WTM/AB/EFD-1/DRA1/16/2020-21

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

Under Sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992.

In respect of:

Noticee no.	Name of the Noticee	PAN
1.	Paresh Nathalal Chauhan	AAPPC4494H
2.	Gagabhai Desai Amul	AHDPD3526G
3.	Nimish Pankajkumar Shah	AVXPS8823M
4.	Dipali Nilay Patel	AHSPP7976M
5.	Sushma Rani	ADHPR4637A
6.	Sanjay Jethalal Soni HUF	AAWHS0331J
7.	Krishna Kumar Periwal	AFMPP1445B
8.	Shirish Manilal Vyas	ABUPV9961G
9.	Mahesh Somabhai Desai	AMGPD0183P
10.	Rakesh Patel	AGAPP2993B
11.	Soni Sanjay Jethalal	BVSPS9741N
12.	Soni Krupa Sanjay	BVSPS9740P
13.	Kajal Nimish Shah	AVXPS8824N
14.	Abhijeet Dwarkadas Daga	AHTPD5397B
15.	Anant Sureshchandra Maloo	ACSPM2958D
16.	Maloo Building Materials Pvt Ltd	AABCM0619D
17.	Manan Vidhyapati Patel	AFJPP0452P
18.	Hettich India Pvt Limited	AAACH8849M
19.	Jatin Natvarlal Parekh	ACGPP9135R
20.	Nina Ajay Maloo	AJXPM3547Q
21.	Mukesh Himatlal Shah	ACAPS7083B

(The aforesaid entities are hereinafter referred to individually, by their respective names/ Noticee numbers and collectively as "the Noticees".)

In the matter of Timbor Home Ltd.

1. The present proceedings have emanated from a show cause notice dated September 21, 2018 (hereinafter referred to as "**SCN**") issued by Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") to the aforesaid 21 Noticees calling upon them to show cause as to why suitable directions, as may be appropriate, under Sections 11(1), 11(4) and 11B of Securities and Exchange Board of India (hereinafter referred to as "**SEBI Act, 1992**") should not be issued against them. The SCN is issued to the Noticees pursuant to an investigation conducted by SEBI, into the scrip of Timbor Home Limited (hereinafter referred to as "**the Company"/ "Timbor")**, for the period from April 01, 2014 to May 30, 2015 (hereinafter referred to as **"Investigation Period" or "IP"**), following a complaint received in the SEBI Complaints Redressal System (hereinafter referred to as **"SCORES"**) which mentioned that complainant had received SMS with the recommendation of buying of shares of Timbor. The investigation was conducted with respect to 2 Patches of investigation period i.e. from April 01, 2014 to July 24, 2014 (Patch I) and from July 25, 2014 to May 30, 2015 (Patch II).

2. The SCN *inter alia* alleges that the twenty-one connected entities i.e. the aforesaid Noticees, acted in concert and were part of scheme and artifice to offloaded large number of shares of Timbor in the secondary market by planting unsolicited and misleading advice recommending purchase of shares of the Company to induce unsuspecting gullible investors to purchase shares. It is further alleged that the Noticees viz., Gagabhai Desai Amul (Noticee No. 2), Nimish Pankajkumar Shah (Noticee No. 3), Mahesh Somabhai Desai (Noticee No. 9), Soni Sanjay Jethalal (Noticee No. 11) and Soni Krupa Sanjay (Noticee No. 12), had indulged in price manipulation in the scrip of Timbor.

3. Based on the above, the SCN alleges that Noticee No.1 to 21 have violated Regulations 3 (a), (b), (c), (d) and 4(1), 4(2)(f) and (r) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations**"). The SCN also alleges that Noticee No. 2, 3, 9, 11, and 12 have also violated Regulation 4(2) (a), (e) of PFUTP Regulations.

4. The brief facts of the case, as mentioned in the SCN are as follows:

4.1. A complaint was lodged in SCORES in the month of August 2014 by a recipient of an SMS which recommended buying of shares of Timbor. Thereafter SEBI initiated investigation into the trading in the scrip of Timbor.

4.2. The promoter and non-promoter shareholding of the Company during IP, as mentioned in the SCN, was observed as under:

Particular	**Quarter ended on Mar, 2014**			**Quarter ended on Jun, 2014**			**Quarter ended on Sep, 2014**		
	No of shareholders	**No of shares**	**%**	**No of shareholders**	**No of shares**	**%**	**No of shareholders**	**No of shares**	**%**
Promoter Holding	4	44,12,400	29.90	4	40,33,400	27.33	4	6,26,314	4.24
Non Promoter Holding	2948	1,03,44,180	70.10	2805	1,07,23,180	72.67	3211	1,41,30,266	95.76
Depository Receipts	0	0	0	0	0	0	0	0	0
Total Shares	**2952**	**1,47,56,580**	**100**	**2809**	**1,47,56,580**	**100**	**3215**	**1,47,56,580**	**100**

Particular	**Quarter ended on Dec, 2014**			**Quarter ended on Mar, 2015**			**Quarter ended on Jun, 2015**		
	No of shareholders	**No of shares**	**%**	**No of shareholders**	**No of shares**	**%**	**No of shareholders**	**No of shares**	**%**
Promoter Holding	4	4,27,733	2.93	3	3,27,630	2.22	2	43,236	0.29

Non Promoter Holding	3218	1,43,23,847	97.07	3266	1,44,28,950	97.78	3318	1,47,133,44	99.71
Depository Receipts	0	0	0	0	0	0	0	0	0
Total Shares	**3222**	**1,47,56,580**	**100**	**3269**	**1,47,56,580**	**100**	**3320**	**1,47,56,580**	**100**

(Source: bseindia.com)

4.3. It was observed from the above that the promoter's shareholding reduced from 29.90% at quarter ended March 2014 to 2.93% at quarter ended December 2014. It was observed that the promoters holding reduced to 0.29% in quarter ended June 2015. The change in promoter shareholding during the period is tabulated below:

Sr. No	**Name**	**Quarter ended on Jun, 2015**		**Quarter ended on Mar, 2015**		**Quarter ended on Dec, 2014**		**Quarter ended on Sep, 2014**		**Quarter ended on Jun, 2014**		**Quarter ended on Mar, 2014**	
		No. of shares	**% of holding**	**No. of shares**	**% of holding**	**No. of shares**	**% of holding**	**No. of shares**	**% of holding**	**No. of shares**	**% of holding**	**No. of shares**	**% of holding**
1	Anant Sureshchandra Maloo	-	-	18,750	0.13	18,750	0.13	18,750	0.13	818,750	5.55	11,97,750	8.12
2	Maloo Building Materials Pvt Ltd	-	-	-	-	12,250	0.08	12,250	0.08	1,277,250	8.66	12,77,250	8.66
3	Manan Vidhyapati Patel	5,000	0.03	5,000	0.03	5,000	0.03	5,000	0.03	11,25,000	7.62	11,25,000	7.62
4	Abhijeet Dwarkadas Daga	38,236	0.26	3,03,880	2.06	3,96,733	2.69	5,90,314	4.00	8,12,400	5.51	8,12,400	5.51
Total		**43,236**	**0.29**	**3,27,630**	**2.22**	**4,32,733**	**2.93**	**6,26,314**	**4.24**	**40,33,400**	**27.33**	**44,12,400**	**29.90**

4.4. It was observed that the promoters had sold/transferred their shareholding during the IP.

4.5. It was observed that the scrip was suspended by the BSE Ltd. (hereinafter referred to as "**BSE**") on 29 October, 2015 due to liquidation proceedings initiated against the Company.

4.6. It was observed that the price of the scrip at BSE opened at Rs. 11.65, touched a low of Rs. 3.26, high of Rs. 20.20, and closed at Rs. 5.20 during the IP. The scrip closed at Rs. 2.21 in BSE on October 28, 2015.

4.7. The scrip was suspended by National Stock Exchange of India Ltd. (hereinafter referred to as "**NSE**") from October 29, 2015 due to liquidation proceedings which was initiated against the company.

4.8. It was observed that the price of the scrip at NSE opened at Rs. 11.70, touched a low of Rs. 3.20, high of Rs. 20.20, and closed at Rs. 5.10 during the IP. The scrip closed at Rs. 2.75 on NSE on October 28, 2015.

Client Concentration:

The top 10 buy and sell Clients who had traded in the scrip of Timbor during IP at BSE and NSE is tabulated below:

4.9. On BSE:

Buy Client Name	Gross Buy Volume	% of Buy Traded	Sell Client Name	Gross Sell Volume	% of Sell Traded Volume
Soni Sanjay Jethalal	5,30,870	5.08	Paresh Nathalal Chauhan	14,88,625	14.26
Sanjay Jethalal Soni(Huf)	4,00,085	3.83	Real Marketing Pvt Ltd	4,36,000	4.17
Gagabhai Desai Amul	3,57,357	3.42	Buddhisagar Shares And Services Private Limited	3,90,169	3.73
Omprakash Ugamraj Bhandari	3,56,700	3.41	Sushma Rani	3,85,633	3.69
Soni Krupa Sanjay	3,51,933	3.37	Sanjay Jethalal Soni(Huf)	3,21,409	3.08
Indu Bhandari	3,27,500	3.13	Shree Mallikarjun Trad Invest Private Limited	3,16,166	3.03

Viras Manishkumar Sadiwala	2,87,048	2.75	Viras Manishkumar Sadiwala	2,87,048	2.75
Shree Mallikarjun Trad Invest Private Limited	2,71,342	2.60	Gagabhai Desai Amul	2,80,501	2.68
Real Marketing Pvt Ltd	2,59,211	2.48	Soni Sanjay Jethalal	2,64,043	2.53
Vasupujya Trades Private Limited	2,56,000	2.45	Gajanan Enterprises	2,29,103	2.19
Total of Top 10 Clients	**3,398,046**	**32.56**	**Total of Top 10 Clients**	**43,98,697**	**42.15**
Total of Remaining Clients	**70,38,007**	**67.44**	**Total of Remaining Clients**	**60,37,355**	**57.85**
Total Traded Volume	**1,04,36,053**	**100**	**Total Traded Volume**	**1,04,36,053**	**100**

4.10. On NSE

Buy Client Name	**Gross Buy**	**% of Gross Buy to Mkt. Volume**	**Client Name**	**Gross Sell**	**% of Gross Sell to Mkt. Volume**
Sanjay Jethalal Soni Huf	5,38,041	5.63	Paresh Nathalal Chauhan	12,44,075	13.02
Soni Sanjay Jethalal	5,09,484	5.33	Sushma Rani	6,65,954	6.97
Real Marketing Pvt Ltd	3,96,000	4.14	Sanjay Jethalal Soni Huf	4,67,081	4.89
Gagabhai Desai Amul	3,02,850	3.17	Soni Sanjay Jethalal	3,83,511	4.01
Viras Manishkumar Sadiwala	3,00,000	3.14	Meet Sumanbhai Patel	3,63,960	3.81
Buddhisagar Shares And Services Private Limited	2,79,140	2.92	Gagabhai Desai Amul	3,33,705	3.49
Jayeshkumar N Joshi	2,42,447	2.54	Abhijeet Dwarkadas Daga	3,00,045	3.14
Ankitkumar Dineshkumar Raval	2,40,491	2.52	Viras Manishkumar Sadiwala	3,00,000	3.14
Shree Mallikarjun Trad Invest Private Limited	2,12,821	2.23	Real Marketing Pvt Ltd	2,86,211	3.00

Jigneshbhai Hiralal Shah	2,10,000	2.20	Ankitkumar Dineshkumar Raval	2,78,792	2.92
Total Of Top 10 Clients	**32,31,274**	**33.81**	**Total Of Top 10 Clients**	**46,23,334**	**48.38**
Total Of Remaining Clients	**63,25,830**	**66.19**	**Total Of Remaining Clients**	**49,33,770**	**51.63**
Total Traded Volume	**95,57,104**	**100.00**	**Total Traded Volume**	**95,57,104**	**100.00**

4.11. From the Unique Client Code (UCC) details received from the exchanges and off market data, it was observed that twenty one entities who had traded in the scrip of the Company during IP, viz., 1) Paresh Nathalal Chauhan, 2) Gagabhai Desai Amul, 3) Nimish Pankajkumar Shah, 4) Dipali Nilay Patel , 5) Sushma Rani, 6) Sanjay Jethalal Soni HUF, 7) Krishna Kumar Periwal, 8) Shirish Manilal Vyas, 9) Mahesh Somabhai Desaim, 10) Rakesh Patel, 11) Soni Sanjay Jethalal, 12) Soni Krupa Sanjay, 13) Kajal Nimish Shah, 14) Abhijeet Dwarkadas Daga, 15) Anant Sureshchandra Maloo, 16) Maloo Building Materials Pvt Ltd, 17) Manan Vidhyapati Patel, 18) Hettich India Pvt Limited, 19) Jatin Natvarlal Parekh, 20) Nina Ajay Maloo and 21) Mukesh Himatlal Shah were connected to each other. The basis of connection in tabular form was enclosed as annexure to the SCN.

4.12. Summary of the trading by the connected entities who are the Noticees in these proceedings during the Investigation Period are as follows:

Si No.	**Client Name**	**BSE**				**NSE**			
		Gr. Buy	**Gr. Buy % to total Mkt Vol**	**Gr. Sell**	**Gr. Sell % to total Mkt Vol**	**Gr. Buy**	**Gr. Buy % to total Mkt Vol**	**Gr. Sell**	**Gr. Sell % to total Mkt Vol**
1	Soni Sanjay Jethalal	530870	5.09	264043	2.53	509484	5.33	383511	4.01
2	Sanjay Jethalal Soni(Huf)	400085	3.83	321409	3.08	538041	5.63	467081	4.89
3	Gagabhai Desai Amul	357357	3.42	280501	2.69	302850	3.17	333705	3.49

4	Soni Krupa Sanjay	351933	3.37	119741	1.15	86213	0.90	154505	1.62
5	Mahesh Somabhai Desai	157320	1.51	154759	1.48	72139	0.76	25000	0.26
6	Nimish Pankajkumar Shah	58220	0.56	82187	0.79	56041	0.59	71338	0.75
7	Kajal Nimish Shah	22538	0.22	23672	0.23	19020	0.20	19305	0.20
8	Dipali Nilay Patel	21023	0.20	26352	0.25	9591	0.10	43336	0.45
9	Sushma Rani	20384	0.20	385633	3.70	56203	0.59	665954	6.97
10	Shirish Manilal Vyas	540	0.01	51385	0.49	700	0.01	22605	0.24
11	Abhijeet Dwarkadas Daga	200	0.00	218863	2.10	0	0.00	300045	3.14
12	Krishna Kumar Periwal	0	0.00	63619	0.61	0	0.00	146381	1.53
13	Rakesh Patel	0	0.00	48300	0.46	10000	0.11	31700	0.33
14	Maloo Building Pvt ltd	0	0.00	12250	0.12	0	0.00	0	0.00
15	Paresh Nathalal Chauhan	0	0.00	1488625	14.26	0	0.00	1244075	13.02
16	Nina Ajay Maloo	10421	0.10	30818	0.30	9448	0.10	19564	0.21
17	Hettich India Limited	0	0.00	13380	0.13	0	0.00	8333	0.07
18	Mukesh Himatlal Shah	0	0.00	8000	0.08	0	0.00	7000	0.09
19	Jatin Natvarlal Parekh	0	0.00	2989	0.03	0	0.00	7011	0.07
	Total	1930891	**18.50**	3596526	**34.46**	**1669730**	**17.47**	**3950449**	**41.34**

4.13. From the above table, it was observed that the contribution of the Noticees to gross sell volume was more in comparison to gross buy volume. It was also observed that the Noticees mainly traded through the exchange mechanism (on market) during the investigation period and two Noticees viz., Anant Sureshchandra Maloo and Manan Vidhyapati Patel had transferred share through off market to other Noticees.

4.14. It was observed that the four entities who were promoters of Timbor viz. Anant Sureshchandra Maloo, Maloo Building Material Pvt. Ltd, Manan Vidhyapati Patel and Abhijeet Dwarkadas Daga had transferred a total of 37,82,750 shares before and after circulation of bulk SMS shares directly or indirectly to other Noticees.

4.15. Based on the timing of bulk SMS circulation period, the investigation period were divided into pre SMS circulation period (Patch I) and post SMS circulation period (Patch II). During the pre SMS circulation period price rise were observed with very low trading volume. Thereafter, price was observed to have fallen till the end of the investigation period. However, the trading volumes were very high during the post SMS circulation period. The following patches were identified, details of which are given as under:

Patches	Price/Volume trend	Period		Exchange	Price Movement				Average Daily Volume
		From	To		Open	High	Low	Close	
Patch-I (Pre SMS Circulation Period)	Price rise with low trading volume	01/04/2014	24/07/2014	BSE	11.65	20.20	10.58	12.70	20757
				NSE	11.10	20.20	10.50	12.60	17107
Patch-II (Post SMS Circulation Period)	Price fall with high trading volume	25/07/2014	30/05/2015	BSE	13.20	13.80	3.26	5.20	44306
				NSE	13.25	13.85	3.20	5.10	41528

Patch-I (Price rise) (01/04/2014 to 24/07/2014): Exchange-BSE

4.16. It was observed that, the price of the scrip at BSE opened at Rs. 11.65 (previous trading day closed at Rs. 11.13), touched a high of Rs. 20.20 and closed at Rs. 12.70. Out of 21 Noticee, ten Noticees had traded as buyer during the Patch-I.

4.17. Five Noticees viz, Nimish Pankajkumar Shah, Mahesh Somabhai Desai, Soni Sanjay Jethalal, Soni Krupa Sanjay, Gagabhai Desai Amul contributed to positive LTP for Rs. 96.36 (43.33% of total market positive LTP) in 475 trades with a trading volume 1,16,513 shares.

4.18. It was observed that these five Noticees contributed 35.47% of total market positive LTP, by putting orders for small quantity i.e. 1-10 shares.

Patch-I (01/04/2014 to 24/07/2014): Exchange-NSE

4.19. It was observed that the price of the scrip at NSE opened at Rs. 11.70 (previous trading day closed at Rs. 11.30), touched a high of Rs. 19.55 and closed at Rs. 12.70. Out of 21 Noticees, 10 Noticees have traded as buyer during the Patch-I.

4.20. Two Noticees viz, Nimish Pankajkumar Shah, Soni Sanjay Jethalal contributed to positive LTP of Rs. 55.35 (33.48% of total market positive LTP) in 205 trades with a trading volume 17,659 shares.

4.21. It was observed that these two Noticees contributed 25.80% of total market positive

LTP, by putting orders for small quantity i.e. 1-10 shares.

4.22. Thus, the SCN alleges from the trading pattern that these Noticees were not acting as genuine buyers on both NSE and BSE and had no bona fide intention to buy because in-spite of sufficient sell order quantity being available in the market, they bought small quantity of shares in each transaction. By these trades, they were instrumental in establishing a price higher than the last traded price and thus contributed to increased scrip price with most of their trades. In view of the repeated nature of such trades by these two Noticees on NSE (Noticee nos. 3 and 11) and five Noticees on BSE (Noticee nos. 2,3,9,11,and 12), their culpability in increasing the price is established. Hence it is alleged that these connected entities were acting in concert and contributed to manipulation in the scrip price and created a misleading appearance of trading in the scrip by such trades as explained above.

