BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/SM/S./2022-23/22258-22273]

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) RULES, 1995

In respect of

Noticee No.	Name of the Noticee	PAN
1	**Sanjeev Kalra**	AAGPK4084J
2	**R. K. Sharma Son Huf**	AAGHR1686H
3	**Sangeeta Sharma**	AEDPS2792E
4	**Dhruv Sharma**	CAHPS5631N
5	**Mohit Kalra**	AZHPK8990R
6	**Sungar Textiles Pvt. Ltd.**	AAXCS0786K
7	**Ashok Naskar**	AQVPN6965E
8	**Biswajit Ghosh**	AWCPG4923C
9	**Manash Das**	AYPPD6539A
10	**Sudeb Ghosh**	ATJPG2443H
11	**Barun Kumar Das**	AIDPD4564F
12	**Vijay Kumar Kataruka**	AQGPK3436J
13	**Soumen Mitra**	BVOPM3943A
14	**Sanjoy Kumar Dey**	AYAPD4581B
15	**Akash**	BSCPA7915B
16	**Vinit**	AVWPV2832L

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

In the matter of Edynamics Solutions Limited

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FACTS OF THE CASE IN BRIEF

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') carried out an investigation in the matter of trading in the scrip of the Edynamics Solutions Limited (hereinafter referred to as '**Company/Edynamics/ESL**') by certain entities, to ascertain any violation of the provisions of the SEBI Act, 1992 (hereinafter referred to as '**SEBI Act**') and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulation, 2003 (hereinafter referred to as '**PFUTP Regulations**') during the period March 02 to October 06, 2017 (hereinafter referred to as '**investigation period/IP'**). The shares of the company were listed on Bombay Stock Exchange Limited (herein after referred to as '**BSE**').

2. During the investigation, SEBI observed that during the month of February 2017, the scrip had traded only on 14 trade days and average number of shares traded on these 14 trade days was about 900 shares with close price in the range of ₹8.72 to ₹10.50. It is further observed that on March 01, 2017, only 6 trades for 52 shares had taken place with close price of ₹10.40/- and on March 02, 2017, 302 trades for 3,30,851 shares was executed. On further analysis of trading in the scrip of ESL, SEBI observed that Noticees have created artificial/fictitious volume and gave a false and misleading appearance of trading in the scrip of ESL. Therefore, in view of the above it is alleged that the Noticees have violated the provisions of Section 12A (a), (b) and (c) of the SEBI Act and regulation 3 (a), (b), (c) and (d), regulations 4(1) and 4(2)(a) of the PFUTP Regulations.

APPOINTMENT OF ADJUDICATING OFFICER

3. Vide order dated March 04, 2021, Shri Amit Pradhan was appointed as Adjudicating Officer ('**AO**') under Section 15-I of the SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as '**Adjudication Rules'**) read with Section 19 of SEBI Act to inquire into and adjudge under the provisions of Section 15HA of SEBI Act for the aforesaid alleged violations by Noticees. Since, Shri Amit Pradhan was transferred to another department of SEBI, the undersigned was appointed as the AO in the said matter by SEBI vide its order dated June 18, 2021.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

4. A common show-cause notice dated March 24, 2021 was issued to Noticees (hereinafter referred to as '**SCN**') under Rule 4 of the SEBI Adjudication Rules to show-cause as to why an inquiry should not be initiated against Noticees and penalty, if any, not be imposed upon them under the provisions of Section 15HA of SEBI Act, for the aforesaid violations alleged to have been committed by them.

5. The facts available on record w.r.t the service of SCN and subsequent Hearing Notices as well as the replies received are stated as under:

Noticee No.	Noticee	Details of Service of SCN and further communication with Noticees
1	Mr. Sanjeev Kalra	1. SCN was served upon the Noticee at the last known address. Vide letter dated April 02, 2021, Noticee made his preliminary submission and requested for inspection of documents and sought a copy of such documents. 2. Vide hearing notice dated June 01, 2022, an opportunity of hearing was granted to Noticee on June 24, 2022 and the same was served upon the Noticee through SPAD and digitally signed email. Vide letter dated June 14, 2022, Noticee requested for adjournment of the hearing and an inspection of the documents. 3. Therefore, vide letter dated July 01, 2022, Noticee was granted an opportunity for inspection of documents on July 07, 2022. However, vide email dated July 07, 2022, Noticee has requested for adjournment of the inspection of document to July 08, 2022 and accordingly, the request was acceded and Noticee was granted an opportunity for inspection of documents on July 08, 2022. Accordingly, Noticee has availed the opportunity of inspection of documents on scheduled date through his Authorized Representative (AR). Vide hearing notice dated June 29, 2022, Noticee was granted another opportunity of hearing on July 13, 2022. However, Noticee did not appear for the hearing. 4. Vide letter dated July 21, 2022, Noticee submitted his reply to SCN. Thereafter, in the interest of natural justice, vide email dated July 25, 2022, another opportunity of hearing was granted to the Noticee on August 05, 2022. Vide

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		email dated August 04, 2022, Noticee requested for an opportunity of personal hearing on physical mode instead as the hearing was scheduled to be conducted online. The request was acceded and the hearing scheduled on August 05, 2022 was adjourned. Thereafter, vide email dated November 23, 2022, Noticee was granted an opportunity of hearing on December 01, 2022 and on the request of the Noticee, the hearing was conducted on physical mode.
2	M/s. R K Sharma Son HUF	1. SCN was served upon the Noticee at the last known address. Vide letter dated April 07, 2021, Noticee made his preliminary submission and requested for inspection of documents and sought a copy of such documents. 2. Vide hearing notice dated June 01, 2022, an opportunity of hearing was granted to Noticee on June 24, 2022 and the same was served upon the Noticee through SPAD and digitally signed email. Vide letter dated June 14, 2022, Noticee requested for adjournment of the hearing and an inspection of the documents. 3. Therefore, vide letter dated July 01, 2022, Noticee was granted an opportunity for inspection of documents on July 07, 2022. However, vide email dated July 07, 2022, Noticee has requested for adjournment of the inspection of document to July 08, 2022 and accordingly, the request was acceded and Noticee was granted an opportunity for inspection of documents on July 08, 2022. Accordingly, Noticee has availed the opportunity of inspection of documents on scheduled date through his Authorized Representative (AR). Vide hearing notice dated June 29, 2022, Noticee was granted another opportunity of hearing on July 14, 2022. However, Noticee did not appear for the hearing. 4. Vide letter dated July 23, 2022, Noticee submitted his reply to SCN. Thereafter, in the interest of natural justice, vide email dated July 25, 2022, another opportunity of hearing was granted to the Noticee on August 05, 2022. Vide email dated August 04, 2022, Noticee requested for an opportunity of personal hearing on physical mode instead as the hearing was scheduled to be conducted online. The request was acceded and the hearing scheduled on August 05, 2022 was adjourned. Thereafter,

		vide email dated November 23, 2022, Noticee was granted an opportunity of hearing on December 01, 2022 and on the request of the Noticee, the hearing was conducted on physical mode.
3	Ms. Sangeeta Sharma	1. SCN was served upon the Noticee at the last known address. Vide letter dated April 07, 2021, Noticee made her preliminary submission and requested for inspection of documents and sought a copy of such documents. 2. Vide hearing notice dated June 01, 2022, an opportunity of hearing was granted to Noticee on June 24, 2022 and the same was served upon the Noticee through SPAD and digitally signed email. Vide letter dated June 14, 2022, Noticee requested for adjournment of the hearing and an inspection of the documents. 3. Therefore, vide letter dated July 01, 2022, Noticee was granted an opportunity for inspection of documents on July 07, 2022. However, vide email dated July 07, 2022, Noticee has requested for adjournment of the inspection of document to July 08, 2022 and accordingly, the request was acceded and Noticee was granted an opportunity for inspection of documents on July 08, 2022. Accordingly, Noticee has availed the opportunity of inspection of documents on scheduled date through her Authorized Representative (AR). Vide hearing notice dated June 29, 2022, Noticee was granted another opportunity of hearing on July 14, 2022. However, Noticee did not appear for the hearing. 4. Vide letter dated July 22, 2022, Noticee submitted her reply to SCN. Thereafter, in the interest of natural justice, vide email dated July 25, 2022, another opportunity of hearing was granted to the Noticee on August 05, 2022. Vide email dated August 04, 2022, Noticee requested for an opportunity of personal hearing on physical mode instead as the hearing was scheduled to be conducted online. The request was acceded and the hearing scheduled on August 05, 2022 was adjourned. Thereafter, vide email dated November 23, 2022, Noticee was granted an opportunity of hearing on December 01, 2022 and on the request of the Noticee, the hearing was conducted on physical mode.

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4	Mr. Dhruv Sharma	1. SCN was served upon the Noticee at the last known address. Vide letter dated April 07, 2021, Noticee made his preliminary submission and requested for inspection of documents and sought a copy of such documents. 2. Vide hearing notice dated June 01, 2022, an opportunity of hearing was granted to Noticee on June 24, 2022 and the same was served upon the Noticee through SPAD and digitally signed email. Vide letter dated June 14, 2022, Noticee requested for adjournment of the hearing and an inspection of the documents. 3. Therefore, vide letter dated July 01, 2022, Noticee was granted an opportunity for inspection of documents on July 07, 2022. However, vide email dated July 07, 2022, Noticee has requested for adjournment of the inspection of document to July 08, 2022 and accordingly, the request was acceded and Noticee was granted an opportunity for inspection of documents on July 08, 2022. Accordingly, Noticee has availed the opportunity of inspection of documents on scheduled date through his Authorized Representative (AR). Vide hearing notice dated June 29, 2022, Noticee was granted another opportunity of hearing on July 14, 2022. However, Noticee did not appear for the hearing. 4. Vide letter dated July 22, 2022, Noticee submitted his reply to SCN. Thereafter, in the interest of natural justice, vide email dated July 25, 2022, another opportunity of hearing was granted to the Noticee on August 05, 2022. Vide email dated August 04, 2022, Noticee requested for an opportunity of personal hearing on physical mode instead as the hearing was scheduled to be conducted online. The request was acceded and the hearing scheduled on August 05, 2022 was adjourned. Thereafter, vide email dated November 23, 2022, Noticee was granted an opportunity of hearing on December 01, 2022 and on the request of the Noticee, the hearing was conducted on phyical mode.
5	Mr. Mohit Kalra	1. SCN was served upon the Noticee at the last known address. Vide letter dated April 07, 2021, Noticee made his preliminary submission and requested for inspection of documents and sought a copy of such documents.

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		2. Vide hearing notice dated June 01, 2022, an opportunity of hearing was granted to Noticee on June 24, 2022 and the same was served upon the Noticee through SPAD and digitally signed email. Vide letter dated June 14, 2022, Noticee requested for adjournment of the hearing and an inspection of the documents. 3. Therefore, vide letter dated July 01, 2022, Noticee was granted an opportunity for inspection of documents on July 07, 2022. However, vide email dated July 07, 2022, Noticee has requested for adjournment of the inspection of document to July 08, 2022 and accordingly, the request was acceded and Noticee was granted an opportunity for inspection of documents on July 08, 2022. Accordingly, Noticee has availed the opportunity of inspection of documents on scheduled date through his Authorized Representative (AR). Vide hearing notice dated June 29, 2022, Noticee was granted another opportunity of hearing on July 14, 2022. However, Noticee did not appear for the hearing. 4. Vide letter dated July 23, 2022, Noticee submitted his reply to SCN. Thereafter, in the interest of natural justice, vide email dated July 25, 2022, another opportunity of hearing was granted to the Noticee on August 05, 2022. Vide email dated August 04, 2022, Noticee requested for an opportunity of personal hearing on physical mode instead as the hearing was scheduled to be conducted online. The request was acceded and the hearing scheduled on August 05, 2022 was adjourned. Thereafter, vide email dated November 23, 2022, Noticee was granted an opportunity of hearing on December 01, 2022 and on the request of the Noticee, the hearing was conducted on physical mode.

