BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/BD/AA/2020-21/9325-9343]

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

S. No.	Name of the Noticee	PAN
1.	Kesri Industrial Lab Pvt Ltd	AAACK8837C
2.	Tushar India Private Limited	AABCT5830B
3.	Natraj Capital & Credit Pvt Ltd	AAACN2928D
4.	Naveen Kumar	ADWPN0425F
5.	Sanjay Mathur	AEAPM7471H
6.	Neetaben Jayantibhai Patel	AGVPP3374K
7.	Jeetendra Kumar Agarwal	AALPA2576Q
8.	Archana Mathur	AEAPM7470G
9.	Narender Kumar Gupta	AAFPG5298P
10.	Renu Aggarwal	AEFPG1199B
11.	Shobha Bansal	ANQPB1332F
12.	Aman Gupta	AESPG2810A
13.	Smriti Mahajan	BCXPM2395A
14.	Akhilesh Poddar	ANTPP3340A
15.	Suleman Sadru Merchant	BIVPM7456G
16.	Uttam Chand Jain	AAAHU7158M
17.	Nanon Distributors Private Limited	AADCN3085E
18.	Placido Marketing Private Limited	AAGCP6892C
19.	Archit Jindal	AGNPJ5775G

In the matter of Focus Industrial Resources Limited

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') conducted an investigation in the scrip of Focus Industrial Resources Ltd., (hereinafter referred to as '**FIRL / Company**') *inter-alia* to ascertain any possible violation of the provisions of SEBI Act, 1992 (hereinafter referred to as '**SEBI Act**') and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations, 2003**') in the trading of certain entities during the period February 1, 2013 to July 30, 2013 (hereinafter referred to as '**Investigation Period**' / '**IP**').

2. Pursuant to investigation, it was observed by SEBI that group of entities viz. Kesri Industrial Lab Pvt Ltd, Tushar India Private Limited, Natraj Capital & Credit Pvt Ltd, Naveen Kumar, Sanjay Mathur, Neetaben Jayantibhai Patel, Jeetendra Kumar Agarwal, Archana Mathur, Narender Kumar Gupta, Renu Aggarwal, Shobha Bansal, Placido Marketing Private Limited, Aman Gupta, Smriti Mahajan, Akhilesh Poddar, and Suleman Sadru Merchant along with other connected entities created artificial volume in the scrip of FIRL by repeatedly transacting in off market and on market. In view of the same, it was observed that the said entities had violated the provisions of regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) and (g) of PFUTP Regulations, 2003.

3. It was also observed that Kesri Industrial Lab Pvt Ltd, Tushar India Private Limited, Natraj Capital & Credit Pvt Ltd, Naveen Kumar, Sanjay Mathur, Uttam

Chand Jain, Nanon Distributors Private Limited and Placido Marketing Private Limited manipulated the scrip price by trading among themselves repeatedly through Last Trade Price (LTP) contribution. It was also observed that Kesri Industrial Lab Pvt Ltd, Tushar India Private Limited, and Archit Jindal manipulated the scrip price by New High Price (NHP) contribution. In view of the same, it was observed that the said entities had violated the provisions of regulations 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) & (e) of SEBI (PFUTP) Regulations.

4. In view of the above, SEBI initiated adjudication proceedings against the above entities under the Section 15HA of the SEBI Act for the above-mentioned violations of PFUTP Regulations, 2003. The above entities are hereinafter collectively referred to as '**Noticees**'.

APPOINTMENT OF ADJUDICATING OFFICER

5. The undersigned was appointed as Adjudicating Officer, vide Order dated May 12, 2017 (communicated vide Order dated March 26, 2018) under Section 19 read with Sub-section (1) & (2) of Section 15-I of the SEBI Act, 1992 (hereinafter referred to as "**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**") to inquire into and adjudge the alleged violations committed by the Noticees under Section 15HA of SEBI Act.

<u>SHOW CAUSE NOTICE, REPLY AND HEARING</u>

6. A Show Cause Notice dated December 5, 2018 (hereinafter referred to as '**SCN**') was issued to the Noticees under Rule 4(1) of the Adjudication Rules to show-cause as to why an inquiry should not be initiated against the Noticees and why penalty should not be imposed upon the Noticees under Section 15HA of of the SEBI Act for the violations alleged to have been committed by the Noticees. I note the SCN was duly served on the Noticees in terms of Rule 7 of the Adjudication Rules. The Noticees have also been provided with hearing opportunities during the course of the instant adjudication proceedings. However, I note that some of the Noticees have not submitted their reply to the SCN and also, did not avail of the hearing opportunity. The submissions made by the Noticees, who have submitted their replies in response to the SCN, are stated in the following paragraphs.

7. Naveen Kumar, vide letter dated January 28, 2019 and February 26, 2020, *inter alia* made the following submissions:

    - *I am a bonafide investor and have dealt in scrip of FIRL in the normal course of my trading activity and the same was very much within my financial and risk bearing capacity. I had no intention or purpose to create artificial volume while dealing in scrip of FIRL, as alleged or otherwise.*
    - *While dealing in shares of FIRL, I have always ensured that it is being one as per rules and regulations which govern capital market. I submit that I have dealt in scrip of FIRL in absolutely fair and transparent manner. I believe that there*

has been no grievance by any investor, broker, stock exchange or any other agency concerned in the matter.

8. Archana Mathur and Sanjay Mathur, vide their separate letters dated December 24, 2018 and September 28, 2020, and in the hearing conducted on September 15, 2020, *inter alia* made the following submissions:

- *I submit that I am an ordinary and retail investor who deals in shares in compliance with all the relevant provisions of securities law as applicable to me from time to time. Unlike informed institutions, I have limited skill/experience of fundamental & technical research before making an investment/trading decision. Thus, the trading decisions are mostly made on the basis of news and rumors in print media, electronic media, grapevines, investment decision of other investors, intuition and psychology of other investors.*
- *At the outset, I would submit that these are far -fetched connections which have been drawn on the basis of surmises and conjectures and are without any basis. I submit that I have been roped in just to broaden the ambit of investigation, however, no real purpose is served.*
- *The 66,000 shares purchased by me in off-market from Natraj was in the normal course of business and in a lawful manner. The 66,000 shares of FIRL were purchased from Natraj on April 04, 2012 at Rs. 2.01 per share.*
- *I did not know the counter party in off-market personally and also do not have any relationship / connection with the promoters/ management of the Company either directly/ indirectly. There is no connection whatsoever with the off-market seller and the transaction of purchase of the shares was bonafide. I submit that such off-market transaction was within the parameters of law and is recognized by SEBI/ stock exchanges/ Depositories to warrant any kind of allegation of wrong doing.*
- *The shares were purchased by me in 2012 however, the broker had not delivered it to us instantly. I followed up with them many times through calls and even*

visiting their office numerous times and after repeated follow up the shares were delivered to me in and around March/ April 2013.

- *I had received the shares after prolonged persuasion and follow ups, therefore, I was apprehensive about the future prospect of the share price. In view of the same, I sold the shares immediately at whatever price it could fetch. Hence no allegation of fraudulent and unfair trade practice and price manipulation can be levelled upon me.*
- *It is submitted that I have purchased the shares off-market, since they were being offered at an affordable rate and the same were bought around one year prior to the date of sale.*
- *In so far as the allegation that I have contributed an artificial volume creation of 0.56 % out of the total 23.46% of the total artificial volume creation through trade reversal, it is submitted that same is only miniscule percentage of the total alleged artificial market volume to warrant serious allegation of fraudulent and unfair trade practice.*
- *It is also submitted that I have sold 66,000 shares during the period investigation, which amounts to merely 0.56% of the total volume at BSE during the IP which has been alleged to be manipulative. Further as provided in Table 12 at Para 17, the SCN has only considered the volume of 23.46% and have alleged that I have created the artificial volume however the majority of the remaining volume, i.e. 76.54% has not been considered in the investigation and no action has been taken against those entities.*
- *As provided in Annexure-7 supplied along with the SCN, where some extracts of trades representing reversal trades have been provided, it can be easily concluded that the buyer has matched with the sell orders that were already available in the system. The trade log reveals that I have entered sell order much prior to the buy order and the buyer has matched his order with me to ensure that trade takes place. The transactions further validate that no perverse trading has been carried out by me.*
- *The trading carried out by me has neither shown any sudden rise nor shown any sudden fall in price to warrant any kind of alert for investigation. Hence, the initiation of investigation is not based on any rationale and no rationale has been given for the same.*

- *Further, the SCN also has not brought out my direct or indirect or even remote connection with an entity with whom my trade of share has matched. The conclusion drawn in the SCN is untenable and without any basis.*
- *The transaction has been carried out an electronic, faceless and anonymous trading platform of the Stock Exchange wherein the counter party is not known. Since, the trade has been carried out on an independent platform, I could not have known the counter party.*
- *Admittedly, the shares were sold to a separate entity and same is part of the record. In no way the knowledge of such connection in between the off-market seller and on-market buyer can be imputed upon me. The trade was carried out by me in the normal course of business and no adverse inference ought to be drawn against me.*
- *None of my trades during the investigation period can be alleged to be fraudulent, artificial or manipulative just because it matched with the entities which were connected to the off-market seller from whom I purchased the shares. This sale is on the anonymous, electronic and faceless trading platform of the stock exchange wherein the counter party is not known to warrant any allegation of any connection with counter party. Even the SCN is completely silent on that.*
- *As regards the allegation of positive LTP creation of 0.67% by Archana Mathur and 1.34% by Sanjay Mathur, it is submitted that the LTP of 0.67% and 1.34% respectively is quite miniscule of the total market positive LTP of 32.90% to warrant any serious allegations of price manipulation and fraudulent and unfair trade practice.*
- *Further, there is no allegation of any connection with promoters/ directors of FIRL to levy any serious allegation upon me. Also, I have got a clean track record and till date no action has been taken/ initiated against me save and except the SCN under reference.*
- *It is submitted that at the time the trades were being carried out by me, no warning/ caution was issued to me to be careful by either my broker, Stock Exchange or SEBI despite all of them having state of the art surveillance systems.*
- *I submit and reiterate that my volume in the scrip of FIRL is 0.56% the total volume which is quite miniscule in the total artificial price rise. It cannot be alleged*

that I have indulged in fraudulent or unfair trade practice or have created false or misleading appearance of trading in securities market, and further I have traded on the trading platform provided by the stock exchange and regulated by SEBI itself.

- *The Board has failed to take into consideration that there is a gap of nearly six years in the issue of the SCN and the alleged transaction. I am a person of ordinary means and I do not have the records with me now. The transactions have been carried out in April to May, 2013 and the SCN has been issued in December, 2018. Hence, there is an inordinate delay of five and a half years in initiation of proceedings against me. The records pertaining to the transactions are not available since as an individual I do not have any requirement to keep each and every record.*

9. Jeetendra Kumar Agarwal, vide letter dated December 20, 2018, *inter alia* made the following submissions:

- *The 85,000 units of shares of FIRL were purchased from Natraj Capital & Credit Pvt. Ltd. On 04.04.2012 at Rs. 2.01 per unit, i.e., Rs. 1,70,850.*
- *The shares of FIRL were not delivered to me as I had not provided the broker the details of my D-Mat Account and with my consent the shares were with the broker as "Loan of shares from the purchaser". 32,000 shares were transferred to D-Mat Account of the purchaser on 16.04.2013 and 8,000 shares on 17.04.2013, 20,000 shares on 10.05.2013 and remaining 25,000 shares on 28.05.2013.*
- *The shares of FIRL were sold on following dates and their respective quantities:*

Units	*Date of Sale*	*Sale Price*
32,000	*17/04/2013*	*19,82,400*
8,000	*18/04/2013*	*5,05,280*
20,000	*10/5/2013*	*16,72,400*
25,000	*28/05/2013*	*17,45,500*
85,000		*59,05,580*

- *The shares were purchased offline as these were available at highly discounted rate of Rs. 2.01 per share. I have no relation with the promoters and the company*

Focus Industrial Resources Ltd. I am not involved in insider trading and fraudulent transactions.