Patch II and Circulation of Bulk SMS

4.23. As mentioned in para 1 above, a complaint was lodged in SCORES in the month of August 2014 by a recipient of SMS recommending buying of shares of Timbor. The SMS was circulated as DM-70000 with message "BEST BUY TIMBOR HOME AT BSE (533444) & NSE (24316) AT CMP 14 SHORT TERM TGT @17 THIS WEEK N 25 WITHIN NEXT WEEK WITH SAFESIDE SL 11.5 LONG TERM TGT 60" from July 2014 onwards.

4.23.1. Vide email dated March 23, 2016 Aircel was asked to provide details of registered client of DM-070000, who has sent SMS to different entities during the period May 01, 2014 to October 31, 2014. Vide email dated March 30, 2016. Aircel provided registration details of DM-70000, that said number was registered by telemarketer named Ziply Sms (Contact Person: Aniketh Jain, who is MD & CEO of the company named Solutions Infini Technologies (I) Pvt. Ltd).

4.23.2. An email dated April 01, 2016 was sent to Aniketh Jain specifically seeking reason behind circulation of such SMS and whether he had any connection with Timbor and its directors.

4.23.3. Mr. Aniketh Jain (MD and CEO of Solution infini Technologies (I) Pvt. Ltd)

vide email dated April 02, 2016 stated that the company is a platform for bulk SMS circulation, SMS was circulated by Niraj Shah Director of Zen Enterprises.

4.23.4. An email dated April 06, 2016 was sent to Niraj Shah, Director of ZEN Enterprises specifically seeking reasons behind circulation of such SMS and whether he had any connection with Timbor and its directors.

4.23.5. Mr. Niraj Shah vide email dated April 06, 2016 stated that ZEN Enterprises is reseller of Solution Infini for sales of bulk SMS circulations services in Ahmedabad, Gujrat. Further, Niraj Shah stated that bulk SMS were sent from the promotional account and the said account was opened by Mr. Soni Sanjay Jethalal.

4.23.6. Mr. Niraj shah further stated that he had provided login user id (shreeji securities) and password to Mr. Soni Sanjay Jethalal and he does not have any information about bulk SMS details sent by Mr. Soni Sanjay Jethalal. In addition, Mr. Niraj Shah also provided ledger statement of Shreeji securities as an evidence showing payment received and sales made to Mr. Soni Sanjay Jethalal through his login account shreeji securities.

4.23.7. Vide email dated April 06, 2016, Mr. Soni Sanjay Jethalal was requested to provide reasons behind circulation of such SMS and whether he had any connection with company and directors. Further, a reminder mail dated April 11, 2016 was sent to Mr. Soni Sanjay Jethalal. In reply, vide email dated April 12, 2016 Mr. Soni Sanjay Jethalal stated that he is not connected with company or directors. Further, he stated that he had bought shares based on some information received regarding company expanding. He did not substantiate or provide any background regarding source through whom information was received by him. However, Mr. Soni Sanjay Jethalal did not provide any reply with regard to circulation of bulk SMS.

4.23.8. An email was sent to Mr. Aniketh Jain on June 28, 2016 seeking the number of SMS sent by Soni Sanjay Jethalal through his login ID shreeji securities. In reply, vide email dated August 16, 2016 Mr. Aniketh Jain provided list of mobile numbers to whom SMS were sent from shereeji securities.

4.23.9. From the information received from Mr. Aniketh Jain, it was observed that a total of 7,78,719 SMS were from login id shreeji securities and SMS circulation period was July 25, 2014 to July 28, 2014.

4.23.10. Vide email dated February 22, 2018, Mr. Niraj Shah (Zen Enterprises) was requested to provide bank statement extract showing amount received from Mr. Soni Sanjay Jethalal.

4.23.11. Mr. Niraj Shah, vide email dated February 22, 2018 provided bank statement showing money received towards bulk SMS circulation on behalf of Mr. Soni Sanjay Jethalal.

4.23.12. On examination of bank statement provided by Mr. Niraj Shah, it was observed that there were two entries, each of amount Rs. 67,416 received on July 25, 2014 and July 28, 2014 from Durga Capital Services and Jyoti Enterprise respectively. The amount reflected in bank statements matched with the amount mentioned in the ledger account of Shreeji Securities in the books of Zen Enterprises. (as provided by Mr. Niraj Shah).

4.23.13. Vide email dated February 26, 2018, ICICI Bank was requested to provided bank account statement of M/s Durga Capital Services and M/s Jyoti Enterprise for the period April 01, 2014 to December 31, 2014 along with their KYC details. ICICI Bank, vide email dated February 26, 2018, provided the bank statements and vide email dated March 01, 2018, provided KYC details. On perusal of KYC details of M/s Durga Capital Services and M/s Jyoti Enterprise, it was found that Mr. Soni Sanjay Jethalal was proprietor of the both the aforesaid entities and operated both the bank accounts.

4.23.14. Thus, it was observed that payment for the circulation of bulk SMS was routed by Mr. Soni Sajay Jethalal through M/s Durga Capital Services and M/s Jyoti Enterprises on behalf of account of Shreeji Securities with Zen Enterprises opened by Mr. Soni Sanjay Jethalal.

4.23.15. In view of above, it was concluded that Mr. Soni Sanjay Jethalal had circulated bulk SMS containing buy recommendation in the scrip. Further, it was also observed that Mr. Soni Sanjay Jethalal (who circulated bulk SMS) is related to promoters of the company.

4.23.16. It was observed that reasons behind circulation of bulk SMS by Mr. Soni Sanjay Jethalal were sought from him through Summons dated April 28, 2016. However, the Soni Sanjay Jethalal did not provide the information. Subsequently,

reminders were sent to Mr. Soni Sanjay Jethalal vide letters dated August 10, 2016 and September 16, 2016. However, Mr. Soni Sanjay Jethalal failed to provide the requisite information.

4.24. Investigation observed that the following *Modus Operandi* was adopted by the Noticees:

4.25. It was observed that there was spurt in traded volumes in the scrip soon after the day of circulation of bulk SMS (i.e.25 July, 2014).

4.26. It was observed that there was substantial rise in volumes immediately after circulation of bulk SMS, which could be attributed to the impact of such bulk SMS.

4.27. It was observed that four Noticees who were promoters viz. Shri Anant Sureshchandra Maloo, Maloo building Material Pvt Ltd, Shri Manan Vidhyapati Patel and Abhijeet Dwarkadas Daga had transferred shares directly or indirectly to other connected entities. (Majority of shares were transferred in June and July 2014). In turn, the connected entities sold the aforesaid shares in the market.

4.28. From the above, the following *modus operandi* was observed:

a. Prior to sending bulk SMS, connected entities bought small quantity of shares in each transaction which contributed to increase in scrip price.

b. Around the same time, promoters of the Company transferred shares to other connected entities through off market route.

c. Subsequently, one of the entities, viz. Soni Sanjay Jethalal, circulated bulk SMS during July 25, 2014 to July 28, 2014 containing unsolicited advice recommending purchase of shares of the Company and lured unsuspecting gullible investors to buy the shares of the Company.

d. Pursuant to sending bulk SMS in Patch II of the IP, seventeen connected entities and two promoters viz., Maloo building Material Pvt Ltd and Shri Abhijeet Dwarkadas Daga, offloaded 26,15,280 shares of Timbor on BSE.

e. Pursuant to sending bulk SMS in Patch II of the IP, seventeen connected entities and one promoter viz., Shri Abhijeet Dwarkadas Daga offloaded 31,99,688 shares of Timbor on NSE.

f. It was also observed that in Patch II, connected entities had traded among themselves for 8,49,220 shares at BSE and 8,31,895 shares at NSE, and thereby created an impression of artificial volume generation, which invited the attention of gullible investors towards the scrip.

g. It was observed that the average daily trading volumes during Patch I (April 1, 2014 to July 24, 2014) i.e before the bulk SMS circulation period were low vis-à-vis average daily trading volumes during patch II (July 25, 2014 to May 30, 2015) i.e. after circulation of bulk SMS.

4.29. In the facts and circumstances stated above, it was observed that the Noticees entities devised a scheme and artifice to dump shares on July 25, 2014 onwards, in a pre-planned manner i.e.by sending unsolicited bulk SMS to investors and inducing them to buy the scrip. This completed the chain of events which started with the off market share transfer by promoters to connected entities and price manipulation by connected entities. Subsequently, one of the Noticees sent SMS with buy recommendation and thereafter other Noticees dumped the shares of the Company on unsuspecting gullible investors.

4.30. It was observed from the trading pattern of the Noticees and the off-market transfers between them, that the promoters viz Anant Sureshchandra Maloo (Noticee No. 15), Manan Vidhyapati Patel (Noticee No. 17), Maloo Building Materials Pvt Ltd. (Noticee No. 16), Abhijeet Dwarkadas Daga (Noticee No. 14) had made a profit of Rs 3,78,23,499.92 which is alleged to be ill-gotten gains. The details of shares transferred from promoters of Timbor to some entities:

Date	**Promoter Entities**	**Connected Entities**	**Total Shares**
12/06/2014	Anant Sureshchandra Maloo	Nimish P Shah	25,000
12/06/2014	Anant Sureshchandra Maloo	Shirish Manilal Vyas	29,000
21/06/2014	Anant Sureshchandra Maloo	Shirish Manilal Vyas	25,000
03/07/2014	Manan Vidhyapati Patel	Nimish P Shah	5,00,000
07/07/2014	Manan Vidhyapati Patel	Nimish P Shah	6,20,000
30/06/2014	Anant Sureshchandra Maloo	Hettich India Private Limited	3,00,000
10/07/2014	Anant Sureshchandra Maloo	Nimish P Shah	2,50,000
29/08/2014	Abhijeet Dwarkadas Daga	Krishna Kumar Periwal	2,00,000

23/07/2014	Anant Sureshchandra Maloo	Nimish P Shah	5,50,000
06/04/2015	Anant Sureshchandra Maloo	Shirish Manilal Vyas	18,750
15/07/2014	Maloo Building Materials Pvt Ltd	Dipali Nilay Patel	65,000
22/07/2014	Maloo Building Materials Pvt Ltd	Nimish P Shah	2,00,000
24/07/2014	Maloo Building Materials Pvt Ltd.	Sushma Rani	5,00,000
09/08/2014	Maloo Building Materials Pvt Ltd	Nimish P Shah	5,00,000
Total			**37,82,750**

4.31. The above entities had transferred shares to the fourteen entities. The details of sum of trades and sum of values of sale of shares by these fourteen Noticees was enclosed as Annexure-7 to the SCN. The profit made by these 14 Noticees as detailed in the SCN is as follows:

Sale Consideration	Sale Value Rs. (A)	Cost of Acquisition	Cost Value Rs. (B)	Profit (A-B)
Sale Consideration is available in actual and will be same for the all option.	3,78,23,499.92	Option III	0 (37,82,750*0)	3,78,23,499.92

4.32. The updated Annexure 7 to the SCN is as follows:

PAN	name of the entity	NSE		BSE		total both the exchange	
		Traded qty	traded value	traded qty	traded value	Total traded qty	traded value
AAPPC4494H	PARESH NATHALAL CHAUHAN	876403	8485401.25	898297	9746733.04	1774700	18232134.29
AAWHS0331J	SANJAY JETHALAL SONI HUF	408218	3582962.95	267715	2404650.42	675933	5987613.37
ABUPV9961G	SHIRISH MANILAL VYAS	4000	49760.7	4990	60660.75	8990	110421.45

ACGPP9135R	JATIN NATVARLAL PAREKH	7011	79168	2989	26404.2	10000	105572.2
ADHPR4637A	SINGH SUSHMA RANI P	747	9176.75	1185	14689.06	1932	23865.81
AFMPP1445B	KRISHNA KUMAR PERIWAL	137	943	13480	93820.8	13617	94763.8
AGAPP2993B	RAKESH PATEL	19100	183001.75	29000	270216.28	48100	453218.03
AHDPD3526G	AMUL G DESAI	250708	2767796.35	177872	1786630.43	428580	4554426.78
AHSPP7976M	DIPALI NILAY PATEL	27979	301972.6	15207	180821.69	43186	482794.29
AMGPD0183P	MAHESH SOMABHAI DESAI	25000	265000	54735	485525.5	79735	750525.5
AVXPS8823M	NIMISH P SHAH	1600	14160	2100	23185	3700	37345
AVXPS8824N	KAJAL NIMISH SHAH	2800	23750.7	2400	25650	5200	49400.7
BVSPS9740P	KRUPA SANJAY SONI	108690	1122331.45	80879	888248.42	189569	2010579.87
BVSPS9741N	SONI SANJAY JETHALAL	298775	2942478.25	200733	1988360.58	499508	4930838.83
Total		2031168	19827903.75	1751582	17995596.17	3782750	37823499.92

5. The following Annexures were provided with the SCN:

Annexure	Particular
1.	Details of price and volume (day-wise open high, low and close) on BSE
2.	Details of price and volume (day-wise open high, low and close) on NSE
3.1	UCC details
3.2	Details of Off market transactions
3.3	Basis of connections among the Noticees in tabular form
4	The details of trades at BSE in CD
5	The details of trades at NSE in CD
6.1	Copy of email dated March 23, 2016
6.2	Copy of email dated March 30, 2016

6.3	Copy of email dated April 01, 2016
6.4	Copy of email dated April 02, 2016
6.5	Copy of email dated April 06, 2016
6.6	Copy of email dated April 06, 2016
6.7	Copy of ledger statement
6.8	Copy of email dated August 16, 2016
6.9	Copy of email dated February 22, 2018
6.10	Copy of email dated March 01, 2018, ICICI Bank provided bank statements KYC details of Durga Capital Services and Jyoti Enterprise
7	The details of Sum of trades and sum of values of sale of shares by these 14 connected entities
8	The Order log and trade log of the 14 connected entities in CD.

Service of SCN:

6. The SCN was served through post to all Noticees except Noticee nos. 13 and 14 (served through hand delivery), Noticee no. 4 (by publication in newspaper on October 11, 2019), Noticee nos. 1 and 6 (by affixture). Service of SCN was completed on October 11, 2019. Subsequent to the issuance of SCN, inspection of documents was sought by Noticee no. 7 and inspection was carried out by the Authorized Representative of the said Noticee on September 25, 2019. A hearing was granted to all Noticees on July 31, 2019 but delivery of the hearing notice could not be effected to Noticee nos. 4, 10 and 14. On July 31, 2019 Noticee nos. 5, 15, 18 and 21 appeared and made submissions and the hearing was concluded *qua* these Noticees. Noticee no. 15 also represented on behalf of Noticee nos. 3, 13, 16 and 20. Requests for adjournment were received from Noticee nos. 2,6,7, 9,11 and 12 and a fresh date was provided to all remaining Noticees (except those who had appeared on July 31, 2019) on October 14, 2019. It was informed that Noticee no.8 had expired and a death certificate was submitted. It was noted that the hearing Notice with respect to Noticee nos.4, 14 and 17 could not be delivered and therefore, was served through newspaper publication. On October 14, 2018 the Authorised Representative of Noticee no. 7 appeared and made submissions. None of the other Noticees appeared for the hearing nor requested for adjournment. Therefore, hearing *qua* all Noticees was concluded. It was also noted that Noticee no. 14 has expired.

Replies submitted by some Noticees:

7. Noticee no. 5, Sushma Rani, vide her letter received on October 16, 2018 has stated that that her proprietorship concern was the creditor of Timbor which is now in liquidation. She had appeared in person before the Investigating Authority of SEBI and explained her relation with Timbor and that a winding up petition against Timbor was filed by her and winding up order came to be passed by the Hon'ble High Court of Gujarat at Ahmedabad based on a petition filed by another creditor. In pursuance of the huge dues owed to her by Timbor the promoter gave her the equity shares as security and also gave permission to realize the dues after selling the same. Noticee no. 5 opened a demat account for this purpose since she had never traded in securities before and if she did not accept the shares of Timbor even a small portion of her claim could have been realized. Her outstanding statement against Timbor is much higher and by selling equity shares she did not profit . She has also stated that she has no connection with any of the other alleged offenders. By selling shares she had recovered Rs.35,57,000 against outstanding of Rs.1.68 crore. She only knew Shri Anant Maloo and none of the other Noticees.

8. Noticee no. 7, Shri Krishan Kumar Periwal, vide his letter dated October 12, 2019 has stated as follows:

   8.1. There has been no violation of any of the provisions of the PFUTP Regulations or of the SEBI Act as alleged in the SCN or at all and the SCN deserves to be quashed and set aside forthwith.

   8.2. The SCN does not provide a single piece of credible evidence which justify the allegations levelled in the SCN against the Noticee.

   8.3. The SCN is vague as it does not illustrate the essential facts as to actual participation of the Noticee in any illegal activities as alleged against the Noticee in the SCN. The Noticee had no knowledge of any manipulative scheme to be active or to be executed in the future, let alone any possibility of him participating in any such dubious scheme.

8.4. Further at the outset, the Noticee submits that the Noticee' s acts and omissions in the present matter does not tantamount to any fraudulent activity as defined under Regulations 2(1)(c) of PFUTP Regulation and thus, there is no contravention on the Noticee' s part of regulations 3(a), (b), (c) and (d) and 4(1), 4(2)(f) and (r) of PFUTP Regulation.

8.5. It is to be noted that, in the entire SCN, the only role of the Noticee which has been mentioned is that he has purchased shares off-market from the promoter of Company, Mr. Abhijeet Dwarkadas Daga. In respect of the connection of the Noticee to Noticee No. 14 based on the off- market transaction, it is respectfully submitted that the purchase of the shares by the Noticee from Noticee No. 14 was done when a known person of the Noticee, Late Mr. M.R. Saraf who had facilitated the trade. The Late Mr. M.R. Saraf himself had on the first instance, approached the Noticee and had communicated the intention of Noticee No. 14 to sell the shares and since the shares were tendered at a lower price together with the positive affirmation by Mr. Saraf, the Noticee decided to buy the shares from Noticee No. 14 through an off-market transaction.

8.6. The Noticee did not enter into any buy transaction on the market platform in the scrip of the Company and had not, as a consequence, directly or indirectly influenced the price or volume of trade of the scrip prior or after to the circulation of the SMS. It is submitted that the off-market purchase was the first instance that the Noticee bought the shares of the Company.

8.7. Further, in reference to the sale transactions done by the Noticee, it is to be noted that the Noticee had executed trades on the market platform to sell a total of 2,10,000 shares. The sale of the shares had been done through around 266 different transactions over trading platform of different Exchanges and over an elongated period of 18 days commencing from September 01, 2014 to September 18, 2019. It is hereby submitted that the Noticee had sold the shares in normal course of business and had been done based upon the Noticee's independent understanding of the market conditions

8.8. SCN is vague and does not mention or establishes fact of any modus that would have been employed by the Noticee, so as to participate in alleged manipulative

scheme to defraud the investors and public at large and therefore, the Noticee is constrained to put his

8.9. The present SCN is also silent on the point as how intention or knowledge of the alleged manipulative scheme has been imputed on the Noticee .