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6	M/s. Sungar Textiles Pvt Ltd	1. SCN sent to the Noticee through SPAD was returned undelivered. Therefore, SCN was served upon the Noticee through newspaper publication on June 17, 2021 in Ranchi edition of Morning India (English) and Prabhat Khabar (Hindi). 2. Thereafter, an opportunity of personal hearing has been granted to the Noticee on June 29, 2022 vide Show Cause Notice-cum-Hearing Notice which was served upon the Noticee through newspaper publication dated June 08, 2022 in Ranchi edition of Times of India (English) and Hindustan (Hindi). 3. However, Noticee neither appeared for the hearing nor submitted reply to SCN.
7	Mr. Ashok Naskar	1. SCN was served upon the Noticee through SPAD at the last known address. 2. Vide hearing notice dated June 01, 2022, an opportunity of hearing was granted to Noticee on June 24, 2022 and the same was served upon the Noticee through SPAD. 3. However, Noticee did not appear for hearing. Therefore, vide hearing notice dated June 29, 2022, Noticee was granted another opportunity of hearing on July 14, 2022. However, Noticee did not appear for the hearing. 4. Vide letter dated July 28, 2022, Noticee had requested for inspection of documents and a copy of the such documents along with the Investigation Report through his Authorized Representative (AR), Mr. Vikas Bengani 5. Accordingly, Inspection of documents was done by Noticee through AR on November 03, 2022. Further, Noticee was granted time till November 23, 2022 to file his submissions, if any and an opportunity of hearing was granted to Noticee on November 23, 2022. 6. Vide letter dated November 18, 2022, Noticee submitted the reply to SCN and Noticee appeared for hearing through AR on November 23, 2022.

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8	Mr. Biswajit Ghosh	1. SCN sent to the Noticee through SPAD was returned undelivered. Therefore, SCN was served upon the Noticee through newspaper publication on June 17, 2021 in Kolkata edition of The Telegraph (English), Sanmarg (Hindi) and Ananda Bazaar Patrika (Bengali). 2. Thereafter, an opportunity of personal hearing has been granted to the Noticee on June 29, 2022 vide Show Cause Notice-cum-Hearing Notice which was served upon the Noticee through newspaper publication dated June 08, 2022 in Kolkata edition of Times of India (English), Sanmarg (Hindi) and Bartaman (Bengali). 3. Vide email dated August 01, 2022, Mr. Vikas Bengani, informed about the demise of the Noticee along with the copy of the identification document and death certificate of Noticee.
9	Mr. Manash Das	1. SCN was served upon the Noticee through SPAD at the last known address. 2. Vide hearing notice dated June 01, 2022, an opportunity of hearing was granted to Noticee on June 24, 2022 and the same was served upon the Noticee through SPAD. 3. However, Noticee did not appear for hearing and vide letter dated June 20, 2022, Noticee submitted his reply to hearing notice. 4. Thereafter, vide hearing notice dated June 29, 2022, Noticee was granted another opportunity of hearing on July 14, 2022. However, Noticee did not appear for the hearing. 5. Vide letter dated July 28, 2022, Noticee had requested for inspection of documents and a copy of the such documents along with the Investigation Report through his Authorized Representative (AR), Mr. Vikas Bengani 6. Accordingly, Inspection of documents was done by Noticee through AR on November 03, 2022. Further, Noticee was granted time till November 23, 2022 to file his submissions, if any and an opportunity of hearing was granted to Noticee on November 23, 2022. 7. Vide letter dated November 18, 2022, Noticee submitted the reply to SCN and Noticee

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		appeared for hearing through AR on November 23, 2022.
10	Mr. Sudeb Ghosh	1. SCN was served upon the Noticee through SPAD at the last known address. 2. Vide hearing notice dated June 01, 2022, an opportunity of hearing was granted to Noticee on June 24, 2022 and the same was served upon the Noticee through SPAD. 3. However, Noticee did not appear for hearing. Therefore, vide hearing notice dated June 29, 2022, Noticee was granted another opportunity of hearing on July 14, 2022. However, Noticee did not appear for the hearing. 4. Vide letter dated July 28, 2022, Noticee had requested for inspection of documents and a copy of the such documents along with the Investigation Report through his Authorized Representative (AR), Mr. Vikas Bengani 5. Accordingly, Inspection of documents was done by Noticee through AR on November 03, 2022. Further, Noticee was granted time till November 23, 2022 to file his submissions, if any and an opportunity of hearing was granted to Noticee on November 23, 2022. 6. Vide letter dated November 18, 2022, Noticee submitted the reply to SCN and Noticee appeared for hearing through AR on November 23, 2022.

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11	Mr. Barun Kumar Das	1. SCN sent to the Noticee through SPAD was returned undelivered. Therefore, SCN was served upon the Noticee through newspaper publication on June 17, 2021 in Kolkata edition of Times of India (English), Sanmarg (Hindi) and Bartaman (Bengali). 2. Thereafter, an opportunity of personal hearing has been granted to the Noticee on June 29, 2022 vide Show Cause Notice-cum-Hearing Notice which was served upon the Noticee through newspaper publication on June 08, 2022 in Kolkata edition of Times of India (English), Sanmarg (Hindi) and Bartaman (Bengali). 3. However, Noticee neither appeared for the hearing nor submitted his reply to SCN.
12	Mr. Vijay Kumar Kataruka	1. SCN was served upon the Noticee through SPAD at the last known address. 2. Vide hearing notice dated June 01, 2022, an opportunity of hearing was granted to Noticee on June 24, 2022 and the same was served upon the Noticee through digitally signed email. However, Noticee did not appear for hearing. 3. Therefore, vide hearing notice dated June 29, 2022, Noticee was granted another opportunity of hearing on July 14, 2022 and the same was served upon the Noticee through digitally signed email. Thereafter, vide emails dated July 11, 2022 and July 12, 2022, Noticee has stated that he has never heard of the company Darswana Vinimay Pvt Ltd and has denied that he is a director of the said company. However, Notice did not appear for the hearing and vide email dated July 12, 2022, Noticee had replied to the hearing notice. 4. Thereafter, vide email dated July 14, 2022, a final opportunity of hearing was granted to the Noticee on July 26, 2022. Accordingly, Noticee appeared for the hearing on the scheduled date and made oral submissions and informed that he would submit his reply to SCN by end of the day, i.e., July 26, 2022. However, Noticee has not submitted any reply till date of this order.

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13	Mr. Soumen Mitra	1. SCN sent to the Noticee through SPAD was returned undelivered. Therefore, SCN was served upon the Noticee through newspaper publication on June 17, 2021 in the Kolkata edition of The Telegraph (English), Sanmarg (Hindi) and Ananda Bazaar Patrika (Bengali). 2. Thereafter, an opportunity of personal hearing has been granted to the Noticee on June 29, 2022 vide Show Cause Notice-cum-Hearing Notice which was served upon the Noticee through newspaper publication dated June 08, 2022 in Kolkata edition of Times of India (English), Sanmarg (Hindi) and Bartaman (Bengali). 3. Vide letter dated July 28, 2022, Noticee had requested for inspection of documents and a copy of the such documents along with the Investigation Report through his Authorized Representative (AR), Mr. Vikas Bengani 4. Accordingly, Inspection of documents was done by Noticee through AR on November 03, 2022. Further, Noticee was granted time till November 23, 2022 to file his submissions, if any and an opportunity of hearing was granted to Noticee on November 23, 2022. 5. Vide letter dated November 18, 2022, Noticee submitted the reply to SCN and Noticee appeared for hearing through AR on November 23, 2022.
14	Mr. Sanjoy Kumar Dey	1. 1. SCN sent to the Noticee through SPAD was returned undelivered. Therefore, SCN was served upon the Noticee through newspaper publication on June 17, 2021 in Kolkata edition of The Telegraph (English), Sanmarg (Hindi) and Ananda Bazaar Patrika (Bengali). 2. Thereafter, an opportunity of personal hearing has been granted to the Noticee on June 29, 2022 vide Show Cause Notice-cum-Hearing Notice which was served upon the Noticee through newspaper publication dated June 08, 2022 in Kolkata edition of Times of India (English), Sanmarg (Hindi) and Bartaman (Bengali).. 3. Vide letter dated July 28, 2022, Noticee had requested for inspection of documents and a copy of the such documents along with the Investigation Report through his Authorized

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		Representative (AR), Mr. Vikas Bengani. 4. Accordingly, Inspection of documents was done by Noticee through AR on November 03, 2022. Further, Noticee was granted time till November 23, 2022 to file his submissions, if any and an opportunity of hearing was granted to Noticee on November 23, 2022. 5. Vide letter dated November 18, 2022, Noticee submitted the reply to SCN and Noticee appeared for hearing through AR on scheduled date.
15	Mr. Akash	1. SCN sent to the Noticee through SPAD was returned undelivered. Therefore, SCN was served upon the Noticee through newspaper publication on June 17, 2021 in Ranchi edition of Morning India (English) and Prabhat Khabar (Hindi). 2. Thereafter, an opportunity of personal hearing has been granted to the Noticee on June 29, 2022 vide Show Cause Notice-cum-Hearing Notice which was served upon the Noticee through newspaper publication dated June 08, 2022 in Ranchi edition of Times of India (English) and Hindustan (Hindi). 3. However, Noticee neither appeared for the hearing nor submitted his reply to SCN.
16	Mr. Vinit	1. SCN sent to the Noticee through SPAD was returned undelivered. Therefore, SCN was served upon the Noticee through newspaper publication on June 17, 2021 in Delhi edition of Times of India (English) and Navbharat Times (Hindi). 2. Thereafter, an opportunity of personal hearing has been granted to the Noticee on June 29, 2022 vide Show Cause Notice-cum-Hearing Notice which was served upon the Noticee through newspaper publication dated June 08, 2022 in Delhi edition of Hindustan Times (English) and Quami Patrika (Hindi). 3. However, Noticee did not appear for the hearing and as on date, no reply has been filed by Noticee.