10. Narender Kumar Gupta, vide letters dated January 04, 2019 and February 27, 2020, *inter alia* made the following submissions:

- *I am a small trader and I usually invest my savings in stock market to earn better returns rather than other investment options like FD's, PPF, etc. I have purchased 48,000 shares in FIRL @ 2.00/- per share through my broker in April 2012. The shares purchased were later on transferred to my Demat A/c maintained with Exponential Financial Services Private Limited.*
- *I have sold my investments in FIRL after holding the same for more than 15 months at a price of Rs. 31.10/ per share*
- *I, being a small trader, purchased and sale the shares with the investment perspective only and the transaction of sale and purchase were made through Recognized stock exchange and I have paid Government taxes e.g. Service Tax, Security Transaction tax etc. on the transaction.*
- *The transaction was done with the Investment perspective only and there was no intention of Manipulative, Fraudulent and unfair trade practice.*

11. Renu Agarwal, vide letter dated December 20, 2018, *inter alia* made the following submissions:

- *The 65,000 units of shares of Focus Indusrial Resources Ltd. Were purchased from Natraj Capital & Credit Pvt. Ltd. On 04.04.2012 at Rs. 2.01 per unit, i.e., Rs. 1,30,650.*
- *The shares of FIRL were not delivered to me as I had not provided the broker the details of my D-Mat Account and with my consent the shares were with the broker as "Loan of shares from the purchaser". 25,000 shares were transferred to D-Mat Account of the purchaser on 17.04.2013 and 30,000 shares on 30.04.2013 and 10,000 shares on 10.05.2013.*
- *The shares of Focus Industrial Resources Ltd. were sold on following dates and their respective quantities:*

Units	*Date of Sale*	*Sale Price*
9,000	*28/05/2013*	*6,28,216*
1,000	*10/05/2013*	*86,261*
30,000	*30/04/2013*	*21,98,977*
25,000	*17/04/2013*	*14,84,649*
65,000		*43,98,103*

- *The shares were purchased offline as these were available at highly discounted rate of Rs. 2.01 per share. I have no relation with the promoters and the company Focus Industrial Resources Ltd. I am not involved in insider trading and fraudulent transactions.*

12. Aman Gupta, vide letter dated September 28, 2020, and in the hearing conducted on September 25, 2020, *inter alia* made the following submissions:

- *The 39,000 shares purchased by me in off-market from Natraj was in the normal course of business and in a lawful manner. The 39,000 shares of FIRL were purchased from Natraj on March 07, 2012 at Rs. 2.01 unit per share.*
- *In so far as the allegation of receipt of shares in off market, it is submitted that SEBI Act, 1992; Securities Contract (Regulation) Act, 1956 and Depositories Act recognize off market transactions and I submit that this off market transaction is permitted under the law and has been carried out as per prevailing terms and conditions.*
- *The shares were purchased by me in 2012 however, the broker had not delivered it to us instantly. I followed up with them many times through calls and even visiting their office numerous times and after repeated follow up the shares were delivered to me in and around March/ April 2013.*
- *I had received the shares after prolonged persuasion and follow ups, therefore, I was apprehensive about the future prospect of the share price. In view of the same, I sold the shares immediately at whatever price it could fetch. Hence, no allegation of fraudulent and unfair trade practice and price manipulation can be levelled upon me.*
- *I did not know the counter party in off-market personally and also do not have any relationship/ connection with the promoters/ management of the Company either*

directly/ indirectly. There is no connection whatsoever with the off-market seller and the transaction of sale and purchase of the shares was bonafide. I submit that such off- market transaction was within the parameters of law and is recognized by SEBI/ stock exchanges/ Depositories to warrant any kind of allegation of wrong doing.

- *I have purchased the shares in off market after making the necessary payment.*
- *The transaction has been carried out an electronic, faceless and anonymous trading platform of the Stock Exchange wherein the counter party is not known. Since, the trade has been carriefi out on an electronic platform, I could not have known the counter party.*
- *Admittedly, the shares were sold to a separate entity and same is part of the record. In no way the knowledge of such connection in between the off-market seller and on-market buyer can be imputed upon me. The trade was carried out by me in the normal course of business and no adverse inference ought to be drawn against me.*
- *I have merely matched my sale orders with the buy order already available in the system.*
- *Further, the SCN also has not brought out my direct or indirect or even remote connection with an entity with whom my trade of share has matched. The conclusion drawn in the SCN is untenable and without any basis.*
- *None of my trades during the investigation period can be alleged to be fraudulent, artificial or manipulative just because it matched with an entity which was connected to the off-market seller from whom I purchased the shares. This sale is on the anonymous, electronic and faceless trading platform of the stock exchange wherein the counter party is not known to warrant any allegation of any connection with counter party. Even the SCN is completely silent on that.*
- *The sale of shares by me has not led to any price rise or positive LTP creation. In fact, my trade has resulted in negative LTP of Re. 0.63 paise in one of the transactions.*
- *It is also submitted that I have sold 39,000 shares during the period investigation, which amounts to merely 0.33% of the total volume at BSE during the IP.*
- *The Board has failed to take into consideration that there is a gap of nearly six years in the issue of the SCN and the alleged transaction. I am a person of ordinary*

means and I do not have the records with me now. The transactions have been carried out in March 2013 and the SCN has been issued in December, 2018. Hence, there is an inordinate delay of nearly six years in initiation of proceedings against me. The records pertaining to the transactions are not available since as an individual I do not have any requirement to keep each and every record.

13. Smriti Mahajan, vide letter dated December 21, 2018, *inter alia* made the following submissions:

- *I purchased these shares from M/s Natraj Capital and Credit Pvt Ltd.*
- *M/s Natraj Capital and Credit Pvt Ltd along with its directors, shareholders and promoters are not related to me in any way whatsoever. I am in a normal stock broker-client relationship and bought 99,000 shares of Focus Industrial Resources Ltd on 08th May 2012 from M/s Natraj Capital and Credit Pvt Ltd as these shares were available in off market only.*
- *I am not related to M/s Focus Industrial Resources Ltd or its directors, shareholders or promoters in any which way. The share-dealing was done in good faith and in normal course of business & investment.*
- *We held the shares for a period of more than one year as the share prices were showing an upward trend. I deemed it fit to hold these shares for a longer period in order to attract better gains on these shares. However, when the share prices showed a downward trend during the price fall period from May 2013 onwards, I was still hopeful that the share prices will show an upward trend again. However, after some time i.e. in the month of May and June, the shares still showed a downward trend. I deemed fit that these shares should be sold to avoid any further reduction in the share prices. Thus, I sold these shares at the price of Rs. 31.10/- on 3rd July 2013 in an open market through stock exchange.*
- *I never sold any shares during the patch 1 (01/02/2013 - 14/05/2013)*
- *I sold at a share price which was much lower than the peak price of share i.e. Rs 94.30/-*
- *I was never involved in any multiple buying/purchase mechanism of shares which would have resulted in artificial volume generation of share trading.*

14. Placido Marketing Private Limited (now merged with Utilas Infrastructure Private Limited), vide letter dated September 28, 2020, and in the hearing conducted on September 15, 2020, *inter alia* made the following submissions:

- *The overall quantum of trades (as a Buyer) by the Noticee during the period of investigation is a total of 2,07,175 shares (as against market total of 1,12,93,300 shares) which accounted for a total of merely 2.79 % of the total buy transactions executed in the scrip of FIRL. It is pertinent to note that the Noticee has only undertaken Buy Transaction in the market and has not executed any single sale in the scrip during the Investigation Period. This in itself is a proof enough that the transactions executed were genuine and not artificial.*
- *Placido has no association or relation with any other Noticee or any connected entity. That the only association which has been alleged is based upon one single transaction of purchase of shares.*
- *The trading pattern of the Noticee further is a strong evidence of the fact that the Noticee was not doing frequent trades and did not have any association with any notice. That it is erroneous to allege based of one isolated transaction. That to allege the charges of fraud, it is must that the association should be strong and frequent.*
- *The sole reason for alleging the Noticee as being a connected entity and issuance of the present SCN is a single off-market transaction with Natraj Capital & Credit Private Limited and having some transactions in the scrip of FIRL during the Investigation Period.*
- *The Noticee reiterates that it is not one of the Connected Entities and that the Noticee has only acquired a total of 2,07,175 shares in the entire period of investigation.*
- *That based upon the sole aforesaid transaction the Noticee is alleged to be Connected Entity. It may be noted that the alleged transaction was executed on 28th June 2013, i.e. Patch II (which was the period of Price Fall as per the SCN). The aforesaid transaction is also that of Buy and even the transactions carried out on market by the Noticee (during the IP period) were also that of Buy only.*
- *That the allegation against the Noticee is that of LTP contribution and NHP.*

- *That the relation which is established (based upon above transaction) if any, got established only during June 2013, which was the period of price fall.*
- *Thus, from the aforesaid facts, it is pertinent that firstly it is erroneous to allege a connection merely on the basis of one-of off market transaction. Furthermore, the actions of the Noticee had not been in sync with the actions of connected entities.*
- *There is no observation or allegation against the Noticee with respect to creation of artificial volume and in absence of any allegation as to creation of artificial volume or executing trades like reversals or repetitive buy or sale, having some Buy transactions, out of which some trades resulted in marginal LTP, cannot per-se be alleged to be Fraudulent or manipulative.*
- *Out of total trades 132, only 24 trades have been alleged for have contributed to (+) LTP. 6 trades are that of (-) LTP and majority of the trades i.e. 102 trades were such where there is no LTP contribution. c. In this regard it is thus submitted that there is no set pattern of Noticee placing orders with (+) LTP and rather, there is more number of trades with (0) LTP and (-) LTP. as against the total number of 24 trades (in table 15) alleged to have executed with (+) LTP, only 10 (with contribution of Rs. 1.73 /-) have been with Connected entities as Counterparties.*
- *Thus, in light of aforesaid facts, it is apparent there is almost NIL LTP contribution as compared to total market trades by the Noticee. It is also to be noted that the trades with alleged Connected Entities are also negligent in number. In light of these facts, Noticee cannot be alleged to have contributed to LTP.*
- *The Noticee has only executed 5 trades for total of 8901 NHP quantity and total contribution to NHP by the Noticee is only of Rs. 0.55 of the total NHP contribution of Rs. 60.15 i.e. around 0.9% of the total NHP. That, such an amount is extremely miniscule, in general, and assuming that, the Noticee was trying to contribute to the NHP, the same is even more miniscule.*
- *Even though, all the trades of the Noticee are alleged to be with the counterparties, but since, the trades were being manipulated by the connected entities, it is not implausible for some of the trades (as only a buyer) could match with the connected parties.*
- *Moreover, the Noticee only bought 8000 odd shares, the price contribution from the same amounted to only a meagre 0.9% of the total contribution to the NHP.*

That, it was not the intention of the Noticee to contribute to the NHP as can be seen from the meagre impact the trading of the Noticee had on the NHP.