8.10. A proper SCN should be issued to the party so as to enable them to understand the charged levied against them along with the basis of the charges to provide them with an opportunity to defend the charged levied against them. Since the present SCN is vague and based on frivolous connection, it should be quashed and the proceedings qua the Noticee should be dropped.

8.11. In this regard it is pertinent to note that the Noticee vide his letter dated August 06, 2019 had requested to provide the mentioned documents, so as to enable him to give an effective response to the allegations set out in the SCN. None of the abovementioned documents have been provided to and received by the Noticee and SEBI, by constructively denying the access to the abovementioned documents as requested by the Noticee, precludes the Noticee from giving an effective and accurate representation of his side of the matter. It is submitted that though an opportunity to inspect the documents was provided however the said opportunity was just an open formality.

8.12. In addition to the non-supply of the documents by SEBI to Noticee, it is pertinent to note that according to the data of off-market transactions contained in Annexure 3 , erroneously cooks up the fact pointing towards Noticee returning back the shares received from Noticee No. 14 on the same day through an off-market transaction. The fact of the SCN containing erroneous facts essentially points out towards the lack of thoroughness, inexhaustive and vitiated nature of the inquiry done by the SEBI in the present matter.

8.13. The details of the trades provided as Annexure 8 to the present SCN,only pertains to the trades entered into by the Noticee in the month of September, 2014 and amounting to total of only 103 transactions whereas the Noticee had entered into around 266 different transactions alone in September 2014. As mentioned above, the Noticee had asked SEBI to give the complete order log and trade log, but the

same has not been provided to the Noticee and hence, the information cannot be relied upon by SEBI.

8.14. In regards to the allegations levied against the Noticee in the 'SCN, it is reiterated that no fact has been recorded in the present SCN that indicates or establishes fact of any modus that would have been employed by the Noticee, so as to participate in alleged manipulative scheme to defraud the investors and public and hence, the present SCN is deficient in respect as it does not specify as to how the Noticee participated in the alleged manipulative scheme.

8.15. If SEBI would have delved deeper into establishing the connection, they would have found that the Noticee had no essential connection with Noticee No. 14, which may put forward any fact concertizing relation between the Noticee and Noticee No.14 on basis of which the manipulative intent, knowledge or participation can be imputed on the Noticee. The Noticee submits that he did not have any contact with Noticee No. 14 at the time of purchase of shares or any time prior or post the said transaction.

8.16. The SCN mentions that the promoters of the Timbor had transferred the shares to various entities before the SMS containing the unsolicited buy recommendation was circulated in the public and then such connected entities, after circulating the said SMS had off-loaded the shares in the market and booked a profit while duping the unsuspecting investors. But, the facts concerning the Noticee are divergent to the degree that the Noticee had bought the shares a month after the said SMS containing the unsolicited recommendation was circulated. The Noticee, hence submits that the clubbing of him and concluding him as a part of the connected entities has been erroneously drawn without having consideration of the specific facts.

8.17. No intention or actual participation on the part of the Noticee can be imputed merely based on the incidental fact of any off- market transaction and the SCN does not mention as to how the intention to participate and knowledge of the manipulative scheme can effectively be imputed on the Noticee.

8.18. It is further humbly submitted that the there is no recorded fact of any actual prior or subsequent fund flow between the Noticee and any of the entities alleged to be

involved in the manipulative activity. It is further to be noted that no allegations of any synchronization of trades or any allegation of Noticee entering into reversal or self-trade has been levelled against the Noticee.

8.19. With regard to the allegation of the Noticee acting in concert with the co- noticees as mentioned in the SCN it is submitted that the action of acting in concert involves intentional pre-arrangement, co-operation and meeting of minds with other people and/ or entities involved in the scheme. It is to be noted that the SCN does not establish any connection or relation between the Noticee or any other entities mentioned in the SCN, alleged to be a part of the manipulative scheme involved in the circulation of the SMS and causing fraud on the investors, let alone any possibility of the Noticee acting in concert with any of them to defraud any person or investor or to perform any act forbidden by law.

8.20. Additionally, the SCN remains silent on the point that when no circular, reversal, synchronized trades have been alleged against the Noticee, how the has the Noticee unduly contributed to the traded volume of the scrip and how volume contribution be termed as "artificial" or the trading be termed as "fraudulent"

8.21. It is to be noted that the Noticee had purchased the shares from Noticee No. 14 at Rs. 6 per share and the amount earned from selling the shares on the platforms of the Exchanges stands at 13,74,895.75. The profit that the Noticee has earned from trading in the shares of the Company stood at is meagre Rs. 1,74,895.75. The Noticee submits that the action of disgorgement of the profit stands on the footing that the person who is alleged to have benefitted from the mis-utilization of the market mechanism and has accordingly earned ill-gotten profits.

9. Further vide his written submissions dated October 16, 2019 the Noticee no. 7 has additionally submitted as follows:

9.1. The entire premise of the SCN, is based on the alleged connection of the Noticee with the group of the alleged manipulators and that the Noticee had acted in concert and was part of the group of the connected entities alleged to be indulged in concocting and/ or executing the dubious manipulative scheme. It respectfully

submitted that the SCN while arriving at the aforementioned conclusion, does not mention the basis on which the connection has been established.

9.2. There is no evidence of the Noticee actually indulging in any of the alleged manipulative activities. It is to be noted that based solely on the incidental fact of purchase of shares by the Noticee from Mr. Abhijeet Dwarkadas Daga (Promoter of Timbor Homes Limited.), that too a month post the circulation of the SMS, the Noticee has been pronounced to be a part of the group of connected entities and have been stated to have acted in concert with them so as to defraud the gullible investors. Here it is important to once again point out that the fact of the Noticee selling the shares back to the Noticee no. 14 through an off-market transaction has been wrongly recorded in Annexure No.3.1. Since the basic premise of the SCN is wrong, therefore the entire SCN is liable to be and should be quashed.

9.3. Off-market transactions are not barred and no connection so as to impute any knowledge or intention to participate can be attributed to the Noticee merely based on singular incidence of such transaction while taking into consideration the absence of any personal contact of the Noticee to Noticee No. 14.

9.4. The volume of the traded shares in the abovementioned sale transactions of Noticee no. 7 constituted only 1.5% and 0.6 % of the total traded quantity of shares on NSE and BSE respectively.

9.5. All of the trades done by him were legal, valid, done in the normal course of business and in good faith. Moreover, all the trades were fully honored and devoid of any intention to directly or indirectly participate in any manipulative scheme altogether and hence cannot be said to have created any false or artificial volume.

9.6. It can be said that when the Noticee decided to sell the shares in the market there was pre-existing volume and trend of sale in market. The Noticee submits that since there was pre-existing volume in the market, his sale transactions, pin pointedly cannot be said to have induced any investor to purchase the shares and cause any artificial momentum in the shares.

9.7. In regards to the observation contained in Para 21of the SCN which presents an opportunity to the Noticee to rebut the conclusions as to why suitable directions including disgorgement of unlawful gains should not be passed against him, the

Noticee maintains that since his trades are legally valid, genuine and are done in good faith and under normal course of business, none of the gains earned by him in the trades can be classified as unlawful or illegal in any case.

9.8. The Noticee has been jointly and severally made liable to disgorge an amount of Rs. 3,78,23,499.22/- (Rupees Three Crore Seventy Eight Lakh Twenty Three Thousand Four Hundred Twenty Two and Twenty Two Paise Only). The amount is excessively disproportionate to the amount of profit earned by him through the sale transactions. It is submitted that the Noticee has earned a petty sum of Rs. 174895.75/- (Rupees One Lakh Seventy-Four Thousand Ninty Five and Seventy Five Paise Only) which is highly disproportionate to the amount asked to be disgorged in the SCN.

9.9. Further, it is to be noted that Annexure 7 of the SCN mentions the number of the shares that the Noticee had sold and the total value of the shares sold by the Noticee. The table mentions that the value of the shares sold by the Noticee is Rs. 19,89,303.58/- (Rupees Nineteen Lakh Eighty Nine Thousand Three Hundred Three Only) and the sum of the traded quantity as 200870 shares. It is pertinent to note that the Noticee had sold 210000 shares in the market yet the average price per share comes around Rs. 9.47/- only which cannot be accurate since the highest price the shares has touched while the Noticee transacted was Rs. 7.75/- on NSE and Rs. 7.45/- on BSE and hence the amount of the sum of traded value is erroneous and hence cannot appropriately be relied upon.

9.10. The Noticee did not have any knowledge of the manipulative scheme functional or to be executed in the future course or had any knowledge of any SMS or any content of such SMS. The Noticee hereby denies to have knowingly publishing or causing to publish or reporting or causing to report by a person dealing in securities any information relating to securities, including financial results, financial statements, mergers and acquisitions, regulatory approvals, which is not true or which he does not believe to be true prior to or in the course of dealing in securities. The Noticee denies to have knowingly planting false or misleading news which may induce sale or purchase of securities. His actions in no way warrant any of the action against him under the provision of the Section 11(1), 11(4) and 11B of SEBI Act.

10. Noticee no. 18, Hettich India Pvt Limited. (hereinafter also referred to as Hettich) vide letter dated October 20, 2018 has stated as follows:

    10.1. Timbor was a Hettich customer who purchased furniture fittings and from whom Hettich is having significant outstanding dues of Rs. 43,41,823/- in respect of sales made in the year 2012-2014 and Form C under Central Sales Tax for sales amounting to Rs. 77,61,453/- (non-receipt of C Form from customer leads to interest and tax liability to be paid by Hettich).

    10.2. On account of non-receipt of dues form Hettich, Shri Anant Maloo, Promoter of Timbor has entered into agreement with Hettich to transfer 3,00,000 equity shares held by him as security deposit against dues of Timbor vide agreement dated June 10, 2014. As per the said agreement promoter Ananat Maloo was required to transfer equity shares to Hettich by June 30, 2014 along with a condition that Hettich had right to sell those equity shares after December 31, 2014 if Timbor does not clear the dues by December 31, 2014. On June 27, 2014 Timbor had transferred 3,00,000 shares in the name of Hettich as security deposit based on delivery instruction slip given by the promoter by way of off market transaction.

    10.3. Hettich only received the shares as collateral and on the date of transfer the price of Rs. 16.4 was prevailing . But considering the ethics of the the agreement the sale was made after agreement period . If any nexus was there sale would have been made at a higher price not at rock bottom price.

    10.4. Its sales team where continuously following up for realization from Timbor yet failed to recover any material amount. Based on the ledger of Timbor it can be observed that post June 10, 2014 Hettich only received Rs. 1,35,406 till February 24, 2015 against the dues of Rs. 43. 41 lakh and cheque amount received for nominal amount bounced. Post December 31, 2014 on account of non-recovery Hettich decided to invoke said agreement and take stern action and accordingly it obtained the consent of the promoter Mr. Maloo for selling shares of Timbor which was held as collateral.

10.5. It initiated selling of shares for recovery of its dues only and it made first recovery by selling 1587 shares at the rate of Rs.6.02 per share amounting to Rs. 9560 on May 21, 2015 and there after selling 21,713 shares amounting to Rs.1,07,351 shares at average rate of Rs.4.94 per share during the IP Patch 2. The information as to trades done by Hettich stand reconciled with para 7 of the SCN.

10.6. The only recourse before Hettich to recover dues from Timbor was by way of sale of shares held as collateral. Accordingly, during IP Patch 2 it sold insignificant 21,713 shares amounting to Rs.1,06,593 (i.e. 0.20% of total trade volume of any NSE and BSE) against dues of Rs. 43,41,823/-.

10.7. Despite selling the shares and nominal receipt of dues it still has recovery outstanding from Timbor of Rs. 25,83,446 as on date and Form C pending against sale of approx. Rs. 20,02,479 for which Hettich has to pay interest and tax amount.

10.8. Vide reply dated October 22, 2018 Noticee no. 18 reiterated the submissions made vide letter dated October 20, 2018 and further added as follows;

10.9. Hettich has business selling furniture fittings to Timbor since year 2007. Initially it deal with Timbor Home Pvt. Ltd. and later on the busines was shifted to Timbor Home Ltd. during 2011. After several years of smooth business with Timbor its sale receivable started getting stuck with delayed payments since the years 2012-13 resulting into significant outstanding dues of Rs. 43,41,823/- in respect of sales till June 10, 2014.

10.10. It has sold all shares of Timbor to realise the dues from Timbor with no intent to make profit and shares were sold at lowest price range during the IP. Hettich has never done trade in equity except Timbor for recovery of its dues which was first and last one to trade till date.

10.11. Hettich was not aware of such a scheme or beneficiary of scheme launched by alleged parties mentioned in the SCN to plant unsolicited and misleading advice recommending purchase of shares of Timbor or to induce unsuspecting gullible investors to purchase the shares of Timbor.

11. Noticee no. 21, Shri Mukesh Himatlal Shah, vide his letters which were received by SEBI on October 22, 2018 and October 24, 2018 has stated that he is not aware of any other person except Shri Manoj Goenka and his wife Sushma Rani who are his clients since long and he had rendered professional service to the group company of Shri Manoj Goenka where the family members of Shri Manoj Goenka are directors and shareholder and Noticee no. 21 had also assisted in case of litigation for recovery legally. Shri Manoj Goenka and his wife faced severe financial crisis as their money was stuck in Timbor Homes Ltd. as their proprietorship concern Yuvtex Ltd. had supplied goods to Timbor . It had been informed to Noticee no. 21 that since dues owed to Yuvtex could not be paid off they were given the equity shares by the promoters of Timbor before it had gone into liquidation. Since Shri Manoj Goenka and his wife were unable pay for the professional services rendered by Noticee no. 21 they suggested that he take shares of the debtor company. Noticee no. 21 agreed to the same and accepted certain shares of Timbor in his demat account and in fact sold them at a later date and realized certain dues from selling the equity shares of Timbor. There was no information to Noticee no. 21 regarding fluctuation or any increase in price of the shares and he only sold it to realise his dues and there is not privity of contract between him and any other Noticee except Sushma Rani who was his client.

Hearing and written submissions:

12. A hearing was granted to all Noticees on July 31, 2019. The Noticee no. 15 appeared for hearing on behalf of himself and Noticee nos. 3, 13, 16 and 20. During the hearing he had stated that his firm Timbor had caught fire and therefore the Company had been unable to pay its dues. Noticee no. 15 also submitted that he had been cheated by Shri Sanjay Jethilal Soni (Noticee no.6) who had advised the promoters of Timbor to transfer their shares to Shri Sanjay Jethilal Soni and thereafter he will sell them. However, Noticee no.15 eventually discovered that Noticee no.6 had indulged in fraudulent scheme as noted in the SCN. Noticee no. 15 had submitted copies of the First Information Report filed by him against Shri Sanjay Jethilal Soni and copies of newspaper reports corroborating his submissions. He was given time of ten days to file written submissions however, no written

submissions have been received from him. Noticee no. 15 also appeared on behalf of Noticee nos. 3, 13, 16 and 20.

13. Requests for adjournment were received from Noticee nos. 2,6,7, 9,11 and 12 and a fresh date was provided to all remaining Noticees (except those who had appeared on July 31, 2019) on October 14, 2019. On October 14, 2018 the Authorised Representative of Noticee no. 7 appeared and made submissions. None of the other Noticees appeared for the hearing nor requested for adjournment. Time was granted to those Noticees who appeared for hearing to make written submissions and the written submissions of Noticee no. 7 was received on October 16, 2019 and Noticee no. 21 made its written submissions on October 24, 2019.

14. Noticee no. 7 has filed additional written submissions dated June 26, 2020 wherein he has stated as follows:

14.1. Noticee no. 7 has come to notice a discrepancy in his calculation of the profit amount derived by the Noticee by trading the shares of Timbor during the respective Investigation Period and hence a recalculated figure of profit, derivation and calculation is mentioned herewith. During the course of the personal hearing on October 14, 2019 and the filing of the additional submissions dated October 16, 2019, the Noticee had submitted the profit earned by it as Rupees 1,74,895.75/-(Rupees One Lakh Seventy Four Thousand Ninty Five and Seventy Five Paise Only). However, upon recalculation and rectification of the discrepancy, it is submitted that the profit made by the Noticee while dealing in the scrip of Timbor Homes Limited is only Rupees 1,43,789.05/- (Rupees One Lakh Forty Three Thousand Seven Hundred Eighty Nine and Five Paise Only) based on the following calculation:

Sale Consideration	Sale Value Rs. (A)	Cost of Acquisition	Cost Value (B)	Profit (A-B)

Sale consideration is available in actual and will be same for all option	3,78,23,499.92	Optionill	0 (37,82,750*0)	3,78,23,499.92

14.2. In regards to the Sale Value (A) determined in the said table, the same is same as depicted in Annexure 07 of the SCN which mentions the total traded quantity by the Noticee as 2,00,870 and the sum of the Trade Value, being derived from the number of shares as Rupees 19,89,303.58/- (Rupees Nineteen Lakh Eighty Nine Thousand Three Hundred Three Only). The allegation in the present SCN is regarding to only 2,00,000 shares that the Noticee had purchased from Mr. Abhijeet Dwarkadas Daga and hence, considering the sale value of incremental 870 shares is totally unwarranted. Further, it is pertinent to note that the Noticee had sold a total of 210,000 shares in the market, the additional 10,000 shares being short sold, delivery obligation of which was duly fulfilled by buying the said number of shares in auction and following the above submission, the Noticee reiterates that the additional sale of the abovementioned 10,000 shares should not be taken into consideration in the present proceedings.

14.3. Further, taking into consideration the Trade Value derived from the number of shares alleged to be sold as per the Annexure 07, the average price per share comes around Rs. 9.47/- which in any case cannot be accurate since the highest price the shares has touched while the Noticee transacted was Rs. 7.75/- on NSE and Rs. 7.45/- on BSE and hence the amount of the sum of traded value is also erroneous and hence cannot appropriately be relied upon. The various errors in calculations point out towards the inexhaustive nature of investigation done by SEBI in present matter and hence, the SCN is appropriately liable to be quashed.

14.4. The Noticee, has submitted the following table detailing the day-wise sale of the shares and the sale consideration received by the Noticee at both the exchanges as:

Particulars	No.of Shares	Avg. Rate per share (In Rs.)	Amount
	BSE		
01.09.2014	13480	6.96	93820.8
03.09.2014	6251	6.4	39923.26
05.09.2014	701	6.19	4262.5
09.09.2014	11615	6.43	73988.9
10.09.2014	13551	6.54	88763.35
15.09.2014	18021	7.34	132050.42
SUB TOTAL	63619	6.64	432809.23
	NSE		
02.09.2014	5438	6.85	37254.85
03.09.2014	16219	6.41	103920.85
05.09.2014	10368	5.9	61171.2
09.09.2014	20000	6.39	127910
10.09.2014	30000	6.55	196438.25
12.09.2014	5000	6.99	34292.1
15.09.2014	41412	7.26	302,067.70
16.09.2014	17944	7.71	138,354.05
SUB TOTAL	146381	6.74	1,001,409.00
TOTAL	210000		1,434,218.23

14.5. Considering the above calculation it can be seen that the total sale consideration received by the Noticee for the sale of 2,10,000 shares is Rupees 14,34,218.23/- (Rupees Fourteen Lakhs Thirty Four Thousand Two Hundred Eighteen Rupees and Twenty Three Paise) based on which the Noticee reiterates that calculation of the total trade value as Rupees 19,89,303.58/- (Rupees Nineteen Lakh Eighty Nine Thousand Three Hundred Three Only) for 2,00,870 shares is incorrect and erroneous.