6. The relevant extracts of submissions made by Noticees 1-5 in their similar replies vide letters dated July 21, 2022, July 22, 2022, July 23, 2022 are as follows:

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i. *"The SCN seeks to create a tenuous and non-existent link between me on one hand and the Company i.e. ESL and other entities mentioned in the SCN."*

ii. *"Thus, in my humble submission, my both purchase and sale transaction have been carried out in total compliance of all securities market laws as applicable to me as an investor of capital market. Further, at the relevant time and till receipt of the communication from SEBI, I have not received any query or inquiry from any entity/person connected to my transaction such as broker through whom I sold the shares, purchaser of my shares, Exchange (BSE) on whose trading terminal my shares were sold etc."*

iii. *"I am therefore really shocked, surprised and disturbed to undergo present quasi-Judicial proceeding initiated by Apex regulator of stock market viz. SEBI. In my humble submission, I have carried out transaction in ESL bonafidely and had no knowledge, information or awareness of any wrongdoing happening in the shares in ESL at the relevant time. It is only on receipt of the communication from SEBI, I came know about alleged wrong doings of other entities/persons in shares of ESL."*

iv. *"…around 4 years from the time I was allotted preferential shares of ESL, I decided to sell shares of ESL based on my financial requirements. I submit that I acted as any other prudent businessman and sold 1,50,000 shares (during investigation period) on the floor of stock exchange through SEBI registered stock broker."*

v. *"It is pertinent to mention that I had sold my shares at an average price of Rs. 10.95/- which is mere 95 paise more per share at which I had bought my preferential shares i.e. Rs. 10/-. Hence no allegation of any fraudulent practices w.r.t. my sale transactions can be alleged against me."*

vi. *"On plain reading of the SCN, it is understood that my sell transaction is allegedly considered to be fraudulent and that I have traded with certain group of entities & they have provided me exit w.r.t. shares held by me in ESL. However, on analysis of the trade log file, I understand from the information made available to me that the entities who bought my shares are Vinahast Dealcom Pvt Ltd, Ekaparnik Vintrade Pvt Ltd, Darswana Vinmay Pvt Ltd & Dhanlaxmi Builders & Developers Pvt Ltd. In this regard, I would like mention that I have no connection/relation with any of the aforesaid entities nor with the directors, promoters or any person associated/connected with the said entities who bought the shares. Hence, no allegation of trading with certain group of entities can be alleged against me."*

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vii. *"Further, I submit that I had sold the shares of ESL only on 1 day out of 122 trading days of the investigation period. Thus allegation of any 'manipulative' intent on my part is unjustified and unwarranted."*

viii. *"My transactions in ESL were at the then prevailing market price and had no impact on market equilibrium. Therefore, I fail to understand as to how my transactions are termed to be 'fraudulent' in nature. In my humble submission, since volume and price of ESL was not affected due to my dealings in the said scrip, allegation of any manipulation in ESL is not sustainable on facts and in law hence the same is erroneously made applicable in my case…."*

ix. *"I submit that the volume of shares traded in the scrip of ESL during investigation period i.e. from 02.03.2017 to 06.10.2017 was as huge as 97,31,150 shares on BSE. Further, I had carried out trades in scrip of ESL on only 1 day out of total 122 trading days during the investigation period."*

x. *"From the aforesaid, it can be seen that percentage of my sale trades i.e. 1,50,000 and no. days when I entered into sale transaction in scrip of ESL i.e. 1 day was negligible so as to have any impact on the market equilibrium."*

xi. *"It can clearly be observed that the percentage of my sale trades is so insignificant that it can hardly be capable disturbing the market so as to create artificial price/volume or misleading appearance of trading in said scrip."*

xii. *"I further submit that I had <u>no idea who purchased my shares of ESL</u> since all the transactions were executed through normal screen based trading system of stock exchange. I understand that matching in stock market is extremely advanced computer software driven algorithm process and buy/sell orders in scrip is done by on-line trading module."*

xiii. *"I have been informed that in case of screen based trading, the automated system itself matches orders on a price-time priority basis and hence it is not possible for anybody to have access over the identity of counter party dealing in any transaction. Since the counter party identity is not displayed; one can never have any choice with whom it wants to deal or not to deal."*

xiv. *"I submit that all my sale transactions in the shares of ESL were delivery based & I have met with all my obligations towards the market. All my sale transactions were as per the rules and regulation as laid out by the regulator from time to time."*

xv. *"The present SCN is issued after a gap of around 8 years from the date of the shares of ESL were issued to me and 4 years after I sold my shares in ESL. Reliance is placed upon Ashok Shivlal Rupani vs. SEBI [Order dated August 22, 2019], Mr. Rakesh Kathotia vs. SEBI [Appeal No. 07 of 2016; Order dated*

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27.05.2019] and Yatin Pandya HUF vs. SEBI [Order dated March 24, 2022] and HB Stockholdings vs. SEBI [SAT Appeal no. 114 of 2012]."

xvi. *"Noticees 1-5, in their submissions, have contended that it was untenable for any authority to arrive at finding of 'fraud' solely on the basis of their dealings in the scrip of ESL and also that taint of 'fraud' cannot be attached or charged on preponderance of probability, rather compelling evidence should brought on record for that. In support of their contention Noticee 1-5 have placed reliance upon the judgement of Hon'ble Supreme Court in Ram Sharan Yadav v/s Thakur Muneshwar Nath Singh [(1984) 4 SCC 649 (AIR 1985 SC 24)] , judgements of Hon'ble SAT in Sterlite Industries (India) Ltd. V. SEBI (2001) 34 SCL 485 (SAT) and Narendra Ganatra v/s SEBI (Appeal No 47 of 2011 decided on 29.07.2011) R. K. Global v/s SEBI (Appeal no. 158/2008 decided on 16.09.2010), Parsoli Corporation vs SEBI (Appeal no 146/2011 decided on 12.08.2011)."*

7. I note that during the course of the hearing on December 01, 2022, Noticees 1-5 had raised a query regarding the provisions of SEBI Act and PFUTP Regulations cited in the SCN and stated that there is an anomaly in the same vis-à-vis the Investigation Report. In this regard, it was clarified that the relevant provisions in the SCN may be read as being same as the provisions which are cited in the Investigation Report and therefore may be read as under:

"Therefore, in view of the above analysis it is alleged that the Noticees No. 1 to 5... violated the provisions of Regulation 3(a), (b), (c), (d), Regulations 4(1), and 4(2)(a) of the PFUTP Regulations."

8. The relevant submissions made by Noticees 7, 9, 10, 13 and 14 in their reply vide letters dated July 28, 2022 and November 18, 2022 are as follows:

i. *"After issue of the SCN dated 24-03-2022, the Noticees... denied the allegations made against the Noticees in the SCN. The Noticees further denied that they were directors of 3 companies. The Noticees have further submitted that their names, signatures and documents have been misused by some unknown persons / entities."*

ii. *"... 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*

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wrongly filed are not signed documents. The same DIR-12 provides for resignation from Directorship of Barun Kumar Das and Gauri Sankar Mandal."

iii. *"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 Noticees have been grossly misused without the consent, knowledge and approval of the Noticees."*

iv. *"It is further submitted that the Noticees are not recollecting that they have ever signed any documents to become directors of 3 Companies. Indeed, the Noticees are not much educated and have very negligible knowledge of English language. It seems that someone has forged their signatures."*

v. *"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 trade in the securities market in their respective names or in any other name including the names of 3 Companies. Indeed, they never visited the office of a Broker. It is further submitted that the Noticees have not received or made any payment to any person to purchase / sell of the shares of a Company including ESL."*

vi. *"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."*

vii. *"It is further submitted that the purported Emails Ids of the Noticees as mentioned in the SCN are not belong to them."*

9. The relevant submissions made by Noticee 12 in his reply vide emails dated July 12, 2022 are as follows:

i. *"This email is in reply of the mail given on 29 June 2022 where some serious issue have been charged against me and I want to inform you that I think there is some serious misunderstanding b'coz i haven't heard the name of the company Darswana Vinmay Pvt ltd before your mail,from where have i become the director of that co.although the PAN number & postal address is correct but i think i am not the right person regarding the allegation.*

ii. *"Myself is a very simple & honest service person who lead a very normal life with a small amount of earning.This is my humble request to look into the matter & make me free from this wrong allegations."*

10. I note that Noticees 6, 11, 15 and 16 have neither filed any reply nor have availed the opportunity of personal hearing despite being granted sufficient opportunities for the same. Therefore, I am of the view that principles of natural justice have been complied with but Noticees have nothing to submit, and therefore, in terms of rule 4(7) of the Rules, the matter can be proceeded ex-parte on the basis of material available on record.

11. In absence of any response from the Noticees to the SCN, I presume that the 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*".

12. 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 6, 11, 15 and 16, based on the material available on record and in absence of any reply from Noticees, it can be presumed that they have admitted to the charges levelled against these Noticees in the SCN.

CONSIDERATION OF ISSUES, EVIDENCE AND FINDINGS

13. I have carefully perused the charges levelled against the Noticees, replies filed by Noticees 1 to 5, and Noticees 7, 9, 10, 12, 13, 14 and other documents/evidence available on record. The issues that arise for consideration in the present case are:

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I) Whether Noticees 1-16 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?

II) Do the violations, if any, attract a 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?

14. The relevant applicable provisions of the SEBI Act and PFUTP Regulations, are reproduced as under:

<u>Relevant provisions of SEBI Act:</u>

CHAPTER VA
PROHIBITION OF MANIPULATIVE AND DECEPTIVE DEVICES, INSIDER TRADING AND SUBSTANTIAL ACQUISITION OF SECURITIES OR CONTROL

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

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

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

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

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

<u>Relevant provisions of PFUTP Regulation:</u>

3. *Prohibition of certain dealings in securities No person shall directly or indirectly—*

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

4. Prohibition of manipulative, fraudulent and unfair trade practices

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

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

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

<u>Issue No. 13(I) - Whether Noticees 1-16 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?</u>

15. I note that the Noticees 1 to 5 have made a preliminary objection that there has been an inordinate delay in the issuance of SCN due to which prejudice has been caused to them. In support of their contention, the aforesaid Noticees have relied upon the judgement of Hon'ble Securities Appellate Tribunal (**"Hon'ble SAT"**) in the matters of Ashok Shivlal Rupani vs. SEBI [Order dated August 22, 2019], Mr. Rakesh Kathotia vs. SEBI [Appeal No. 07 of 2016; Order dated 27.05.2019] and Yatin Pandya HUF vs. SEBI [Order dated March 24, 2022] and HB Stockholdings vs. SEBI [SAT Appeal no. 114 of 2012]. In this regard, I note that the investigation in the matter pertained to the period from March 02, 2017 to October 06, 2017 and was initiated on April 22, 2019. The investigation involved analysis of transactions in the scrip of the Company covering complex and detailed trade Analysis, Broker and Client Concentration Analysis and discovery and establishment of connection in respect of multiple suspected entities. The investigation was completed on January 20, 2021 and adjudication proceedings in the matter were approved on the same date. Subsequently, vide Order dated March 04, 2021, Shri Amit Pradhan was appointed Adjudicating Officer for commencing adjudication proceeding against the Noticees and the SCN in the matter was issued on March 24, 2021. Subsequently vide order dated June 18, 2021, the undersigned was appointed as the Adjudicating Officer in the instant proceeding. Thus, considering the above chronology, I find that SCN in the present

proceeding has been issued within a reasonable period of time and there has been no delay in issuance of SCN.

16. In this regard I find it pertinent to refer to the observations of the Hon'ble Supreme Court in the case of Adjudicating Officer, SEBI vs. Bhavesh Pabari (decided on February 28, 2019) in which it was held that-"*There are judgments which hold that when the period of limitation is not prescribed, such power must be exercised within a reasonable time. What would be reasonable time would depend upon the facts and circumstances of the case...*" In this regard, I also place reliance on the judgement of Hon'ble SAT in the matter of Girrajkumar Gupta HUF (Appeal No. 424/2019; Decided on August 11, 2021), wherein Hon'ble SAT held that, "*We find that the investigation started in the year 2015 which involved examining several entities in the order logs, trade logs, off market transactions and gathering evidence from the Stock Exchange. The show cause notice was issued in the October, 2017 and accordingly we find that there is no inordinate delay in the initiation of the proceedings. The contention raised is, thus, erroneous and cannot be accepted.*"

17. Thus, in view of aforesaid judgments, I note that instant adjudication proceeding has been initiated within a reasonable period of time. I also note that the facts and circumstances of the present proceedings are not similar to those in the judgments quoted by aforesaid Noticees because there has been no delay in the initiation of the present proceeding as already stated above. Therefore, I do not find any merit in the contention raised by Noticees 1-5 that there has been inordinate delay in issuance of SCN due to which prejudice has been caused to them.