15. Archit Jindal, vide letter dated September 28, 2020, and in the hearing conducted on September 15, 2020, *inter alia* made the following submissions:

- *The Noticee is one of the promoters of FIRL since February 26, 2013.*
- *The Noticee has had no relation or connection whatsoever, with the two major groups in the SCN i.e. Natraj Group and Parmanand Yadav Group or with any of the other Noticee in the SCN.*
- *During the period of investigation, the Noticee only bought 2207 shares and made no sale. Even the details of the off-market transaction provided by your good office, show that the Noticee only bought shares whereas the other Noticees in the SCN were indulged in acquiring and selling of shares.*
- *The overall quantum of trades (that too only Buy) by the Noticee during the period of investigation is a total of 2207 shares as a buyer (as against market total of 1,12,93,300 shares) and the same accounted for a total of 0.02% of the total buy transactions executed in the market in the scrip of FIRL during the Investigation Period. That, it is very pertinent to put forth that the miniscule /negligent quantum of buy trades by the Noticee (in isolation, as no established connection with any other Noticee) cannot be said to be fraudulent or manipulative. That, all the trades executed by the Noticee were genuine transactions with a specified purpose of consolidating his holding.*
- *It is further submitted that the Noticee has no connection whatsoever with any of the other Noticees or any of the alleged groups i.e. Natraj Group or the Parmanand Yadav Group. That the Noticee has been erroneously mentioned as a connected party and that at the outset, the Noticee denies any connection (unless otherwise admitted) with any of the other Noticees in SCN and specifically, the Noticee has no connection with the Natraj Group as alleged in the SCN.*
- *That, the trading pattern of the Noticee further is a strong evidence of the fact that the Noticee was not doing frequent trades and did not have a strong link with any of the alleged other Noticees in the SCN.*

- *The basis of alleging the Noticee as one of the Connected Entity is '1' (one) off-market transaction with Placido Marketing Private Limited. The alleged transaction was executed on 28th June 2013, i.e. Patch II (which was the period of Price Fall as per the SCN). Further, the aforesaid transaction is also that of Buy and even the transactions carried out on market by the Noticee (during the IP period) were also that of Buy only. The allegation against the Noticee is that of LTP contribution and NHP and the relation which is established (based upon above transaction) if any, got established only during June 2013, which was the period of price fall.*
- *Thus, from the aforesaid facts, it is pertinent that firstly it is erroneous to allege a connection merely on the basis of one-of off market transaction. Furthermore, the actions of the Noticee had not been in sync with the actions of connected entities. Lastly that he was only consolidating his shares as promoter which is evident from the fact that he had only Buy transaction during the IP.*
- *The Noticee has only undertaken 0.02% of the total trades by the connected entities (assuming that they are connected but without denying the contention that Noticee has had no connection with the Noticees or other alleged Connected Entities).*
- *Out of total trades 18, only 8 trades have been alleged for have contributed to (+) LTP. 1 trade is that of (-) LTP and 9 trades were such where there is no LTP contribution. Therefore, there is no set pattern of Noticee placing orders with (+) LTP and rather, there is more number of trades with (0) LTP and (-) LTP as against the total number of 8 trades alleged to have executed with (+) LTP. Only 2 (with contribution of Rs. 0.85/-) have been with Connected entities as Counterparties.*
- *Thus, there is almost NIL LTP contribution as compared to total market trades by the Noticees. It is also to be noted that the trades with alleged Connected Entities are also negligent in number. In light of these facts, Noticee cannot be alleged to have contributed to LTP.*
- *The Noticee has only executed 3 trades for total of 119 NHP quantity and total contribution to NHP by the Noticee is only of Rs. 0.75 of the total NHP contribution of Rs. 60.15 i.e. around 1.25% of the total NHP. That, such an amount is extremely negligent, and alleging Noticee based upon such negligent quantum of trades is erroneous.*

- *NHP contribution with the connected entities as counter parties is for a very miniscule quantity, i.e., 73 shares through 2 trades. That, only 2 trades for 73 shares cannot be considered as a substantial basis to hold the Noticee guilty of making contributions to the NHP.*

16. I note that Kesri Industrial Lab Pvt. Ltd., Tushar India Private Limited, Natraj Capital & Credit Pvt Ltd, Neetaben Jayantibhai Patel, Shobha Bansal, Akhilesh Poddar, Suleman Sadru Merchant, Uttam Chand Jain and Nanon Distributors Private Limited have not made any submissions on the merits of the matter despite service of the SCN. Further, they did not avail the hearing opportunities granted to them. I am of the view that principles of natural justice have been complied with in the present matter since sufficient opportunities have been provided to the said Noticees to submit reply and to appear for hearing, which they have failed to avail of. In view of the above, I now proceed further in the matter on merits after considering the available records and the submissions made by the Noticees.

CONSIDERATION OF ISSUES AND FINDINGS

17. I have carefully perused the charges levelled against the Noticees, their reply and the documents / material available on record. The issues that arise for consideration in the present case are :
    (a) Whether the Noticees have violated regulations 3(a), (b), (c), (d), 4(1), 4(2(a), (e) and (g) of PFUTP Regulations, 2003.

(b) Do the violations, if any, attract monetary penalty, as applicable, under Sections 15HA of the SEBI Act?

(c) If so, what would be the quantum of monetary penalty that can be imposed on the Noticee after taking into consideration the factors mentioned in section 15J of the SEBI Act?

18. Before proceeding further, I would like to refer to the relevant provisions of the PFUTP Regulations as below:

Regulation 3: - Prohibition of certain dealings in securities

3. No person shall directly or indirectly—

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

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

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

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

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

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

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

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

……..

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

……...

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

19. Before dealing with the allegations and charges made against the Noticees in the SCN on their merits, I find it apt to first discuss the preliminary objections raised by some Noticees on the ground that SEBI has not furnished them with various documents/ information as sought by them. In this regard, I note that that all the documents/information relied upon in the proceedings have already been provided as Annexures to the SCN. At this stage, I deem it appropriate to seek guidance from the findings recorded by the Hon'ble Supreme Court of India in the matter of SEBI Vs. Monarch Networth Capital Limited [(2016) 6 SCC 368], wherein the Hon'ble Supreme Court, while dealing with the issue of principles of natural justice, has inter alia observed that : "...*Insofar as the plea*

of violation of principles of natural justice, as raised on behalf of the respondent in C.A.No.282/2014 (Monarch Networth Capital Ltd.) is concerned, we do not think the same to be justified in any manner. The relevant extracts of the trade log which have been perused by us, in view of the clear picture disclosed with regard to the particulars of the offending transactions, must be held to be sufficient compliance of the requirement of furnishing adverse materials to the affected party."

20. Furthermore, the Hon'ble SAT in its recent decision passed in the matter of Shruti Vora Vs. SEBI (Date of decision: February 12, 2020) have *inter alia* held that only the documents which have been relied upon need to be provided to the Noticee. It has also been held that in the absence of any law specifically imposing or casting duty to provide all the documents which are in the possession though have not been relied upon, it would not be justified on the part of Noticee to ask for those documents which are not having a role in attributing the allegation made on the Noticee and therefore, denial of all such documents would not *ipso facto* result in breach of principle of natural justice.

21. In the light of the aforesaid discussion and the available jurisprudence on the issue, I find that the principles of natural justice have been adequately complied with in the present matter as all documents which have been relied upon in the SCN and used against the Noticees have been duly provided to Noticees.

22. I note that the first allegation in the SCN was that Kesri Industrial Lab Pvt Ltd, Tushar India Private Limited, Natraj Capital & Credit Pvt Ltd, Naveen Kumar, Sanjay Mathur, Neetaben Jayantibhai Patel, Jeetendra Kumar Agarwal, Archana Mathur, Narender Kumar Gupta, Renu Aggarwal, Shobha Bansal, Placido Marketing Private Limited, Aman Gupta, Smriti Mahajan, Akhilesh Poddar, and Suleman Sadru Merchant along with connected entities had indulged in creation of artificial volume through transfer of shares via off-market transactions and on-market reversal of the shares.

23. SEBI observed during investigation that a large number of entities are connected through off market transactions during the investigation period. The off-market transfers between these entities occurred in a repeated manner and the on-market trading resulted in volume / price manipulation. Therefore, off market transactions and subsequent on market reversal in a repeated manner by a set of entities cannot be stated as coincidental. Thus, large number of entities which are connected by off-market transfers used the modus operandi of repeated off-market transactions and on-market reversal of transactions in order create artificial volume in the scrip and also manipulated the scrip price.

24. I note from the available records that the entities were connected on the basis of off market transactions, KYC, MCA details and bank statements. Among the said connected entities, the following groups were observed:

(i) Natraj Group: It was observed that Natraj Capital & Credit Pvt Ltd. (‘Natraj’) had transferred shares in off market to 72 entities and received shares from 2 entities. There was one entity which was common. Therefore, in total Natraj entered into off market transactions with 73 entities. This forms a group of 74 entities including Natraj. All the group entities have traded on market during the IP.

(ii) Parmanand Yadav Group: It was observed that Parmanand Yadav (Prop. of M/s. Roxtech Services) had transferred shares in off market to 128 entities and received shares from 9 entities. There was one entity which was common. Therefore, in total Parmanand Yadav entered into off market transactions with 136 entities. This forms a group of 137 entities including Parmanand Yadav. Out of these 137 entities, 131 entities have traded on market during the IP.

(iii) Connection between Natraj Group and Parmanand Yadav Group: One entity viz., Prem Chand had transferred shares in off market to Parmanand Yadav as well as Placido Marketing Private Limited, which is a Natraj Group entity. Prem Chand has been included in the list of 137 entities of Parmanand Yadav Group.

(iv) Connection with promoters: There were 6 promoter entities who were involved in off market transactions during the IP. Further, 5 of those promoters have entered into off market transactions with Natraj group entities. Only two of the above promoters have traded during the IP.

(v) Other entities: Additionally, there were 28 entities who were involved in off market transactions with above group entities or with the entities who had off market transactions with group entities. Out of 28 entities, 26 entities had traded during the IP.

(vi) Other connections: 6 promoter entities and Pawansut Holdings Limited (Pradeep Kumar Jindal is the common director in Pawansut Holdings Limited and the company) also have traded in the scrip.

25. In view of the above, I note that the details of the connected entities are as below:

Table 1

S. No.	Particulars	No. of entities involved in off market	No. of entities traded in the market
1.	Natraj group	74	74
2.	Parmanand Yadav group	137	131
3.	Promoter Group	6	2
4.	Other entities on the basis of off market transfers	28	26
5.	Entities connected to promoters and traded in the secondary market.	NA	7
6.	Total number of entities	245	240

26. I note from the investigation report that the following *inter-se* relationship among the Noticees was also observed on the basis of Know Your Client (KYC) details and Off market transfers:

Table 2

S. No.	PAN	Name	Connection details	Group
1	ANTPP3340A	AKHILESH PODDAR	Off market transactions with Natraj	Natraj group
2	AESPG2810A	AMAN GUPTA	Off market transactions with Natraj	Natraj group
3	AEAPM7470G	ARCHANA MATHUR	Off market transactions with Natraj	Natraj group

4	AALPA2576Q	JEETENDRA KUMAR AGARWAL	Off market transactions with Natraj	Natraj group
5	AAACK8837C	KESRI INDUSTRIAL LAB PVT LTD	Off market transactions with Natraj	Natraj group
6	AAFPG5298P	NARENDER KUMAR GUPTA	Off market transactions with Natraj	Natraj group
7	AAACN2928D	NATRAJ CAPITAL & CREDIT PVT LTD	Entity itself	Natraj group
8	ADWPN0425F	NAVEEN KUMAR	Off market transactions with Natraj	Natraj group
9	AGVPP3374K	NEETABEN JAYANTIBHAI PATEL	Off market transactions with Natraj	Natraj group
10	AAGCP6892C	PLACIDO MARKETING PRIVATE LIMITED	Off market transactions with Natraj	Natraj group
11	AEFPG1199B	RENU AGGARWAL	Off market transactions with Natraj	Natraj group
12	AEAPM7471H	SANJAY MATHUR	Off market transactions with Natraj	Natraj group
13	ANQPB1332F	SHOBHA BANSAL	Off market transactions with Natraj	Natraj group
14	BCXPM2395A	SMRITI MAHAJAN	Off market transactions with Natraj	Natraj group
15	BIVPM7456G	SULEMAN SADRU MERCHANT	Off market transactions with Natraj	Natraj group
16	AABCT5830B	TUSHAR INDIA PRIVATE LIMITED	Off market transactions with Natraj	Natraj group
17	AAAHU7158M	UTTAM CHAND JAIN	Off market transactions with Natraj	Natraj group
18	AADCN3085E	NANON DISTRIBUTORS PRIVATE LIMITED	Off market transactions with promoter entities Archit Jindal, Aanchal Jindal and Laxman Singh Satyapal.	Other entities on the basis of off market transfers
19	AGNPJ5775G	ARCHIT JINDAL	Promoter group entity. Off market transactions with Placido Marketing Private Limited which is Natraj group entity.	promoter group

27. Further, the following connections have been observed on the basis of MCA data and bank statement analysis:

Table 3

<table>
<tr><th>S. No.</th><th>PAN</th><th>Entity Name</th><th>Connection details</th></tr>
<tr><td>1.</td><td>AAACK8837C</td><td>Kesri Industrial Lab Private Limited</td><td rowspan="3">1. Kesri Industrial Lab Private Limited and Tushar India Private Limited share common address at 1837/138, Tri Nagar Shanti Nagar, Delhi Delhi 110035.
2. Uma Shankar (DIN 01313568) was common director for Natraj Capital & Credit Pvt Ltd and Tushar (India) Private Limited.</td></tr>
<tr><td>2.</td><td>AAACN2928D</td><td>Natraj Capital & Credit Pvt Ltd</td></tr>
<tr><td>3.</td><td>AABCT5830B</td><td>Tushar India Private Limited</td></tr>
</table>

4.	AADCN3085E	Nanon Distributors Private Limited	Ajay Kumar Jindal (DIN 01832372) was common director for Nanon Distributors Private Limited and Placido Marketing Private Limited.