14.6. For calculation of Cost of Acquisition words "Option Ill" are mentioned while no reference of or meaning to the phrase could be found in the SCN.

14.7. With regards to the calculation of Cost Value (B), the Noticee submits that for calculating the profit, the number of shares considered for calculating the profit is 37,82,750 shares is taken from Table 17. Hence, in effect, while the number of the shares purchased by the Noticee (2,00,000 shares) have been considered for

calculating the cost, the sale value of an increased number of shares (2,00,870 shares), as taken from Annexure 07, has been considered which is points out to the inherent incorrectness of the calculation.

14.8. Further, while calculating the Cost Value (B) i.e the price at which the shares were acquired by the Noticees have been considered as zero, at the same time, no reason for considering the price as zero has been put forward, which makes the calculation of the profit as arbitrary and unreasonable, which falters the whole scheme of the SCN in the present case and the errors are irreconcilable and serious infirmity.

14.9. The Noticee, further submits that it has been unduly clubbed with the other Noticees and the total calculation of the profit is shown in Table 18 of SCN to be around an amount of Rs. 3,78,23,499.92/- (Rupees Three Crore Seventy Eight Lakh Twenty Three Thousand Four Hundred Twenty Two and Twenty Two Paise Only). Since no connection of the Noticee is brought forward in the SCN, such a clubbing is unwarranted, creates a prejudice to the Noticee and also creates a bias against the Noticee. According to the formula used by SEBI the maximum amount of profit which can be determined is only Rupees 1,989,303.58/- (Rupees Ninteen Lakh Eighty Nine Thousand Three Hundred Three Only) as the Noticee is to be considered individually since no connection had been established between the Noticee and any other co-noticees except drawing a remote connection with Mr. Abhijeet Dwarkadas Daga, with whom the Noticee had no trading on the trading platform of either Bombay Stock Exchange or National Stock Exchange.

14.10. The Noticee, on the point of being joint and severally liable to disgorge the unlawful gains, submits that no calculation of the unlawful gains/ profits has been put forward in the present SCN.

14.11. Taking into consideration but without accepting, the Noticee submits that if he is directed to jointly and severally disgorge the profit amount calculated by SEBI or the or the Trade Value being considered as profit being individually earned by him through the sale transactions, the Noticee submits apart from the above profit amounts being erroneous, the same are also excessively disproportionate to the amount of profit actually earned by him.

14.12. The details of the calculation of the unlawful gains submitted by Noticee no. 7 is as follows:

Particulars	No. of Shares	Avg. Rate per share (In Rs.)	Amount
	BSE		
01.09.2014	13480	6.96	93820.8
03.09.2014	6251	6.4	39923.26
05.09.2014	701	6.19	4262.5
09.09.2014	11615	6.43	73988.9
10.09.2014	13551	6.54	88763.35
15.09.2014	18021	7.34	132050.42
SUB TOTAL	63619	6.64	432809.23
	NSE		
02.09.2014	5438	6.85	37254.85
03.09.2014	16219	6.41	103920.85
05.09.2014	10368	5.9	61171.2
09.09.2014	20000	6.39	127910
10.09.2014	30000	6.55	196438.25
12.09.2014	5000	6.99	34292.1
15.09.2014	41412	7.26	302,067.70
16.09.2014	17944	7.71	138,354.05
SUB TOTAL	146381	6.74	1,001,409.00
TOTAL	210000		1,434,218.23
Less: Sale consideration for 10,000 shares	(10000)		(77,000.00)
TRADE VALUE	200000		1,357,218.23
Less: Brokerage, SIT, stamp duty,			(13,429.18)
SALE CONSIDERATION			1,343,789.05
Less: Cost of Acquisition of shares			(1,200,000.00)
NET GAIN			143,789.05

14.13. The determination as to the whether the person has to let go off his profits is based on the fact that the gains derived by him/her are unlawful or illegal. The Noticee maintains that since his trades are legally valid, genuine, were done in goodfaith and under normal course of business, none of the gains earned by him in the trades can be classified as unlawful or illegal in any case.

Consideration of submissions and findings thereon:

15. Before dealing with the issues involved in the matter, it would be appropriate to refer to the provisions of laws which have been alleged to have been violated by the Noticees and the relevant extracts of the same are reproduced below:

Relevant extract of the provisions of PFUTP Regulations:

"Regulation 3

Prohibition of certain dealings in securities

"No person shall directly or indirectly

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

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

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

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

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) including 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;

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

…

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

.....”

16. In this matter, I note that after the receipt of the complaint in August 2014, an extensive investigation was carried out by SEBI. The said investigation included several entities who had traded in the scrip during the IP and entailed analysis of their trade data and finding connection amongst them. I also note that a large number amongst these entities were unresponsive and non-cooperative therefore making the process of investigation difficult and time consuming. Further, investigation revealed a *prima facie* scheme where the entities connected/associated with the promoters who were aware about the Company, the scheme of issue of SMS and trading by different category of entities in different patches of IP and these dots were required to be connected. Investigation was concluded on May 23, 2018 and the action was approved by the Competent Authority on May 24, 2018. Thereafter, the SCN was issued on September 21, 2018. All Noticees except Noticee nos. 1,4 and 6 were served with the SCN through hand delivery/ RPAD. The service of SCN was effected on Noticee nos. 1 and 6 by affixture and on Noticee no. 4 by publication in newspaper on October 11, 2019. Service of SCN on all Noticees was completed on October 11, 2019. Subsequent to the issuance of SCN, inspection of documents was sought by Noticee no. 7 and inspection was carried out by the Authorized Representative of the said Noticee on September 25, 2019. A hearing was granted to all Noticees on July 31, 2019 but delivery of the hearing notice could not be effected to Noticee nos. 4, 10 and 14. On July 31, 2019 Noticee nos. 5, 15, 18 and 21 appeared and made submissions and the hearing was concluded *qua* these Noticees. Noticee no. 15 also appeared on behalf of Noticee nos. 3, 13, 16 and 20. Requests for adjournment were received from Noticee nos. 2,6,7, 9,11 and 12 and a fresh date was provided to all remaining Noticees (except those who had appeared on July 31, 2019) on October 14,

2019. It was noted that the hearing Notice with respect to Noticee nos.4, 14 and 17 could not be delivered and therefore, was served qua these Noticees through newspaper publication. On October 14, 2018 the Authorised Representative of Noticee no. 7 appeared and made submissions. None of the other Noticees appeared for the hearing nor requested for adjournment. Time was granted to those Noticees who appeared for hearing to make written submissions and the written submissions of Noticee no. 7 was received on October 16, 2019 and Noticee no. 21 made its written submissions on October 24, 2019. I also note that from March 2020 onwards nationwide lockdown was imposed due to outbreak of Covid -19 till August 2020. On June 26, 2020 Noticee no. 7 filed his further written submissions. Thereafter, it was noted that Noticee no. 7 in his replies dated October 12, 2019 and October 16, 2019 had sought the trade log of his trades on NSE and since this information was relied upon in the SCN for levelling the charge against the Noticee no. 7 and was not provided to Noticee no. 7 as annexure to the SCN, this information was directed to be provided to Noticee no.7. Accordingly, on August 24, 2020 the trade log of his trades on NSE was provided to the Noticee no.7 with advise to file his response, if any, to the said information within 5 days of the email. However, no further response was received from Noticee no.7.

17. The Noticee no. 7 has raised certain preliminary issues relating to non-furnishing of certain documents to him. Before dealing with the case on merit, it would be appropriate to deal with these issues. The Noticee has stated in his reply dated October 12, 2019 that SEBI has not provided him with certain documents. The Noticee has stated that non-furnishing of these documents amounts to violation of principles of natural justice and therefore, SEBI cannot rely on any of these documents in order to prove any of the allegations in the SCN. The documents as enlisted by Noticee no. 7 in his reply allegedly not provided to him by SEBI, are tabulated below along with my observation regarding furnishing of such documents:

Sr. No.	Document/ information sought by Noticee no. 7	Observations

a.	Complete Copy of Investigation Report	The SCN contained the relevant extract of the findings of investigation report with regard to the charges levelled against Noticee no.7. Request for complete investigation report is not tenable.
b.	Complete Order Log Trade Log in the scrip of Timbor for the Investigation Period	The complete order log/trade log for the Noticee no. 7's trades during the Investigation Period was provided to the Noticee no. 7 on September 25, 2019 during inspection in respect of his trades on BSE. Further, order log trade log for his trades on NSE was provided to Noticee no. 7 on August 24, 2020.
c.	Proof of Off-market transaction/s with Abhijeet Dwarkadas Daga (Noticee no. 14) as mentioned in Annexure 3.2 of the SCN	This information has been sought as the Noticee no. 7 contends that he had only received 2,00,000 shares of Timbor from Noticee no. 14 and he had never sold 2,00,000 shares thereafter as stated in Annexure 3.2 of the SCN. This Annexure 3.2 contains details of off market transaction to allege connection between transferor and transferee. No allegation has been made in the SCN on the basis of the purported sale of 2,00,000 shares of Timbor by Noticee no. 7 to Noticee no. 14. The SCN alleges connection between promoter and Noticee no. 7 based on without consideration off market transfer of shares from Noticee no. 14 i.e. promoter of Timbor to Noticee no. 7. Noticee no. 7 has not denied that he has received 2 lakh shares from promoter through an off market transaction. The Noticee is asking additional corroborative evidence like DIS for transfer of 2 lakh shares from Noticee no. 7 to Noticee no. 14 which is not available with SEBI. The non-furnishing

		of such additional details has not caused any prejudice to Noticee no. 7.
d.	Documentary evidence to show that the Noticee was connected to any of the alleged group entities or promoters of the Company'	This is a general request without specifying any document or information required. The documents relied upon in the SCN for establishing connection with other Noticees (Noticee no. 14) has already been provided as Annexure 3.2 to SCN. The request by Noticee no. 7 for such document, without specifying the document, is fishing and roving enquiry and hence, not tenable.
e.	Any materials, information, documents, etc. which has been referred and relied upon while issuing SCN.	This is not a specific query. All the relevant documents relied upon in the SCN has been provided as annexure to the same. The request by Noticee no. 7 for such document, without specifying the document, is fishing and roving request and hence, not tenable.

18. The Noticee no.7 has relied upon decision of the Hon'ble Supreme Court in *PWC Vs SEBI* (Civil Appeals No. 6003-6004 of 2012 & 6000-6001 of 2012) directing SEBI to provide all the documents collected during the course of investigation. In this regard, I note that similar contention, based on the aforesaid decision of the Hon'ble Supreme Court in the PWC matter, was raised before Hon'ble Securities Appellate Tribunal (hereinafter referred to as "**Hon'ble SAT"**) in the matter of *Shri B. Ramalinga Raju vs. SEBI* (SAT Appeal No. 286 of 2014) wherein Hon'ble SAT, in its order dated May 12, 2017, observed as follows:

> *"21. .....Apex Court in case of Price Waterhouse has specifically recorded that the directions given in that case are general directions given as and by way of clarifications without going into the merits of the case. Therefore, directions given in the facts of Price Waterhouse cannot be said to be the ratio laid down by the Apex Court applicable to all other cases. In these circumstances, appellants are not justified in contending that the directions given by the Apex Court in case of Price Waterhouse must be applied to the case of the appellants."*

Therefore, the direction given by the Hon'ble Apex Court in PWC matter (supra) was specific to that case only and has no application in the present proceedings as laying down law for general application.

19. In this regard, reference may be made to the order dated February 12, 2020 passed by Hon'ble Securities Appellate Tribunal (hereinafter referred to as "**SAT**") in Appeal (L) No. 28 of 2020 – Shruti Vora Vs. SEBI, wherein it was observed as under:

> *"In the light of the aforesaid, we are of the opinion that concept of fairness and principles of natural justice are in-built in Rule 4 of the Rules of 1995 and that the AO is required to supply the documents relied upon while serving the show cause notice. This is essential for the person to file an efficacious reply in his defence."*

The aforesaid observations made in Shruti Vora's case has been reiterated with confirmation by Hon'ble SAT in its order dated July 17, 2020 passed in Anant R Sathe Vs. SEBI wherein it was observed as under:

> *"……..8. The said principle elucidated in Shruti Vora's judgement is squarely applicable in the instant case. The authority is required to supply the documents that they rely upon while serving the show cause notice which in the instant case has been done and which is sufficient for the purpose of filing an efficacious reply in his defence……"*

In the present case also, I find that the Noticee no. 7 has been provided with all the relevant documents relied upon in the SCN which are sufficient for Noticee no. 7 to file an efficacious reply in the matter. I find that Noticee no. 7 has filed its detailed response to the SCN, on October 12, 2019 and October 16, 2019 and June 26, 2020. Therefore, the contention of the Noticee no. 7 in this regard is untenable.

20. Noticee no. 7 has also submitted that the SCN is vague since the said SCN states that the Noticee no. 7 received shares from Noticee no. 14 and sold it in the market but fails to explain how the intention or knowledge of the impugned scheme is imputed on the Noticee no. 7 or his *modus operandi* or how he aided the promoters of Timbor in offloading

the shares. Noticee has submitted that the SCN neither mentions nor establishes any connection of Noticee no. 7 with other Noticees nor does it mention any fact that Noticee no. 7 received any SMS nor does it mention how the Noticee no. 7 assisted the promoters of Timbor to offload the shares of Timbor. In view of this, Noticee no. 7 has submitted that the SCN is not sustainable in law. Noticee no. 7 has cited various case laws dealing with the issue of SCN as towhat should be the contents of an SCN and that the SCN should enable the Noticee to understand the charge against him clearly along with the basis of such charge.

21. From a reading of the SCN, I note that the charge leveled against Noticee no. 7 is that he was one of the Noticees who received shares of Timbor from the promoters of Timbor and thereafter dumped these shares in the secondary market by taking advantage of the increase in volume consequent to circulation of bulk SMS by Noticee no. 11 who is connected to the promoters of Timbor, as given in the detail of *modus operandi* at para 23. The said charge is based on Noticee no. 7's connection with the promoters of Timbor through an off market transaction in the shares of Timbor, as shown in Annexure 3.2 to the SCN and the details of his secondary market trades as provided in Annexure 4 and 5 of the SCN. I note that the SCN states that the Noticee was part of a scheme and artifice, to offload large number of shares of Timbor in the secondary market, which *inter alia* included planting of unsolicited and misleading advice through bulk SMS, circulated by Noticee no. 11 who was connected to the promoters of Timbor, recommending purchase of shares of the Company, to induce unsuspecting gullible investors to purchase shares. I note that the SCN alleges that the Noticee received shares in off market from the promoter of Timbor as a gift without paying any consideration and helped in offloading such shares in the secondary market when unsolicited advice was sent to gullible investors through bulk SMS recommending purchase of shares of the Company. I also note that the SCN states that such action on the part of Noticee no. 7 was in violation of Regulations 3 (a), (b), (c), (d) and 4(1), 4(2)(f) and (r) of PFUTP Regulations against Noticee no. 7. I also note that there is no charge against Noticee no. 7 related to receipt of SMS and therefore his submission that he did not receive any SMS is not relevant and no vagueness is attributable to the SCN on this basis. I find that the SCN in the present

case, clearly brings out the relevant facts and the charges levelled against the Noticees as well as the Sections of the SEBI Act, 1992 and regulations framed thereunder under which directions are proposed to be issued are also clearly laid out in the SCN (same has been reproduced in para 4 above). Relevant annexures have also been provided, as detailed in para 5. I note that after issue of SCN, Noticee no. 7 conducted inspection and after that has filed detailed replies on dated October 12, 2019 and October 16, 2019 and June 26, 2020. I also find that the Noticee no. 7 has made submissions in respect of each of allegations as summarised in paras 8,9 and 14 above. Such submissions could not have been made, if the SCN was vague, as alleged by the Noticee and the charges not specifically made out. Therefore, contentions made by Noticee no. 7 in this regard are misplaced and hence, not tenable. Noticee No. 7 has also relied on the judgment of the Hon'ble Supreme Court in *Gorkha Security Services Vs. Govt. of NCT of Delhi & Ors. (2014) 9 SCC 105* to emphasize on the contents that are mandatorily required to be included in an SCN. The Noticee no. 7 has also cited the decisions in *Food Corporation of India vs. State of Punjab and Others* (2001) 1 SCC 291 and *Canara Bank Vs. Debasis Das* (2003) 4 SCC 552 etc. to strengthen his submissions. Based on the discussions herein, I find that the charge against Noticee no. 7 as well as the basis of the said charges has been clearly laid out in the SCN and Noticee no. 7 has made detailed submissions in response to the SCN. In view of the same, I note that these cases may not apply to the present proceedings.

22. Now turning to merits of the case, I note that the shares of the Company were listed on BSE and NSE. As already noted in previous paras, complaints were received by SEBI regarding SMS being circulated advising to buy shares of Timbor during July-August 2014. The price of the scrip started to fall thereafter. The price volume data of the scrip in BSE for the period before, during and after the investigation period is given below:

Period	**Date**		**Opening Price/volume on first day of the**	**Closing price/volume on last day of the**	**Low price/volume during the period (Rs.)**	**High price/volume during the period (Rs.)**	**Average No of shares traded**	**Total number of shares traded during**

			period (Rs.)	period (Rs.)			daily during the period	the period
Before investigation period	**01/01/2014 to 31/03/2014**	Price	12.25	11.13	9.13(25/03/14)	13.25 (23/01/14)	982	57,913
		Vol.	330	1830	1 (17/01/14)	4866 (31/01/14)		
During investigation period	**01/04/2014 to 30/05/2015**	Price	11.65	5.20	3.26 (23/02/15)	20.20 (11/06/14)	37,675	1,04,36,053
		Vol.	2552	1	1 (08/05/15)	11,91,696(19/08/14)		
After investigation period	**01/06/2015 to 28/08/2015**	Price	5.26	4.46	4.04 (28/08/15)	6.56 (13/07/15)	28,520	134,40,417
		Vol.	4	2322	1 (25/08/15)	311275 (09/07/15)		

The price volume data of the scrip in NSE for the period before, during and after the IP is given below:

Period	**Dates**		**Opening Price/volume on first day of the period (Rs)**	**Closing price/volume on last day of the period (Rs.)**	**Low price/volume during the period (Rs.)**	**High price/volume during the period (Rs.)**	**Avg. number of shares traded daily during the period**	**Total number of shares traded during the period**
Before investigation period	01/01/2014 to 31/03/2014	Price	11.15	11.30	9.25 (22/03/14)	12.65 (11/02/14)	1090	63,195
		Vol.	55	3721	1 (10/02/14)	3727(28/03/14)		
During		Price	11.70	5.10	3.20 (11/03/15)	20.20 (11/06/14)	34,627	95,57,104

investigation period	01/04/2014 to 30/05/2015	Vol.	3491	2101	1(30/04/15)	9,64,210(19/08/14)		
After investigation period	01/06/2015 to 28/08/2015	Price	5.2	4.45	4.2 (28/08/15)	6.3 (13/07/15)		
		Vol.	4	605	1 (25/08/15)	2,37,000 (08/07/15)	24,451	11,73,668

The Company's financials were deteriorating around the period of examination and there were no significant corporate announcements by the Company during the period, to explain the price movement in the scrip. A preliminary examination revealed that simultaneously with the sending of the SMS containing unsolicited advice recommending the buying of shares of Timbor, the promoter shareholding reduced from 29.90% in March 2014 to 2.93% in December 2014. Further the promoter holding reduced to 0.29% in June 2015. The analysis revealed that the promoters of Timbor transferred their holding in Timbor to some non-promoter entities (who were connected to the promoters) through off-market route that too without accompanying disclosures at the same time SMS was sent containing unsolicited advice recommending the buying of shares of Timbor and thereafter, the non- promoter entities along with two other promoters of Timbor sold the shares of Timbor in the secondary market to the gullible investors. It was also noted that winding up proceedings were initiated against the Company on a winding up petition filed by one of the creditor of the Company which was admitted by the Hon'ble High Court of Gujarat on June 29, 2015 and trading in the shares of Timbor was suspended by both of the exchanges from October 29, 2015. It is also noted that subsequently the Company was ordered to be wound up by an order of the Hon'ble High Court of Gujarat on June 16, 2016. In this background the investigation was initiated into the trading in the scrip of the Company.