18. Having dealt with the preliminary objection, I now proceed to deal with the case on merits.

19. It has been alleged in the SCN that during the IP, Noticees 1 to 16 have created artificial/fictitious volume and gave a false and misleading appearance of trading in the scrip of Edynamics. In this regard, from the BSE Price-Volume data pertaining to the scrip of Edynamics, I observe the following movement in the Price and Volume of the said scrip at BSE before, during and after the IP:

TABLE- 1

Period	Dates		Volume/ Opening Price on first day of period (₹)	Volume/ Closing price on last day of period (₹)	Lowest volume/ lowest price during the period (₹)	High Price (Volume) during the period (₹)	Avg. no. of (shares) traded daily during the period
Pre-investigation period	Feb. 8 – Mar.1, 2017	Price	9.50	10.40	8.82 (Feb 21, 2017)	10.49 (Feb 14, 2017)	562
		Vol.	1566	52	15 (Feb 22, 2017)	1593 (Feb 14, 2017)	

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Patch 1 (1st SMS Patch)	**Mar. 2 – May 9, 2017**	**Price**	10.92	14.64	8.97 (Mar 10, 2017)	15.45 (May 09, 2017)	162130
		Vol.	330851	220490	4723 (Mar 10, 2017)	1429590 (Mar 03, 2017)	
Patch 2	**May 10 – Sept. 18, 2017**	**Price**	13.91	6.38	5.24 (Jul 11, 2017)	13.91 (May 10, 2017)	10521
		Vol.	16260	1535	10 (Aug 7, 2017)	144165 (May 23, 2017)	
Patch 3 (2nd SMS Patch)	**Sept. 20 – Oct. 6, 2017**	**Price**	6.38	7.89	6.26(Sep 20, 2017)	7.9 (Oct 06, 2017)	145953
		Vol.	180969	485517	1955 (Sep 29, 2017)	726192 (Oct 05, 2017)	
Post-investigation period	**Oct. 9 – Dec. 21, 2017**	**Price**	7.75	3.61	3.61(Dec 21, 2017)	7.75 (Oct 09, 2017)	1897
		Vol.	13735	2200	2 (Nov 13, 2017)	13735 (Oct 09, 2017)	

20. I note that before the IP, during the month of February 2017, the scrip had traded only on 14 trade days and average number of shares traded on these 14 trade days was about 900 shares with closing price in the range of ₹8.72/- to ₹10.50/-. It is further observed that on March 01, 2017, only 6 trades for 52 shares had taken place with closing price of ₹10.40. Thus, I note that there was negligible trading volume in the scrip of ESL before the IP, which shows that it was an illiquid scrip before the start of the IP.

21. I have perused the Unique Client Code (‘**UCC**’) details from BSE, Know Your Client (‘**KYC**’) records from brokers and Ministry of Corporate Affairs (‘**MCA**’) database in respect of Noticees and several other entities (“**other trading entities**”), which had traded in the scrip of Edynamics during the IP. From the aforesaid records, I observe the following connection amongst the “suspected entities”, as depicted as ‘Group 1’ and ‘Group 2’ entities:-

Group 1			
Sl.No	**Name of the entity**	**PAN/CIN**	**Basis of Connection**
1	Ekaparnik Vintrade Private Limited (Noticees 9 and 10 were directors of Ekaparnik Vintrade Private Limited at the relevant time)	AADCE6828J	• Ekapamik Vintrade Private Limited had various transactions in its Axis Bank account with Onceover Dealtrade Pvt Ltd, Goldensight Vinimay Pvt Ltd, Sandarshika Vanijya Pvt Ltd, Vinahast Dealcom Private Limited, Nextel Garments Private Limited, Sungar Textiles Private Limited, Darswana Trading Pvt Ltd, Samudhita Sales Pvt Ltd, Darswana Vinmay Pvt Ltd and Padmavati Tradevin Private Limited during the period January 01, 2017 to December 31, 2017.. • Outstrip Suppliers Private Limited had various transactions In Its Axis Bank account with Goldensight Vinimay Private Limited, Vinahast Dealcom Private Limited, Sungar Textiles Private Limited and Padmavati Tradevin Private Limited during the period January 01, 2017 to December 31, 2017. • As per MCA, Outstrip Suppliers Private Limited, Onceover Dealtrade Pvt Ltd, Darswana Trading Pvt Ltd, Samudhita Sales Pvt Ltd, Vinahast Dealcom Private Limited have common shareholders Pratap Chakraborty and Strikeoff Arup Kumar Deb.
2	Onceover Dealtrade Pvt Ltd	AACCO0086H	
3	Goldensight Vinimay Pvt Ltd (Noticees 13 and 14 were directors of Goldensight Vinimay Pvt Ltd at the relevant time)	AAFCG6292A	
4	Sandarshika Vanijya Pvt Ltd	AAUCS9425J	

5	Vinahast Dealcom Private Limited (Noticees 7 and 8 were directors of Vinahast Dealcom Private Limited at the relevant time)	AAECV8139N	• As per MCA, Sandarshika Vanljya Pvt Ltd and Ekapamik Vinirade Private Limited have common shareholders Avijit Saha and Chandan Pati. • As per MCA, Nextel Garments Pvt Ltd, Artview Vintrade Private Limited, Darswana Vinmay Pvt Ltd have common shareholders, viz., Sunil Paswan and Subrat Mandal. • As per MCA, Onceover Dealtrade Pvt Ltd, Goldensight Vinimay Pvt Ltd and Outstrip Suppliers Private Limited have common address 48 MALANGE LANE, 2ND FLOOR ROOM NO 1, KOLKATA WB 700012 IN. • As per.MCA, Ekapamik Vintrade Pvt Ltd and Vinahast Dealcom Private Ltd have common address ROOM No. - 1, 2ND FLOOR, 48, MALANGA LANE, KOLKATA, WB 700012 IN. • As per MCA, Darswana Trading Pvt Ltd, Samudhita Sales Pvt Ltd and Artview Vintrade Private Limited have common address SURENDRA MOHAN GHOSH SARANI, 2ND FLOOR, ROOM NO.- 5D KOLKATA WB 700001 IN.
6	Nextel Garments Private Limited	AAECN7441H	
7	Sungar Textiles Private Limited	AAXCS0786K	
8	Darswana Trading Pvt Ltd (Noticees 11 and 12 were directors of Darswana Trading Pvt Ltd at the relevant time)	AAFCD0491A	
9	Samudhita Sales Pvt Ltd	AAUCS6150L	
10	Darswana Vinmay Pvt Ltd	AAFCD0788E	
11	Padmavati Tradevin Private Limited	AAHCP5209Q	
12	Outstrip Suppliers Private Limited	AACCO0067C	
13	Artview Vintrade Private Limited	AAMCA8828K	
14	Dhanlaxmi Builders and Developers Pvt. Ltd (Noticees 15 and 16 were directors of the company at the relevant time.)	U70102UP2015 PTC068149	
		Group 2	
14	Sanjeev Kalra	AAGPK4084J	As per UCC, common email ID polylaceindia@rediffmail.com and phone number 9810738393.
15	Sangeeta Sharma	AEDPS2792E	
16	R. K. Sharma Son Huf	AAGHR1686H	
17	Dhruv Sharma	CAHPS5631N	
18	Mohit Kalra	AZHPK8990R	

22. I note that in their submissions, Noticees 1-5 have accepted that they are connected among themselves, however they have denied that they are connected with other entities mentioned in the SCN and have stated that the same is not alleged in the SCN. I further note that Noticees 1-5 have contended in their common reply that SEBI has failed to establish any connection or collusion between Noticees and the other trading entities regarding trading in the scrip of Edynamics. Noticees 1-5 have also contended that no nexus has been established between them and the other trading entities because

connection has been alleged in the SCN only amongst Noticees 1-5 on the basis of common email and phone numbers. In support of their contention Noticees 1-5 have placed reliance on order dated 02.04.2018 of Hon'ble Whole Time Member (WTM) of SEBI in the matter of First Financial Services Ltd.

23. In this regard, as noted above, an analysis of UCC details from BSE, KYC records from brokers, and MCA database in respect of the Group 1 and Group 2 entities establishes that Group 1 entities were connected to each other.

24. I have perused the BSE trade log and order log pertaining to the scrip of Edynamics during the IP. From the BSE trade log and order log, I find that the top 10 buy clients and sell clients during the investigation period were as follows:

Table No. 2

Buy Client Name	Gross Buy	%age of gross buy to mkt. vol.	Sell Client Name	Gross Sell	%age of gross sell to mkt. vol.
Dhanlaxmi Builders And Developers Private Limited	1217784	12.51%	Dhanlaxmi Builders And Developers Private Limited	933319	9.59%
Vinahast Dealcom Private Limited	575871	5.92%	Ekaparnik Vintrade Private Limited	828273	8.51%
Ekaparnik Vintrade Private Limited	572201	5.88%	Vinahast Dealcom Private Limited	736313	7.57%
Darswana Trading Pvt Ltd	382761	3.93%	Onceover Dealtrade Pvt Ltd	310557	3.19%
Sungar Textiles Private Limited	256221	2.63%	Outstripe Suppliers Private Limited	306676	3.15%
Outstripe Suppliers Private Limited	251103	2.58%	Sanjeev Kalra	284000	2.92%
Sudheer Babu Pabolu	200000	2.06%	Darswana Trading Pvt Ltd	244124	2.51%
Goldensight Vinimay Pvt Ltd	176410	1.81%	Sungar Textiles Private Limited	176820	1.82%
Onceover Dealtrade Pvt Ltd	128544	1.32%	Sandarshika Vanijya Pvt Ltd	152149	1.56%
Meticulous It Solutions Private Limited	125802	1.29%	Mohit Kalra	150000	1.54%
Top 10 Buy Clients	**3886697**	**39.94%**	**Top 10 Sell Clients**	**4122231**	**42.36%**
Remaining Clients			**Remaining Clients**		
Total Traded Volume	**9731150**	**100.00%**	**Total Traded Volume**	**9731150**	**100.00%**

25. From the above table it is noted that the top 10 buyers contributed 39.94% to market volume. Dhanlaxmi Builders and Developers Private Limited was the top buyer with 12.51% contribution to market volume and the top 10 sellers contributed 42.36% to market volume. Dhanlaxmi Builders and Developers Private Limited was the top seller with 9.59% contribution to market volume.