28. I note from the replies of the Noticees that they have *inter alia* stated that they had no connection with the counterparty of their off-market transactions. In this regard, I note that that in an off-market transfer, the buyer buys from a specific seller and not just place an order with the broker for an online trade. I note that in the case of off-market transfer of shares, only when the buyer and seller are known to each other and the buyer knows about the holding of such shares by the seller, they can negotiate the price and quantity of shares. In view of the above, I note that it can be reasonably concluded that these counterparties in the off-market transfers knew each other and thus, are connected to each other through off-market transfers.

29. In view of the above and the fact that the off-market transactions were done is an admitted position, I conclude that the said off-market transactions are established connections and thereby the Noticees thus connected are treated as working in unison.

<u>TRADING BY CONNECTED ENTITIES:</u>

30. I note from the investigation report that the market volume during the IP in the scrip of FIRL was 1,12,93,300 shares and there were 236 buyers and 536 sellers. Out of this, 28 connected entities bought 97,89,029 shares (86.68% of

the market volume) and 221 connected entities sold 85,83,558 shares (76.01% to the market volume).

31. The trading of the connected entities who contributed to more than 1% of buy volume/sell volume to the market is given below:

Buy side:

Table 4

S.No.	Pan No	Name of the connected entity	Buy Qty	% of buy to the market buy	Weighted Average buy price (Rs.)
1.	AABCT5830B	Tushar India Private Limited	19,60,311	17.36	57.51
2.	AAACR1129G	Delware Polymers Private Limited	13,52,850	11.98	70.79
3.	AAACK8837C	Kesri Industrial Lab Pvt Ltd	13,39,984	11.87	58.20
4.	AXNPC3713G	Prem Chand	8,72,105	7.72	55.55
5.	AAACN2928D	Natraj Capital & Credit Pvt Ltd	5,69,556	5.04	64.99
6.	AADCN3085E	Nanon Distributors Private Limited	5,61,599	4.97	67.87
7.	AAACU5891J	Utkrishta Exports Private Limited	4,94,365	4.38	62.26
8.	AIRPY0807E	Yogesh Trading Company (Prop. Shashi Yadav)	4,67,173	4.14	64.61
9.	AIMPY3580D	Roxtech Securities Services (Prop.Parmanand Yadav)	4,68,099	4.14	61.01
10.	AAHCA4664Q	Alfa Netsol Private Limited	3,11,898	2.76	75.11
11.	AIGPS4315L	Navi Kiran Enterprises (Prop. Rakesh Kumar Sharma)	3,23,549	2.86	57.84
12.	AEEPJ6955K	Mamta Jindal	2,04,153	1.81	59.81
13.	AAECD3064A	Delphina Distributors Private Limited	2,01,622	1.79	59.74
14.	AAGCP6892C	Placido Marketing Private Limited	2,07,425	1.84	54.99
15.	AARCS7045M	Susane Traders Private Limited	1,34,300	1.19	59.85
		Top connected entities (15)	**94,68,989**	**83.85**	**61.83**
		Other connected entities (13)	**3,20,040**	**2.83**	**57.36**
		Total of connected entities (28)	**97,89,029**	**86.68**	**61.68**
		Remaining entities in the market (208)	**15,04,271**	**13.32**	**61.15**
		Total Market (236)	**1,12,93,300**	**100.00**	**61.61**

Sell side:

Table 5

S.No.	Pan No	Name of the connected entity	Sell Qty	% of sell to the market sell	Weighted Average sell price (Rs.)
1.	AGVPP3374K	Neetaben Jayantibhai Patel	4,25,000	3.76	55.66
2.	ACSPJ6904A	Sajan Kumar Jain	4,01,626	3.56	60.82

S.No.	Pan No	Name of the connected entity	Sell Qty	% of sell to the market sell	Weighted Average sell price (Rs.)
3.	AAYPJ3951B	Anand Kumar Jain	3,14,693	2.79	50.46
4.	AANHS9519P	Satender Kumar Jain And Sons Huf	2,88,000	2.55	75.94
5.	AEQPJ5780G	Chetan Jain	2,85,000	2.52	80.08
6.	AAGPJ6737K	Shobha Jain	2,85,000	2.52	61.66
7.	AAHPJ8609H	Satender Kumar Jain	2,76,051	2.44	61.03
8.	ABIPR7993J	Anil Kumar Rastogi	2,25,000	1.99	63.59
9.	ADWPN0425F	Naveen Kumar	2,00,000	1.77	57.79
10.	ADIPK6787D	Dinesh Rathore	1,79,780	1.59	64.68
		Top connected entities (10)	**28,80,150**	**25.50**	**62.70**
		Other connected entities (211)	**57,03,408**	**50.51**	**65.11**
		Total of connected entities (221)	**85,83,558**	**76.01**	**64.3**
		Remaining entities in the market (315)	**27,09,742**	**23.99**	**53.1**
		Total Market (536)	**1,12,93,300**	**100.00**	**61.61**

32. From the above tables, I observe that on the buy side, 15 connected entities contributed to more than 1% of market volume and their total contribution to market was 83.85%. On sell side, 10 connected entities contributed to more than 1% of market volume and their total contribution to market was 25.50%. I further note that out of 85,83,558 shares sold by connected entities 78,21,347 shares were bought by connected entities only. Therefore, I note that the trading volume in the scrip was majorly through the trading by connected entities among themselves.

<u>VOLUME CREATION BY CONNECTED ENTITIES THROUGH OFF MARKET AND ON MARKET TRANSACTIONS:</u>

33. When the shares transferred to counter party come back to the transferor, there is no change of ownership of the security and this creates artificial volume in the market. During the IP, from the analysis of off market transactions and trading in the scrip, it was observed that the connected entities in total created artificial volume of 54,56,292 shares, i.e., 48.31% to

the market volume. In this respect, I note that Natraj Capital & Credit Pvt. Ltd. had transferred shares in off market to various entities and purchased those shares on market either directly or through entities connected to it. This created artificial volume in the scrip as there is no change of ownership due to transactions by Natraj Capital & Credit Pvt Ltd. and its connected entities. I note that Natraj Capital & Credit Pvt. Ltd. had transferred 29,59,900 shares to 72 entities in off market during the IP. Out of these 72 entities, 69 entities sold back the shares on market, mostly to Natraj Capital & Credit Pvt Ltd and its 3 connected entities, namely Kesri Industrial Lab Private Ltd., Tushar India Private Limited and Placido Marketing Private Ltd. I note from available records that Natraj Capital & Credit Pvt Ltd. and its connected entities created artificial volume of 26,49,957 shares, i.e., 23.46% to the market volume through off market and on market reversal of trades.

34. The details regarding receipt of shares in off market and subsequent sale of shares on market by 69 entities to Natraj Capital & Credit Pvt Ltd and its connected entities are tabulated below:

Table 6

S.No.	Name of the entity to whom entity to whom shares transferred by Natraj	PAN	No. of instances of receipt of shares from Natraj in off market	Total no. of shares received from Natraj in off market	No. of shares sold on market to Natraj / its connected entities	Reversed quantity	Artificial volume creation by entity as % of total artificial volume i.e 1,12,93,300 shares	Artificial volume creation by entity as % of total artificial volume i.e 26,49,957 shares
A	B	C	D	E	F	G	H	I
1	Neetaben Jayantibhai Patel	AGVPP3374K	15	4,25,000	4,25,000	4,25,000	3.76	16.04
2	Deepak Gupta	AGDPG4480D	4	67,000	67,000	67,000	0.59	2.53

S.No.	Name of the entity to whom entity to whom shares transferred by Natraj	PAN	No. of instances of receipt of shares from Natraj in off market	Total no. of shares received from Natraj in off market	No. of shares sold on market to Natraj / its connected entities	Reversed quantity	Artificial volume creation by entity as % of total artificial volume i.e 1,12,93,300 shares	Artificial volume creation by entity as % of total artificial volume i.e 26,49,957 shares
A	B	C	D	E	F	G	H	I
3	Jeetendra Kumar Agarwal	AALPA2576Q	3	85,000	84,835	84,835	0.75	3.20
4	Archana Mathur	AEAPM7470G	3	66,000	66,000	66,000	0.58	2.49
5	Sanjay Mathur	AEAPM7471H	3	66,000	56,000	56,000	0.5	2.11
6	Renu Aggarwal	AEFPG1199B	3	65,000	55,000	55,000	0.49	2.08
7	Naveen Kumar	ADWPN0425F	2	2,00,000	1,99,950	1,99,950	1.77	7.55
8	Smriti Mahajan	BCXPM2395A	2	99,000	77,450	77,450	0.69	2.92
9	Mukat Behari	AFOPB5611H	2	63,000	61,800	61,800	0.55	2.33
10	Narender Kumar Gupta	AAFPG5298P	2	48,000	48,000	48,000	0.43	1.81
11	Akhilesh Poddar	ANTPP3340A	2	45,000	45,000	45,000	0.4	1.70
12	B M Agarwal	ABXPA3339G	2	45,000	44,950	44,950	0.4	1.70
13	Savitri Devi Agarwal	AAKPA5197L	2	40,000	40,000	40,000	0.35	1.51
14	Aman Gupta	AESPG2810A	2	39,000	39,000	39,000	0.35	1.47
15	Shobha Bansal	ANQPB1332F	2	39,500	39,000	39,000	0.35	1.47
16	Suleman Sadru Merchant	BIVPM7456G	2	32,000	32,000	32,000	0.28	1.21
17	Rohit Jain	AAEPJ0058M	4	27,500	16,454	16,454	0.15	0.62
18	Sanjay Kumar	AOKPK0458A	2	21,500	21,500	21,500	0.19	0.81
19	Govindrao Panditrao Saraf	AQLPS0701P	2	20,000	20,000	20,000	0.18	0.75
20	Baljeet Kaur	AAMPK0641B	2	16,700	16,700	16,700	0.15	0.63
21	Shyam Sunder Agrawal	AAWHS0090Q	2	7,500	7,500	7,500	0.07	0.28
22	Sandeep Goyal	ABEPG4609C	1	1,00,000	99,000	99,000	0.88	3.74
23	Ravinder Gugnani	ABWPG6401A	1	70,000	60,000	60,000	0.53	2.26
24	Aman Gupta	APZPG3258A	1	60,000	59,000	59,000	0.52	2.23
25	Rita Malik	AAIPM0936B	1	75,000	56,000	56,000	0.5	2.11
26	Simmi Jain	AAIPJ1311M	1	50,000	50,000	50,000	0.44	1.89
27	Umesh Mohan Purdhani	AAVPM9658F	1	50,000	50,000	50,000	0.44	1.89
28	Rajesh Jain	AAAPJ2858D	1	50,000	50,000	50,000	0.44	1.89
29	Suresh Pareek Huf . .	AAWHS1613M	1	50,000	45,995	45,995	0.41	1.74
30	Arun Narula	AAGPN3431Q	1	45,000	45,000	45,000	0.4	1.70
31	Kalpana Purdhani	ABBPP8314L	1	50,000	44,998	44,998	0.4	1.70
32	Anita Narula	AAGPN0916L	1	40,000	40,000	40,000	0.35	1.51
33	Amita Poddar	ADJPP6311P	1	35,000	35,000	35,000	0.31	1.32
34	Sunil Kumar Agrawal	AABHS5521H	1	30,000	30,000	30,000	0.27	1.13
35	Kusum Gupta	AAKPG3952H	1	30,000	30,000	30,000	0.27	1.13
36	B M Agarwal (Huf)	AAEHB2816H	1	30,000	29,398	29,398	0.26	1.11
37	Vivek Kumar Rai	AJLPR3244H	1	25,000	25,000	25,000	0.22	0.94