23. On the basis of preliminary examination by SEBI of the trading activity in the scrip of Timbor, information collected from UCC details, off market data and MCA data, 21 entities who are the Noticees in the present matter were identified as suspected entities It was

observed that the four Noticees who were promoters of Timbor viz. Anant Sureshchandra Maloo(Noticee no. 15), Maloo Building Material Pvt. Ltd. (Noticee no. 16), Manan Vidhyapati Patel (Noticee no. 17) and Abhijeet Dwarkadas Daga (Noticee no. 14) had transferred a total of 37,82,750 shares before and after circulation of bulk SMS shares directly or indirectly to other Noticees (Noticee nos. 3, 4, 5, 7 and 18) who thereafter dumped it in the secondary market on gullible investors. The SCN states that, the Noticees were part of a scheme which involved planting unsolicited and misleading advice recommending purchase of shares of Timbor to induce unsuspecting gullible investors to purchase shares of the company through bulk SMS and thereafter offloading large number of shares in the secondary market pursuant to such misleading recommendation with a view to deceive such unsuspecting gullible investors. As per SCN, *modus operandi* adopted by the Noticees was as under:

a. Prior to sending bulk SMS, some of the Noticees (Noticee nos. 2, 3, 9, 11 and 12) bought small quantity of shares in each transaction which contributed to increase in scrip price.
b. Around the same time, promoters of Timbor (Noticee nos. 14,15,16 and 17) transferred shares to certain Noticees through off market route.
c. Subsequently, one of the entities, viz. Soni Sanjay Jethalal (Noticee no. 11), circulated bulk SMS during July 25, 2014 to July 28, 2014 containing unsolicited advice recommending purchase of shares of the Company and lured unsuspecting gullible investors to buy the shares of the Company.
d. Pursuant to sending bulk SMS in Patch II of the IP, seventeen non- promoter Noticees (Noticee nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12,13, 18, 19, 20 and 21) who are connected to the promoters of Timbor or each other , as detailed in para 24 ,and two promoters viz., Maloo building Material Pvt Ltd. (Noticee no. 16) and Shri Abhijeet Dwarkadas Daga (Noticee no. 14) traded for 26,15,280 shares at BSE.
e. Similarly, pursuant to sending bulk SMS in Patch II of the IP, seventeen non-promoter Noticees (Noticee nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 18, 19, 20 and 21) who are connected to the promoters of Timbor or each other, as detailed in

para 24 and one promoter viz., Shri Abhijeet Dwarkadas Daga (Noticee no. 14) traded for 31,99,688 shares at NSE.

f. It was also observed that in Patch II, Noticees had traded among themselves for 8,49,220 shares at BSE and 8,31,895 shares at NSE, and thereby created an impression of artificial volume generation, which invited the attention of gullible investors towards the scrip.

g. It was observed that the average daily trading volumes during Patch I (April 1, 2014 to July 24, 2014) i.e before the bulk SMS circulation period were low vis-à-vis average daily trading volumes during patch II (July 25, 2014 to May 30, 2015) i.e. after circulation of bulk SMS.

24. Name and basis connection of the Noticees as stated in Annexure 3.3. to the SCN is given hereunder:

Si No.	Client Name	Client PAN	Details of connection	Basis of connection
1	Paresh Nathalal Chauhan	AAPPC 4494H	• Entities number 1, 2, 13 and 16 are related based on common Phone number (263026200) • Entity number 1 has received shares from entities number 2,3,10, 15, 16 and 13 through off market.	a)UCC details b)Off market data
2	Gagabhai Desai Amul	AHDPD 3526G	• Entities number 1, 2, 13 and 16 are related based on common Phone number. (263026200) • Entities number 2 and 13 are related based on common Mobile Number (9904852495) • Entities number 2 and 16 are related based on common Mobile Number (9974914444) • Entity number 2 has transferred shares to entity number 1 through off market. • Entity number 2 has received shares from entity number 3 through off market.	a)UCC details b)Off market data
3	Nimish Pankajkumar Shah	AVXPS 8823M	• Entities number 3, 4 and 5 are related based on common Mobile number (9558152663) • Entities number 3, 5 and 17 are related based on common Mobile Number (9998900098) • Entities number 3, 5 and 17 are related based on common Email id (nimish09@hotmail.com)	a)UCC details b)Off market data

Si No.	Client Name	Client PAN	Details of connection	Basis of connection
			• Entities number 3, 4, 5 and 17 are related based on common Email id (nimishshah09@gmaill.com) • Entities number 3 and 17 are related based on common Address (B12 Panchratna Appt Opp Sun View Tower Nr Bhuyangdev Memnaga Chak Rast Ahmedabad) • Entities number 3 has received shares from entity number 5,6,7 and 9 through off market. • Entity number 3 has transferred shares to entity number 1, 2, 8, 9 and 10 through off market.	
4	Abhijeet Dwarkadas Daga	AHTPD 5397B	• Entities number 4, 3 and 5 are related based on common Mobile Number (9558152663) • Entities number 3, 4, 5 and 17 are related based on common Email id (nimishshah09@gmaill.com) • Entity number 4 has transferred shares to entity number 11 through off market.	a)UCC details b)Off market data
5	Anant Sureshchandra Maloo	ACSPM 2958D	• Entities number 3, 4, and 5 are related based on common Mobile Number (9558152663) • Entities number 5 and 6 are related based on common Mobile Number (9998504141) • Entities number 3, 5 and 17 are related based on common Mobile Number (9998900098) • Entities number 6 and 5 are related based on common Email id (anant@timborhome.com) • Entities number 3, 5 and 17 are related based on common Email id (nimish09@hotmail.com) • Entities number 3, 4, 5 and 17 are related based on common Email id (nimishshah09@gmaill.com) • Entities number 5 and 6 are related based on common Address (B1 Harikrupa Apt Nr Naranpua Rly Crossing, Ahmedabad) • Entity number 5 has transferred shares to entity number 3, 12 and 18 through off market.	a)UCC details b)Off market data
6	Maloo Building Materials Pvt Ltd	AABCM 0619D	• Entities number 5 and 6 are related based on common Mobile Number (9998504141). • Entities number 5 and 6 are related based on common Email id (anant@timborhome.com)	a)UCC details b)Off market data

Si No.	Client Name	Client PAN	Details of connection	Basis of connection
			• Entities number 5 and 6 are related based on common Address (B1 Harikrupa Apt NR Naranpua RLY Crossing Ahmedabad) • Entity number 6 has transferred shares to entity number 3, 8 and 9 through off market.	
7	Manan Vidhyapati Patel	AFJPP0452P	• Entity number 7 has transferred shares to entity number 3 through off market.	a)Off market data
8	Dipali Nilay Patel	AHSPP7976M	• Entity number 8 has received shares from entity number 3 and 6 through off market. • Entity number 8 has transferred shares to entity number 19 and 20 through off market.	a)Off market data
9	Sushma Rani	ADHPR4637A	• Entity number 9 has received shares from entity number 3 and 6 through off market. • Entity number 9 has transferred shares to entity number 21 through off market.	a)Off market data
10	Sanjay Jethalal Soni HUF	AAWHS0331J	• Entities number 10, 13, 15 and 16 are related based on common Mobile number (9727548290) • Entities number 10 and 15 are related based on common Mobile number (9924796272) • Entities number 10, 15 and 16 are related based on common Email id (shreejisecurities14@yahoo.co.in) • Entities number 10 and 16 are related based on common Address (FF 27 sakti Arcade science city RD sola Ahmedabad) • Entities number 10, 15 and 16 are related based on common Address (36 Malay Bunglows NR Anurag Bunglow Science city R Ahmedabad) • Entity number 10 has received shares from entity number 3 through off market. • Entity number 10 has transferred shares to entity number 1 and 14 through off market.	a)UCC details b)Off market data
11	Krishna Kumar Periwal	AFMPP1445B	• Entity number 11 has received shares from entity number 4 through off market.	a)Off market data
12	Shirish Manilal Vyas	ABUPV9961G	• Entity number 12 has received shares from entity number 5 through off market.	a)Off market data

Si No.	Client Name	Client PAN	Details of connection	Basis of connection
13	Mahesh Somabhai Desai	AMGPD 0183P	• Entities number 1,2, 13 and 16 are related based on common Phone number (263026200) • Entities number 10, 13, 16 and 15 are related based on common Mobile Number (9727548290) • Entities number 15 and 13 are related based on common Mobile Number (9879430033) • Entities number 2 and 13 are related based on common Mobile Number (9904852495) • Entities number 13 and 16 are related based on common Mobile Number (9978544400) • Entity number 13 has transferred shares to entity number 1 through off market.	a)UCC details b)Off market data
14	Rakesh Patel	AGAPP 2993B	• Entity number 14 has received shares from entity number 10 through off market.	
15	Soni Sanjay Jethalal	BVSPS 9741N	• Entities number 15 and 16 are related based on common Mobile Number(9879013141) • Entities number 10, 13, 15 and 16 are related based on common Mobile Number (9727548290) • Entities number 13 and 15 are related based on common Mobile Number (9879430033) • Entities number 10 and 15 are related based on common Mobile Number (9924796272) • Entities number 10, 15 and 16 are related based on common Email id (shreejisecurities14@yahoo.co.in) • Entities number 15 and 16 are related based on common Email id (shreejisecurities @yahoo.co.in) • Entities number 16 and 15 are related based on common Address(D19 Karnavati apartments Atithi restaurant Bodakdev Ahmedabad) • Entities number 16, 15 and 10 are related based on common Address (36 Malay Bunglows NR Anurag Bunglow Science city Road Ahmedabad) • Entity number 15 has transferred shares to entity number 1 through off market.	a)UCC details b)Off market data
16	Soni Krupa Sanjay	BVSPS 9740P	• Entities number 1, 2, 13 and 16 are related based on common mobile number. (263026200) • Entities number 15 and 16 are related based on common Mobile Number (9879013141)	a)UCC details b)Off market data

Si No.	Client Name	Client PAN	Details of connection	Basis of connection
			• Entities number 10, 13, 16 and 15 are related based on common Mobile Number (9727548290) • Entities number 13 and 16 are related based on common Mobile Number (9978544400) • Entities number 2 and 16 are related based on common Mobile Number 9974914444) • Entities number 16 , 10 and 15 are related based on common Email id (shreejisecurities14@yahoo.co.in) • Entities number 16 and 15 are related based on common Email id (shreejisecurities @yahoo.co.in) • Entities number 15 and 16 are related based on common Address (D19 Karnavati apartments Atithi restaurant Bodakdev Ahmedabad) • Entities number 10 and 16 are related based on common Address (tFF 27 sakti Arcade science city RD sola Ahmedabad) • Entities number 10, 15 and 16 are related based on common Address(36 Malay Bunglows NR Anurag Bunglow Science city Road Ahmedabad) • Entity number 16 has transferred shares to entity number 1 through off market	
17	Kajal Nimish Shah	AVXPS 8824N	• Entities number 3, 5 and 17 are related based on common Mobile Number (9998900098) • Entities number 3, 5 and 17 are related based on common Email id (nimish09@hotmail.com) • Entities number 3, 4, 5 and 17 are related based on common Email id (nimishshah09@gmaill.com) • Entities number 3 and 17 are related based on common Address (B12 Panchratna Appt Opp Sun View Tower NR Bhuyangdev Memnaga Chak Rast Ahmedabad)	a)UCC details
18	Hettich India Private Limited	AAACH 8849M	• Entity number 18 has received shares from entity number 5 through off market.	a)Off market data
19	Jatin Natvarlal Parekh	ACGPP 9135R	• Entity number 19 has received shares from entity number 8 through off market.	a)Off market data
20	Nina Ajay Maloo	AJXPM 3547Q	• Entity number 20 has received shares from entity number 8 through off market.	a)Off market data

Si No.	Client Name	Client PAN	Details of connection	Basis of connection
21	Mukesh Himatlal Shah	ACAPS 7083B	• Entity number 21 has received shares from entity number 9 through off market.	a)Off market data

25. In view of the above connections and *modus operandi*, the role of the Noticees, their contribution to LTP, the allegations of sending bulk SMS by Noticee no. 11 and disposal of holdings of promoters in Timbor have been discussed under the following separate heads.

A. <u>Patch I : Allegation of contribution of LTP by Noticee no. 2,3,9,11 and 12 on NSE and BSE during April 01, 2014 to July 24, 2014 (As mentioned in point a. in *modus operandi* mentioned in para 23)</u>

26. With respect to Patch I of the Investigation Period, the SCN has noted the following:

26.1. Out of 21 Noticee, ten Noticees had traded as buyer during the Patch-I. The Last Traded Price (hereinafter referred to as "**LTP**") analysis for trades of ten Noticees as buyers is given below:

Buyer Name	All Trades			LTP >0			LTP < 0			LTP = 0		% of Positive LTP to Total Market Positive LTP
	Net LTP	Sum of Qty	No. of Trades	LTP impact	Qty Traded	No of Trades	LTP impact	Qty Traded	No of Trades	Qty Traded	No of Trades	
Nimish Pankajkumar Shah	24.87	35753	211	31.86	8329	73	-6.99	9506	37	17918	101	14.33
Mahesh Somabhai Desai	2.10	141920	419	12.95	24828	98	-10.85	26994	93	90098	228	5.82
Soni Sanjay Jethalal	1.90	82659	765	35.25	12803	177	-33.35	3925	260	65931	328	15.85
Soni Krupa Sanjay	0.85	185141	1232	6.35	64065	53	-5.50	22561	52	98515	1127	2.86

Gagabhai Desai Amul	0.70	151918	1031	9.95	6488	74	-9.25	8313	81	137117	876	4.47
Shirish Manilal Vyas	0.00	540	3	0.05	2	1	-0.05	40	1	498	1	0.02
Sushma Rani	-0.05	4000	28	0.00	0	0	-0.05	100	1	3900	27	0.00
Sanjay Jethalal Soni(Huf)	-0.30	59005	45	0.10	2500	1	-0.40	5010	5	51495	39	0.05
Kajal Nimish Shah	-2.09	12438	41	4.00	5906	13	-6.09	3580	14	2952	14	1.80
Nina Ajay Maloo	-2.38	10421	58	2.88	466	11	-5.26	6881	16	3074	31	1.30
Group Total	25.60	683795	3833	103.39	125387	501	-77.79	86910	560	471498	2772	46.49
Market Total	**1.57**	**1619074**	**6788**	**222.39**	**243618**	**940**	**-220.82**	**223093**	**1079**	**1152363**	**4769**	**100**

26.2. From the above table, it was observed that these ten Noticees contributed Rs. 103.39 to positive LTP (46.49 % of total market positive LTP) in 501 trades with a trading volume 1, 25,387 shares during the price rise period.

26.3. Out of these ten Noticees five Noticees viz, Nimish Pankajkumar Shah, Mahesh Somabhai Desai, Soni Sanjay Jethalal, Soni Krupa Sanjay, Gagabhai Desai Amul (Noticee nos. 2,3,9,11 and 12) contributed to positive LTP for Rs. 96.36 (43.33% of total market positive LTP) in 475 trades with a trading volume 1,16,513 shares.

26.4. The trades executed by these five Noticees were further analysed and it was observed that that there were 196 trades where the buy orders were placed before the corresponding sell orders, which contributed Rs. 19.14 to positive LTP (8.60% of total market positive LTP). In remaining 279 trades, the positive LTP contribution was Rs. 77.22 (34.73% of total market positive LTP).

26.5. The analysis of trades of these five Noticees further revealed that out of 475 trades that contributed positive LTP of Rs 96.36, 106 trades were executed where the counter parties belonged to the group of Noticees which resulted in an LTP of Rs. 13.63 (6.13% of total market positive LTP). The analysis of the order log and trade log was done of these five Noticees and following were observed:

Sl. no	Buyer Name	No. of trades (LTP >0)	when buy order qty of 1 share only		Positive LTP Contribution when buy order qty between 2-10 shares		Positive LTP Contribution when buy order qty were more than 10 shares		Total Positive LTP contribution (Rs.)	% of positive LTP to Total Market positive LTP
			Positive LTP contribution	No. of trades	Positive LTP contribution	No. of trades	Positive LTP contribution	No. of trades		
1	Nimish Pankajkumar Shah	73	22.69	45	3.49	7	5.68	21	31.86	14.33
2	Mahesh Somabhai Desai	98	8.10	39	2.90	41	1.95	18	12.95	5.82
3	Soni Sanjay Jethalal	177	30.15	140	1.75	13	3.35	24	35.25	15.85
4	Soni Krupa Sanjay	53	3.15	23	0.10	1	3.10	29	6.35	2.86
5	Gagabhai Desai Amul	74	4.25	21	3.20	32	2.50	21	9.95	4.47
	Total	**475**	**68.34**	**268**	**11.44**	**94**	**16.58**	**113**	**96.36**	**43.33**

26.6. It was observed that out of 475 buy trades of five Noticees contributing positive LTP of Rs 96.36, for 268 trades buy order quantity was 1 share, which contributed to positive LTP of Rs. 68.34 (30.73% of total market positive LTP). Further, for 94 trades, buy order quantity was in the range of 2-10 shares, which contributed positive LTP of Rs 11.44, i.e., 5.14% of total market positive LTP. Hence, it was observed that in the majority of the trades, all the five connected entities had put their buy orders with quantity of shares in single digits i.e. mostly from 1 to 10 shares whereas sell orders were available with quantity in the range of 1 to 50000 shares (Average of sell orders was 2500 shares).