26. I also observe that during the IP, the following Group 1 and Group 2 entities traded as sellers and buyers. The summary of the buy and sell trades of the said entities is given as under:

12(a). <u>Patch 1 of the IP (March 2 – May 9, 2017)</u>:

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S.No	Client Name	Buy Traded Qty	%Buy Qty	Sell Traded Qty	%Sell Qty
1	Vinahast Dealcom Private Limited	564267	7.73%	655599	8.99%
2	Ekaparnik Vintrade Private Limited	489487	6.71%	700078	9.60%
3	Darswana Trading Pvt Ltd	359303	4.92%	138190	1.89%
4	Outstripe Suppliers Private Limited	193424	2.65%	145162	1.99%
5	Sungar Textiles Private Limited	184299	2.53%	0	0.00%
6	Goldensight Vinimay Pvt Ltd	138773	1.90%	44836	0.61%
7	Onceover Dealtrade Pvt Ltd	105990	1.45%	99557	1.36%
8	Sandarshika Vanijya Pvt Ltd	52024	0.71%	14029	0.19%
9	Samudhita Sales Pvt Ltd	28662	0.39%	7045	0.10%
10	Darswana Vinmay Pvt Ltd	25051	0.34%	100000	1.37%
11	Padmawati Tradevin Private Limited	218	0.00%	112437	1.54%
	Total	**2141498**	**29.35%**	**2016933**	**27.64%**
	Market total	**7295839**	**100.00%**	**7295839**	**100.00%**

From the above table, I observe that the aforesaid 11 entities of Group 1 purchased 21,41,498 shares (29.35% of total market volume) and 10 '*suspected entities*' sold 2016933 shares (27.64% of total market volume) during patch 1 of the IP.

12(b). Patch 1 of the IP (March 2 – May 9, 2017)

S.No	Client Name	Buy Traded Qty	%Buy Qty	Sell Traded Qty	%Sell Qty
1	Dhruv Sharma	0	0.00%	150000	2.06%
2	Sanjeev Kalra	0	0.00%	284000	3.89%
3	R.K.Sharma Son Huf	0	0.00%	150000	2.06%
4	Mohit Kalra	0	0.00%	150000	2.06%
5	Sangeeta Sharma	0	0.00%	150000	2.06%
	Total	**0**	**0.00%**	**884000**	**12.12%**
	Market total	**7295839**	**100.00%**	**7295839**	**100.00%**

From the above table, I observe that the aforesaid 5 '*suspected entities*' of Group-2 sold 884000 shares (12.12 % of total market volume) during Patch-1.

12(c). Patch 2 of the IP (May 10 – July 11, 2017)

S. No	Client Name	Buy Traded Qty	%Buy Qty	Sell Traded Qty	%Sell Qty
1	Ekaparnik Vintrade Private Limited	82714	12.09%	28195	4.12%
2	Outstripe Suppliers Private Limited	44429	6.50%	1000	0.15%
3	Onceover Deal Trade Private Limited	14605	2.14%	2500	0.37%
4	Vinahast Dealcom Private Limited	11604	1.70%	14610	2.14%
5	Nextel Garments Private Limited	8713	1.27%	3500	0.51%
6	Goldensight Vinimay Pvt Ltd	8600	1.26%	1000	0.15%
7	Darswana Trading Pvt Ltd	7468	1.09%	3550	0.52%
8	Sandarshika Vanijya Pvt Ltd	2500	0.37%	1500	0.22%
9	Samudhita Sales Private Limited	100	0.01%	200	0.03%
10	Sungar Textiles Private Limited	0	0.00%	3200	0.47%
	Total	**180733**	**26.43%**	**59255**	**8.66%**
	Market total	**683879**	**100.00%**	**683879**	**100.00%**

From the above table, I observe that the aforesaid 10 entities of Group 1 purchased 180733 shares (26.43% of total market volume) and 10 '*suspected entities*' sold 59255 shares (8.66% of total market volume) during Patch 2 of the IP.

12(d). Patch 3 of the IP (October 5 & 6, 2017)

S.No	Client Name	Buy Traded Qty	%Buy Qty	Sell Traded Qty	%Sell Qty

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1	Sungar Textiles Private Limited	71922	4.11%	173620	9.91%
2	Goldensight Vinimay Pvt Ltd	29037	1.66%	15000	0.86%
3	Darswana Trading Pvt Ltd	15990	0.91%	102384	5.85%
4	Outstripe Suppliers Private Limited	13250	0.76%	160514	9.16%
5	Onceover Dealtrade Pvt Ltd	7949	0.45%	208500	11.90%
6	Artview Vintrade Private Limited	0	0.00%	41000	2.34%
7	Vinahast Dealcom Private Limited	0	0.00%	66104	3.77%
8	Samudhita Sales Private Limited	0	0.00%	59264	3.38%
9	Ekaparnik Vintrade Private Limited	0	0.00%	100000	5.71%
10	Sandarshika Vanijya Private Limited	0	0.00%	136620	7.80%
	Total	**138148**	**7.89%**	**1063006**	**60.69%**
	Market total	**1751432**	**100.00%**	**1751432**	**100.00%**

I observe from the above table that the aforesaid 10 entities of Group 1 purchased 138148 shares (7.89% of total market volume) and aforesaid 10 entities sold 1063006 shares (60.69% of total market volume) during patch 3.

27. The aforementioned trade details show that Group 1 and Group 2 entities traded in huge quantities in the scrip of ESL (in the range of 8.66% to 60.69% of total market volume) during the IP. I also observe that almost all the top 10 buyers and the top 10 sellers in the scrip were part of the '*suspected entities*', including Noticees and these entities were counterparties to each other contributing to around 40% of the total buy volume of the scrip and approximately 43 % of the sell volume of the scrip during the IP. Thus, I am inclined to conclude that these entities of Group 1 and Group 2 were indulging in circular trading amongst themselves in an otherwise illiquid scrip during the IP, contributing a significant volume of trading in the scrip.

28. From a perusal of documents placed on record, I observe that as per the draft prospectus dated April 26, 2013 issued by Edynamics, Mr. Sanjeev Kalra (Noticee 1), R. K. Sharma Son Huf (Noticee 2), Ms. Sangeeta Sharma (Noticee 3), Mr. Dhruv Sharma (Noticee 4) and Mr. Mohit Kalra (Noticee 5) (who are also part of Gourp-2 of the '*suspected entities*') were allotted 1,50,000 shares each on April 03, 2013 at ₹10/- per share, and they were holding the said shares as of quarter ended December 2016. I also observe that Mr. Sanjeev Kalra (Noticee 1) was allotted further two lots of 1,50,000 shares and was holding 2,84,000 shares as of quarter ended December 2016. I further observe from the BSE trade log that these aforesaid five connected allottees, i.e., Noticees 1-5, sold their entire holding of 8,84,000 shares as of quarter ended June 2017 during the investigation period. The details of the aforesaid sell trades are as follows:

Table No. 8

CLIENT NAME	BUY_TRADED_QTY	BUY VALUE	%Buy TQ	avg buy price	SELL_TRADED_QTY	SELL VALUE	%Sell Qty	avg sell price
Total trading during IP	9731150	102806290	100		9731150	102806289.8	100	

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CLIENT NAME	BUY_TRADED_QTY	BUY VALUE	%Buy TQ	avg buy price	SELL_TRADED_QTY	SELL VALUE	%Sell Qty	avg sell price
SANJEEV KALRA	0	0	0	0	284000	2851180	2.92	10.04
R.K.SHARMA SON HUF	0	0	0	0	150000	1642500	1.54	10.95
MOHIT KALRA	0	0	0	0	150000	1642500	1.54	10.95
DHRUV SHARMA	0	0	0	0	150000	1353000	1.54	9.02
SANGEETA SHARMA	0	0	0	0	150000	1353000	1.54	9.02
					884000	**8842180**	**9.08**	

29. I further note from the BSE trade log that 5 out of 13 '*suspected entities*' of Group-1 viz. Vinahast Dealcom Private Limited, Ekaparnik Vintrade Private Limited, Darswana Vinmay Pvt Ltd., Goldensight Vinimay Pvt Ltd and Sungar Textiles Private Limited (Noticee 6), were the counterparty buyers for 7,34,000 shares out of the 8,84,000 shares sold by the aforesaid Group-2, which is 83.03%, of the total sell quantity of 8,84,000 shares. The counterparty buy client for 1,44,295 shares (16.32% of the total sale volume) was Dhanlaxmi Builders and Developers Private Limited. I further observe from the trade log and order log that all these shares were sold in two trade dates, i.e., March 03, 2017 and March 14, 2017, when the highest and second highest traded quantity respectively was recorded during the investigation period. It is, thus, observed that more than 99% of the shares sold by the aforesaid group of connected allottees of Group 2, i.e., Noticees 1-5, were acquired by five connected entities of Group 1 and Dhanlaxmi Builders and Developers Private Limited.

30. The details of the sell and buy orders placed by Noticees 1-5 and the aforesaid six counterparty buyers that resulted in trades getting executed between them is as below:

15(a) Between Noticees 1-5 and five connected entities of Group 1

COUNTERPARTY FIVE CONNECTED BUYERS TO CONNECTED SELL ALLOTTEES											
TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
3/3/2017	VINAHAST DEALCOM PRIVATE LIMITED	SANJEEV KALRA	2:05:37 PM	2:03:46 PM	2:05:37 PM	10.95	10.95	10.95	40000	100000	150000
3/3/2017	VINAHAST DEALCOM PRIVATE LIMITED	MOHIT KALRA	2:05:37 PM	2:04:04 PM	2:05:37 PM	10.95	10.95	10.95	30000	100000	150000

COUNTERPARTY FIVE CONNECTED BUYERS TO CONNECTED SELL ALLOTTEES											
TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
3/3/2017	VINAHAST DEALCOM PRIVATE LIMITED	R.K.SHARMA SON HUF	2:05:37 PM	2:04:20 PM	2:05:37 PM	10.95	10.95	10.95	30000	100000	150000
3/3/2017	EKAPARNIK VINTRADE PRIVATE LIMITED	SANJEEV KALRA	2:05:47 PM	2:03:46 PM	2:05:47 PM	10.95	10.95	10.95	34395	100000	150000
3/3/2017	EKAPARNIK VINTRADE PRIVATE LIMITED	MOHIT KALRA	2:05:47 PM	2:04:04 PM	2:05:47 PM	10.95	10.95	10.95	35605	100000	150000
3/3/2017	EKAPARNIK VINTRADE PRIVATE LIMITED	R.K.SHARMA SON HUF	2:05:47 PM	2:04:20 PM	2:05:47 PM	10.95	10.95	10.95	30000	100000	150000
3/3/2017	VINAHAST DEALCOM PRIVATE LIMITED	MOHIT KALRA	2:06:25 PM	2:04:04 PM	2:06:25 PM	10.95	10.95	10.95	20000	50000	150000
3/3/2017	VINAHAST DEALCOM PRIVATE LIMITED	R.K.SHARMA SON HUF	2:06:25 PM	2:04:20 PM	2:06:25 PM	10.95	10.95	10.95	15000	50000	150000
3/3/2017	VINAHAST DEALCOM PRIVATE LIMITED	SANJEEV KALRA	2:06:25 PM	2:03:46 PM	2:06:25 PM	10.95	10.95	10.95	15000	50000	150000
3/3/2017	DARSWANA VINMAY PVT LTD	MOHIT KALRA	2:06:41 PM	2:04:04 PM	2:06:41 PM	10.95	10.95	10.95	4395	25000	150000
3/3/2017	DARSWANA VINMAY PVT LTD	R.K.SHARMA SON HUF	2:06:41 PM	2:04:20 PM	2:06:41 PM	10.95	10.95	10.95	15000	25000	150000
3/3/2017	DARSWANA VINMAY PVT LTD	SANJEEV KALRA	2:06:41 PM	2:03:46 PM	2:06:41 PM	10.95	10.95	10.95	5605	25000	150000
3/3/2017	EKAPARNIK VINTRADE PRIVATE LIMITED	SANJEEV KALRA	2:07:05 PM	2:03:46 PM	2:07:05 PM	10.95	10.95	10.95	9395	25000	150000
3/3/2017	EKAPARNIK VINTRADE PRIVATE LIMITED	MOHIT KALRA	2:07:05 PM	2:04:04 PM	2:07:05 PM	10.95	10.95	10.95	15000	25000	150000