S.No.	Name of the entity to whom entity to whom shares transferred by Natraj	PAN	No. of instances of receipt of shares from Natraj in off market	Total no. of shares received from Natraj in off market	No. of shares sold on market to Natraj / its connected entities	Reversed quantity	Artificial volume creation by entity as % of total artificial volume i.e 1,12,93,300 shares	Artificial volume creation by entity as % of total artificial volume i.e 26,49,957 shares
A	B	C	D	E	F	G	H	I
38	Rajni Katta	ALNPK9223F	1	25,000	25,000	25,000	0.22	0.94
39	Satinder Pal Singh	AKMPS7281B	1	24,500	24,500	24,500	0.22	0.92
40	Nandni Pandey	AOCPP3517K	1	20,000	20,000	20,000	0.18	0.75
41	Sanjeev Gupta	AHCPG7326A	1	20,000	20,000	20,000	0.18	0.75
42	Sanjeev Kumar Katta	ADMPK7769B	1	20,000	20,000	20,000	0.18	0.75
43	J K Agarwal (Huf)	AADHJ6767N	1	20,000	20,000	20,000	0.18	0.75
44	Santosh Kumar Jain	AAOPJ5879L	1	20,000	20,000	20,000	0.18	0.75
45	Bhawana Khandelwal	AEYPG4186M	1	20,000	19,926	19,926	0.18	0.75
46	Uttam Chand Jain	AAAHU7158M	1	20,000	19,701	19,701	0.17	0.74
47	Satish Chander Chugh	ABKPC0506G	1	20,000	19,600	19,600	0.17	0.74
48	Dhan Raj	AARPR7841K	1	18,000	18,000	18,000	0.16	0.68
49	Alka Govind Saraf	ADMPS2634K	1	17,000	17,000	17,000	0.15	0.64
50	Manju Bala	ABIPB1601M	1	16,500	16,500	16,500	0.15	0.62
51	Anil Agarwal Huf .	AAJHA1229G	1	15,000	15,000	15,000	0.13	0.57
52	Pooran Mal Agrawal	ADLPA9874A	1	15,000	15,000	15,000	0.13	0.57
53	Rinku Garg	AGJPG0333K	1	12,500	12,500	12,500	0.11	0.47
54	Geeta Tandon	AEMPT6304E	1	12,000	11,500	11,500	0.1	0.43
55	Lalit Mohan Gupta Huf .	AACHL0847G	1	10,500	10,500	10,500	0.09	0.40
56	Mahesh Kumar Kedia	AAVPK3510E	1	10,000	10,000	10,000	0.09	0.38
57	Abhishek Gupta	AHTPG5849B	1	30,000	10,000	10,000	0.09	0.38
58	Vishnu Kishore Katta	AEEPK5514P	1	10,000	10,000	10,000	0.09	0.38
59	Sanjeev Tandon	ACRPT9160B	1	12,000	9,200	9,200	0.08	0.35
60	Lalit Mohan Gupta	AGGPG2329C	1	8,500	8,500	8,500	0.08	0.32
61	Virendra Kumar Gupta	AUKPG8619B	1	8,500	8,500	8,500	0.08	0.32
62	Sarita Gupta	AELPG6229E	1	8,500	8,500	8,500	0.08	0.32
63	Neeta Gupta	AGGPG2330K	1	8,500	8,500	8,500	0.08	0.32
64	Savita Varshney	ADGPV6058A	1	8,500	8,400	8,400	0.07	0.32
65	Prith Pal Singh Gambhir	AAGPG5329Q	1	7,700	7,700	7,700	0.07	0.29
66	Rajendra Prasad Guenka	AAQPG6697K	1	7,000	7,000	7,000	0.06	0.26
67	Ajay Chugh	AAJHA4323B	1	10,000	7,000	7,000	0.06	0.26
68	Dinesh Kumar Goenka	ADGPG5396Q	1	7,000	7,000	7,000	0.06	0.26
69	Alok Rai	AGHPR3927Q	1	18,000	2,400	2,400	0.02	0.09
	Total		**111**	**27,87,900**	**26,49,957**	**26,49,957**	**23.46**	**100.00**

35. I note that Natraj Capital & Credit Pvt Ltd in 111 instances transferred 27,87,900 shares to 69 connected entities. The 69 entities had sold the shares of FIRL on-market and the same were purchased by Natraj Capital & Credit Pvt Ltd / its connected entities. The said reversal of shares on market created artificial volume of 26,49,957 shares i.e 23.46% to the market volume. For illustration, off market and on market reversal trades with respect to entity at S. No. 1 in the above table viz., Neetaben Jayantibhai Patel (AGVPP3374K) is tabulated below:

Table 7

S.No.	Date of receipt of shares in off market by Neetaben Jayantibhai Patel	No. of shares received in off market	Date of sale of shares on market	No. of shares sold on market	Name of the buyer (Natraj Capital & Credit Pvt Ltd / its connected entities)
1.	23/05/2013	18,000	24/05/2013	5,000	Kesri Industrial Lab Private Limited
			24/05/2013	5,000	Tushar India Private Limited
			27/05/2013	4,000	Kesri Industrial Lab Private Limited
			27/05/2013	4,000	Tushar India Private Limited
			Total	**18,000**	
2.	27/05/2013	20,000	29/05/2013	20,000	Kesri Industrial Lab Private Limited
3.	27/05/2013	20,000	29/05/2013	20,000	Tushar India Private Limited
4.	28/05/2013	20,000	30/05/2013	10,000	Kesri Industrial Lab Private Limited
			30/05/2013	10,000	Tushar India Private Limited
			Total	**20,000**	
5.	29/05/2013	25,000	31/05/2013	12,500	Kesri Industrial Lab Private Limited
			31/05/2013	12,500	Tushar India Private Limited
			Total	**25,000**	
6.	30/05/2013	25,000	03/06/2013	10,000	Kesri Industrial Lab Private Limited
			03/06/2013	15,000	Tushar India Private Limited
			Total	**25,000**	
7.	01/06/2013	27,000	04/06/2013	7,500	Kesri Industrial Lab Private Limited
8.	04/06/2013	40,000	04/06/2013	5,000	Natraj Capital & Credit Pvt Ltd
9.	06/06/2013	25,000	04/06/2013	7,500	Tushar India Private Limited
10.	07/06/2013	60,000	05/06/2013	20,000	Tushar India Private Limited
11.	11/06/2013	30,000	06/06/2013	9,800	Kesri Industrial Lab Private Limited
12.	11/06/2013	25,000	06/06/2013	17,200	Natraj Capital & Credit Pvt Ltd
13.	13/06/2013	55,000	07/06/2013	20,000	Kesri Industrial Lab Private Limited
14.	14/06/2013	10,000	10/06/2013	5,050	Kesri Industrial Lab Private Limited
15.	17/06/2013	25,000	12/06/2013	29,950	Kesri Industrial Lab Private Limited
			12/06/2013	30,000	Tushar India Private Limited
			13/06/2013	30,000	Kesri Industrial Lab Private Limited
			13/06/2013	25,000	Tushar India Private Limited
			14/06/2013	20,000	Kesri Industrial Lab Private Limited
			19/06/2013	23,945	Kesri Industrial Lab Private Limited
			19/06/2013	16,000	Natraj Capital & Credit Pvt Ltd
			19/06/2013	30,055	Tushar India Private Limited

S.No.	Date of receipt of shares in off market by Neetaben Jayantibhai Patel	No. of shares received in off market	Date of sale of shares on market	No. of shares sold on market	Name of the buyer (Natraj Capital & Credit Pvt Ltd / its connected entities)
	Total	**4,25,000**		**4,25,000**	

36. From the above table, it can be observed that during May 23, 2013 to June 17, 2013, Natraj Capital & Credit Pvt Ltd transferred 4,25,000 shares in off market to Neetaben Jayantibhai Patel. These shares were sold to Natraj Capital & Credit Pvt Ltd and its connected entities viz., Kesri Industrial Lab Private Limited and Tushar India Private Limited during May 24, 2013 to June 17, 2013. This created artificial volume of 4,25,000 shares. I note that the above pattern of trading establishes that there was volume manipulation in the scrip of FIRL by using the said modus operandi. I note that the other connected entities also have created artificial volume in the scrip by using the same modus operandi, i.e., entering in off-market and on-market reversal transactions with Natraj Capital & Credit Pvt Ltd / its connected entities.

37. The details of purchase of shares on-market by Natraj Capital & Credit Pvt Ltd and its connected entities are given below:

Table 8

S.No.	Natraj and its connected entities as buyers	PAN	No.of shares bought	No. of instances of purchase of shares from 69 entities	Artificial volume creation by entity as % of total artificial volume i.e 1,12,93,300 shares	Artificial volume creation by entity as % of total artificial volume i.e 26,49,957 shares
1	Kesri Industrial Lab Private Ltd.	AAACK8837C	10,45,258	431	9.26	39.44
2	Natraj Capital & Credit Pvt Ltd	AAACN2928D	3,82,586	222	3.39	14.44
3	Tushar India Private Limited	AABCT5830B	12,07,113	379	10.69	45.55
4	Placido Marketing Private Ltd.	AAGCP6892C	15,000	8	0.13	0.57
	Total		**26,49,957**	**1,040**	**23.46**	**100.00**

38. From the above table, it can be observed that Natraj Capital & Credit Pvt Ltd / its connected entities bought 26,49,957 shares in 1,040 trades from 69 entities to whom shares are transferred in off market and this resulted in artificial volume of 26,49,957 shares.

39. I note from the replies of Archana Mathur, Sanjay Mathur, Jeetendra Kumar Agarwal, Narender Kumar Gupta, Renu Agarwal and Aman Gupta that they have *inter alia* claimed that they had purchased shares from Natraj Capital and Credit Pvt Ltd in the year 2012 through off-market mode. However, the shares were not transferred to demat accounts immediately and were, subsequently, transferred in the year 2013. Some of these Noticees have stated that this happened because they had not given their demat account details to the broker. I find it difficult to believe the above submission made by the said Noticees as they have not claimed that they did not have demat accounts. I find it unlikely for any investor to not take delivery of the shares after paying for the same, by not providing demat details. I am of the view that the above justification provided by the said Noticees is an afterthought and therefore, cannot be accepted.

40. As seen from the available records, Naveen Kumar, Sanjay Mathur, Neetaben Jayantibhai Patel, Jeetendra Kumar Agarwal, Archana Mathur, Narender Kumar Gupta, Renu Aggarwal, Shobha Bansal, Aman Gupta, Smriti Mahajan, Akhilesh Poddar, Suleman Sadru Merchant, which are part of 69 entities

mentioned in Table 6 above have contributed in creation of artificial volume by acquiring shares of FIRL through off-market transfers from Natraj Capital & Credit Pvt Ltd and selling the shares on-market to Natraj Capital & Credit Pvt Ltd and its connected entities Kesri Industrial Lab Pvt Ltd, Tushar India Private Limited and Placido Marketing Private Limited, thereby, resulting in no overall change of beneficial ownership.

41. I note that Regulation 3 of PFUTP Regulations, 2003 prevents any person from buying, selling or dealing in securities in fraudulent manner, use or employ any manipulative or deceptive device in contravention to the provisions of the Act, employ any device, scheme or artifice to defraud in connection with dealing in securities or engage in any act, practice, course of business which operates as fraud or deceit upon any person in connection with any dealing in or issue of securities. Regulation 4(1) of PFUTP Regulations, 2003 provides that no person shall indulge in a fraudulent or an unfair trade practice in securities. Regulation 4(2)(a) of PFUTP Regulations, 2003, prohibits a person from indulging in an act which creates false or misleading appearance of trading in the securities market. Regulation 4(2)(g) of PFUTP Regulations, 2003, prohibits entering into a transaction in securities without intention of performing it or without intention of change of ownership of such security.

