantity	No. of trades	No. of shares traded	(–ve) LTP	(–ve) LTP as % of mkt (–ve) LTP
1-20	88	1078 (22.36%)	-125.45	66.65
20-500	43	3743 (77.64%)	-62.75	33.35
Total	**131**	**4821 (100%)**	**-188.20**	**28.64**

58. I note from the records that in 88 such trades (out of 131 trades), the quantity of shares traded in every trade ranged from 2 shares to 20 shares. Such 88 trades, though contributed to 66.65% of (–ve) LTP in the scrip constituted only 22.36% of the total traded volume generated by the aforesaid Noticees out of their total number of 131 trades. On analysing the data depicted in the aforesaid tables, it emerges that by placing orders on a continuous basis, the Noticees 4 to 11 ensured the fall in the scrip price of Unisys. Therefore, it becomes clear that the Noticees 4 to 11 were not acting as genuine buyers or sellers and had no bona fide intention to buy / sell the scrip. The (–ve) LTP contribution made in the scrip of Unisys through their trades gives clear indications that they were happily executing trades below the LTP as if they were pre-determined to sustain loss or were not concerned with the market mechanism and were hell bent on executing trades deliberately to cause price fall in the scrip of Unisys.

59. It is a matter of common business prudence that buyers always intend to buy at the lowest possible price whereas a seller always wants to sell at the highest possible price. However, the pattern of trades adopted by the Noticees negates such universally accepted business prudence of trading in securities. The nefarious intent on the part of the Noticees for causing price fall in the scrip of Unisys is further demonstrated by the trading pattern

adopted and executed by the Noticees in an anonymous screen based trading system wherein the trades placed and executed by these Noticees got matched on a numerous occasion which cannot be mere coincidences. Moreover, keeping in view the inter se nexus amongst the Noticees, the repeated matching of such trades suggests how these Noticees have deployed a strategy to defeat the objective of even an anonymous trading platform and have successfully ensured that their trades match with each other as per their pre-conceived strategy to pull down the price of the scrip. Further, considering the fact that the Noticees have indulged in placing trades in smaller quantities over the period on a repeated basis and through their trades, have caused substantial fall in the price of Unisys without any conceivable reasons, in my considered view, the alleged trades can't by any standard be categorized as trades executed in normal course of trading in securities market. The defence taken by the Noticee7 does not inspire any confidence when one is confronted with the fact that these Noticee on the one hand have claimed to have long association with securities market, while on the other hand, knowing very well the norms of market mechanism, for reasons best known to it, has indulged in such misleading and manipulative trades by repeatedly placing orders in smaller quantities at a prices lower than the LTP leading to gross abuse of the market mechanism

60. With regard to the issue as to whether the acts of Noticees of indulging in artificial, misleading and manipulative trades as highlighted above, are sufficient to be defined as 'fraud' in terms of provisions alleged in the SCN, I prefer to refer and rely on the observations made by the Hon'ble Supreme Court of India in the case of SEBI vs. Rakhi Trading Pvt. Ltd (2018) 13 SCC 753, wherein the Hon'ble Supreme Court have observed that regulation 4(1) of PFUTP Regulations in clear and unmistakable terms prohibits that *" no person shall indulge in a fraudulent or an unfair trade practice in securities".* Further, the Hon'ble Supreme Court, while referring to its own judgement in the case of SEBI vs. Kanhaiyalal Baldevebhai Patel and Ors (2017) 15 SCC 1 wherein the Hon'ble Supreme Court has made observations while dealing with the scope, ambit and implication of 'fraud' as defined under the PFUTP

Regulations, have emphasized that a trade practice would be unfair in cases where the conduct of the parties engaged in business transactions, undermines the ethical standards and good faith. Relevant extracts of the same are placed below:

> *" 31.Although unfair trade practice has not been defined under the regulation, various other legislations in India have defined the concept of unfair trade practice in different contexts. A clear cut generalized definition of the 'unfair trade practice' may not be possible to be culled out from the aforesaid definitions. Broadly trade practice is unfair if the conduct undermines the ethical standards and good faith dealings between parties engaged in business transactions. It is to be noted that unfair trade practices are not subject to a single definition; rather it requires adjudication on case to case basis. Whether an act or practice is unfair is to be determined by all the facts and circumstances surrounding the transaction. In the context of this regulation a trade practice may be unfair, if the conduct undermines the good faith dealings involved in the transaction. Moreover, the concept of 'unfairness' appears to be broader than and includes the concept of 'deception' or 'fraud'.*
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>
> *35. Having regard to the fact that the dealings in the stock exchange are governed by the principles of fair play and transparency, one does not have to labour much on the meaning of unfair trade practices in securities. Contextually and in simple words, it means a practice which does not conform to the fair and transparent principles of trades in the stock market.*

61. In view of the various judgements of Hon'ble Supreme Court and Hon'ble SAT and on the basis of the discussion in the foregoing paragraphs, I find that the alleged trading behaviour of the Noticees by way of trading in shares of Unisys in negligible quantities with an inherent motive to manipulate the price of the scrip, can't by any means be held to be trades executed by a prudent

trader in the normal course of trading. The trading behaviour of the Noticees has certainly been very unusual and apparently lacks honesty of intent of a genuine investor of Securities Market. Instead, the pattern of trades adopted by the Noticees to place sell orders at lower price than LTP, clearly establish that their trades were executed with only a manipulative design to bring down the price of the said scrip in complete disregard of business prudence as no seller in his right business wisdom would like to sell his shares repeatedly at a price always lower than the LTP. No one can dispute from the universal business motive that a person trades to earn profit and no one trades with intent to suffer loss. However, if an entity indulges in trading on a regular basis and most of his / its trades are placed and executed deliberating at prices lower than the LTP and in the process is willingly incurring losses, cannot be said to be a fair and genuine trader in securities. Any attempt to use the stock exchange platform for such malicious intent to incur loss so as to fulfil a large objective of manipulation of price of particular scrip shall always be called a non-genuine trade. In the instant case, majority of the trades executed by the Noticees have been found to be unfair and non-genuine trades. Therefore, for the reasons recorded above, the alleged trades have to be held as abnormal, deceptive, misleading, artificial and manipulative in nature and substance, which were executed with a malicious intent to fraudulently cause either drastic fall or rapid rise in the price of the scrip of Unisys against the call of market fundamentals of the scrip, financial position of the Company and against the accepted regulatory norms governing the Securities Market.

62. In view of the foregoing, I have no hesitation to conclude that the Noticees 4 to 11 by repeatedly trading amongst themselves at prices lower than LTP, contributed to price fall in the scrip and thereby indulged in an act which created false or misleading appearance of trading amounting to manipulation of the price of the scrip during patch-6 of the investigation period. Accordingly, I hold that the Noticees violated the provisions of Section 12 A (a) (b) (c) of SEBI Act read with Regulation 3 (a) (b) (c) (d) read with Regulation 4 (1) 4 (2) (a) and (g) of SEBI (PFUTP) Regulations, 2003.

ISSUE -II: Does the violation, if any, attract monetary penalty under Section 15HA of SEBI Act.?

63. Pursuant to detailed analysis as brought out above, it is established that the Noticees had indulged in contributing to manipulation in the scrip price of Unisys and indulged in trades that created a misleading appearance of trading in the scrip. The trading pattern of the Noticees are not normal transactions and it clearly demonstrates beyond reasonable doubt the Noticees had intentionally executed these trades and manipulated the price by artificial trading pattern, which had mislead the investors in taking an informed decision in dealing in the scrip of Unisys. I find that the Noticees by indulging into such unfair trade practices have violated the provisions of Section 12 A (a), (b), (c) of SEBI Act read with Regulations 3 (a), (b), (c), (d), 4 (1), 4 (2) (a), and 4 (2) (e) of SEBI (PFUTP) Regulations, 2003. Therefore, the Noticees are liable for monetary penalty under Section 15HA of SEBI Act, the provisions of which are reproduced hereunder:

Section 15HA of SEBI Act - Penalty for fraudulent and unfair trade practices

"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 monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?