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COUNTERPARTY FIVE CONNECTED BUYERS TO CONNECTED SELL ALLOTTEES											
TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
3/3/2017	EKAPARNIK VINTRADE PRIVATE LIMITED	R.K.SHARMA SON HUF	2:07:05 PM	2:04:20 PM	2:07:05 PM	10.95	10.95	10.95	605	25000	150000
3/14/2017	VINAHAST DEALCOM PRIVATE LIMITED	DHRUV SHARMA	2:20:59 PM	2:20:53 PM	2:20:59 PM	9.02	9.02	9.02	100000	100000	150000
3/14/2017	GOLDEN SIGHT VINIMAY PVT LTD	DHRUV SHARMA	2:21:02 PM	2:20:53 PM	2:21:02 PM	9.02	9.02	9.02	50000	50000	150000
3/14/2017	GOLDEN SIGHT VINIMAY PVT LTD	SANGEETA SHARMA	2:21:54 PM	2:21:46 PM	2:21:54 PM	9.02	9.02	9.02	70000	70000	150000
3/14/2017	EKAPARNIK VINTRADE PRIVATE LIMITED	SANGEETA SHARMA	2:22:01 PM	2:21:46 PM	2:22:01 PM	9.02	9.02	9.02	80000	80000	150000
3/14/2017	SUNGAR TEXTILES PRIVATE LIMITED	SANJEEV KALRA	2:22:37 PM	2:22:32 PM	2:22:37 PM	9.02	9.03	9.02	50000	50000	134000
3/14/2017	SUNGAR TEXTILES PRIVATE LIMITED	SANJEEV KALRA	2:22:39 PM	2:22:32 PM	2:22:39 PM	9.02	9.02	9.02	50000	50000	134000
3/14/2017	SUNGAR TEXTILES PRIVATE LIMITED	SANJEEV KALRA	2:22:41 PM	2:22:32 PM	2:22:41 PM	9.02	9.02	9.02	34000	34000	134000
									734000		

15(b) Between Noticees 1-5 and Dhanlaxmi Builders and Developers Private Limited

COUNTERPARTY BUYER DHANLAXMI BUILDERS AND DEVELOPERS PRIVATE LIMITED TO CONNECTED SELL ALLOTTEES											
TRADE_DATE	CLIENT NAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
3/3/2017	DHANLAXMI BUILDERS AND DEVELOPERS PRIVATE LIMITED	R.K.SHARMA SON HUF	2:07:24 PM	2:04:20 PM	2:07:24 PM	10.95	10.95	10.95	20000	50000	150000
3/3/2017	DHANLAXMI BUILDE	SANJEEV KALRA	2:07:24 PM	2:03:46 PM	2:07:24 PM	10.95	10.95	10.95	15000	50000	150000

COUNTERPARTY BUYER DHANLAXMI BUILDERS AND DEVELOPERS PRIVATE LIMITED TO CONNECTED SELL ALLOTTEES												
TRADE_DATE	CLIENT NAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
	RS AND DEVELOPERS PRIVATE LIMITED										
3/3/2017	DHANLAXMI BUILDERS AND DEVELOPERS PRIVATE LIMITED	MOHIT KALRA	2:07:24 PM	2:04:04 PM	2:07:24 PM	10.95	10.95	10.95	15000	50000	150000
3/3/2017	DHANLAXMI BUILDERS AND DEVELOPERS PRIVATE LIMITED	R.K.SHARMA SON HUF	2:07:31 PM	2:04:20 PM	2:07:31 PM	10.95	10.95	10.95	19550	50000	150000
3/3/2017	DHANLAXMI BUILDERS AND DEVELOPERS PRIVATE LIMITED	SANJEEV KALRA	2:07:31 PM	2:03:46 PM	2:07:31 PM	10.95	10.95	10.95	15000	50000	150000
3/3/2017	DHANLAXMI BUILDERS AND DEVELOPERS PRIVATE LIMITED	MOHIT KALRA	2:07:31 PM	2:04:04 PM	2:07:31 PM	10.95	10.95	10.95	15000	50000	150000
3/3/2017	DHANLAXMI BUILDERS AND DEVELOPERS PRIVATE LIMITED	SANJEEV KALRA	2:07:44 PM	2:03:46 PM	2:07:44 PM	10.95	10.95	10.95	14745	15000	150000
3/3/2017	DHANLAXMI BUILDERS AND DEVELOPERS PRIVATE LIMITED	MOHIT KALRA	2:07:44 PM	2:04:04 PM	2:07:44 PM	10.95	10.95	10.95	255	15000	150000

COUNTERPARTY BUYER DHANLAXMI BUILDERS AND DEVELOPERS PRIVATE LIMITED TO CONNECTED SELL ALLOTTEES											
TRADE_DATE	CLIENT NAME	CP_CLIENTNAME	ORDER_TIME	CP_ORDER_TIME	TRADE_TIME	TRADE_RATE	ORDER_RATE	CP_ORDER_RATE	TRADED_QTY	ORDER_QTY	CP_ORDER_QTY
3/3/2017	DHANLAXMI BUILDERS AND DEVELOPERS PRIVATE LIMITED	MOHIT KALRA	2:07:49 PM	2:04:04 PM	2:07:49 PM	10.95	10.95	10.95	5000	5000	150000
3/3/2017	DHANLAXMI BUILDERS AND DEVELOPERS PRIVATE LIMITED	MOHIT KALRA	2:07:59 PM	2:04:04 PM	2:07:59 PM	10.95	10.95	10.95	9745	10000	150000
3/3/2017	DHANLAXMI BUILDERS AND DEVELOPERS PRIVATE LIMITED	R.K.SHARMA SON HUF	2:07:59 PM	2:04:20 PM	2:07:59 PM	10.95	10.95	10.95	255	10000	150000
3/3/2017	DHANLAXMI BUILDERS AND DEVELOPERS PRIVATE LIMITED	R.K.SHARMA SON HUF	2:08:05 PM	2:04:20 PM	2:08:05 PM	10.95	10.95	10.95	5000	5000	150000
3/3/2017	DHANLAXMI BUILDERS AND DEVELOPERS PRIVATE LIMITED	R.K.SHARMA SON HUF	2:08:36 PM	2:04:20 PM	2:08:36 PM	10.95	10.95	10.95	9745	9745	150000
									144295		

31. From the above and on perusal of the order log, I observe that on March 03, 2017, Noticees 1, 2 and 5 each placed their respective sell orders for 1,50,000 shares between 14:03:46 hrs to 14:04:20 hrs. Immediately thereafter, the counterparty buyers, i.e., Vinahast Dealcom Pvt. Ltd., Ekaparnik Vintrade Pvt. Ltd. and Darswana Vinmay Pvt. Ltd., placed buy orders from 14:05:37 hrs to 14:07:05 hrs. This resulted in 15 trades getting executed between these entities in respect of the aforesaid sell orders of Noticees 1, 2

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and 5 for 3,00,000 shares between 14:05:37 hrs to 14:07:05 hrs. I observe that thereafter, counterparty buyer, Dhanlaxmi Builders and Developers Pvt. Ltd. placed huge buy orders from 14:07:23 hours to 14:08:38 hours. Thus, the balance sell orders of the Noticees 1, 2 and 5 were matched with the buy orders of Dhanlaxmi Builders and Developers Pvt. Ltd., resulting in 13 trades between them for 1,44,295 shares from 14:07:24 hrs to 14:08:36 hrs. I also note that sell orders for only 5,100 shares matched with other entities in 3 trades executed in respect of the aforesaid sell orders of Noticees 1, 2 and 5.

32. Similarly, I observe that on March 14, 2017, Noticees 1, 3 and 4 placed their sell orders between 14:20:53 hrs to 14:22:32 hours. Immediately thereafter, the counterparty buyers, i.e., Vinahast Dealcom Pvt. Ltd., Ekaparnik Vintrade Pvt. Ltd. and Darswana Vinmay Pvt. Ltd., placed buy orders from 14:20:59 hrs to 14:22:41 hrs. In respect of the aforesaid sell order 7 trades got executed between the aforesaid entities for 4,34,000 shares.

33. Thus, I note that the sell orders of Noticees 1-5 and the buy orders of the aforesaid counterparty buyers were placed either immediately or within four minutes of each other at the same buy order rate as the sell order rate and such orders had been executed. I am of the view that the aforesaid trading pattern of buy orders placed by the entities, viz., Vinahast Dealcom Pvt. Ltd., Ekaparnik Vintrade Pvt. Ltd., Darswana Vinmay Pvt. Ltd., Goldensight Vinimay Pvt. Ltd., Sungar Textiles Pvt. Ltd. and Dhanlaxmi Builders and Developers Pvt. Ltd. and the sell orders placed by the allottees, i.e., Noticee 1 to 5 demonstrates a concerted attempt by the aforesaid allottees, i.e., Noticees 1-5 and their counterparty buyers to match trades between themselves by placing orders within a short time period from each other. It has been noted earlier in the order that the scrip of ESL was illiquid before the start of the IP, as there was negligible trading in the scrip. In this scenario, any buy/sell orders of such huge quantities, as noted in this case, would result in getting matched with the counterparty orders either immediately or after a lapse of few minutes as has been noted in the instant case. I am of the view that the orders placed in such an orchestrated manner so that the sellers i.e. Noticees 1-5 could sell their allotted shares and exit through aforesaid counterparty buyers through such matched trades shows meeting of minds between the buyers and the allottees. In view of the aforesaid observation and analysis, I hold that such trading pattern between the allottees, i.e., Noticees 1-5 and the counterparty buyers was not a mere coincidence but was the outcome of meeting of minds between the said buyers viz., Vinahast Dealcom Pvt. Ltd., Ekaparnik Vintrade Pvt. Ltd., Darswana Vinmay Pvt. Ltd., Goldensight Vinimay Pvt. Ltd., Sungar Textiles Pvt. Ltd. and Dhanlaxmi Builders and Developers Pvt. Ltd and the

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allottees viz. Noticees 1 to 5, which was a part of a common manipulative and fraudulent strategy to manipulate the volume in the otherwise illiquid scrip of ESL. I find that the total volume traded by the aforesaid entities through such matched trades was 40.59% of the total trading volume of the scrip of ESL on March 03, 2017 and March 14, 2017 during the IP.