42. In this regard, I would also like to refer to the observations of the Hon'ble Securities Appellate Tribunal (SAT) in its order dated July 14, 2006 in Ketan

Parekh Vs. SEBI, wherein it was held that: "*When a person takes part in or enters into transactions in securities with the intention to artificially raise or depress the price he thereby automatically induces the innocent investors in the market to buy /sell their stocks. The buyer or the seller is invariably influenced by the price of the stocks and if that is being manipulated the person doing so is necessarily influencing the decision of the buyer / seller thereby inducing him to buy or sell depending upon how the market has been manipulated. We are therefore of the view that inducement to any person to buy or sell securities is the necessary consequence of manipulation and flows therefrom. In other words, if the factum of manipulation is established it will necessarily follow that the investors in the market had been induced to buy or sell and that no further proof in this regard is required. The market, as already observed, is so wide spread that it may not be humanly possible for the Board to track the persons who were actually induced to buy or sell securities as a result of manipulation and law can never impose on the Board a burden which is impossible to be discharged. This, in our view, clearly flows from the plain language of Regulation 4(a) of the Regulations*."

43. Further Hon'ble SAT observed that, - *"…. Any transaction executed with the intention to defeat the market mechanism whether negotiated or not would be illegal. Whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism will depend upon the intention of the parties which could be inferred from the attending circumstances because direct evidence in such cases may not be available. The nature of the transaction executed, the frequency with which such transactions are undertaken, the value of the transactions, whether they involve circular trading and whether there is real change of beneficial ownership, the*

conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn."

44. Further, Hon'ble Supreme Court of India in the matter of SEBI v Kishore Ajmera (order dated February 23, 2016), had observed 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..."*

45. I note that some of the Noticees have submitted that they had purchased the shares in off-market transactions from Natraj Capital & Credit Pvt Ltd for a consideration of around Rs. 2 per share in the month of April 2012. However, I note that the shares of FIRL were listed on BSE on December 12, 2012. Therefore, I note that the shares of FIRL were not available for trading during April 2012. I further note that the shares of FIRL were actually transferred in

the demat account of the said Noticees in the month of April 2013 and May 2013. During the period of April - May, 2013, I note from the website of BSE that the shares of FIRL were traded in the range of Rs. 49.10 – Rs. 85.60 on market. I am of the view no prudent seller would sell shares at price much lower than the prevailing market price. The transfer of shares by Natraj Capital & Credit Pvt Ltd at a fraction of the market price clearly indicates and demonstrates that this was not a genuine transaction but a scheme to manipulate the market price of the scrip of FIRL whereby the shares were transferred at a low rate by Natraj Capital & Credit Pvt Ltd to the connected entities in off-market transactions and, these connected entities had sold shares on the exchange platform at a higher rate to Natraj Capital & Credit Pvt Ltd and its connected entities.

46. In the facts and circumstances brought out in my above findings, the off-market transfers and on-market transfer of shares among the connected entities cannot be considered as a mere coincidence. The aforesaid trading pattern by the Noticees does imply collusion, meeting of minds and fraudulent intent to create artificial volume in the scrip of FIRL. The participants involved in such trades make use of their prior knowledge and enter orders knowing that those orders will be covered by reverse orders of similar size, time and price. This increases the trading volumes in the underlying security and generates interest from other investors. I am of the view that the only intention behind such buying or selling is for raising or depressing prices of the underlying securities by

increasing trading volumes. Therefore, from the trading pattern of the Noticees, I conclude that the Noticees indulged in trades with one leg in off market and the reverse leg on the market, which had resulted in creation of artificial volume in the scrip of FIRL, leading to false and misleading appearance of trading in the scrip.

47. I am of the considered view that this scheme, plan, device and artifice exhibited in the said pattern of trading tantamount to fraud in the securities market in as much as it involves manipulative transactions in securities and misuse of the securities market. The manipulative / deceptive transactions of the Noticees are, *prima-facie*, covered under the definition of 'fraud' and the dealings of the Noticees as discussed herein above were "fraudulent", as defined under regulation 2(1)(c) of the PFUTP Regulations, 2003 and prohibited under the provisions of regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) and (g) of PFUTP Regulations, 2003. Therefore, I conclude that Kesri Industrial Lab Pvt Ltd, Tushar India Private Limited, Natraj Capital & Credit Pvt Ltd, Naveen Kumar, Sanjay Mathur, Neetaben Jayantibhai Patel, Jeetendra Kumar Agarwal, Archana Mathur, Narender Kumar Gupta, Renu Aggarwal, Shobha Bansal, Placido Marketing Private Limited, Aman Gupta, Smriti Mahajan, Akhilesh Poddar, and Suleman Sadru Merchant have created artificial volume in the scrip of FIRL through their dealing and, therefore, have violated the provisions of regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a) and 4(2)(g) of PFUTP Regulations, 2003.

48. The next allegation in the SCN was with respect to manipulation of the scrip price by trading among themselves repeatedly through Last Trade Price (LTP) contribution by Kesri Industrial Lab Pvt Ltd, Tushar India Private Limited, Natraj Capital & Credit Pvt Ltd, Naveen Kumar, Sanjay Mathur, Uttam Chand Jain, Nanon Distributors Private Limited and Placido Marketing Private Limited. It was also alleged that Kesri Industrial Lab Pvt Ltd, Tushar India Private Limited, and Archit Jindal manipulated the scrip price by New High Price (NHP) contribution.

49. I note that the analysis for LTP and NHP was carried out for the entire investigation period in 2 patches viz., Patch -1 Price rise for the period February 1, 2013 and May 14, 2014 and Patch-2 Price fall for the period May 15, 2013 to July 30, 2013. I note from available records that, during the Patch 1 (February 01, 2013 to May 14, 2013), the LTP of scrip at the beginning was Rs. 34.80. The scrip price reached high of Rs. 94.30 and the LTP at the end of Patch 1 was Rs. 89.40. The net increase in the price is Rs. 54.60 (156.89% of LTP at the beginning of Patch 1).

50. I note the the LTP analysis of the connected entities as buyers is during Patch 1 is as below:

Table 9

S.NO.	Buyer PAN	Buyer Name	Net LTP			Positive LTP			Negative LTP			Zero LTP		% of + LTP to Total Market + LTP Rs.482.40
			Rs.	QTY traded	No of trades	Rs.	QTY traded	No of trades	Rs.	QTY traded	No of trades	QTY traded	No of trades	
	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1.	AIMPY3580D	Roxtech Securities Services (Prop. Parmanand Yadav)	56.50	4,53,949	411	66.00	85,793	74	-9.50	95,571	40	2,72,585	297	13.68
2.	AIRPY0807E	Yogesh Trading Company (Prop. Shashi Yadav)	42.85	4,61,968	448	50.95	92,887	92	-8.10	68,927	32	3,00,154	324	10.56
3.	AADCN3085E	Nanon Distributors Pvt Ltd	26.65	5,29,099	181	29.40	66,871	47	-2.75	75,762	16	3,86,466	118	6.10
4.	AABCT5830B	Tushar India Private Limited	24.70	12,78,726	303	48.60	2,21,621	52	-23.90	3,15,502	57	7,41,603	194	10.08
5.	AAACN2928D	Natraj Capital & Credit Pvt Ltd	10.30	3,81,121	160	18.40	72,086	32	-8.10	37,303	17	2,71,732	111	3.81
6.	AAGCP6892C	Placido Marketing Private Limired	9.75	2,07,175	132	10.40	33,126	24	-0.65	15,426	6	1,58,623	102	2.16
7.	AIGPS4315L	Navi Kiran Enterprises (Prop. Rakesh Kumar Sharma)	8.20	3,23,549	129	12.65	70,233	28	-4.45	1,26,046	19	1,27,270	82	2.62
8.	AAECD3064A	Delphina Distributors Private Limited	5.90	2,01,372	67	6.90	72,157	23	-1.00	10,999	5	1,18,216	39	1.43
9.	AEEPJ6955K	Mamta Jindal	5.15	1,23,320	60	5.75	34,494	16	-0.60	3,155	8	85,671	36	1.19
10.	AAACP6964H	Pawansut Holdings Limited	4.20	69,300	17	4.35	800	3	-0.15	25,000	3	43,500	11	0.90
11.	AGNPJ5775G	Archit Jindal	2.85	2,207	18	3.65	1,045	8	-0.80	300	1	862	9	0.76
12.	AAACK8837C	Kesri Industrial Lab Private Limited	0.85	5,26,557	147	28.70	98,720	22	-27.85	81,737	24	3,46,100	101	5.95
13.	AAACU5891J	Utkrishta Exports Private Limited	0.55	4,92,763	69	4.90	65,628	7	-4.35	1,52,335	15	2,74,800	47	1.02
14.	AAACR1129G	Delware Polymers Private Limited	0.30	11,05,450	262	15.20	1,42,500	18	-14.90	1,47,250	28	8,15,700	216	3.15
15.	AAACZ4291M	Zaptune Software Private Limited	0.20	40,000	2	0.20	15,000	1	-	-	-	25,000	1	0.04
16.	AAJHK2958Q	Kulbhushan Parashar Huf	-	2,900	3	-	-	-	-	-	-	2,900	3	-
17.	AEZPC7478R	Pushpa Chaudhary	-	10	1	-	-	-	-	-	-	10	1	-
18.	AACCT1206G	TVF Finance Investments Private Limited	-	500	1	-	-	-	-	-	-	500	1	-
19.	AADCK0564D	Kaizen Fabrics Private Limited	-0.05	20,000	2	0.05	8,000	1	-0.10	12,000	1	-	0	0.01
20.	AAGCS9908Q	Shubham Electricals Pvt Ltd	-0.05	150	3	-	-	-	-0.05	1	1	149	2	-

S.NO.	Buyer PAN	Buyer Name	Net LTP			Positive LTP			Negative LTP			Zero LTP		% of + LTP to Total Market + LTP Rs.482.40
			Rs.	QTY traded	No of trades	Rs.	QTY traded	No of trades	Rs.	QTY traded	No of trades	QTY traded	No of trades	
	A	B	C	D	E	F	G	H	I	J	K	L	M	N
21.	AARCS7045M	Susane Traders Private Limited	-0.20	1,04,300	54	0.70	17,220	10	-0.90	3,900	5	83,180	39	0.15
22.	AAFCP5340J	Pummy Garments Private Limited	-0.30	58,800	7	0.95	15,800	1	-1.25	5,000	1	38,000	5	0.20
23.	AAPCS7752P	Strop Creation Private Limited	-1.30	40,000	2	-	-	-	-1.30	40,000	2	-	0	-
24.	AAHCA4664Q	Alfa Netsol Private Limited	-1.40	1,65,900	47	0.25	4,449	2	-1.65	22,400	6	1,39,051	39	0.05
25.	AAACJ6162D	J & N Jaiswal Investments Pvt Ltd	-3.70	550	2	-	-	-	-3.70	550	2	-	0	-
		Total connected entities	**191.95**	**65,89,666**	**2,528**	**308.00**	**11,18,430**	**461**	**-116.05**	**12,39,164**	**289**	**42,32,072**	**1778**	**63.85**
		Remaining entities	**-137.35**	**8,17,992**	**1,194**	**174.40**	**1,89,133**	**286**	**-311.75**	**2,19,338**	**286**	**4,09,521**	**622**	**36.15**
		Total Market	**54.60**	**74,07,658**	**3,722**	**482.40**	**13,07,563**	**747**	**-427.80**	**14,58,502**	**575**	**46,41,593**	**2400**	**100.00**

51. From the above table, I note that the connected entities contributed to net LTP of Rs. 191.95 whereas the remaining entities in the market contributed to net negative LTP of Rs. 138.35. Further, the connected entities contributed to positive LTP of Rs. 308.00 to the total market positive LTP of Rs. 482.40, which is 63.85%. This indicates that the connected entities together as buyers were executing the trades at a price more than LTP and whereas remaining buyers in the market were executing the trades at a price less than LTP. Thus, it is observed that the buying of shares by connected entities at a price more than LTP was the reason for increase in the scrip price.