64. While determining the quantum of monetary penalty under Section 15HA of SEBI Act, I have considered the factors stipulated in Section 15-J of SEBI Act, which reads as under:

Section 15J - Factors to be taken into account by the Adjudicating Officer

While adjudging quantum of penalty under section 15 - I, the Adjudicating Officer shall have due regard to the following factors, namely:

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

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

(c) the repetitive nature of the default.

65. The material made available on record has not quantified the amount of disproportionate gain or unfair advantage made by the Noticees and the loss suffered by the investors as a result of the Noticees' default. There is also no material made available on record to assess the amount of loss caused to investors or the amount of disproportionate gain or unfair advantage made by the Noticees as a result of default.

66. It is difficult, in cases of such nature, to quantify with mathematical precision the disproportionate gains or unfair advantage enjoyed by an entity and the consequent loss suffered by the investors. The Noticees had indulged in fraudulent trade practices that created a misleading appearance of trading and contributed to manipulation in the scrip price of Unisys, which misguided the investors in securities market in taking an informed investment decision. This kind of activity seriously affects the normal price discovery mechanism in the securities market and affects the interest of investors. People who indulge in manipulative, fraudulent and deceptive transaction, or abet the carrying out of such transaction which are fraudulent and deceptive should be suitably penalized for such acts of omissions and commissions.

ORDER

67. After taking into consideration the nature and gravity of the violations established in the preceding paragraphs and in exercise of the powers conferred upon me under Section 15-I of the SEBI Act, 1992 read with Rule 5

of the SEBI Adjudication Rules, 1995, I hereby impose the following penalties on the Noticees under Section 15HA of the SEBI Act, 1992 for violation of the provisions of Section 12 A (a), (b), (c) of SEBI Act read with Regulation 3 (a), (b), (c), (d), 4 (1), (2) (a) and (e) of SEBI (PFUTP) Regulations.

Sl. No. of the Noticee	**Name of the Noticee**	**Penalty amount in ₹ and words**
1.	Deepa Saurabh Shah	5,00,000/- (Rupees Five lakhs only)
2.	Sunil Jain	5,00,000/- (Rupees Five lakhs only)
3.	Rahul Gupta	5,00,000/- (Rupees Five lakhs only)
4.	Decent Vincom Pvt., Ltd.,	5,00,000/- (Rupees Five lakhs only)
5.	Anthony Gayen	5,00,000/- (Rupees Five lakhs only)
6.	Dilip Kumar Mandal	5,00,000/- (Rupees Five lakhs only)
7.	Badri Prasad & Sons	5,00,000/- (Rupees Five lakhs only)
8.	Premsagar Vinimay Pvt., Ltd.,	5,00,000/- (Rupees Five lakhs only)
9.	Nityadhara Plaza Pvt., Ltd.,	5,00,000/- (Rupees Five lakhs only)
10.	Conquer Barter Pvt., Ltd.,	5,00,000/- (Rupees Five lakhs only)
11.	Navdurga Investment Consultants Pvt., Ltd.,	5,00,000/- (Rupees Five lakhs only)

68. The said penalty imposed on the Noticees, as mentioned above, shall commensurate with the violation committed and acts as a deterrent factor for the Noticees and others in protecting the interest of investors.

69. The Noticees shall remit / pay the said amount of penalty within 45 days from April 15, 2020, either by way of Demand Draft in favour of “SEBI - Penalties Remittable to Government of India”, payable at Mumbai, OR through online payment facility available on the SEBI website **www.sebi.gov.in** on the following path by clicking on the payment link.

ENFORCEMENT → Orders → Orders of AO → PAY NOW

70. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid through e-payment to the Division Chief, Enforcement Department-1, DRA-2, SEBI, in the format as given in table below

Case Name	
Name of Payee	
Date of payment	
Amount Paid	
Transaction No	
Bank Details in which payment is made	
Payment is made for	Penalty

71. 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, 1992 for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

72. In terms of rule 6 of the SEBI Adjudication Rules, copies of this order are sent to the Noticees and also to SEBI.

Date: 31 March 2020 **B J DILIP**

Place: Mumbai **Adjudicating Officer**