34. At this juncture, I find it pertinent to refer to the judgement of the Hon'ble SAT in the matter of Sanjay Kumar Poddar HUF vs. SEBI (Appeal No. 326 of 2020; Decided on August 24, 2021), in which it was held that- "*...it would be necessary to find out what is meant by the term 'connection'. This term is not a term of art. Respondent SEBI often use this term in order to explain a link between entities. The link can be anything like personal relationship, off-market transaction, financial relationship or even a location proximity etc. In view of the fact that on the stock exchanges platform numerous faceless transactions in large numbers within a fraction of a second take place between the parties across the globe unknown to each others, any link between a set of entities trading in similar manner or with each other or the company etc. if found, cannot be easily brushed aside as a mere coincidence. The issue therefore will be whether the link would be a factor indicating that there is a high probability of the alleged group working in tandem to achieve a certain goal i.e. to increase the price of the shares...*" I also find it pertinent to refer to the judgment of Hon'ble SAT in the matter of Sparkline Mercantile Co. Pvt. Ltd. vs. SEBI (Appeal No. 171 of 2011; Order dated January 16, 2012), wherein it was held that "*It is only on the basis of circumstantial evidence that such a connection can be proved. Looking at the details provided in the investigation report, the show cause notice and the findings recorded by the adjudicating officer, we are convinced that the adjudicating officer has brought enough material on record in support of the conclusion that the entities mentioned in the tables above are connected entities and traded among themselves with prior arrangement resulting in creation of artificial volume and distorting the market equilibrium. A large number of trades were executed among the group entities within a minute of placing the order. This cannot happen without prior meeting of minds among the connected entities. From the details of the trades executed and having regard to the trading system, we do not think that such large number of trades could match between the same parties unless the trading system was being abused. Therefore, we have no hesitation in upholding the findings recorded by the adjudicating officer in the impugned order.*" Having regard to the observations as described above and placing reliance on the aforesaid judgements of Hon'ble SAT, I hold that Noticees 1-5 were connected with the other entities mentioned in the SCN. I also find that the WTM order dated April 02, 2018 relied upon by Notices 1-5 in

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support of their contention is not relevant in the facts and circumstances of this case. Accordingly, I do not find any merit in the averment of Noticees 1 to 5 in this regard.

35. In view of the foregoing, I find that Noticees 1 to 5 along with the counterparty buyers of Group 1 entities, viz., Vinahast Dealcom Pvt. Ltd., Ekaparnik Vintrade Pvt. Ltd., Darswana Vinmay Pvt. Ltd., Goldensight Vinimay Pvt. Ltd., Sungar Textiles Pvt. Ltd. and Dhanlaxmi Builders and Developers Pvt. Ltd. colluded to execute matched/structured trades in the scrip of Edynamics by means of coordinated pattern of order placement. I find that such matched/structured trades led to trading in significant volume by Noticees 1 to 5 and the aforesaid Group 1 entities, thereby providing an exit to the allottees, i.e., Noticees 1-5 in the otherwise illiquid scrip of Edynamics as well as creating a misleading appearance of trading in the scrip.

36. I observe from records available from the MCA website that Vinahast Dealcom Pvt. Ltd., Ekaparnik Vintrade Pvt. Ltd., Darswana Vinmay Pvt. Ltd., Goldensight Vinimay Pvt. Ltd. and Dhanlaxmi Builders and Developers Pvt. Ltd. are struck off by ROC vide Notice of Strike Off dated August 24, 2018. As per the provisions of Section 248 and 250 of Companies Act, 2013, in case where the name of the company is struck off from the register of companies, its directors are liable for the affairs of company undertaken during the existence of the company. In the instant matter, the Noticees 7 to 16 were the respective directors in the aforementioned struck-off companies during the investigation period.

37. Therefore, in view of the above analysis, I observe that Noticees 1 to 5, Noticee 6 and Directors of Vinahast Dealcom Pvt. Ltd. namely, Noticee 7 and Noticee 8, Directors of Ekaparnik Vintrade Pvt. Ltd., namely, Noticee 9 and Noticee 10, Directors of Darswana Vinmay Pvt. Ltd., namely, Noticee 11 and Noticee 12, Directors of Goldensight Vinimay Pvt. Ltd., namely, Noticee 13 and Noticee 14 and Directors of Dhanlaxmi Builders and Developers Pvt. Ltd., namely, Noticee 15 and Noticee 16, manipulated the trading volume in the scrip of ESL to create a misleading appearance of trading in the scrip.

38. As noted earlier in the order, during the month of February 2017, i.e., before the start of IP, the scrip had traded only on 14 trade days and average number of shares traded on these 14 trade days was about 900 shares with closing price in the range of ₹8.72/- to ₹10.50/-. I further observe that on March 01, 2017, only 6 trades for 52 shares had taken place with close price of ₹10.40. Thus, there was negligible trading volume in the scrip of ESL during the period prior to IP, which showed that it was an illiquid scrip. I further note that the average daily traded volume in the scrip increased from mere 562 shares in the

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pre-IP period to 1,62,130 shares during the IP. Therefore, during the IP when the Noticees executed the aforesaid matched trades, there was an increase in the total traded volume in the scrip.

39. 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.*"

40. Thus, on account of the foregoing observations and placing reliance on the aforesaid judgement, I am of the view that such significant increase in the trading volume in the scrip of Edynamics can be attributed to the manipulative trading pattern of the aforesaid Group 1 entities and Noticees 1-5 in the scrip of Edynamics. Therefore, I find 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 Edynamics.

41. I have perused the contentions filed by Noticees 1 to 5. I note that Noticees 1 to 5 have not disputed that the aforesaid trades were executed by them. However, I find that Noticees 1-5, in their submissions, have contended that it was untenable for any authority to arrive at finding of '*fraud*' solely on the basis of their dealings in the scrip of ESL and also that taint of '*fraud*' cannot be attached or charged on preponderance of probability, rather compelling evidence should brought on record for that. In support of their contention

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Noticee 1-5 have placed reliance upon the judgement of Hon'ble Supreme Court in Ram Sharan Yadav v/s Thakur Muneshwar Nath Singh [(1984) 4 SCC 649 (AIR 1985 SC 24)] , judgements of Hon'ble SAT in Sterlite Industries (India) Ltd. V. SEBI (2001) 34 SCL 485 (SAT) and Narendra Ganatra v/s SEBI (Appeal No 47 of 2011 decided on 29.07.2011) R. K. Global v/s SEBI (Appeal no. 158/2008 decided on 16.09.2010), Parsoli Corporation vs SEBI (Appeal no 146/2011 decided on 12.08.2011).

42. I find it pertinent here 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. Regulations 4(2)(a) of the PFUTP Regulations provide 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. I also find it pertinent to note that in cases of market manipulation, 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. In other words, I find that the requirement under PFUTP Regulations is that fraud must be proved on a preponderance of probabilities. In this regard, I note the judgement of Hon'ble Supreme Court of India in SEBI vs. Kishore R. Ajmera (2016) 6 SCC 368 (Judgment dated February 23, 2016), wherein it had held that: *"It is a fundamental principle of law that proof of an allegation levelled against a person may be in the form of direct substantive evidence or, as in many cases, such proof may have to be inferred by a logical process of reasoning from the totality of the attending facts and circumstances surrounding the allegations/charges made and levelled. While direct evidence is a more certain basis to come to a conclusion, yet, in the absence thereof the Courts cannot be helpless. It is the judicial duty to take note of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a reasonable conclusion therefrom. The test would always be that what inferential process that a reasonable/prudent man would adopt to arrive at a conclusion…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*

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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."

43. I further refer to 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.*" 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 Noticees 1 to 5 along with the counterparty buyers of Group 1 entities, viz., ., Vinahast Dealcom Pvt. Ltd., Ekaparnik Vintrade Pvt. Ltd., Darswana Vinmay Pvt. Ltd., Goldensight Vinimay Pvt. Ltd., Sungar Textiles Pvt. Ltd. and Dhanlaxmi Builders and Developers Pvt. Ltd. in the scrip of Edynamics and the inter se connection amongst Noticees 1 to 5, show that Noticees 1 to 5 along with the counterparty buyers of Group 1 entities, viz., ., Vinahast Dealcom Pvt. Ltd., Ekaparnik Vintrade Pvt. Ltd., Darswana Vinmay Pvt. Ltd., Goldensight Vinimay Pvt. Ltd., Sungar Textiles Pvt. Ltd. and Dhanlaxmi Builders and Developers Pvt. Ltd., had colluded to create a misleading appearance of trading in the scrip of Edynamics and manipulated the volume of the scrip upwards during the IP, and thereby violated the provisions of PFUTP Regulations. In view of the foregoing, I find that the aforesaid contentions of Noticees 1-5 are not tenable and the judgements relied upon by Noticees 1-5 are not relevant in the facts and circumstances of this case.

44. 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 placing matched buy and sell orders of substantial quantitty at the same time, Noticees 1 to 5 along with the counterparty buyers of Group 1 entities, viz., Vinahast

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Dealcom Pvt. Ltd., Ekaparnik Vintrade Pvt. Ltd., Darswana Vinmay Pvt. Ltd., Goldensight Vinimay Pvt. Ltd., Sungar Textiles Pvt. Ltd. and Dhanlaxmi Builders and Developers Pvt. Ltd. had collectively indulged in a common manipulative and fraudulent strategy, which led to creation of misleading appearance of trade in the scrip of Edynamics at BSE, which is tantamount to '*fraud*' and induced investors to trade in the illiquid scrip of Edynamics.

45. In their submissions, Noticees 1 to 5 have further stated that they were allotted shares on preferential basis which they sold after around 4 years at the almost the same price at which they had bought the shares. Noticees 1-5 have, however, contended that the sale transactions in ESL had been executed on the floor of the exchange through SEBI registered Broker and both purchase and sale transactions were carried out at the then prevailing market price and the said transactions were in total compliance of all securities market laws. The said Noticees have contended that at the relevant time and till receipt of the communication from SEBI, the said Noticees have not received any query or inquiry or exchange alerts from any exchange/entity/person connected to their transaction such as broker through whom they sold the shares, purchaser of shares and Exchange on whose trading terminal the shares were sold etc. Noticees 1-5 have further contended that they had sold the shares only on 2 days out of 122 trading days in the IP and therefore, allegation of any fraudulent and manipulative trading could not be alleged against them.

46. In this regard, I note that it has been established earlier that the aforesaid Noticees were connected entities and that the scrip of Edynamics was illiquid before the IP. It has also been established that Noticees 1-5 had indulged in trading in significant volume in the said scrip which led to creation of volume in a scrip in which there was negligible trading in the pre-IP period. Therefore, at the time when the said Noticees executed the aforesaid matched trades, there was an increase in the traded volume in the scrip during the IP. Thus, I am of the view that such significant increase in the trading volume in the illiquid scrip of Edynamics can be attributed to the manipulative trading pattern of Noticees 1 to 5 and the counterparty Group 1 buyers viz., Vinahast Dealcom Pvt. Ltd., Ekaparnik Vintrade Pvt. Ltd., Darswana Vinmay Pvt. Ltd., Goldensight Vinimay Pvt. Ltd., Sungar Textiles Pvt. Ltd. and Dhanlaxmi Builders and Developers Pvt. Ltd. in the scrip of Edynamics. I also note that such manipulative trading pattern among Noticees could not have been a mere coincidence but was the result of meeting of minds and a deliberate common strategy to manipulate the volume in the scrip of Edynamics in order to mislead and induce investors to trade in the scrip of Edynamics based on a misleading impression of high liquidity and trading volume in the otherwise illiquid scrip of Edynamics. In this regard, I place reliance

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upon the judgement of SEBI vs. Kishore R. Ajmera (2016) 6 SCC 368 (Judgment dated February 23, 2016) discussed below, in which the Hon'ble Supreme Court has ruled that "*the manipulative nature of trades were 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 and that in cases of market manipulation, 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, based on a preponderance of probabilities".* 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 Noticees 1 to 5 and the counterparty Group 1 buyers viz., Vinahast Dealcom Pvt. Ltd., Ekaparnik Vintrade Pvt. Ltd., Darswana Vinmay Pvt. Ltd., Goldensight Vinimay Pvt. Ltd., Sungar Textiles Pvt. Ltd. and Dhanlaxmi Builders and Developers Pvt. Ltd. indulged in manipulative trading in the scrip of Edynamics. Therefore, I find the aforesaid contentions of Noticees 1 to 5 to be devoid of merit.

47. I note that Noticees 1-5 have also contended that in case of screen based trading, the automated system itself matches orders on a price-time priority basis and hence it is not possible for anybody to have access over the identity of counter party dealing in any transaction. Noticees 1-5 have also contended that since the counter party identity is not displayed, one can never have any choice with whom it wants to deal or not to deal and that all the sale transactions in the shares of ESL were delivery based & they have met with all their obligations towards the market. As regards the contention that the aforesaid trades were executed in a screen based trading mechanism, 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) 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*". Thus, placing reliance upon the aforesaid judgement and considering the illiquid nature of the scrip coupled with the fact that Noticees were connected to each other, it will not be wrong to conclude that the counterparties to the trades were known to Noticees 1-5 and thus they were able to bypass

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the screen-based automated trading mechanism of the exchange in order to indulge in the manipulative trades in the scrip of Edynamics. Therefore, I find that the aforesaid contentions of Noticees 1-5 are not tenable.

48. Noticees 1 to 5 have, in their submissions, also contended that they had held the shares of ESL for 4 years from the time they were allotted shares of ESL in a preferential allotment by the company. I note that the holding period of Noticees 1 to 5 w.r.t the shares of ESL is not relevant to the allegations made in the SCN in the instant proceedings. I further note that Noticees 1 to 5 have contended that they had acted as any other prudent businessman by selling their shares, and that quantity of shares sold by them was negligible as opposed to the traded volume in the scrip during the IP and did not have any impact on the market equilibrium and that such insignificant percentage of trades can hardly be capable of disturbing the market so as to create artificial price/volume or misleading appearance of trading in the scrip. In this respect, I find it pertinent to refer to the judgement of Hon'ble SAT in the matter of Neetu Gupta vs. SEBI (Appeal No. 423 of 2019; Order dated February 25, 2020) wherein it was held as follows, "*Having heard the learned counsel for the parties, we are of the considered view that the impugned transactions, in the facts and circumstances of the matter, would fall in the realm of violations of PFUTP Regulations. Individual argument that each entity's trade is miniscule and only on a few days alone etc. is not sufficient to rebut the findings in the impugned order… In such matters, the preponderance of probability based on the totality of circumstances, as held by the Apex Court in the matter of Kishore R. Ajmera (2016) 6 SCC 368 squarely applies. The orders in Jayprakash Bohra (Supra) and Shri Lakhi Prasad Kheradi (Supra) also apply the same ratio.*" Placing reliance on the aforesaid judgement, 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. As established above, the matched trades executed by Noticees 1 to 5 and the counterparty Group 1 buyers viz., Vinahast Dealcom Pvt. Ltd., Ekaparnik Vintrade Pvt. Ltd., Darswana Vinmay Pvt. Ltd., Goldensight Vinimay Pvt. Ltd., Sungar Textiles Pvt. Ltd. and Dhanlaxmi Builders and Developers Pvt. Ltd. created a misleading appearance of trading in the illiquid scrip of ESL and manipulated the volume of the scrip upwards during the IP. Therefore, I find that the aforesaid contentions of Noticees 1-5 are not tenable.

49. Noticees 7, 9, 10, 13, 14, in their submissions have contended that their signatures have been grossly misused without their consent, knowledge and approval and forged to show

their directorship in Group 1 companies viz. Vinahast Dealcom Pvt. Ltd., Ekaparnik Vintrade Pvt. Ltd. Darswana Vinmay Pvt. Ltd. Goldensight Vinimay Pvt. Ltd. and Dhanlaxmi Builders and Developers Pvt. Ltd. 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 that the names, details and documents of the Noticees have been grossly misused without their consent, knowledge and approval. Moreover, although Noticees 7, 9, 10, 13, 14 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.

50. Noticees 7, 9, 10, 13 and 14 have also contended that their appointment as directors in the aforesaid companies 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. Noticee 12 has also contended that he was not aware of any company by the name of Darswana Vinmay Pvt. Ltd. and was not holding any directorship therein. I note that apart from making a mere bald statement, the said Noticees have not produced any evidence to show that they had taken any proper and meaningful legal recourse regarding their appointment as directors in the aforesaid companies, which they have claimed as being without their consent, knowledge and approval. I note that the said Noticees 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, in the absence of evidence of any proof of proper legal recourse taken by Noticees 7, 9, 10, 12, 13 and 14, I am not inclined to accept the contention of said Noticees that they were not directors of the aforesaid companies. Noticees 7, 9, 10, 13, 14 have also contended that the relevant MCA form DIR-12 which shows the appointment of Noticees 7, 9, 10, 13, 14 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 7, 9, 10, 13 and 14 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 Soumen Mitra (Noticee 13) and Sanjoy Kumar Dey (Noticee 14) 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

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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 7, 9, 10, 12, 13, and 14 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 7, 9, 10, 12, 13 and 14 were directors of Vinahast Dealcom Pvt. Ltd., Ekaparnik Vintrade Pvt. Ltd. Darswana Vinmay Pvt. Ltd. Goldensight Vinimay Pvt. Ltd. and Dhanlaxmi Builders and Developers Pvt. Ltd. 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 Vinahast Dealcom Pvt. Ltd., Ekaparnik Vintrade Pvt. Ltd., Darswana Vinmay Pvt. Ltd., Goldensight Vinimay Pvt. Ltd. and Dhanlaxmi Builders and Developers Pvt. Ltd. respectively during the IP.

51. I further note that Noticees 7, 9, 10, 13 and 14 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

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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.

52. Noticees 7, 9, 10, 13 and 14 have also contended that they have not received or made any payment to any person to purchase / sell of the shares of a Company including ESL. The said Noticees 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 of Group 1 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.

53. Noticees 7, 9, 10, 13 and 14 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.

54. Therefore, I am of the view that the aforesaid contentions of Noticees 7, 9, 10, 12, 13 and 14 are devoid of merit.

55. I further note that Noticees 6, 11, 15 and 16 have not made any submissions in respect of the allegations. Thus, I am of the view that 6, 11, 15 and 16 have admitted to the allegations made in the SCN.

56. In view of the foregoing findings and considering preponderance of probabilities, I find that the allegation that Noticees 1 to 16, 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.

57. Having regard to Noticee 8, I note that vide email dated August 01, 2022, representative of the said Noticee has provided the copy of the death certificate of Noticee 8, issued by

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Department of Health & Family Welfare, Government of West Bengal. The aforesaid death certificate has been verified from the official website of Kolkata Municipal Corporation, and appears to be in order. On perusal of the death certificate, I note that Noticee 8 has passed away on November 18, 2020. At this juncture, I find it pertinent to refer to judgement of Hon'ble Supreme Court in the matter of Girijanandini vs. Bijendra Narain (AIR 1967 SC 2110) in which it was held that in case of personal actions, i.e. the actions where the relief sought is personal to the deceased, the right to sue will not survive to or against the representatives and in such cases the maxim actio personalis moritur cum persona (personal action dies with the death of the person) would apply. I also find it pertinent to refer to the judgement of Hon'ble SAT in the matter of Chandravadan J Dalal vs. SEBI (Appeal No. 35/2004; Decided on June 15, 2005) in which it was held that, "*The appeal abates since the appellant during the pendency of the appeal died on 29th November, 2004. The appeal accordingly abates. The penalty imposed on the original appellant being personal in nature also abates.*" In view of the foregoing, I am of the view that the instant adjudication proceedings against the Noticee 8 are liable to be abated. Accordingly, placing reliance on the aforesaid judgements, I find that the present adjudication proceedings against the deceased Noticee 8 stand abated.

Issue No. 13(II)- Does the violation, if any, attract a monetary penalty under Section 15HA of SEBI Act?

58. It has been established in the foregoing paragraphs that the Noticees 1-7 and Noticees 9 to 16 have violated Sections 12A(a), (b), (c) of SEBI Act, and Regulations 3(a), (b), (c), (d) and Regulations 4(1) and 4(2)(a) of PFUTP Regulations. In the context of the above, I refer to the observations of Hon'ble Supreme Court in the matter of Chairman, SEBI vs. Shriram Mutual Fund {[2006] 5 SCC 361} wherein the Hon'ble Court had 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.......*"

59. Therefore, in view of the foregoing findings and placing reliance on the above judgment of Hon'ble Supreme Court, I find that the aforesaid violations of Sections 12A(a), (b), (c) of SEBI Act, and Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) of PFUTP Regulations will attract monetary penalty under Section 15HA of SEBI Act. The respective provisions as applicable at the time of the violations are reproduced as under:

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Penalty for fraudulent and unfair trade practices

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

Issue No. 13(III) - What should be the quantum of monetary penalty?

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

SEBI Act

Factors to be taken into account by the adjudicating officer.

Section 15J - *While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely:-*

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;
(b) the amount of loss caused to an investor or group of investors as a result of the default;
(c) the repetitive nature of the default.

61. 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 the Noticees 1-7 and Noticees 9 to 16 or the extent of loss suffered by the investors as a result of the default. I also observe that there are no other records to show repetitive defaults of a similar nature by the Noticees 1-7 and Noticees 9 to 16. However, it has been established that the said Noticees had indulged in manipulation of volume and created a misleading appearance of trading in the scrip of Edynamics. I am of the view that such manipulative acts of the said Noticees have the potential to mislead and induce genuine investors to trade in the scrip and harm them and therefore such acts violate the fundamental tenets of market integrity. Such acts of the said Noticees, if dealt

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with lightly, could seriously undermine investors' confidence in the securities market and therefore, merit stiff penalty commensurate with such serious violations.

62. 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'."

63. In view of the foregoing findings and placing reliance on the aforesaid judgement, I find that an appropriate penalty should be imposed on the said Noticees, so as to serve as a deterrent against the aforesaid violations, considering the interest of investors and integrity of securities market.

ORDER

64. Having considered all the facts and circumstances of the case, the material available on record, the submissions made by Noticees 1-5 and Noticees 7, 9, 10, 12, 13 and 14, and also the factors mentioned in Section 15J of SEBI Act, as enumerated above, I, in the exercise of the powers conferred upon me under Section 15-I of SEBI Act read with Rule 5 of the Adjudication Rules, hereby impose a penalty of Rs. 20,00,000/- (Rupees Twenty Lakhs only) on the Noticees 1-7 and Noticees 9 to 16, jointly and severally.

65. Noticees 1-7 and Noticees 9 to 16 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, said Noticees may contact the support at portalhelp@sebi.gov.in.

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66. Noticees 1-7 and Noticees 9 to 16 shall forward said Demand Draft or the said confirmation of e-payment made in the format as given in the table below which should be sent to "The Division Chief, EFD – DRA - 1, 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)	

67. 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 SEBI Act for the realisation of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties of Noticees 1-7 and Noticees 9 to 16.

68. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to Noticees and also to SEBI.

S Majumder

Place:Mumbai

Date: December 20, 2022

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ADJUDICATING OFFICER