52. I also note that the connected entities significantly traded among themselves in repeated manner in 211 trades and executed the trades at price more than LTP to manipulate the scrip price. The details of the same is as below:

Table 10

S.No.	PAN	Client Name	Connected entities as counter parties				Remaining entities as counterparties				Total			
			Positive LTP (Rs.)	Trade Qty	No.of trades	% to the market pos. LTP Rs.482.40	Positive LTP (Rs.)	Trade Qty	No.of trades	% to the market pos. LTP Rs.482.40	Positive LTP (Rs.)	Trade Qty	No.of trades	% to the market pos. LTP Rs.482.40
	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1.	AIMPY3580D	Roxtech Securities Services (Prop. Parmanand Yadav)	35.05	42,111	37	**7.27**	30.95	43,682	37	6.42	66	85,793	74	13.68
2.	AIRPY0807E	Yogesh Trading Company (Prop. Shashi Yadav)	14.45	59,915	36	3.00	36.5	32,972	56	7.57	50.95	92,887	92	10.56
3.	AABCT5830B	Tushar India Private Limited	32.15	1,79,794	33	6.66	16.45	41,827	19	3.41	48.6	2,21,621	52	10.07
4.	AADCN3085E	Nanon Distributors Private Limited	5.85	26,059	9	1.21	23.55	40,812	38	4.88	29.4	66,871	47	6.09
5.	AAACK8837C	Kesri Industrial Lab Pvt Ltd	21.25	68,300	14	4.41	7.45	30,420	8	1.54	28.7	98,720	22	5.95
6.	AAACN2928D	Natraj Capital & Credit Pvt Ltd	7.20	40,935	11	1.49	11.2	31,151	21	2.32	18.4	72,086	32	3.81
7.	AAACR1129G	Delware Polymers Private Limited	15.2	1,42,500	18	3.15	-	-	-	-	15.2	1,42,500	18	3.15
8.	AIGPS4315L	Navi Kiran Enterprises (Prop. Rakesh Kumar Sharma)	8.70	61,639	19	1.80	3.95	8,594	9	0.82	12.65	70,233	28	2.62
9.	AAGCP6892C	Placido Marketing Private Limited	8.35	22,823	10	1.73	2.05	10,303	14	0.42	10.4	33,126	24	2.16
10.	AAECD3064A	Delphina Distributors Private Limited	1.20	48,326	10	0.25	5.7	23,831	13	1.18	6.9	72,157	23	1.43
11.	AEEPJ6955K	Mamta Jindal	0.15	14,843	3	0.03	5.6	19,651	13	1.16	5.75	34,494	16	1.19
12.	AAACU5891J	Utkrishta Exports Private Limited	4.70	65,528	6	0.97	0.2	100	1	0.04	4.9	65,628	7	1.02
13.	AAACP6964H	Pawansut Holdings Ltd.	3.40	750	2	0.70	0.95	50	1	0.20	4.35	800	3	0.90
14.	AAACZ4291M	Zaptune Software Private Limited	0.20	15,000	1	0.04	-	-	-	-	0.2	15,000	1	0.04
15.	AGNPJ5775G	Archit Jindal	0.85	73	2	0.18	2.8	972	6	0.58	3.65	1,045	8	0.76
		Total	**158.7**	**7,88,596**	**211**	**32.90**	**147.35**	**2,84,365**	**236**	**30.55**	**306.05**	**10,72,961**	**447**	**63.44**

53. Following is the table showing details of connected counter parties (sellers) for 211 trades as mentioned in the above.

Table 11

S.No.	Counter Party PAN	Counter Party Name	Positive LTP(Rs.)	Traded Qty	No. of trades	% to the market pos. LTP Rs.482.40
1.	AAGPJ6737K	Shobha Jain	18.10	40,063	34	3.75
2.	AAHPJ8609H	Satender Kumar Jain	17.25	35,626	22	3.58
3.	AEQPJ5780G	Chetan Jain	9.75	20,538	11	2.02

S.No.	Counter Party PAN	Counter Party Name	Positive LTP(Rs.)	Traded Qty	No. of trades	% to the market pos. LTP Rs.482.40
4.	AANHS9519P	Satender Kumar Jain And Sons HUF	7.25	14,336	11	1.50
5.	AAYPJ3951B	Anand Kumar Jain	6.35	75,302	11	1.32
6.	AEAPM7471H	Sanjay Mathur	6.45	12,025	4	1.34
7.	AIXPM4106E	Anubhav Mittal	9.15	5,080	3	1.90
8.	AAAHU7158M	Uttam Chand Jain	7.50	7,000	3	1.55
9.	ADWPN0425F	Naveen Kumar	5.10	12,500	2	1.06
10.	AEAPM7470G	Archana Mathur	3.25	12,100	4	0.67
11.	AABPA6201C	Anil Agarwal	1.05	4,000	4	0.22
12.	ADIPK6787D	Dinesh Rathore	0.80	15,740	4	0.17
13.	AANPA0616R	Lata Agrawal	3.45	14,500	3	0.72
14.	AEYPG3017K	Narendera Kumar Gupta	1.00	8,000	3	0.21
15.	AIVPR8016J	Shiv Kumar Rathore	0.15	9,538	3	0.03
16.	ABXPA3339G	B M Agarwal	0.15	8,780	3	0.03
17.	AACCT1206G	TVF Finance And Investments Pvt Ltd	1.40	800	5	0.29
18.	ACSPJ6904A	Sajan Kumar Jain	0.55	28,544	11	0.11
19.	AAMPM8588M	JAI PRABHA MITTAL	3.30	10,000	2	0.68
20.	AAACJ6162D	J & N Jaiswal Investments Pvt Ltd	2.20	950	2	0.46
21.	AAMHP0806M	Pradeep Kumar Tolani Huf	1.15	9,000	2	0.24
22.	ACCPK3210E	Gurvinder Kaur	1.05	35,000	2	0.22
23.	BIVPM7456G	Suleman Sadru Merchant	1.00	11,000	2	0.21
24.	AOBPG4193F	Nidhi Garg	0.90	10,000	2	0.19
25.	ABEPG4609C	Sandeep Goyal	0.30	2,900	2	0.06
26.	ABZPS3604A	Usha Sethi	0.25	24,500	2	0.05
27.	AAJPA3675N	Ritu Agarwal	0.15	2,500	2	0.03
28.	ACNPN8964H	Pardeep Kumar Nehra	0.10	45,000	2	0.02
29.	AAJHA4323B	Ajay Chugh	0.10	7,000	2	0.02
30.	ALNPK9223F	Rajni Katta	5.00	5,000	1	1.04
31.	ADMPS2634K	Alka Govind Saraf	4.50	7,000	1	0.93
32.	ACGPM1910P	Brij Mohan	3.80	10,000	1	0.79
33.	AALPA2576Q	Jeetendra Kumar Agarwal	3.40	5,000	1	0.70
34.	ADGPV6058A	Savita Varshney	2.80	4,000	1	0.58
35.	AAWHS0090Q	Shyam Sunder Agrawal	2.40	5,000	1	0.50
36.	BKAPS4583H	Jas Simran Singh	2.10	5,000	1	0.44
37.	AHJPJ5173H	Namrata Jaiswal	2.05	8,000	1	0.42
38.	AQLPS0701P	Govindrao Panditrao Saraf	1.90	5,000	1	0.39
39.	AAMPK0641B	Baljeet Kaur	1.75	7,700	1	0.36
40.	BBFPP1744P	Pritika	1.75	5,000	1	0.36
41.	ABIPB1601M	Manju Bala	1.75	4,500	1	0.36
42.	AAWHS1613M	Suresh Pareek HUF	1.70	5,000	1	0.35
43.	ACUPJ1573D	Mahesh Kumar Jhunjhunwala	1.40	7,500	1	0.29
44.	ANQPB1332F	Shobha Bansal	0.85	10,000	1	0.18
45.	AGBPG4853C	Deepika Gupta	0.75	5,000	1	0.16
46.	ADEPA9601Q	Ankur Agarwal	0.70	5,000	1	0.15
47.	AEAPR6433A	Anupam Rathi	0.55	4,000	1	0.11
48.	AGDPG4480D	Deepak Gupta	0.50	2,000	1	0.10
49.	ADVPS5067R	Gurmit Singh	0.45	15,000	1	0.09
50.	AADCK0564D	Kaizen Fabrics Private Limited	0.40	9,628	1	0.08
51.	AAEHG8859F	Gurpreet Singh And Sons HUF	0.40	5,000	1	0.08
52.	AEEPJ3148Q	Sushil Jain	0.30	10,000	1	0.06
53.	ABJPV3472D	Arti Verma	0.30	9,255	1	0.06
54.	AGJPK5283A	Puneet Garg	0.25	10,000	1	0.05
55.	AAIHV0926N	Vikas Gutgutia	0.25	5,000	1	0.05
56.	AAGPN3431Q	Arun Narula	0.25	2,500	1	0.05
57.	AAPHS7020H	Sanjeev Kumar HUF	0.15	2,000	1	0.03
58.	AEXPA1042B	Aneeta	0.15	250	1	0.03
59.	AAEHB2816H	B M Agarwal (HUF)	0.10	5,000	1	0.02

S.No.	Counter Party PAN	Counter Party Name	Positive LTP(Rs.)	Traded Qty	No. of trades	% to the market pos. LTP Rs.482.40
60.	AJAPP4054E	Parmanand -	0.10	5,000	1	0.02
61.	AEYPG4186M	Bhawana Khandelwal	0.10	1,800	1	0.02
62.	ABIPR7993J	Anil Kumar Rastogi	0.05	24,900	1	0.01
63.	AOCPP3517K	Nandni Pandey	0.05	20,000	1	0.01
64.	AFOPB5611H	Mukat Behari	0.05	13,299	1	0.01
65.	AEFPG1199B	Renu Aggarwal	0.05	10,000	1	0.01
66.	AEUPD8333B	Mansi Didwania	0.05	5,000	1	0.01
67.	AAGPN0916L	Anita Narula	0.05	5,000	1	0.01
68.	AEZPC7478R	Pushpa Chaudhary	0.05	10	1	0.01
69.	AAKPA5197L	Savitri Devi Agarwal	4.15	30,000	5	0.86
70.	AIMPY3580D	Roxtech Securities Services (Prop.Parmanand Yadav)	0.05	500	1	0.01
71.	AIRPY0807E	Yogesh Trading Company (Prop. Shashi Yadav)	0.15	1,432	2	0.03
72.	AEEPJ6955K	Mamta Jindal	1.95	6,000	1	0.40
	Grand Total		**158.70**	**7,88,596**	**211**	**32.90**

54. I note the submissions of a few of the Noticees that their individual contribution to the LTP is negligible and hence would not have materially affected the price of the scrip. In this regard, I note that the fact that the entities are noted to be connected to each other, it is not the individual contribution but the contribution of the entire group that is to be seen to assess the impact caused on the price of the scrip. From the above tables, I observe that out of total 447 positive LTP trades by the connected entities, in 211 trades counterparties were the connected entities. Further, out of total Rs. 306.50 positive LTP contribution by the connected entities, Rs. 158.70 was contributed by trading with the connected entities. Therefore, I note that, out of 63.44% contribution to market positive LTP by the connected entities, 32.90% was by trading among themselves.

55. It will be too much of a coincidence when so many entities behave in a coordinated manner and exhibit similar trading pattern and the same causes

exponential rise in the price of a scrip. I note that the Noticees have contended that the transactions mentioned in the SCN were done by them in ordinary course of business and were not intended at any kind of manipulation as alleged. A careful perusal of the replies and written submissions of the Noticees revealed that none of the Noticees has provided any material or plausible justification to show his ordinary course of business. Considering the above, the preponderance of probability leads us to the conclusion that all these Noticees were connected to each other and acted under a premeditated scheme where under the transferors transferred the shares through off-market transactions in a distributed manner and thereafter, the transferees started selling shares in such a manner so as to raise the LTP of the scrip, thereby, causing steep rise in the price of the scrip over a short duration.

56. In this respect, it may be relevant to note that Hon'ble SAT, in the matter of Ketan Parekh v. SEBI (Appeal No. 2 of 2004 decided on July 14, 2006) had have made the following observations:

"............Any transaction executed with the intention to defeat the market mechanism whether negotiated or not would be illegal. Whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism will depend upon the intention of the parties which could be inferred from the attending circumstances because direct evidence in such cases may not be available. The nature of the transaction executed the frequency with which such transactions are undertaken, the value of the transactions, whether they involve

circular trading and whether there is real change of beneficial ownership, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn..”