26.7. It was observed that these five Noticees contributed 35.47% of total market positive LTP, by putting orders for small quantity i.e. 1-10 shares. Below table summarizes

the top 5 trades of abovementioned five Noticees in terms of positive LTP contribution:

Serial Number	Date of transaction	Seller name	buy order volume	Sell order volume	LTP contribution (Rs)	LTP contribution (%)
1	11.04.2014	Nimish Pankajkumar Shah	1	500	1.15	0.52
2	16.04.2014	Nimish Pankajkumar Shah	1	1000	1.09	0.49
3	14.05.2014	Nimish Pankajkumar Shah	1	100	1.09	0.49
4	02.04.2014	Nimish Pankajkumar Shah	5	500	1.05	0.47
5	25.04.2014	Nimish Pankajkumar Shah	1	350	0.99	0.45
Total			9	2450	5.37	2.41

26.8. ON NSE during patch I, out of 21 Noticees, 10 Noticees have traded as buyer during the Patch-I. The LTP analysis for trades of ten Noticees as buyer is given below:

Buyer Name	All Trades			LTP >0			LTP < 0			LTP = 0		% of Positive LTP to Total Market Positive LTP
	Net LTP	Sum of Qty	No. of Trades	LTP impact	Qty Traded	No of Trades	LTP impact	Qty Traded	No of Trades	Qty Traded	No of Trades	
Nimish Pankajkumar Shah	21.35	37133	175	24.30	9389	75	-2.95	4321	18	23423	82	14.70
Soni Sanjay Jethalal	1.90	116316	3046	31.05	8270	130	-29.15	3355	395	104691	2521	18.78
Nina Ajay Maloo	0.85	9448	41	1.90	1889	9	-1.05	3761	6	3798	26	1.15
Sanjay Jethalal Soni Huf	0.75	84386	147	1.10	4953	16	-0.35	1601	7	77832	124	0.67
Mahesh Somabhai Desai	0.35	44939	62	0.40	14994	2	-0.05	839	1	29106	59	0.24
Shirish Manilal Vyas	0.05	700	6	0.05	200	1	0.00	0	0	500	5	0.03
Sushma Rani	0.05	5000	9	0.05	352	1	0.00	0	0	4648	8	0.03
Soni Krupa Sanjay	-0.55	49061	249	1.80	2692	14	-2.35	5201	27	41168	208	1.09

Kajal Nimish Shah	-1.50	12420	40	2.60	2490	11	-4.10	6092	14	3838	15	1.57
Gagabhai Desai Amul	-2.35	102036	468	9.25	36234	49	-11.60	13011	154	52791	265	5.60
Group Total	20.90	461439	4243	72.50	81463	308	-51.60	38181	622	341795	3313	43.86
Market Total	**1.45**	**1334384**	**7659**	**165.30**	**176766**	**695**	**-163.85**	**123085**	**1125**	**1034533**	**5839**	**99.99**

26.9. From the above table, it was observed that ten Noticees contributed Rs. 72.50 to positive LTP (43.86 % of total market positive LTP) in 308 trades with a trading volume 81,463 shares during the price rise period.

26.10. Two Noticees viz, Nimish Pankajkumar Shah, Soni Sanjay Jethalal (Noticee nos. 3 and 11) contributed to positive LTP of Rs. 55.35 (33.48% of total market positive LTP) in 205 trades with a trading volume 17,659 shares.

26.11. The trades executed by these two Noticees were further analysed and it was observed that that there were 24 trades where the buy orders were placed before the corresponding sell orders, which contributed Rs. 5.35 to positive LTP (3.24% of total market positive LTP). In remaining 181 trades, the positive LTP contribution was Rs. 50.00 (30.24% of total market positive LTP).

26.12. The analysis of trades of two Noticees further revealed that out of 205 trades that contributed positive LTP Rs 55.35, 15 trades were executed where the counter parties belonged to the group of Noticees which resulted in an LTP of Rs. 5.05 (3.05% of total market positive LTP). In remaining 190 trades the LTP contribution was Rs. 50.30 (30.43% of total market positive LTP) and the counterparties were scattered and unconnected to the entities.

26.13. The analysis of the order log and trade log was done of the two Noticees viz., Nimish Pankajkumar Shah and Soni Sanjay Jethalal and following were observed :

Sl. no	**Buyer Name**	**No. of trades (LTP >0)**	**when buy order qty of 1 share only**	**Positive LTP Contribution when buy order qty**	**Positive LTP Contribution when buy order qty were more than 10 shares**	**Total Positive LTP contri**	**% of positive LTP to**

					Between 2-10 shares				**bution (Rs.)**	**Total Market positive LTP**
			Positive LTP contribution	**No. of trades**	**Positive LTP contribution**	**No. of trades**	**Positive LTP contribution**	**No. of trades**		
1	Nimish Pankajkumar Shah	75	12.95	34	1.55	4	9.80	37	24.30	14.70
2	Soni Sanjay Jethalal	130	25.85	90	2.30	13	2.90	27	31.05	18.78
	Total	**205**	**38.80**	**124**	**3.85**	**17**	**12.70**	**64**	**55.35**	**33.48**

26.14. It was observed that, out of 205 buy trades of two Noticees contributing positive LTP of Rs 55.35, for 124 trades, buy order quantity was 1 share, which contributed to positive LTP of Rs. 38.80 (23.47% of total market positive LTP). Further, for 17 trades, buy order quantity was in the range of 2-10 shares, which contributed positive LTP of Rs 3.85, i.e., 2.32% of total market positive LTP. Hence, it was observed that in the majority of the trades, the two Noticees had put their buy orders with quantity of shares in single digits i.e. mostly from 1 to 10 shares whereas sell orders were available with quantity in the range of 1 to 8832 shares (Average of sell orders was 342 shares).

26.15. It was observed that these two Noticees contributed 25.80% of total market positive LTP, by putting orders for small quantity i.e. 1-10 shares. Below table summarizes the top 5 trades of abovementioned two connected entities in terms of positive LTP contribution:

Serial Number	**Date of transaction**	**Seller name**	**Buy order volume**	**Sell order volume**	**LTP contribution (Rs)**	**LTP contribution (%)**
1	20.05.2014	Nimish Pankajkumar Shah	9	500	1.35	0.82
2	21.05.2014	Nimish Pankajkumar Shah	1	320	1.30	0.79
3	15.07.2014	Soni Sanjaykumar Jethalal	1	998	1.25	0.76

4	17.07.2014	Soni Sanjaykumar Jethalal	1	5	1.10	0.67
5	18.07.2014	Soni Sanjaykumar Jethalal	1	1000	1.10	0.67
Total			**13**	**2823**	**6.10**	**3.69**

26.16. Therefore, on BSE five Noticees viz, Nimish Pankajkumar Shah (Noticee no. 3), Mahesh Somabhai Desai (Noticee no. 9), Soni Sanjay Jethalal (Noticee no.11), Soni Krupa Sanjay (Noticee no. 12), Gagabhai Desai Amul (Noticee no. 2) contributed 35.47% of total market positive LTP, by putting orders for small quantity i.e. 1-10 shares.

26.17. On NSE two Noticees viz, Nimish Pankajkumar Shah, Soni Sanjay Jethalal contributed to positive LTP of 25.80% of total market positive LTP, by putting orders for small quantity i.e. 1-10 shares.

26.18. Thus, the SCN alleges from the trading pattern that these entities were not acting as genuine buyers and had no bona fide intention to buy because in-spite of sufficient sell order quantity being available in the market, they bought small quantity of shares in each transaction. By these trades, they were instrumental in establishing a price higher than the last traded price and thus contributed to increased scrip price with most of their trades. In view of the repeated nature of such trades by these five Noticees on BSE and two Noticees on NSE, the culpability in increasing the price is established. .

27. I note that none of these five Noticee (Noticee nos. 2,3,9,11 and 12) have submitted any reply to the SCN and have not provided any explanation regarding their pattern of trading. As per the records of MCA Noticee no. 3 is shown as a director of Timbor on the MCA data. Noticee no. 2 had common email id and mobile number with Noticee no 9, 11 and 12. The notable fact is that these five Noticees on BSE (Noticee nos. 2,3,9,11 and 12) and two Noticees on NSE (Noticee nos. 3 and 11) chose to place buy orders above LTP in small quantities despite the presence of large sell orders in the system, as shown in para 26 and these Noticees continued this pattern of buying shares of Timbor throughout Patch I of IP. I note that had these Noticees not executed the buy trade on each day, the sell orders existing in the system would not have been matched and consequently, the higher LTP would not have been set and the price of the scrip would not have risen. Moreover,

since the scrip was thinly traded these Noticees were able to create a higher LTP by their buy trades at a price higher than previous LTP. It is unlikely that a buy trader will put in buy orders at a rate higher than LTP for small quantity of shares to be purchased. I note that the impugned buy trades had a price impact of 25.80% of the total market positive LTP on NSE, as shown in para 26.13 and 35.47% of total market positive LTP on BSE as shown in para 26.5 Buy orders were placed by these Notices for very small quantities, in some cases only one share, at price above LTP repeatedly in Patch I at both BSE and NSE. For example, on BSE, out of 475 trades, for 268 trades executed by Noticee nos.2, 3, 9,11,12 buy order quantity was 1 share, which contributed to positive LTP of Rs. 68.34 (30.73% of total market positive LTP). On NSE out of 205 trades, for 124 trades executed by Noticee nos. 3 and 11, buy order quantity was 1 share, which contributed to positive LTP of Rs. 38.80 (23.47% of total market positive LTP). From their trading pattern I find that Noticee nos. 2,3,9,11 and 12 contributed to positive LTP of Rs 96.36 on BSE and on NSE Noticee nos. 3 and 11 contributed to positive LTP of Rs 55.35 during Patch I. I find that that in the background of the *modus operandi* as given in para 23 and the connection of these Noticees with the promoters of Timbor and each other as given in para 24 and trading by these Noticees, such buy orders as discussed above were placed by these Noticees to influence the price of the scrip of Timbor.

28. In view of the same, I find that Noticee nos. 2, 3, 9,11,12 were not acting as genuine buyers while trading in the shares of Timbor on BSE and NSE during Patch I. I also find that the intent of these Noticees was to mark the price higher and not merely to enter into the buy transactions carried out by them and that the Noticees had placed buy orders of small quantities in order to execute trades which had a positive LTP impact. Noticee nos. 2,3,9,11 and 12 contributed to positive LTP of Rs 96.36 on BSE and the individual price impact of Noticee nos. 2,3,9,111 and 12 were Rs. 9.95, Rs. 31.86, Rs. 12.95, Rs. 35.25 and Rs. 6.35 respectively during Patch I. On NSE Noticee nos. 3 and 11 contributed to positive LTP of Rs 55.35 and the individual contribution of Noticee nos. 3 and 11 were Rs. 24.30 and Rs. 31.05 respectively during Patch I. Therefore, I find that the Noticee has violated Regulation 3(a), 4(1), 4(2)(a) and (e) of the PFUTP Regulations, 2003.

29. In SEBI Vs. Rakhi Trading (CA No.1969of 2011 decided on February 08, 2018) the Hon'ble Supreme Court of India has observed as follows:

> *"35……Securities market, as the 1956 Act provides in the preamble, does not permit "undesirable transactions in securities". The Act intends to prevent undesirable transactions in securities by regulating the business of dealing therein. Undesirable transactions would certainly include unfair practices in trade. 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. Orchestrated trades are a misuse of the market mechanism. Itis playing the market and it affects the market integrity……..."*

I find that Noticee nos. 2, 3, 9,11,12 have carried out non- genuine transactions on NSE and BSE and violated Regulations 3(a), 4(1), 4(2)(a) and (e) of the PFUTP Regulations, 2003.

B. **Patch II of IP:** Patch II of IP has been dealt with under the following heads:

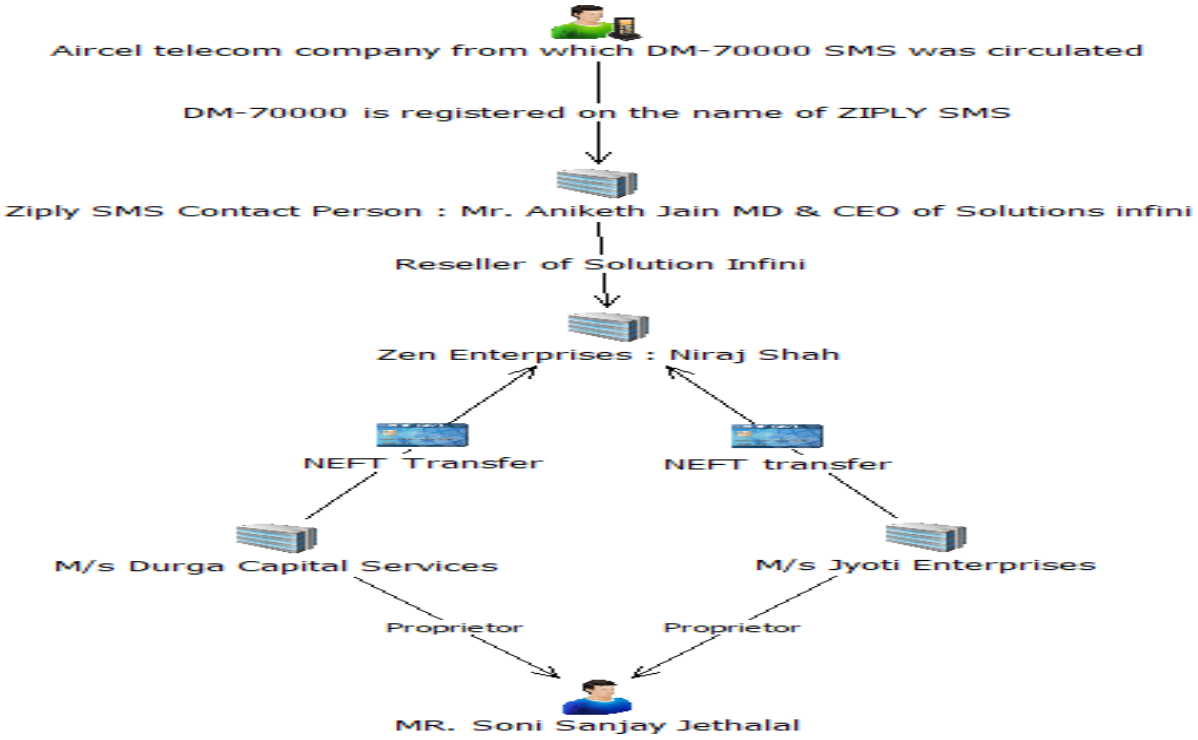
B1: Allegation of sending bulk SMS against Noticee no.11 (As mentioned in point c. in *modus operandi* mentioned in para 23):

30. With respect to Patch II of the IP the SCN has noted the following:

30.1. Mr. Soni Sanjay Jethalal (Noticee no. 11) who is connected to the promoters of Timbor had circulated bulk SMS containing buy recommendation in the scrip.

30.2. It was observed that reasons behind circulation of bulk SMS by Noticee no. 11 were sought from him through Summons issued by the Investigating Authority under Section 11C(3) of the SEBI Act, 1992 dated April 28, 2016. However, Shri Soni Sanjay Jethalal did not provide the information. Subsequently, reminders were sent to Mr. Soni Sanjay Jethalal vide letters dated August 10, 2016 and September 16, 2016. However, Mr. Soni Sanjay Jethalal failed to provide the requisite information.

31. As per SCN, the connection between Shri Soni Sanjay Jethalal (Noticee no. 11) and the registered client of DM-070000, who had sent SMS to different entities during the period May 01, 2014 to October 31, 2014 is as given in the following chart.



32. In this regard the SCN alleges that:

- Aircel provided registration details of DM-70000, that said number was registered by telemarketer named Ziply Sms (Contact Person: Aniketh Jain, who is MD & CEO of the company named Solutions Infini Technologies (I) Pvt. Ltd).
- Mr. Aniketh Jain (MD and CEO of Solution infini Technologies (I) Pvt. Ltd) vide email dated April 02, 2016 stated that the company is a platform for bulk SMS circulation, SMS was circulated by Niraj Shah Director of Zen Enterprises.
- Mr. Niraj Shah vide email dated April 06, 2016 stated that ZEN Enterprises is reseller of Solution Infini for sales of bulk SMS circulations services in Ahmedabad, Gujrat. Further, Niraj Shah stated that bulk SMS were sent from the promotional account and the said account was opened by Mr. Soni Sanjay Jethalal.
- Mr. Niraj shah further stated that he had provided login user id (shreeji securities) and password to Mr. Soni Sanjay Jethalal.

- In addition, Mr. Niraj Shah also provided ledger statement of Shreeji securities as an evidence showing payment received and sales made to Mr. Soni Sanjay Jethalal through his login account shreeji securities.
- Mr. Aniketh Jain vide email dated August 16, 2016 also provided list of mobile numbers to whom SMS were sent from shereeji securities. From the information received from Mr. Aniketh Jain, I note that a total of 7,78,719 SMS were sent from login id shreeji securities and SMS circulation period was July 25, 2014 to July 28, 2014.
- On examination of bank statement provided by Mr. Niraj Shah, it was observed that there were two entries, each of amount Rs. 67,416 received on July 25, 2014 and July 28, 2014 from Durga Capital Services and Jyoti Enterprise respectively. The amount reflected in bank statements matched with the amount mentioned in the ledger account of Shreeji Securities in the books of Zen Enterprises. (as provided by Mr. Niraj Shah).
- On perusal of KYC details of M/s Durga Capital Services and M/s Jyoti Enterprise, it was found that Mr. Soni Sanjay Jethalal was proprietor of the both the aforesaid entities and operated both the bank accounts.

Therefore, I find that the Noticee no. 11 was responsible for circulation of bulk SMS, in the aforesaid manner, recommending the purchase of shares of Timbor during the period May 01, 2014 to October 31, 2014 in order to induce gullible invetsors to buy the shares of the Company.

33. I note that the SCN alleges connection of Noticee no. 11 with Timbor and its promoters/ directors as follows:

- Noticee no. 11 shares common mobile numbers, (9879013141 and 9727548290), email id and address with Noticee no. 12
- Noticee no. 12 shares common phone number (263026200) with Noticee nos.1 and 2.
- Noticee no. 2 had off market transfer with Noticee no. 3 who was a director of Timbor

- Noticee no. 3 shares common phone number 9558152663 and email id with Noticee nos. 14 and 15 (promoters of Timbor).

34. I note that email IDs are operated based on passwords and common email IDs indicate that two entities are closely connected. Common phone number also implies that the entities are closely connected. Moreover, the rationale for considering the off market transfer of shares as basis of connection has been discussed in para 47B). I also note that during the personal hearing Shri Anant S. Maloo (Noticee no.15 and a promoter of Timbor) has submitted that he knew Shri Sanjay Jethilal Soni who has told the promoter of Timbor that he would assist him in selling the shares of Timbor.

35. Therefore, I find that Shri Soni Sanjay Jethalal who was connected with Timbor/ its promoters/ directors was responsible for circulation of the bulk SMS inducing the investors to buy shares of Timbor during July-August 2014. I observe that Noticee no.11 adopted the above method in order to create an interest in the scrip and induce investors to buy shares of the Company and to sell the promoter holding in the Company thereafter and to enable the promoters to exit the Company which was on the verge of winding up and liquidation and therefore, I find that Noticee no. 11 has violated 3 (b), 4(1), 4(2)(f) and (r) of the PFUTP Regulations, 2003.