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

58. In the light of the aforesaid observations of the Hon’ble SAT and after considering the trading pattern, and the manner and frequency with which such trades were executed by Tushar India Private Ltd., Nanon Distributors Private Ltd., Kesri Industrial Lab Pvt., Ltd., Natraj Capital & Credit Pvt., Ltd., Placido Marketing Private Ltd., Sanjay Mathur, Uttam Chand Jain and Naveen Kumar,

Í am convinced that these Noticeees were not acting as genuine buyers. I therefore hold that the trading behaviour of Tushar India Private Ltd., Nanon Distributors Private Ltd., Kesri Industrial Lab Pvt., Ltd., Natraj Capital & Credit Pvt. Ltd., Placido Marketing Private Ltd., Sanjay Mathur, Uttam Chand Jain and Naveen Kumar in the scrip of FIRL has been glaringly ill motivated, fraudulent and was intended towards manipulating the price of the shares of FIRL is in violation of Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a), (e) of PFUTP Regulations, 2003.

59. It was also alleged in the SCN that Kesri Industrial Lab Pvt Ltd, Tushar India Private Limited, and Archit Jindal manipulated the scrip price by New High Price (NHP) contribution. During Patch 1, the scrip price opened at Rs. 34.15, reached high of Rs. 94.30. Therefore, the market NHP contribution is Rs. 60.15 (Rs. 94.30- Rs. 34.15). It is observed from the NHP analysis that the connected entities established NHP in 50 trades and contributed Rs. 24.35 (40.48%) to market NHP. The details are given below:

Table-12

S.No.	Buyer PAN	Buyer Name	No. of Trades	Sum of NHP Qty.	NHP contribution (in Rs.)	NHP Contribution to total NHP Rs.60.15 (in %)
1.	AIMPY3580D	Roxtech Securities Services (Prop. Parmanand Yadav)	13	9,891	11.55	19.20
2.	AIRPY0807E	Yogesh Trading Company (Prop. Shashi Yadav)	11	8,777	5.30	8.81
3.	AADCN3085E	Nanon Distributors Pvt Ltd	3	8,821	1.60	2.67
4.	AAECD3064A	Delphina Distributors Private Limited	5	9,457	1.55	2.58
5.	AAACK8837C	Kesri Industrial Lab Private Limited	4	24,470	1.50	2.49
6.	AABCT5830B	Tushar India Private Limited	2	14,900	0.80	1.33

S.No.	Buyer PAN	Buyer Name	No. of Trades	Sum of NHP Qty.	NHP contribution (in Rs.)	NHP Contribution to total NHP Rs.60.15 (in %)
7.	AGNPJ5775G	Archit Jindal	3	119	0.75	1.25
8.	AAGCP6892C	Placido Marketing Private Limired	5	8,901	0.55	0.9
9.	AAACN2928D	Natraj Capital & Credit Pvt Ltd	1	600	0.50	0.83
10.	AIGPS4315L	Navi Kiran Enterprises (Prop. Rakesh Kumar Sharma)	3	7,471	0.25	0.42
		Total	**50**	**93,407**	**24.35**	**40.48**

60. From the above table, I note that 10 connected entities including Kesri Industrial Lab Pvt Ltd, Tushar India Private Limited and Archit Jindal, in 50 trades contributed to 40.48% of market NHP. I note that even though the individual contribution of Kesri Industrial Lab Pvt Ltd, Tushar India Private Limited and Archit Jindal in NHP may be comparatively small, but the fact that these entities were observed to be connected as a group with various other entities and the contribution of the entire group is very high in NHP creation.

61. I also note that, out of 50 trades contributing to NHP, connected entities were the counter parties in 25 trades. Thus, connected entities by trading among themselves in 25 trades contributed to 15.72% of NHP contribution and there by manipulated the scrip price. The details are given below:

Table-13

			Connected Entities as counter parties				Remaining entities as counter parties				Total			
S.No.	PAN	Client name	No. of trades	No. of shares	NHP in Rs.	%to the NHP Rs.60.15	No. of trades	No. of shares	NHP	%to the NHP Rs.60.15	No. of trades	No. of shares	NHP	%to the NHP Rs.60.15
1.	AIMPY3580D	Roxtech Securities Services (Prop. Parmanand Yadav)	6	8796	4.65	7.73	7	1095	6.9	11.47	13	9891	11.55	19.20
2.	AAACK8837C	Kesri Industrial Lab Pvt Ltd .	3	17000	1.2	2.00	1	7470	0.3	0.50	4	24470	1.5	2.49
3.	AABCT5830B	Tushar India Private Limited .	2	14900	0.8	1.33	0	0	0	-	2	14900	0.8	1.33
4.	AGNPJ5775G	Archit Jindal	2	73	0.65	1.08	1	46	0.1	0.17	3	119	0.75	1.25
5.	AADCN3085E	Nanon Distributors Private Limited	1	1721	0.9	1.50	2	7100	0.7	1.16	3	8821	1.6	2.66

			Connected Entities as counter parties				Remaining entities as counter parties				Total			
S.No.	PAN	Client name	No. of trades	No. of shares	NHP in Rs.	%to the NHP Rs.60.15	No. of trades	No. of shares	NHP	%to the NHP Rs.60.15	No. of trades	No. of shares	NHP	%to the NHP Rs.60.15
6.	AAACN2928D	Natraj Capital & Credit Pvt Ltd .	1	600	0.5	0.83	0	0	0	-	1	600	0.5	0.83
7.	AIRPY0807E	Yogesh Trading Company (Prop.Shashi Yadav)	3	5027	0.35	0.58	8	3750	4.95	8.23	11	8777	5.3	8.81
8.	AIGPS4315L	Navi Kiran Enterprises (Prop. Rakesh Kumar Sharma)	3	7471	0.25	0.42				-	3	7471	0.25	0.42
9.	AAECD3064A	Delphina Distributors Private Limited	2	4455	0.1	0.17	3	5002	1.45	2.41	5	9457	1.55	2.58
10.	AAGCP6892C	Placido Marketing Private Limited	2	8101	0.1	0.17	3	800	0.45	0.75	5	8901	0.55	0.91
		Grand Total	**25**	**68144**	**9.5**	**15.79**	**25**	**25263**	**14.85**	**24.69**	**50**	**93407**	**24.35**	**40.48**

62. Following is the table showing details of connected counter parties (sellers) for 25 trades as mentioned in the above:

Table-14

S.No.	Counter party PAN	Counter party name	No. of trades	No. of shares	NHP in Rs.	%to the NHP Rs.60.15
1	AAGPJ6737K	Shobha Jain	8	7,800	1.65	17.37
2	AEQPJ5780G	Chetan Jain	4	9,738	1.95	20.53
3	AANHS9519P	Satender Kumar Jain And Sons HUF	4	8,956	0.35	3.68
4	AAKPA5197L	Savitri Devi Agarwal	3	15,600	1.20	12.63
5	AIXPM4106E	Anubhav Mittal	1	50	2.95	31.05
6	AAAHU7158M	Uttam Chand Jain	1	4,900	0.50	5.26
7	AGDPG4480D	Deepak Gupta	1	2,000	0.50	5.26
8	AEEPJ3148Q	Sushil Jain	1	10,000	0.30	3.16
9	AAYPJ3951B	Anand Kumar Jain	1	5,000	0.05	0.53
10	ACSPJ6904A	Sajan Kumar Jain	1	4,100	0.05	0.53
	Grand Total		**25**	**68,144**	**9.50**	**100.00**

63. These above analysis of the trades of the connected entities including Kesri Industrial Lab Pvt Ltd, Tushar India Private Limited and Archit Jindal clearly indicates that these connected entities had attempted to create an upward trend in the price through NHP creation. In the present case, I note that the trades of connected entities were getting matched in most of the cases with other connected entities, which cannot be mere coincidence. The pattern of

trading clearly brings out the role played by Kesri Industrial Lab Pvt Ltd, Tushar India Private Limited and Archit Jindal along with their connected entities in influencing the price by creating new high price. In view of the same, I conclude that Kesri Industrial Lab Pvt Ltd, Tushar India Private Limited and Archit Jindal by entering into trades in the scrip of FIRL had impacted the price of the scrip significantly and thereby violated the provisions of the Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) & (e) of PFUTP Regulations, 2003.

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

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

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

Penalty for fraudulent and unfair trade practices.

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

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

Factors to be taken into account by the adjudicating officer.

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.

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

68. I note that on the basis of data available on record, it is difficult, in cases of such nature, to quantify exactly the disproportionate gain or unfair advantage enjoyed by the Noticee and the consequent losses suffered by the investors. Further the amount of loss to an investor or group of investors also cannot be quantified on the basis of available facts and data. Even though the monetary loss to the investors cannot be computed, any manipulation in the volume or price of the stocks caused by vested interest always erodes investor confidence in the market so that investors find themselves at the receiving end of market manipulators. The PFUTP Regulations aim to preserve and protect the market integrity in order to boost investor confidence in the securities market. By executing manipulative trades, as has been executed by the Noticees in the instant matter, the price discovery system itself is affected. It also has an adverse impact on the fairness, integrity and transparency of the stock market.

ORDER

69. Having considered all the facts and circumstances of the case, the material available on record, the factors mentioned in Section 15J of the SEBI Act and in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the SEBI Adjudication Rules, I hereby impose the following penalty on the Noticees under Section 15HA of the SEBI Act:

S. No.	Name of the Noticee	Penalty
1.	Kesri Industrial Lab Pvt Ltd	Rs. 2,00,000 (Rupees Two Lakh Only)
2.	Tushar India Pvt Ltd	Rs. 2,00,000 (Rupees Two Lakh Only)
3.	Natraj Capital & Credit Pvt Ltd	Rs. 2,00,000 (Rupees Two Lakh Only)
4.	Naveen Kumar	Rs. 2,00,000 (Rupees Two Lakh Only)
5.	Sanjay Mathur	Rs. 2,00,000 (Rupees Two Lakh Only)
6.	Neetaben Jayantibhai Patel	Rs. 2,00,000 (Rupees Two Lakh Only)
7.	Jeetendra Kumar Agarwal	Rs. 2,00,000 (Rupees Two Lakh Only)
8.	Archana Mathur	Rs. 2,00,000 (Rupees Two Lakh Only)
9.	Narender Kumar Gupta	Rs. 2,00,000 (Rupees Two Lakh Only)
10.	Renu Aggarwal	Rs. 2,00,000 (Rupees Two Lakh Only)
11.	Shobha Bansal	Rs. 2,00,000 (Rupees Two Lakh Only)
12.	Aman Gupta	Rs. 2,00,000 (Rupees Two Lakh Only)
13.	Smriti Mahajan	Rs. 2,00,000 (Rupees Two Lakh Only)
14.	Akhilesh Poddar	Rs. 2,00,000 (Rupees Two Lakh Only)
15.	Suleman Sadru Merchant	Rs. 2,00,000 (Rupees Two Lakh Only)
16.	Uttam Chand Jain	Rs. 2,00,000 (Rupees Two Lakh Only)
17.	Nanon Distributors Pvt Ltd	Rs. 2,00,000 (Rupees Two Lakh Only)
18.	Placido Marketing Pvt Ltd	Rs. 2,00,000 (Rupees Two Lakh Only)
19.	Archit Jindal	Rs. 2,00,000 (Rupees Two Lakh Only)

70. I am of the view that the said penalty is commensurate with the lapse/omission on the part of the Noticees. The Noticees 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, the Noticees may contact the support at portalhelp@sebi.gov.in.

71. The Noticees shall forward said Demand Draft or the details / confirmation of penalty so paid to the "The Division Chief, EFD-1, DRA-II, SEBI, SEBI Bhavan 2, Plot No. C –7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai –400 051". The Noticee shall provide the following details while forwarding DD/ payment information:

    a) Name and PAN of the entity
    b) Name of the case / matter
    c) Purpose of Payment – Payment of penalty under AO proceedings
    d) Bank Name and Account Number
    e) Transaction Number

72. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under Section 28A

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

73. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticees and also to the Securities and Exchange Board of India.

Date: September 30, 2020 **B J DILIP**

Place: Mumbai **ADJUDICATING OFFICER**