B2: <u>Patch II: Disposal of shareholdings by promoters of Timbor (Noticee nos.14,15,16 and 17) and trading by Noticees:</u>

36. With respect to the trading in the shares of Timbor during Patch II, it has been stated in the SCN that the 4 promoters of Timbor viz. Shri Anant Sureshchandra Maloo, Maloo building Material Pvt Ltd, Shri Manan Vidhyapati Patel, Shri Abhijeet Dwarkadas Daga (Noticee nos.14, 15, 16 and 17) transferred 37,82,750 shares of Timbor through off market transactions, directly or indirectly to other connected Noticees (Noticee nos.3,4,5,7 and 18), as specified in Table below (As mentioned in point b. in *modus operandi* mentioned in para 23)

Date	Promoter Entities	Connected Entities	Total Shares
12/06/2014	Anant Sureshchandra Maloo (noticee no. 15)	Nimish P Shah (Noticee no. 3)	25,000
12/06/2014	Anant Sureshchandra Maloo	Shirish Manilal Vyas (Noticee no. 8)	29,000
21/06/2014	Anant Sureshchandra Maloo	Shirish Manilal Vyas	25,000
03/07/2014	Manan Vidhyapati Patel	Nimish P Shah	5,00,000
07/07/2014	Manan Vidhyapati Patel (Noticee no. 17)	Nimish P Shah	6,20,000
30/06/2014	Anant Sureshchandra Maloo	Hettich India Private Limited (Noticee no. 18)	3,00,000
10/07/2014	Anant Sureshchandra Maloo	Nimish P Shah	2,50,000
29/08/2014	Abhijeet Dwarkadas Daga(Noticee no. 14)	Krishna Kumar Periwal	2,00,000
23/07/2014	Anant Sureshchandra Maloo	Nimish P Shah	5,50,000
06/04/2015	Anant Sureshchandra Maloo	Shirish Manilal Vyas	18,750
15/07/2014	Maloo Building Materials Pvt Ltd (Noticee no. 16)	Dipali Nilay Patel (Noticee no. 4)	65,000
22/07/2014	Maloo Building Materials Pvt Ltd	Nimish P Shah	2,00,000
24/07/2014	Maloo Building Materials Pvt Ltd.	Sushma Rani (Noticee no. 5)	5,00,000
09/08/2014	Maloo Building Materials Pvt Ltd	Nimish P Shah	5,00,000
Total			**37,82,750**

37. It was observed that these four promoters of Timbor had transferred through off market, a total of 37,82,750 shares before and after circulation of bulk SMS, shares directly or indirectly to other Noticees. In turn, these Noticees sold some of the shares of Timbor in the market to the public and transferred some shares of Timbor to other Noticees (Noticee nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 19). Noticee nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12,13,19, 20 and 21 then sold the shares of Timbor in the secondary market. It was observed that there was spurt in traded volumes in the scrip soon after the day of circulation of bulk SMS (i.e.25 July, 2014). The details of the same is available at sub para d. below. The SCN has noted the following regarding the trades executed by the Noticees during Patch II:

a. Pursuant to sending bulk SMS in Patch II of the IP, seventeen non-promoter Noticees (Noticee nos. 1,2,3,4,5,6,7,8,9,10,11,12,13,18,19,20 and 21) and two promoter Noticees viz., Maloo building Material Pvt. Ltd. and Shri Abhijeet Dwarkadas Daga (Noticee nos. 16 and 14), traded 26,15,280 number of shares of shares at BSE as follows:

Seller Name	**All Trades**			**LTP >0**			**LTP < 0**			**LTP = 0**		**% of Negative LTP to Total Market Negative LTP**
	Net LTP	**Sum of Qty**	**No. of Trades**	**LTP impact**	**Qty Traded**	**No of Trades**	**LTP impact**	**Qty Traded**	**No of Trades**	**Qty Traded**	**No of Trades**	
Soni Sanjay Jethalal	-4.37	214188	342	2.37	21606	43	-6.74	32272	57	160310	242	3.46
Daga Abhijeet Dwarkadas	-4.20	218863	209	2.25	26412	31	-6.45	41529	47	150922	131	3.31
Sushma Rani	-1.55	359700	208	1.37	7431	24	-2.92	27008	35	325261	149	1.50
Dipali Nilay Patel	-1.49	24451	752	4.40	2934	48	-5.89	6025	57	15492	647	3.02
Shirish Manilal Vyas	-1.40	23740	40	0.70	54	5	-2.10	2834	18	20852	17	1.08
Sanjay Jethalal Soni(Huf)	-1.34	267892	139	0.30	7047	7	-1.64	26559	19	234286	113	0.84
Paresh Nathalal Chauhan	-1.05	986297	645	0.57	44610	12	-1.62	111122	25	830565	608	0.83
Gagabhai Desai Amul	-0.79	194208	975	1.99	11992	23	-2.78	41931	21	140285	931	1.43
Soni Krupa Sanjay	-0.45	85441	96	0.41	20352	5	-0.86	2912	9	62177	82	0.44
Jatin Natvarlal Parekh	-0.30	2989	11	0.00	0	0	-0.30	2001	2	988	9	0.15
Pankajkumar Shah Nimish	-0.25	26655	67	3.03	11025	17	-3.28	11554	31	4076	19	1.68
Mukesh Himatlal Shah	-0.20	8000	7	0.05	100	1	-0.25	1250	1	6650	5	0.13
Mahesh Somabhai Desai	-0.17	54735	39	0.20	35	1	-0.37	11	1	54689	37	0.19
Nina Ajay Maloo	-0.09	15000	9	0.01	1144	1	-0.10	1000	1	12856	7	0.05

Maloo Building Pvt Ltd	0.00	12250	3	0.00	0	0	0.00	0	0	12250	3	0.00
Hettich India Limited	0.04	13380	15	0.90	1493	4	-0.86	1801	3	10086	8	0.44
Kajal Nimish Shah	0.20	10872	10	0.56	5900	4	-0.36	2000	2	2972	4	0.18
Krishna Kumar Periwal	0.57	63619	103	1.61	5675	14	-1.04	7957	10	49987	79	0.53
Rakesh Patel	0.58	33000	223	1.09	806	10	-0.51	19598	4	12596	209	0.26
Group Total	-16.26	2615280	3893	21.81	168616	250	-38.07	339364	343	2107300	3300	19.52
Market Total	**-7.5**	**8816979**	**14247**	**183.22**	**872246**	**1581**	**-190.72**	**1361362**	**1942**	**6583371**	**10724**	**100**

b. Pursuant to sending bulk SMS in Patch II of the IP, seventeen non-promoter Noticees (Noticee nos. 1,2,3,4,5,6,7,8,9,10,11,12,13,18,19,20 and 21) and one promoter Noticee viz., Shri Abhijeet Dwarkadas Daga (Noticee no. 14) traded in 31,99,688 no. of shares of Timbor at NSE as follows:

Seller Name	**All Trades**			**LTP >0**			**LTP < 0**			**LTP = 0**		**% of Negative LTP to Total Market Negative LTP**
	Net LTP	**Sum of Qty**	**No. of Trades**	**LTP impact**	**Qty Traded**	**No of Trades**	**LTP impact**	**Qty Traded**	**No of Trades**	**Qty Traded**	**No of Trades**	
Soni Sanjaykumar Jethalal	-8.40	321564	1085	2.75	43744	25	-11.15	41860	89	235960	971	5.31
Dipali Nilay Patel	-4.55	37231	735	1.80	1329	15	-6.35	6663	85	29239	635	3.02
Daga Abhijeet Dwarkadas	-4.40	300045	407	2.10	10464	19	-6.50	65772	69	223809	319	3.09
Singh Sushma Rani P	-4.15	643213	354	2.50	27998	30	-6.65	88766	68	526449	256	3.17
Sanjay Jethalal Soni Huf	-1.70	410098	375	0.95	17633	12	-2.65	37107	32	355358	331	1.26
Shirish Manilal Vyas	-0.80	4000	53	0.05	10	1	-0.85	778	13	3212	39	0.40
Amul Gdesai Desai	-0.70	250708	606	1.30	11531	11	-2.00	6477	26	232700	569	0.95

Soni Krupa Sanjay	-0.55	117503	182	1.05	10345	11	-1.60	10195	17	96963	154	0.76
Jatin Natvarlal Parekh	-0.50	7011	29	0.00	0	0	-0.50	4000	2	3011	27	0.24
Paresh Nathalal Chauhan	-0.45	876403	458	0.40	7874	6	-0.85	323	13	868206	439	0.40
Kajal Nimish Shah	-0.15	7328	31	0.60	1536	5	-0.75	3585	7	2207	19	0.36
Hettich India Limited	-0.10	8333	14	0.15	349	2	-0.25	301	2	7683	10	0.12
Krishna Kumar Periwal	0.05	146381	172	1.50	16783	19	-1.45	12233	18	117365	135	0.69
Nina Ajay Maloo	0.05	2000	3	0.05	400	1	0.00	0	0	1600	2	0.00
Mahesh Somabhai Desai	0.20	25000	3	0.20	15000	1	0.00	0	0	10000	2	0.00
Mukesh Himatlal Shah	0.20	7000	8	0.20	3834	2	0.00	0	0	3166	6	0.00
Rakesh Patel	0.30	19100	317	0.70	420	11	-0.40	4388	5	14292	301	0.19
Nimish Pankajkumar Shah	0.50	16770	48	1.80	8211	8	-1.30	600	8	7959	32	0.62
Group Total	**-25.15**	**3199688**	**4880**	**18.10**	**177461**	**179**	**-43.25**	**283048**	**454**	**2739179**	**4247**	**20.58**
Market Total	**-7.55**	**8222720**	**19790**	**202.5**	**601776**	**1531**	**-210.05**	**866217**	**2203**	**6754727**	**16056**	**100**

c. It was also observed in the SCN that in Patch II, the Noticees mentioned at point a. and b. above had traded amongst themselves for 8,49,220 shares at BSE and 8,31,895 shares at NSE, and thereby created an impression of artificial volume generation, which invited the attention of gullible investors towards the scrip.

d. It was observed in the SCN that the average daily trading volumes during Patch I (April 1, 2014 to July 24, 2014) i.e before the bulk SMS circulation period were low vis-à-vis average daily trading volumes during patch II (July 25, 2014 to May 30, 2015) i.e. after circulation of bulk SMS. The 5 days comparison of volume in the scrip of Timbor at exchanges pre and post SMS circulation period is as under:

Trading volume pre SMS circulation			**Trading volume post SMS circulation**		
Date	BSE Volume	NSE Volume	Date	BSE Volume	NSE Volume
18-Jul-14	1,41,828	1,17,579	25-Jul-14	1,22,699	86,963
21-Jul-14	2,90,981	1,20,621	28-Jul-14	3,68,907	3,25,535
22-Jul-14	1,72,303	97,494	30-Jul-14	3,16,710	4,00,665
23-Jul-14	1,09,162	1,22,002	31-Jul-14	3,52,006	3,07,662
24-Jul-14	1,18,305	87,289	01-Aug-14	4,40,857	6,76,961
Total	**8,32,579**	**5,44,985**		**16,01,179**	**17,97,786**

38. Amongst the promoters of Timbor (Noticee nos.14, 15, 16 and 17), only Noticee nos. 15 and 16 have replied, Noticee no. 17 has not replied and Noticee no. 14 has expired. Noticee no. 15, Shri Anant S.Maloo who also represented another promoter i.e. Noticee no. 16 during the hearing has submitted that he himself was a victim of fraud wherein the promoters of Timbor had transferred their shares to Shri Sanjay Jethilal Soni to sell them in the market since Timbor had suffered huge losses due to a fire in its godown and that he took help of Noticee no. 11 to sell his shares of Timbor in the secondary market and the promoters of Timbor were unaware of the fraudulent scheme related to the dumping of shares of the Company through bulk SMS on the gullible public investors in the market.

39. The shareholding pattern of Timbor shows that the promoters of Timbor had sold their shares during the IP and the promoter shareholding had come down from 29.90% in March 2014 to 2.93% in December 2014 at the time when bulk SMS was circulating recommending that the purchase of shares of Timbor. Further the promoter holding reduced to 0.29% in June 2015. I find that the SCN has shown that the promoters of Timbor were holding 44,12,400 shares (29.90%) in Timbor at the end of quarter ending March 2014 and at the end of quarter ending June 2015 they were only holding 43,236 (0.29%) shares in Timbor. I also note from the finding of investigation that the requisite disclosers as required under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 1992 were not made by the promoters while disposing of their holding in Timbor. Therefore, gullible investors were kept in dark regarding the exit of the promoters from Timbor. I also note

that the Company's godown had caught fire and there was no insurance and the Company was in financial crisis and that winding up petition had been filed by two creditors of the Company, i.e. Yuvatex Packaging and Sundek India Ltd. and the petition of Yuvatex Packaging as admitted on June 29, 2015. Therefore, it can be reasonably inferred that the Company did not timely disclose material information to public and the promoters made clandestine exit from the Company by dumping their holding in Timbor in the secondary market through the non- promoter Noticees as shown in para 36 and 37 and the gullible public were saddled with the shares of Timbor. Moreover, I note that the promoters themselves transferred their shares in off market route to various other Noticees for no consideration and from the background of the case and the scheme as discussed in para 23, I note that the promoters did not disclose selling of their holding in Timbor as required under the SEBI (SAST) Regulations, 2011 and SEBI (PIT) Regulations, 1992. Therefore, there is no merit in the submission of Noticee no. 15 that he was a mere victim. The facts and circumstances of the case indicate that the promoters were party to the fraudulent scheme and cannot take the plea that they were unaware of the manipulative scheme by which gullible investors were duped. I also note that the findings of investigation has observed that the objective of the fraudulent scheme as detailed in the SCN and para 23 was to pump up the price using connected entities, circulate bulk SMS through Noticee no. 11 who was connected to the promoters of Timbor and thereafter dump the shares of the promoters through a large set of connected entities post circulation of bulk SMS to get rid of their shares of Timbor before the Company went into liquidation and the value of their shares become meagre or NIL. From the SCN and findings discussed in above paras and based on the material available on record I find that the charges mentioned against the promoters of Timbor in the SCN stand established and Noticee nos. 15, 16 and 17 have violated Regulations 3 (b), 4(1), 4(2)(f) and (r) of PFUTP Regulations, 2003. I also note that Noticee no. 14 has expired and therefore the proceeding against him abates.

40. Among the non -promoter Noticees who have traded in Patch II (Noticee nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 18, 19, 20 and 21) written replies have been received from Noticee nos. 5, 7 18 and 21 and no replies have been received from the Noticee nos.

Noticee nos. 1, 2, 3, 4, 6, 8, 9, 10, 11, 12, 13, 19, 20 nor have they appeared for any hearing.

41. Amongst the non- promoter Noticees who had traded in Patch II, I note that they can be divided into two groups (as mentioned in point d. and e. in *modus operandi* mentioned in para 23)

    a. The Noticees who received shares directly from the promoter Noticees and thereafter, sold them in the secondary market to other Noticees and members of the public (Noticee nos.3, 4, 5, 7, 8 and 18);
    b. The Noticees who received the shares from other non-promoter Noticees and thereafter sold it in the secondary market to members of the public (Noticee nos. 1,2,3,4, 6, 9, 10, 11,12,13, 19, 20 and 21).

42. I note that Noticee nos. 3, 4, 5, 7, 8 and 18 constituted the first group of Noticees who received shares in off market from the promoters of Timbor without paying any consideration. Out of these Noticees only Noticee nos. 5, 7 and 18 have submitted replies.

43. Noticee no. 5 has submitted that her firm Yuvtex Packaging was a creditor of Timbor and that Timbor had been unable to pay its dues to Yuvtex Packaging and that a winding up petition against Timbor was filed by her and winding up order came to be passed by the Hon'ble High Court of Gujarat at Ahmedabad based on a petition filed by another creditor. In pursuance of the huge dues owed to her by Timbor, the promoter of Timbor gave her the equity shares as security and also gave permission to realize the dues of Rs.1,68,57,663/- after selling the same and therefore, she sold the same in the market. It had been stated by Noticee no. 21 that since dues owed to Yuvtex Packaging (whose proprietor was Noticee no. 5) could not be paid off they were given the equity shares of Timbor by the promoters of Timbor before the Company had gone into liquidation. Since Noticee no. 5 who was the proprietor of Yuvtex Packaging were unable pay for the professional services rendered by Noticee no. 21 (Company Secretary), she suggested that Noticee no. 21 take shares of the Company which were in the possession of Noticee

No. 5. Noticee no. 21 agreed to the same and accepted certain shares of Timbor in his demat account and in fact sold them at a later date and realized certain dues from selling the equity shares of Timbor. I have perused the copy of the order of the Hon'ble High Court of Gujarat dated June 29, 2015 admitting the winding up petition filed by Noticee no. 5 against Timbor and the order dated June 16, 2016 issued by the Hon'ble High Court. I note that the dues of Timbor towards Noticee no. 5 amounted to of Rs.1,68,57,663/- . I note that Noticee no. 16 (who was a promoter of Timbor) had transferred a total of 12,65,000 shares of Timbor in off market transfers out of which 5,00,000 was transferred to Noticee no. 5, on June 30, 2014. I also note that apart from the receipt of shares from Noticee no. 16 (who was a promoter of Timbor) and which were received by Noticee no. 5 in lieu of pre-existing debt, there is no other connection alleged in the SCN between Noticee no. 5 and the promoters of Timbor. Since such off market transfer was made by Noticee no. 16 to Noticee no. 5 in order to pay pre -existing dues and Noticee no. 5 was given these shares as a collateral in case of default to pay dues by the Company, and in view of the fact that apart from the off market transfer of shares by the promoter no other adverse inference is drawn against Noticee no. 5 in the SCN, I am inclined to accept the submission made by Noticee no. 5. In view of the same, I find that that charge of violation of Regulations 3 (a), (b), (c), (d) and 4(1), 4(2)(f) and (r) of PFUTP Regulations, 2003 against Noticee nos. 5 is not established. Noticee no. 21 is a company secretary. He received 15,000 shares of Timbor from Noticee no. 5, as payment of dues of professional charges, towards professional service rendered by Noticee no. 21 to Noticee no. 5. These shares of Timbor were sold by Noticee no. 21 in order to make good the said dues, therefore, I find that Noticee no. 21 is not liable for violation of Regulations 3 (a), (b), (c), (d) and 4(1), 4(2)(f) and (r) of PFUTP Regulations, 2003.

44. Noticee no. 18 (Hettich) was a seller of furniture fittings and Timbor was a retailer thereof and thus Hettich was a supplier to Timbor. Hettich has submitted that the shares sold by it were with a view of recover dues owed by Timbor to its firm and that on account of non-receipt of dues from Timbor, It has submitted that Timbor had significant outstanding dues owed to Noticee no. 18 of Rs. 43,41,823/- in respect of sales made in the year 2012-2014 and Form C under Central Sales Tax for sales amounting to Rs. 77,61,453/-. Shri Anant

Maloo, Promoter of Timbor has entered into agreement with it to transfer 3,00,000 equity shares of Timbor held by him, as security deposit, against dues of Timbor vide agreement dated June 10, 2014. As per the said agreement promoter Shri Anant S. Maloo was required to transfer equity shares of Timbor to Hettich by June 10, 2014 along with a condition that Hettich had right to sell those equity shares after December 31, 2014 if Timbor does not clear the dues by December 31, 2014. On June 27, 2014 Timbor had transferred 3,00,000 shares of Timbor in the name of Hettich as security deposit based on delivery instruction slip given by the promoter by way of off market transaction.

45. I have perused the MoU dated June 10, 2014 copy of which has been submitted by Noticee no. 18, executed between Noticee no. 18, Shri Anant Maloo and Timbor and other documents like customer ledger of Timbor as on June 10, 2014 showing outstanding amount of Rs. 43,41,823/- in favour of Noticee no. 18. I note that the Clauses (1) to (6) of MoU is in line with the submissions of the Noticee no. 18. I also note that the Delivery Instruction Slip for the transfer of shares to Hettich mentions the reason as "Security Deposit". I note that Noticee no. 15 had transferred a total of 11,97,750 shares of Timbor in off market transfers out of which 3,00,000 was transferred to Noticee no. 18. Therefore, in view of these supporting documents and the fact that no other adverse inference has been drawn against Noticee no. 18 except the off market receipt of shares and subsequent sale, I hold that the charge against Noticee no. 18 that it had violated Regulation 3 (a), (b), (c), (d) and 4(1), 4(2)(f) and (r) of PFUTP Regulations, 2003 is not established.

46. Noticee no. 7 has mainly contended that the shares that he received through an off market route from Shri Abhijeet Dwarkadas Daga (Noticee no. 14 and promoter of Timbor) was a genuine transaction mediated by a common acquaintance Late Shri M.R. Saraf. The Noticee has stated that he was not part of or aware of any manipulative scheme regarding the trading in the shares of Timbor and the trades undertaken by him were in the normal course of business. He has also contended that his volumes were very low and that off market transactions are not barred by law. Moreover, the Noticee no. 7 has also challenged the calculation of his ill-gotten gains as mentioned in the SCN. The Noticee no.7 has also stated that the details of the off market transaction provided to Noticee no.

7 erroneously records that Noticee no. 7 returned the shares through off market route to Noticee no. 14 on the same day. I note that the SCN alleges that Noticee no. 14 transferred 2,00,000 shares of Timbor to Noticee no. 7 in off market route on August 29, 2014 and that Noticee no. 7 sold 63,619 shares of Timbor on BSE and1,46,381 shares of Timbor on NSE during the time when bulk SMS was being circulated and no allegation of reverse transaction has been made in the SCN and in view of the same I find that this particular detail regarding the return of 2,00,000 shares of Timbor through off market route from Noticee no. 7 to Noticee no. 14 on August 29, 2014 has been erroneously recorded in the Annexure 3.2. The Noticee no. 7 has also submitted that the number of transaction that he entered on BSE in relation to the shares of Timbor summed up around 1549 different transactions but the data provided with the SCN related to 833 transactions and that the total number of shares traded matched as provided in the BSE data with the SCN but number of transactions was different as mentioned above. Also, the Noticee no. 7 has pointed out that the data provided with SCN records 103 transactions pertaining to him in the month of September 2014 whereas he had carried out 266 transactions. The Noticee no. 7 has submitted his demat holding statement for September 2014, in support of this submission.

47. I note that, the trade log provided to the Noticee no. 7 records that trades involving 63,619 shares of Timbor were undertaken by the Noticee no. 7 on BSE, during the Patch II of IP, which is in line with the allegation against Noticee no. 7 in the SCN. The Noticee no. 7 has not denied the sale of 63,619 shares of Timbor on BSE and1,46,381 shares of Timbor on NSE and referred to the same quantities in his reply dated June 26, 2020 while calculating his ill-gotten gains. Therefore, the data pertaining to the number of shares traded by Noticee no. 7 as presented by the Noticee himself matches with the allegations in the SCN. Similarly, I note that the complete trade log of NSE pertaining to the Noticee no.7 provided to Noticee no. 7 records that he had undertaken trades involving 1,46,381 shares of Timbor on the NSE which matches with the allegation in the SCN. I find that the order log trade log pertaining to the Noticee no. 7's trades impugned in the SCN has been provided to him. With respect to Noticee 7's submission on the merits of the matter I note the following:

(i) I note that the Noticee no. 7 in spite of submitting several replies has not submitted any supporting document or proof of payment for the 2,00,000 shares of Timbor he recived from Noticee no. 14 who is a promoter of Timbor or any bank statement etc. I note that the Delivery Instruction Slip issued by Noticee no. 14 for the off market transaction for 2,00,000 shares of Timbor on August 29, 2014 between Shri Abhijeet Dwarkadas Daga (Noticee no. 14) and Noticee no. 7 states the purpose as "GIFT" and the value column has been left blank. Though it is written in DIS that it was a gift the Noticee no.7 has not specifically submitted that it was a gift. On the contrary, he has submitted that it was a genuine sale traction. This implies that the shares were transferred without any consideration. As per Section 25 of the Indian Contract Act, 1872 a contract without consideration is void except *inter ali*a if it is a contract in writing and registered and is made on account of natural love and affection between parties standing in a near relation to each other. The Noticee no. 7 has not made any submission or given any documentary proof that he was related to Noticee no. 14 on account of natural love and affection and that the transfer was on account of natural love and affection and thus, Section 25 of the Indian Contract Act, 1872 is not attracted.

(ii) The off market transfers between Noticee no. 14 and Noticee no. 7 also points to the fact that Noticee no. 7 was connected to Noticee no. 14. I note that off market transactions are possible only amongst known parties who are aware of holdings and willing to buy/ sell the particular securities outside the exchange and also knows about worthiness of parties, as it involves counter party risk and these trades are not settled through clearing corporation of a stock exchange nor there is any benefit of settlement guarantee fund of stock exchange in case of default by the counter party. Since off market transfers do not take place on the anonymous platform of the exchange, it is understood that the parties know each other and also know that the seller is holding shares of particular scrip say Timbor and willing to sell and the buyer is willing to buy and are required to negotiate the quantity and price to come to an understanding among themselves to carry out off-market trades. Therefore, it further implies that the parties were known to/ connected with each other. For

arguments sake if it is accepted that Noticee no. 7 did not personally know Noticee no. 14, it does not show that Noticee no. 7 was unaware of the manipulative scheme with respect to the trading in shares of Timbor during the IP since connection as well as communication can take place through middle men and the Noticee no. 7 has himself submitted that late Shri M.R. Saraf was purportedly acting as a middle man between Noticee nos. 7 and 14 and it is a fact that Noticee no. 7 got a huge number of shares of Timbor without any consideration on August 29, 2014.

(iii) After receipt of 2,00,000 shares of Timbor without any consideration from Noticee no. 14 on August 29, 2014, Noticee no. 7 then proceeded to dispose of the shares of Timbor in the secondary market on unsuspecting investors after circulation of bulk SMS during July 25, 2014 to July 28, 2014. The timing of the trades of Noticee no. 7 also shows that it was during a period when the Company was in financial crisis and finally liquidation proceedings were initiated in October 2015. Therefore, it can be reasonably inferred that Noticee no. 7 was one of the entities who provided an exit route to the promoters of Timbor before the Company went into liquidation, while interest in the scrip was generated fraudulently by sending bulk SMS by Noticee no. 11 who was connected to the promoters of Timbor.

(iv) I also note that the Noticee no. 7 has sold more shares of Timbor than which were in his possession during Patch II and he had to acquire more shares of Timbor in auction to make good the delivery. The Noticee no.7 held 2,00,000 shares of Timbor but had sold a total of 210,000 shares in the market, the additional 10,000 shares being short sold. It is understood that one short sells stocks when one expects a drop in price of the said shares. This further shows that Noticee no. 7 was aware that the price of the scrip will fall further which together with above facts points towards his participation in the fraudulent scheme.

48. In the case of Noticee no.7, a) the connection through off market trades; b) the suspicious nature of the transaction (i.e receipt of shares without any consideration and Noticee no. 7 being unable to provide any proof of payment of consideration); and c) Noticee no. 7's

trading behavior (short selling the shares of Timbor), leads to the reasonable inference that he was a participant in the fraudulent scheme described in para 23. Based on the above, it can be reasonably inferred that Noticee no. 7 was part of the fraudulent scheme where the promoters of Timbor dumped their shareholding in the Company in the market through the non-promoter Noticees after creating interest in the scrip through bulk SMS at the expense of gullible investors and Noticee no. 7 was one such entity which sold the shares of Timbor to the public after receiving the same through off market route from one such promoter. From the facts and circumstances of the case, I cannot accept the contention of Noticee no. 7 that he was unaware of the said scheme.

49. Similarly, with respect to Noticee nos. 3, 4 and 8, who have not submitted any replies, I note that:

(i) All three Noticees are connected to the promoters of Timbor since they received shares of Timbor in off-market from promoters of Timbor as mentioned in table in para 36, which forms the basis of their connection to the promoters of the Company. I also note that Noticee no. 3 is designated as a director of Timbor in the records of Registrar of Companies. Noticee no. 3 also shares common email address and phone number with the promoters of Timbor. Noticee no. 6 received shares in off market from Noticee no. 3. The details of the off market transfers are available in para 36 above. Thus, Noticee nos. 3,4 and 8 are connected to the promoters of Timbor and to each other and were part of the scheme mentioned at para 23.

(ii) I also note that the DIS for the off market transfer of shares by the promoters of Timbor to Noticee nos. 3, 4 and 8 mention the reasons of transfer as 'GIFT' or "FRIEND LOAN" or "LOAN". The column for value has been deliberately left blank. In view of the same, I agree with the SCN that the transfer of the shares of Timbor in off market route to Noticee nos. 3, 4 and 8 took place without any consideration for the same.

(iii) Thereafter these Noticees proceeded to sell the shares of Timbor just before the Company went into liquidation. Therefore, Noticee nos. 3, 4 and 8 who were connected to the promoters of Timbor provided an exit route to the promoters just before the

Company went into liquidation. This action of Noticee nos. 3, 4 and 8 leads to the conclusion that these Noticees were part of the fraudulent scheme and artifice to offload large number of shares of Timbor in the secondary market by planting unsolicited and misleading advice recommending purchase of shares of the Company to induce unsuspecting gullible investors to purchase shares. I note that the material available on record and the surrounding circumstances, as discussed in the preceding paragraphs, indicate towards the involvement of these Noticees in the fraudulent scheme. I note that Noticee no. 8 has expired and a death certificate has been made available on record and therefore the proceedings against him abate. Therefore, I find that Noticee nos. 3 and 4 have violated Regulation 3 (b), 4(1), 4(2)(f) and (r) of the PFUTP Regulations, 2003.

50. In view of the discussions above, I find that Noticee nos.3, 4, 7 and 8 had received 29,82,750 shares of Timbor, fraudulently, from the promoters of Timbor without any consideration and provided an exit opportunity to the promoters of Timbor at a time when the Company was going into winding up/ liquidation and the investors were induced to purchase shares of Timbor through bulk SMS sent by Noticee no. 11.

51. With respect to the second group of Noticee mentioned in para 41 above, i.e. Noticee nos. 1, 2, 3, 4, 6, 7, 8, 9, 10, 11,12,13, 19 and 20 who are alleged to have received shares of Timbor from the other Noticees and who are alleged to have offloaded shares of Timbor in the secondary market to the common investors, I note that Noticee no. 8 has expired and therefore, the proceedings against him has abated and cannot continue. Noticees nos. 1, 2, 3, 4, 6, 9, 10, 11, 12, 13 and 19 have not replied to the SCN. The reply of Noticee no. 7 has been discussed above.

52. Noticee nos. 1, 2, 3, 4, 6, 9, 10, 11, 12, 13, 19 and 20 were also connected with the promoters of Timbor as detailed in the table in para 24 above and these Noticees facilitated the offloading of the shares of Timbor, while an interest had been created in the scrip by sending bulk SMS, which originally were held by the promoters of Timbor and who were clandestinely exiting the Company since it was going into liquidation. The details of their

trading is available at para 36 above. The connection of these Noticees with each other and with the promoters of Timbor and timing of their trade i.e just before the Company was going into liquidation point towards their participation in the scheme. I also note that they sold the shares received from Noticee nos. 3, 4 and 8 which in turn they had received from the promoters of Timbor without paying any consideration. Therefore, I find that these Noticees were also part of the manipulative scheme in the trading of shares of Timbor during IP as described in the SCN and have violated Regulation 3 (b), 4(1), 4(2)(f) and (r) of the PFUTP Regulations, 2003.

53. The SCN alleges that certain Noticees had made illegal gains due to the offloading of shares of Timbor in the secondary market, which were held by the promoters in the Company. The details of the illegal gains mentioned in the SCN attributed to the Noticees have been provided in Annexure 7 of the SCN. The said Annexure mentions that Noticee nos.1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 19 made illegal gains, as detailed therein.

54. As per the findings in this order, Noticee nos. 1, 2, 3, 4, 6, 7, 9, 10, 11, 12, 13, 15, 16, 17, 19 and 20, were part of scheme and artifice to offload 29,82,750 shares of Timbor in the secondary market by planting unsolicited and misleading advice recommending purchase of shares of the Company to induce unsuspecting gullible investors to purchase shares. Further, Noticees viz., Gagabhai Desai Amul (Noticee no. 2), Nimish Pankajkumar Shah (Noticee no. 3), Mahesh Somabhai Desai (Noticee no. 9), Soni Sanjay Jethalal (Noticee no. 11) and Soni Krupa Sanjay (Noticee no. 12), had indulged in price manipulation in the scrip of Timbor. Therefore, illegal gains made by these Noticees, in violation of the securities laws, if any, needs to be disgorged.

55. I note that in the calculation of ill-gotten gains, the cost of acquisition has been taken as zero, which is indicated as Option III in the SCN. As discussed in preceding paragraphs, the promoters had transferred 37,82,750 shares to certain non- promoter Noticees without any consideration, therefore, SCN rightly takes cost of acquisition of shares for these entities, as zero. In paras 43 and 45 above, I have found that 8,00,000 shares transferred to Noticee no. 5 and 18 by the promoters of Timbor were not part of the fraudulent scheme.

I also note that the actual trade value of the sale of the shares of Timbor during Patch II has been taken for the purpose of calculation of ill-gotten gains. Since, the Noticees were also trading amongst each other during the IP and also trading with other members of the public during the IP, therefore, in order to calculate the ill-gotten gains, the first 29,82,750 (37,82,750 - 8,00,000) shares sold by the Noticees has been considered for calculation of the ill-gotten gains and their actual sell price has been taken in to consideration for the calculation, while acquisition price has been taken as zero. In view of the fraudulent nature of the trades undertaken by these Noticees in the scrip of Timbor during Patch II, as discussed in preceding paragraphs, I find that they are liable to disgorge the illegal gains, as mentioned in the table below. I also find that in the absence of any fund trail with respect to these gains being routed back to the promoters of Timbor, it would be fair if the disgorgement amount is collected from the Noticees who actually made the sales. In this regard, I refer to the order of the Hon'ble SAT in Gagan Rastogi Vs SEBI (Appeal No. 91 of 2015 decided on July 12, 2019) wherein Hon'ble SAT observed as follows:

> *"……..18. We agree with the submission (as well as the judgments relied on by the appellants) that equitable remedy demands that disgorgement has to be made from the point of unjust enrichment or where the chickens come to roost. ….*
> *The choice is clearly that of the authority to pursue and disgorge an illegal gain from any point of a chain, if such a chain exists. Tracing to the last point of the chain is an exercise in futility and is not needed. When the proof of unjust enrichment is right before the eyes of an authority chasing the mirage of further transfers itself cannot be supported……..."*

56. In view of the above, I find that the Illegal gains made by Noticee nos. 1, 2, 3, 4, 6, 8, 9, 10, 11, 12, 13 and 19 are as follows:

Name of the entity	**BSE**		**NSE**		**Total both the exchange**	
	Traded qty.	Traded value	Traded qty.	Traded value	Total Traded qty.	Traded Value
PARESH NATHALAL CHAUHAN	783793	87,60,300.78	754654	74,44,739.10	1538447	16205039.88

SANJAY JETHALAL SONI HUF	218193	19,70,515.57	251147	23,07,706.80	469340	4278222.37
SHIRISH MANILAL VYAS	4990	60,660.75	4000	49,760.70	8990	110421.45
JATIN NATVARLAL PAREKH	2989	26,404.20	7011	79,168.00	10000	105572.2
RAKESH PATEL	4000	51,400.00	4100	52,685.00	8100	104085
AMUL G DESAI	147622	15,21,975.43	233608	26,31,759.35	381230	4153734.78
DIPALI NILAY PATEL	12197	1,56,604.48	16598	2,09,252.35	28795	365856.83
MAHESH SOMABHAI DESAI	54674	4,85,000.90	25000	2,65,000.00	79674	750000.9
PANKAJKUMAR SHAH NIMISH	1800	20,581.00	0	-	1800	20581
KAJAL NIMISH SHAH	1500	19,350.00	1800	16,750.70	3300	36100.7
KRUPA SANJAY SONI	49154	6,14,471.67	78836	8,82,436.90	127990	1496908.57
SONI SANJAY JETHALAL	135476	14,37,172.51	189608	20,42,038.40	325084	3479210.91
	1416388	1,51,24,437.29	1566362	1,59,81,297.30	**2982750**	**31105734.59**

Directions:

57. In view of the above, I, in exercise of the powers conferred upon me under Sections 11(1), 11(4) and 11B read with Section 19 of the Securities and Exchange Board of India Act, 1992, hereby issue the following directions:

(i) Noticee nos.1, 2, 3, 4, 6, 7, 9, 10, 11, 12, 13, 15, 16, 17, 19 and 20, are restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing insecurities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of two years, from the date of this order. During the period of restraint, the existing holding, including units of mutual funds of the Noticees shall remain frozen.

(ii) Noticee nos. 1, 2, 3, 4, 6, 8, 9, 10, 11, 12, 13 and 19 are hereby directed to disgorge the illegal gains made by them, as mentioned in para 56 above, along with interest

at the rate of 12 % p.a., within a period of 45 days from the date of this order. In case, these Noticees fail to pay the disgorgement amount within 45 days, they shall be restrained for a further period of two years from accessing the securities market and prohibited from buying, selling or otherwise dealing in the securities market, commencing for the end of the debarment period given in direction (i), above. However, such debarment shall not discharge these Noticees, from their liability to pay the disgorgement amount with interest, which shall be recovered by SEBI in accordance with Section 28A of the SEBI Act, 1992.

(iii) The amount, as directed to be disgorged in sub-para (ii) above, shall be paid to SEBI by way of a Demand Draft favouring "Securities and Exchange Board of India" and payable at Mumbai.

58. I note that Noticee nos. 8 and 14 have expired and thus the proceedings against them stand abated.

59. The order comes into force with immediate effect.

60. A copy of this order shall be served on all recognized Stock Exchanges, Commodity Derivatives Exchanges, Registrars and Transfer Agents and depositories to ensure compliance with above directions.

Sd/-

Date: November 20, 2020 **ANANTA BARUA**

Place: Mumbai **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA