BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER No.: ORDER/VV/AS/2021-22/15475 - 15500]

UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992.

In respect of:

Noticee No.	Noticee Name	PAN No.
1	**Harishkumar Kantilal Patel**	CNYPP3185N
2	**Nilay Jitendrakumar Mistry**	CRZPM8343Q
3	**Hiteshbhai Mistri**	DDEPM8647B
4	**Parmar Mukeshkumar**	DMKPP1977E
5	**Ravikumar Parmar**	EDOPP4355L
6	**Dhaval Solanki**	CLIPS6165D
7	**Parbhubhai Ratilal Shireshiya**	CWEPS3346D
8	**Jayshreeben Deepakbhai Sakariya**	HYWPS8873N
9	**Divyaben Hiteshbhai Gangani**	BTHPG8954L
10	**Pardhi Dhirubhai Khanabhai**	CEPPP2873D
11	**Narendrabhai Jayantibhai Rupera**	AMNPR3757N
12	**Chandrakant Sevantilal Thakkar**	AIFPT7753A
13	**Harishkumar Sakariya**	AXFPS3805D
14	**Amitkumar Bhikhbhai Solanki**	BMWPS6213G
15	**Ketan Pravinbhai Panchal**	CBRPP1212R
16	**Preyashbhai Sathvara**	BWPPS8357E
17	**Sejalben Prayashkumar Sathvara**	EUWPS4229D
18	**Vishalkumar Krishnakant Borisha**	BFKPB8172A
19	**Ankit Jagdishbhai Pithava**	BXVPP0489B
20	**Praveen Kumar**	DRRPK7321D
21	**Subhashbhai Gelot**	BTRPG9977K
22	**Nikhil Kiritbhai Panchal**	AVOPP6274G
23	**Bhavin Natwarlal Panchal**	AJMPP8429P
24	**Alpeshkumar Pratapbhai Chaudhari**	ARPPC9647M
25	**Arpan Darshakkumar Bhatt**	BIKPB3580P
26	**Rameshchandra Chhitubhai Patel**	DOPPP0311M

(The aforesaid 26 noticees are hereinafter being referred to as Noticee No. 1 to 26, respectively or collectively referred to as '**the Noticees**')

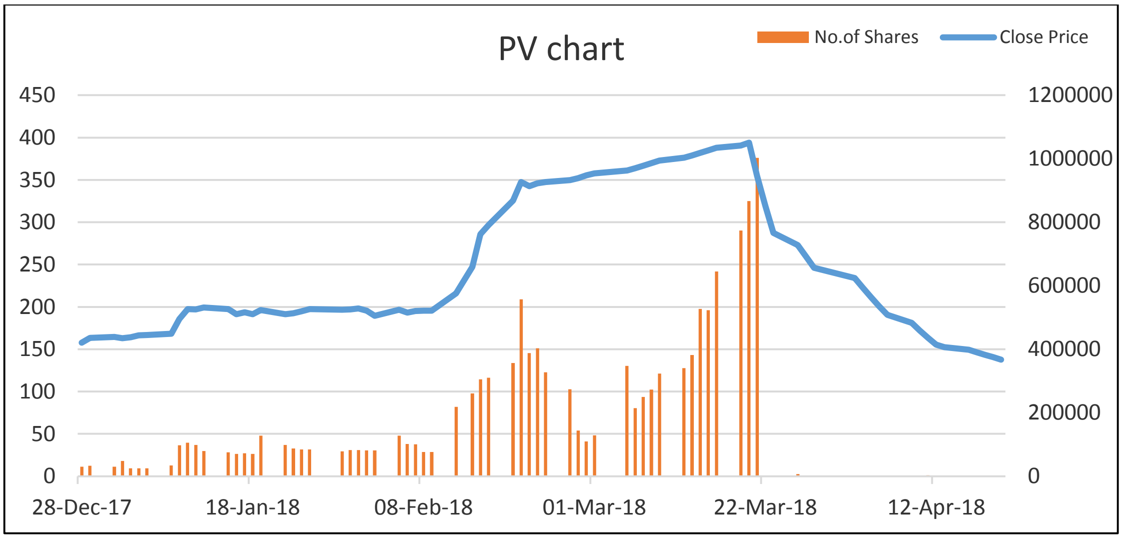
In the matter of trading in the scrip of Gala Global Products Limited

---

1. Gala Global Products Limited (hereinafter referred to as "**GGPL**") is a company having its shares listed on BSE Ltd. ('**BSE'**). Securities and Exchange Board of India ("**SEBI**") conducted investigation in the matter of GGPL during the period from December 28, 2017 to April 20, 2018 (hereinafter referred to as "**investigation period**"), to ascertain whether any suspicious entities have traded in the scrip of GGPL in violation of the provisions of

Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**') and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**').

2. During investigation, SEBI observed that the price of GGPL's scrip increased from Rs. 161/- to Rs. 397/- registering an increase of Rs. 236/- (146.58%) during the investigation period and hence, conducted synchronized trade analysis, reversal of trade analysis, last traded price ("**LTP**") analysis, New High Price ("**NHP**") analysis and first trade analysis to ascertain whether any entity (ies) manipulated the price of the scrip of GGPL during the investigation period. The price volume chart during the period of investigation is as following: -



3. SEBI identified the following 26 entities as "*suspected entities*" or "*group entities*". These *suspected entities* were found not connected to the company/ promoters/ directors of GGPL. The summary of the trading done by *suspected entities* during the investigation period is as under:

Table 1

Sr. No.	Client Name (Group 1)	Gross Buy	Gross Sale	Net Trade	Gross Buy % to total Mkt vol.	Gross Sell % to total Mkt vol.
1	AMITKUMAR BHIKHBHAI SOLANKI	592369	592369	0	4.72	4.72
2	NILAY JITENDRAKUMAR MISTRY	534180	534180	0	4.26	4.26
3	PRAVEEN KUMAR	458129	458129	0	3.65	3.65
4	HARISHKUMAR KANTILAL PATEL	394993	394993	0	3.15	3.15
5	KETAN PRAVINBHAI PANCHAL	368223	368223	0	2.93	2.93
6	PARMAR MUKESHKUMAR	275636	281053	-5417	2.20	2.24
7	JAYSHREEBEN DEEPAKBHAI SAKARIYA	225295	225295	0	1.80	1.80
8	SEJALBEN PRAYASHKUMAR SATHVARA	194345	194345	0	1.55	1.55
9	PREYASHBHAI SATHVARA	179675	179675	0	1.43	1.43
10	HARISHKUMAR SAKARIYA	153692	153692	0	1.22	1.22
11	ANKIT JAGDISHBHAI PITHAVA	122143	122143	0	0.97	0.97
12	RAVIKUMAR VINODBHAI PARMAR	106288	106288	0	0.85	0.85
13	BHAVIN NATWARLAL PANCHAL	92692	90192	2500	0.74	0.72
14	DIVYABEN HITESHBHAI GANGANI	88246	88246	0	0.70	0.70
15	SUBHASHBHAI GELOT	79469	79469	0	0.63	0.63
16	PARDHI DHIRUBHAI KHANABHAI	70305	70305	0	0.56	0.56

17	HITESHBHAI MISTRI	67050	57050	10000	0.53	0.45
18	PARBHUBHAI RATILAL SHIRESHIYA	60973	60973	0	0.49	0.49
19	NIKHIL KIRITBHAI PANCHAL	59103	59103	0	0.47	0.47
20	VISHALKUMAR KRISHNAKANT BORISHA	58852	58852	0	0.47	0.47
21	CHAUDHARI ALPESHKUMAR PRATAPBHAI	50280	50280	0	0.40	0.40
22	CHANDRAKANT SEVANTILAL THAKKAR	48050	48050	0	0.38	0.38
23	NARENDRABHAI JAYANTIBHAI RUPERA	46199	46199	0	0.37	0.37
24	DHAVAL SOLANKI	44543	44543	0	0.36	0.36
25	ARPAN DARSHAKKUMAR BHATT	36265	36667	-402	0.29	0.29
26	RAMESHCHANDRA CHHITUBHAI PATEL	33201	33201	0	0.26	0.26
	TOTAL	**4440196**	**4433515**	**6681**	**35.37**	**35.32**

4. SEBI observed that the aforementioned 26 *suspected entities* had purchased 44,40,196 shares (35.37% of total market volume) and sold 44,33,515 shares (35.32% of total market volume) of GGPL during the investigation period and have contributed significantly to the gross trading volume in the shares of GGPL with negligible net trading volume.

5. **Observations based on synchronized trade analysis:**

   a) Details of synchronized trades (*where the buy and sell order quantity and rate were identical and orders for these transactions were placed within time gap of one minute*) by the 26 *suspected entities* are given in the table below:

Table 2

Gross Buy Qty of suspected entities	Gross Sell Qty of suspected entities	Total traded qty among the suspected entities	Synchronized traded qty by suspected entities	Sync Trades as % of total traded qty among the suspected entities	Sync Trades as % of Total market volume	Sum of LTP contribution through Sync Trades
4440196	**4433515**	**3849873**	**1695172**	**44.03%**	**13.51%**	**36.95**

   b) The aforesaid 26 *suspected entities* have executed synchronized trades in the shares of GGPL amongst themselves for 16,95,172 shares (13.51% of total market volume) during the investigation period. These synchronized trades had also resulted in LTP contribution of Rs. 36.95/-.

   c) In view of the above, it has been alleged that the Noticees had created a misleading appearance of trading in the scrip of GGPL without any intention to change the ownership and contributed to price rise in violation of the provisions of Sections 12A (a),(b),(c) of the SEBI Act read with Regulations 3(a), (b), (c), (d) and Regulations 4(1), 4(2)(a) and 4(2)(g) of the PFUTP Regulations.

6. **Observations based on reversal of trade analysis:**

   a) Reversal trades are trades in which trades are reversed with the same counterparties on the same day. Reversal trades are executed with an intention for generation of artificial volume in the market and give a false and misleading appearance of trading in the scrip at the exchange. During the investigation period, the Noticees had entered into reversal trades and details of the same are mentioned in the table below:

Table 3

Client 1 Name	Client 2 Name	Sum Of Reversal Qty.	% of Reversal Qty. to mkt vol.	No. of Reversal trades
AMITKUMAR BHIKHBHAI SOLANKI	ANKIT JAGDISHBHAI PITHAVA	5157	0.041	35
	DHAVAL SOLANKI	448	0.004	6
	DIVYABEN HITESHBHAI GANGANI	1333	0.011	52
	HARISHKUMAR KANTILAL PATEL	34413	0.273	374
	KETAN PRAVINBHAI PANCHAL	132750	1.059	678
	NILAY JITENDRAKUMAR MISTRY	167935	1.34	1209
	PARMAR MUKESHKUMAR	140585	1.12	622
	PRAVEEN KUMAR	38286	0.303	342
	RAVIKUMAR VINODBHAI PARMAR	17689	0.143	402
AMITKUMAR BHIKHBHAI SOLANKI Total		**538596**	**4.294**	**3720**
ANKIT JAGDISHBHAI PITHAVA	DHAVAL SOLANKI	1491	0.012	22
	HARISHKUMAR KANTILAL PATEL	9204	0.073	141
	KETAN PRAVINBHAI PANCHAL	39780	0.316	276
	NILAY JITENDRAKUMAR MISTRY	17819	0.142	181
	PRAVEEN KUMAR	21657	0.173	140
	RAVIKUMAR VINODBHAI PARMAR	6729	0.054	65
ANKIT JAGDISHBHAI PITHAVA Total		**96680**	**0.77**	**825**
ARPAN DARSHAKKUMAR BHATT	PARDHI DHIRUBHAI KHANABHAI	1000	0.008	4
	RAMESHCHANDRA CHHITUBHAI PATEL	1000	0.008	5
ARPAN DARSHAKKUMAR BHATT Total		**2000**	**0.016**	**9**
BHAVIN NATWARLAL PANCHAL	ARPAN DARSHAKKUMAR BHATT	4586	0.037	17
	HARISHKUMAR KANTILAL PATEL	492	0.004	4
	PARDHI DHIRUBHAI KHANABHAI	5787	0.046	40
	RAMESHCHANDRA CHHITUBHAI PATEL	414	0.003	2
	VISHALKUMAR KRISHNAKANT BORISHA	3177	0.025	17
BHAVIN NATWARLAL PANCHAL Total		**14456**	**0.115**	**80**
CHANDRAKANT SEVANTILAL THAKKAR	CHAUDHARI ALPESHKUMAR PRATAPBHAI	400	0.003	9
	NARENDRABHAI JAYANTIBHAI RUPERA	5455	0.043	89
CHANDRAKANT SEVANTILAL THAKKAR Total		**5855**	**0.046**	**98**
CHAUDHARI ALPESHKUMAR PRATAPBHAI	PARBHUBHAI RATILAL SHIRESHIYA	1500	0.012	47
CHAUDHARI ALPESHKUMAR PRATAPBHAI Total		**1500**	**0.012**	**47**
DHAVAL SOLANKI	HARISHKUMAR KANTILAL PATEL	18719	0.149	131
	NILAY JITENDRAKUMAR MISTRY	11874	0.096	190
	PRAVEEN KUMAR	1007	0.008	21
DHAVAL SOLANKI Total		**31600**	**0.253**	**342**
DIVYABEN HITESHBHAI GANGANI	HARISHKUMAR KANTILAL PATEL	1625	0.013	44
	KETAN PRAVINBHAI PANCHAL	1452	0.011	67
	NILAY JITENDRAKUMAR MISTRY	5497	0.043	204
	PARMAR MUKESHKUMAR	1909	0.015	88
	PRAVEEN KUMAR	120	0.001	11
	RAVIKUMAR VINODBHAI PARMAR	6044	0.048	168
	SUBHASHBHAI GELOT	2627	0.021	53
DIVYABEN HITESHBHAI GANGANI Total		**19274**	**0.152**	**635**
HARISHKUMAR SAKARIYA	JAYSHREEBEN DEEPAKBHAI SAKARIYA	28994	0.232	154
	PREYASHBHAI SATHVARA	15989	0.128	71
	SEJALBEN PRAYASHKUMAR SATHVARA	4903	0.039	35
HARISHKUMAR SAKARIYA Total		**49886**	**0.399**	**260**
HARISHKUMAR KANTILAL PATEL	NILAY JITENDRAKUMAR MISTRY	121394	0.968	730

Client 1 Name	Client 2 Name	Sum Of Reversal Qty.	% of Reversal Qty. to mkt vol.	No. of Reversal trades
	PARMAR MUKESHKUMAR	47898	0.383	227
	PRAVEEN KUMAR	28705	0.228	500
	RAVIKUMAR VINODBHAI PARMAR	9239	0.074	210
HARISHKUMAR KANTILAL PATEL Total		**207236**	**1.653**	**1667**
KETAN PRAVINBHAI PANCHAL	DHAVAL SOLANKI	1528	0.012	29
	HARISHKUMAR KANTILAL PATEL	37868	0.301	309
	NILAY JITENDRAKUMAR MISTRY	1267	0.01	33
	PRAVEEN KUMAR	109044	0.87	849
	RAVIKUMAR VINODBHAI PARMAR	7714	0.063	112
KETAN PRAVINBHAI PANCHAL Total		**157421**	**1.256**	**1332**
NARENDRABHAI JAYANTIBHAI RUPERA	CHAUDHARI ALPESHKUMAR PRATAPBHAI	5788	0.046	90
	PARBHUBHAI RATILAL SHIRESHIYA	1000	0.008	30
NARENDRABHAI JAYANTIBHAI RUPERA Total		**6788**	**0.054**	**120**
NIKHIL KIRITBHAI PANCHAL	DIVYABEN HITESHBHAI GANGANI	6295	0.051	113
	SUBHASHBHAI GELOT	6201	0.05	104
NIKHIL KIRITBHAI PANCHAL Total		**12496**	**0.101**	**217**
NILAY JITENDRAKUMAR MISTRY	JAYSHREEBEN DEEPAKBHAI SAKARIYA	1	0	2
	PARMAR MUKESHKUMAR	8980	0.071	43
	PRAVEEN KUMAR	144101	1.148	1395
	RAVIKUMAR VINODBHAI PARMAR	7106	0.056	156
NILAY JITENDRAKUMAR MISTRY Total		**160188**	**1.275**	**1596**
PARDHI DHIRUBHAI KHANABHAI	RAMESHCHANDRA CHHITUBHAI PATEL	1635	0.013	15
PARDHI DHIRUBHAI KHANABHAI Total		**1635**	**0.013**	**15**
PARMAR MUKESHKUMAR	PRAVEEN KUMAR	54607	0.435	523
	RAVIKUMAR VINODBHAI PARMAR	2507	0.02	52
PARMAR MUKESHKUMAR Total		**57114**	**0.455**	**575**
PRAVEEN KUMAR	RAVIKUMAR VINODBHAI PARMAR	16305	0.131	364
PRAVEEN KUMAR Total		**16305**	**0.131**	**364**
PREYASHBHAI SATHVARA	JAYSHREEBEN DEEPAKBHAI SAKARIYA	32650	0.262	676
	SEJALBEN PRAYASHKUMAR SATHVARA	1212	0.009	39
PREYASHBHAI SATHVARA Total		**33862**	**0.271**	**715**
SEJALBEN PRAYASHKUMAR SATHVARA	JAYSHREEBEN DEEPAKBHAI SAKARIYA	49769	0.397	265
SEJALBEN PRAYASHKUMAR SATHVARA Total		**49769**	**0.397**	**265**
SUBHASHBHAI GELOT	HITESHBHAI MISTRI	1000	0.008	10
	RAVIKUMAR VINODBHAI PARMAR	933	0.007	8
SUBHASHBHAI GELOT Total		**1933**	**0.015**	**18**
VISHALKUMAR KRISHNAKANT BORISHA	HARISHKUMAR KANTILAL PATEL	2125	0.017	9
	RAMESHCHANDRA CHHITUBHAI PATEL	1099	0.009	12
VISHALKUMAR KRISHNAKANT BORISHA Total		**3224**	**0.026**	**21**
Grand Total		**1467818**	**11.704**	**12921**

b) From the above table, it was observed that the Noticees had entered into 12,921 reversal trades accounting for 14,67,818 shares of GGPL (11.70% of total market volume) during the investigation period.

c) In view of the above, it has been alleged that the Noticees have entered into repetitive reversal trades without intention of change of ownership of the scrip of GGPL and created misleading appearance of trading in the scrip of GGPL in violation of the provisions of Sections 12A (a),(b),(c) of the SEBI Act read with Regulations 3(a), (b), (c), (d) and Regulations 4(1), 4(2)(a) and 4(2)(g) of the PFUTP Regulations.

7. **<u>Observations based on LTP analysis:</u>**

a) Details of LTP contribution by the Noticees during the investigation period on buy side in the scrip of GGPL are mentioned in the table below:

<u>Table 4</u>

Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of positive LTP to Total Market positive LTP
	Sum of LTP diff	Sum of Quantity	No of trades	Sum of LTP diff	QTY traded	No of trades	Sum of LTP diff	QTY traded	No of trades	QTY traded	No of trades	
Sejalben Prayashkumar Sathvara	52.35	194345	373	108.85	95248	153	-56.50	77759	136	21338	84	3.61
Nilay Jitendrakumar Mistry	21.50	534180	2240	83.40	92710	249	-61.90	53832	167	387638	1824	2.76
Amitkumar Bhikhbhai Solanki	4.15	592369	1926	81.35	188936	403	-77.20	97092	220	306341	1303	2.70
Ketan Pravinbhai Panchal	42.05	368223	1275	75.25	69250	163	-33.20	58343	130	240630	982	2.49
Parmar Mukeshkumar	-2.30	275636	850	64.95	83602	171	-67.25	58915	133	133119	546	2.15
Preyashbhai Sathvara	17.50	179675	1384	59.70	80155	104	-42.20	53367	93	46153	1187	1.98
Harishkumar Kantilal Patel	23.95	394993	1498	50.05	70226	140	-26.10	46431	85	278336	1273	1.66
Pardhi Dhirubhai Khanabhai	13.90	70305	332	45.10	26739	46	-31.20	25060	37	18506	249	1.49
Jayshreeben Deepakbhai Sakariya	-6.55	225295	357	37.50	87807	114	-44.05	95104	129	42384	114	1.24
Vishalkumar Krishnakant Borisha	27.30	58852	122	37.15	28141	36	-9.85	20437	25	10274	61	1.23
Harishkumar Sakariya	13.60	153692	229	36.65	64532	70	-23.05	55526	75	33634	84	1.21
Chandrakant Sevantilal Thakkar	8.05	48050	388	26.50	20022	103	-18.45	9886	54	18142	231	0.88
Divyaben Hiteshbhai Gangani	3.45	88246	852	25.10	14913	61	-21.65	9449	34	63884	757	0.83
Narendrabhai Jayantibhai Rupera	9.20	46199	360	22.15	15334	81	-12.95	9522	58	21343	221	0.73
Chaudhari Alpeshkumar	8.50	50280	407	21.50	16614	77	-13.00	10391	55	23275	275	0.71
Praveen Kumar	-0.20	458129	1991	20.55	51524	154	-20.75	20922	71	385683	1766	0.68
Subhashbhai Gelot	1.95	79469	480	18.05	23502	55	-16.10	15685	41	40282	384	0.60
Parbhubhai Ratilal Shireshiya	8.75	58473	388	17.40	18532	40	-8.65	9977	30	29964	318	0.58
Ravikumar Vinodbhai Parmar	-19.80	106288	847	15.90	13968	60	-35.70	11765	59	80555	728	0.53
Arpan Darshakkumar Bhatt	7.60	36265	79	13.70	10385	18	-6.10	14507	15	11373	46	0.45
Bhavin Natwarlal Panchal	-21.30	90192	217	12.10	27460	40	-33.40	38665	52	24067	125	0.40
Rameshchandra Chhitubhai Patel	-0.70	33201	161	12.05	10785	24	-12.75	12362	29	10054	108	0.40
Ankit Jagdishbhai Pithava	4.30	122143	473	10.00	17173	32	-5.70	11476	22	93494	419	0.33
Nikhil Kiritbhai Panchal	-7.55	59103	553	9.35	6945	38	-16.90	9843	36	42315	479	0.31
Hiteshbhai Mistri	2.85	57050	47	5.10	3750	6	-2.25	2750	2	50550	39	0.17
Dhaval Solanki	-5.45	44543	231	4.15	18916	60	-9.60	6222	26	19405	145	0.14
Manoj Ashokbhai Khalas	1.85	250	2	1.85	250	2	0.00	0	0	0	0	0
Total	**207.10**	**4425196**	**18060**	**913.55**	**1157169**	**2498**	**-706.45**	**835288**	**1814**	**2432739**	**13748**	**30.27**
Market Total	**238.00**	**11533788**	**57151**	**3017.95**	**2115343**	**8350**	**-2779.95**	**2145617**	**7411**	**7272828**	**41390**	**100.35**

b) From the above table, it was observed that the Noticees had contributed Rs. 913.55/- to positive LTP (30.27% of total market positive LTP) in 2,498 trades with trading volume of 11,57,169 shares and their net LTP contribution was Rs. 207.10/- during the investigation period.

c) In majority of the positive LTP orders, the sell orders above LTP were placed by the Noticees before the buy orders were placed in the system which were already at prices higher than the LTP.

d) Out of 2498 trades with positive LTP contribution, 1941 trades were entered into by the Noticees where the counter parties belonged to the group of Noticees themselves and the Noticees had collectively contributed to positive LTP of Rs. 632.10/-. The LTP for 527 trades where the buy order was placed before the corresponding sell order was Rs. 168.95 (5.60 % of total market positive LTP) and in the remaining 1414 trades, the LTP contribution was Rs. 463.15/- (15.34 % of total market positive LTP).

e) In view of the above, it has been alleged that the Noticees have traded amongst themselves, acted either as buyer and/or seller and had contributed an amount of Rs. 632.1/- to positive LTP (20.94% of market positive LTP). It has been further alleged that the Noticees were acting in concert and contributed to manipulation in the GGPL's scrip price and thereby created a misleading appearance of trading in the scrip of GGPL by their trades in violation of the provisions of Sections 12A (a),(b),(c) of the SEBI Act read with Regulation 3(a), (b), (c), (d) and Regulations 4(1), 4(2)(a) and 4(2)(e) of the PFUTP Regulations.

8. **Observations based on NHP analysis:**

a) During the investigation period, the price of the scrip of GGPL opened at Rs. 161/- (previous day closed at Rs. 157.75/-) on December 27, 2017 and reached the high price of Rs. 394.30/- on March 20, 2018 thereby registering a NHP of Rs. 394/-. The summary of trades as buyers by few of the entities amongst the Noticees contributing to NHP is mentioned in the table below:

Table 5

Buyer Name	NHP contribution (in Rs.)	NHP Contribution to total NHP(in %)	No. of Trades	Sum of NHP Qty.	NHP where CPs were from the group (Rs.)	% of NHP contribution to market NHP wher CP from group
Bhavin Natwarlal Panchal	1.00	0.42	2	2400	1.00	0.42
Narendrabhai Jayantibhai Rupera	2.15	0.93	2	100	0.00	0.00
Vishalkumar Krishnakant Borisha	3.10	1.33	2	1800	3.10	1.33
Amitkumar Bhikhbhai Solanki	0.10	0.04	2	1000	0.10	0.04
Pardhi Dhirubhai Khanabhai	5.35	2.29	2	2400	5.35	2.29
Dhaval Solanki	0.05	0.02	1	500	0.05	0.02
Harishkumar Kantilal Patel	0.25	0.11	1	1200	0.25	0.11
Nilay Jitendrakumar Mistry	0.80	0.34	4	2000	0.80	0.34
Parmar Mukeshkumar	2.90	1.25	2	810	2.90	1.25
Praveen Kumar	1.00	0.43	1	22	0.00	0.00
Sejalben Prayashkumar Sathvara	3.80	1.63	2	1400	0.00	0.00
Jayshreeben Deepakbhai Sakariya	0.10	0.04	1	1400	0.00	0.00
Total	**20.60**	**8.83**	**22**	**15032**	**13.55**	**5.80**

b) From the above table, it was observed that the 12 connected entities forming part of the Noticees have contributed Rs. 20.60/- to NHP which was 8.83% of total NHP. Out of the same, NHP contribution where the counterparties also belong to the group of connected entities forming part of the Noticees was Rs. 13.55/- (5.80 % of total NHP) which was considered as significant.

c) In view of the above observation, it was considered to further corroborate the fact that the 12 connected entities forming part of the Noticees have manipulated the GGPL's scrip price by way of their trading activity during the investigation period.

9. **<u>Observations based on first trade analysis:</u>**

a) 5 connected entities forming part of the Noticees have entered into first trades during the investigation period as buyers. The summary of their first trades is given below:

<u>Table 6</u>

Buy Client	Sum of LTP diff. (INR)	Sum of LTP % diff.	No. of First Trades	Traded Qty.	No. of first trades where CPs from the connected entities
Bhavin Natwarlal Panchal	1.15	0.70	1	1200	1
Vishalkumar Krishnakant Borisha	11.45	6.05	5	4200	5
Ketan Pravinbhai Panchal	0.55	0.28	1	250	1
Pardhi Dhirubhai Khanabhai	17.35	9.53	4	3850	4
Nilay Jitendrakumar Mistry	5.95	3.05	2	750	2
Total	**36.45**	**19.61**	**13**	**10250**	**13**

b) On analysing the orders for first trades of the Noticees, it was observed that their total positive LTP contribution through first trade was Rs. 36.45/- (19.61% of total market positive LTP) and in all the trades, the counterparties also belonged to the group of Noticees themselves.

c) In view of the above observation, it was considered to further corroborate the fact that the connected entities forming part of the Noticees have manipulated the GGPL's scrip price by way of their trading activity during the investigation period.

10. In the above facts and circumstances, it has been alleged by SEBI that the Noticees have violated the provisions of Sections 12A(a),(b),(c) of the SEBI Act read with Regulations 3(a), (b), (c), (d) and Regulations 4(1), 4(2)(a), 4(2)(e) and 4(2)(g) of the PFUTP Regulations.

11. In view of above, the competent authority in SEBI *prima facie* felt satisfied that there are sufficient grounds to inquire and adjudicate upon the aforesaid violations by the 26 Noticees. By a *communication-order* dated May 28, 2019, Shri Santosh Shukla was appointed as

Adjudicating Officer ("**erstwhile AO**") to inquire into and adjudge under Rule 5 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as '**the Adjudication Rules**') and under Section 15HA of the SEBI Act for the aforesaid alleged violations by the Noticees. Thereafter, pursuant to transfer of Shri Santosh Shukla, Shri Amit Pradhan was appointed as Adjudicating Officer and subsequently upon transfer of Shri Amit Pradhan, undersigned has been appointed as the Adjudicating Officer vide communication order dated June 21, 2021. It has been advised that except for the change of the Adjudicating Officer, the other terms and condition of the original orders (whereby the aforesaid Adjudicating Officers was appointed) '*shall remain unchanged and shall be in full force and effect'*. It has also been advised that '*I should proceed in accordance with the terms of reference made in the original orders*'.

12. Accordingly, in terms of Rule 4(1) of the Adjudication Rules read with section 15I of the SEBI Act, a notice to show cause no. EAD-2/SS-SKS/OW/18560/1-26/2019 dated July 22, 2019 (hereinafter referred to as '**the SCN**') was issued to the Noticees by erstwhile AO calling upon them to show cause as to why an inquiry should not be held against them in terms of Rule 4 of the Adjudication Rules and penalty be not imposed under Section 15HA of the SEBI Act for the aforesaid alleged violations. On receipt of records, it was observed that the SCN was served *via* Speed Post Acknowledgement Due ("**SPAD**") to the 20 Noticees out of the 26 Noticees. In respect to other 6 Noticees *viz*. Mr. Nilay Jitendra Kumar Mistry, Mr. Praveen Kumar, Mr. Preyashbhai Sathvara, Mr. Harish Kumar Sakariya, Mr. Subhashbhai Gelot and Alpeshkumar Pratapbhai Chaudhari, the SCN returned undelivered. Accordingly, in terms of Rule 7(d) of the Adjudication Rules and considering the Covid-19 pandemic situation across the country, the SCN to these 6 Noticees was duly served *via* Paper Publication on July 21, 2021 in Ahmedabad edition of Times of India (English), Sandesh (Gujarati) and Gujarat Vaibhav (Hindi) newspapers. The details of the service of SCN to the Noticees during the course of proceedings as following:

Table 7

Name of the Entitiy	SCN Service Mode
Harishkumar Kantilal Patel	SPAD (29.07.2019)
Nilay Jitendrakumar Mistry	Paper Publication (21.07.2021)
Hiteshbhai Mistri	SPAD (29.07.2019)
Parmar Mukeshkumar	SPAD (30.07.2019)
Ravikumar Parmar	SPAD (30.07.2019)
Dhaval Solanki	SPAD (29.07.2019)
Parbhubhai Ratilal Shireshiya	SPAD (29.07.2019)
Jayshreeben Deepakbhai Sakariya	SPAD (30.07.2019)
Divyaben Hiteshbhai Gangani	SPAD (29.07.2019)
Pardhi Dhirubhai Khanabhai	SPAD (17.08.2019)
Narendrabhai Jayantibhai Rupera	SPAD (30.07.2019)
Chandrakant Sevantilal Thakkar	SPAD (30.07.2019)

Harishkumar Sakariya	Paper Publication (21.07.2021)
Amitkumar Bhikhbhai Solanki	SPAD (29.07.2019)
Ketan Pravinbhai Panchal	SPAD (02.08.2019)
Preyashbhai Sathvara	Paper Publication (21.07.2021)
Sejalben Prayashkumar Sathvara	SPAD (30.07.2019)
Vishalkumar Krishnakant Borisha	SPAD (29.07.2019)
Ankit Jagdishbhai Pithava	SPAD (30.07.2019)
Praveen Kumar	Paper Publication (21.07.2021)
Subhashbhai Gelot	Paper Publication (21.07.2021)
Nikhil Kiritbhai Panchal	SPAD (30.07.2019)
Bhavin Natwarlal Panchal	SPAD (30.07.2019)
Alpeshkumar Pratapbhai Chaudhari	Paper Publication (21.07.2021)
Arpan Darshakkumar Bhatt	SPAD (05.08.2019)
Rameshchandra Chhitubhai Patel	SPAD (05.08.2019)

13. It has been noted that despite service of the SCN to the Noticees, they have failed to submit any reply. Accordingly, on considering the material available on record and as per the principle of natural justice, an opportunity of personal hearing under Rule 4(3) of the Adjudication Rules was granted to the Noticees on September 09, 14, 15 and 16 of 2021, respectively. The Hearing Notice dated August 11, 2021 w.r.t. 20 Noticees (*whom SCN was served via SPAD*) was forwarded *via* SPAD. The Hearing Notice w.r.t. 6 Noticees *viz.* Mr. Nilay Jitendra Kumar Mistry, Mr. Praveen Kumar, Mr. Preyashbhai Sathvara, Mr. Harish Kumar Sakariya, Mr. Subhashbhai Gelot and Alpeshkumar Pratapbhai Chaudhari was served *via* Paper Publication on August 26, 2021 in Ahmedabad edition of Times of India (English), Gujarat Vaibhav (Hindi) and Gujarat Samachar (Gujarati) newspapers. However, the hearing notice dated August 11, 2021 forwarded *via* SPAD was returned undelivered w.r.t. 12 other Noticees *viz.* Mr. Amitkumar Bhikhbhai Solanki, Mr. Harishkumar Kantilal Patel, Mr. Parmar Mukesh kumar, Ms. Jayshreeben Deepakbhai Sakariya, Mr. Ankit Jagdishbhai Pithava, Mr. Bhavin Natwarlal Panchal, Ms. Divyaben Hiteshbhai Gangani, Mr. Pardhi Dhirubhai Khanabhai, Mr. Chandrakant Sevantilal Thakkar, Mr. Narendrabhai Jayantibhai Rupera, Mr. Dhaval Solanki and Mr. Rameshchandra Chhitubhai Patel. Accordingly, another opportunity of hearing was granted to these 12 Noticees on September 29, 2021, wherein, hearing notice was served *via* paper publication on September 04, 2021 in Ahmedabad edition of Times of India (English), Gujarat Vaibhav (Hindi) and Sandesh (Gujarati) newspapers. In this regard, I note that out of 26 Noticees, none of the Noticees appeared before me for hearing during instant proceedings. Further, two of the Noticees *viz.* Divyaben Hiteshbhai Gangani (Noticee No. 9) and Chandrakant Sevantimal Thakkar (Noticee No. 12) have filed their reply *via* respective e-mail dated October 26, 2021 and October 27, 2021, respectively. Also, Ms. Meneka Jha on behalf of two Noticees *viz.* Mr. Ketan Pravinbhai Panchal (Noticee No. 15) and Mr. Bhavin Natwarlal Panchal (Noticee No. 23) had filed a common reply dated October 20, 2021 to the SCN and waived off the opportunity of personal hearing.

14. The submissions made by the Noticees No. 9, 12, 15 and 23 vide their replies to the SCN during the instant proceedings are as follows:

A. <u>Ms. Divyaben Hiteshbhai Gangani (Noticee No. 9)</u>

a) She had never traded in any scrip and one Mr. Amit Patel has opened her account and gave her duly signed KYC documents.
b) She is the normal trader of the equity market and her trading was based on the SMS and assurance received.
c) Through her trading she had not contributed to any price increase so as to mislead any set of investors or public at large.
d) She is not involved in any off-market transaction or any bank transaction with any other noticees, therefore, she is not involved in any synchronized trades which resulted from meeting of minds.
e) She is denying the allegations made against her.

B. Mr. Chandrakant Sevantimal Thakkar (Noticee No. 12)

a) The allegation regarding creation of volume is just a matter of chance, as it was not possible for him to know who is the buyer and seller to his trades and how many brokers were involved. Also, his broker has traded on his behalf. The trades done by him and his broker has not created artificial inflation of price or volume.
b) He has no relationship with his broker apart from a professional one and his broker has charged and received brokerages as entitled under law and there was no unjust enrichment.
c) He does not know any other noticees. He is a day trader and his trades are very low and insignificant and it cannot involve any unfair or fraudulent act, as trades have been squared up at low gap.
d) He has exercised due care, skill and diligence as expected of any trader in respect of alleged scrip and have not done any act detrimental to the interest of the investors or securities market or indulged in any act of manipulation or malpractices in the securities market. He has not done any unfair trades and therefore, the question of being guilty of synchronized, reversal or self-trades does not arise.
e) As regards the alleged synchronized trades, the same are miniscule as compared to the trading undertaken during the relevant period i.e. reversal of 5,855 shares of the GGPL which is 0.046% of the market volume.
f) He is the normal trader of the equity market and he trades on the basis of news spread through the public data.

g) He submits that a baseless allegation of market manipulation, in particular, charge of fraudulent action unsupported with corroborative evidence cannot be sustained.

h) It is also a settled law that all violators of manipulation are not to be punished but only the ones making unlawful and illegal gains out of such violations should be punished.

i) In no manner he is responsible for any alleged violations of the SEBI Act, Rules, Regulations in respect of the alleged scrip and have acted in good faith according to sound business ethics, trading rules and ethics.

C. Mr. Ketan Pravinbhai Panchal (Noticee No. 15) and Mr. Bhavin Natwarlal Panchal (Noticee No. 23)

a) No trades, whether on buy or sale side, have been undertaken by the Noticees and therefore, the question of being guilty of synchronized, reversal or self-trades does not arise. They have not realized profits in their account.

b) If there was no connection between the Noticees and the Promoters/Directors and Company, there could be no basis to assume that the Noticees had been accumulating shares of the Company with a view to dispose them of and to make undue gains.

c) Noticees have confirmed that they are niece and uncle in relation. Further, they did not know about each other trading in the scrip of GGPL. Also, they are day trader and their trades are insignificant. Their volumes and profits/losses, are very low and insignificant and they cannot be involved in any act which is unfair or fraudulent as they square up the trade at very low gap.

d) It is submitted that the charge of price and market manipulation is a serious one and cannot be based on conjectures and surmises. They have exercised due care, skill and diligence as expected of any day trader in respect of alleged scrip and have not done any act detrimental to the interest of the Investors or Securities market or indulged in any act of market manipulation or malpractices in the Securities Market.

e) As regards the alleged synchronized or reversal trades in respect of the Noticees, it is submitted that the same are miniscule as compared to the trading undertaken during the relevant period. It is submitted that the Noticees 15 and 23 are alleged of entering into 80 (0.115% of reversal quantity to market volume) and 1332 (1.256% of reversal quantity to market volume) reversal trades, respectively.

f) They trade through the trading terminal, reveals the best five orders based on price as well as the total depth of order book in respect of trading in the scrip as these are the major determining factors required by us for making an investment decision for buying and selling securities.

g) On perusal of the available public data, it has been observed that through block/bulk deal following person have traded in the account the Company and gained huge profit. For example:

"Kartik Premchand Shah shares who sold 182000 Equity Shares at Rs. 395.77 on March 21, 2018 and purchased 103000 Equity Shares at Rs. 396.86 on the same date. Also bought 180013 Equity Shares on March 20, 2018 at Rs.393.85 and sold 197000 Equity Shares at Rs. 392.43.

Rathod Manoj Chhaganlal HUF who sold 161693 Equity Shares at Rs. 396.74 on March 21, 2018 and bought the same at Rs. 356.78

Darshakbhai Thakkar bought 90299 Equity Shares on March 19, 2018 at Rs. 390.73 and sold 141872 Equity Shares at Rs. 389.21 and also bought 121716 Equity Shares at Rs. 387.75 on March 16, 2018 and sold 134940 Equity Shares at Rs. 386.76."

h) They have no relationship with the below mentioned individuals and they never met them and have not heard their names before issuance of the aforesaid SCN i.e. Arpan Darshakkumar Bhatt, Harishkumar Kantilal Patel, Pardhi Dhirubhai Khanabhai, Rameshchandra Chhittubhai Patel, Vishalkumar Krishnakant Borisha, Dhaval Solanki, Nilay Jitendrakumar Mistry, Praveen Kumar and Ravikumar Vinodbhai Parmar.

i) They have traded based on the press release dated February 20, 2018 that the Company had bagged order worth Rs. 1050 million for printing and supply of various books and registers from Jharkhand Education department which was forward looking statement from the management and was also rectified thereafter. Also, financials were submitted to BSE for quarter ended December 2017 on February 15, 2018 under Regulation 47 with net profit after tax of Rs. 68.49 lacs in quarter ending December 2017 as compared to Rs. 15.76 lacs for the quarter ending December 2016 (**Source: BSE website**).

j) It is further submitted that a baseless allegation of market manipulation, in particular, charge of fraudulent action unsupported with corroborative evidence cannot be sustained. It is stated that it is also settled law that all violators of manipulation are not to be punished but only the ones making unlawful and illegal gains out of such violations should be punished.

k) They are in no manner responsible for any alleged violations of SEBI Act, Rules and Regulations in respect of the alleged scrip and have acted in good faith according to sound business ethics, trading rules and ethics.

l) The aforesaid SCN is based on surmises and conjectures as the notices have not entered into repetitive trades without intention of change of ownership and have not created misleading appearance of trading in the Scrip.

15. I note that, Noticees No. 1 to 8, 10, 11, 13, 14, 16 to 22, 24, 25 & 26 have been served SCN *via* SPAD or paper publication (*refer Table No. 7*). Further, the opportunity of hearing was extended to the aforesaid noticees. Therefore, in my view sufficient opportunity of filing reply to the SCN and making representation during these proceedings has been extended to the aforesaid Noticees, however they failed to avail the same. In these facts and circumstances, I am of the view that the matter can be proceeded *ex-parte* on the basis of material available on record in terms of Rule 4(7) of the Adjudication Rules which reads as under: -

> *"**4(7)** If any person fails, neglects or refuses to appear as required by sub-rule (3) before the Board or the adjudicating officer, the Board or the adjudicating officer may proceed with the inquiry in the absence of such person after recording the reasons for doing so."*

16. I note that Noticees No. 1 to 8, 10, 11, 13, 14, 16 to 22, 24, 25 & 26 have failed to file any response. In the fact and circumstances of the case, I am of the view that the aforesaid Noticees have defied the regulatory provisions and I, therefore, deem it fit to draw an adverse inference against the aforesaid Noticees. Further, in absence of any response from the said Noticees, it is presumed that they have admitted the charge of violations of provisions as alleged in the case. In this regard, it is pertinent to note that the Hon'ble SAT in the matter of *Classic Credit Ltd. vs. SEBI (Appeal No. 68 of 2003 decided on December 08, 2006)* has, *inter-alia*, observed that, *"........... the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show cause notice were admitted by them".* It is also pertinent to note that the Hon'ble SAT in the matter of *Sanjay Kumar Tayal & Others vs SEBI (Appeal No. 68 of 2013 decided on February 11, 2014)*, has also, *inter alia*, observed that: *"........... appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges leveled against them in the show cause notices...".* Therefore, it can reasonably be presumed that the allegations/charges have been admitted by the Noticees No. 1 to 8, 10, 11, 13, 14, 16 to 22, 24, 25 & 26 in this case. The material on record do not indicate anything to *ex facie* hold otherwise.

17. I have considered the allegation levelled in the terms of reference, the relevant material brought on record, reply/ submissions of the Noticees No. 9, 12, 15 and 23 made during the instant proceedings before the undersigned. Before dealing the case, it would be appropriate

to provide reference to the provisions alleged to be violated by the Noticees at the relevant times and same read as under: -

SEBI Act

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

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

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;
(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;
(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;.
(d) …..

PFUTP Regulations

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

(a) buy, sell or otherwise deal in securities in a fraudulent manner;
(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;
(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;
(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

4. Prohibition of manipulative, fraudulent and unfair trade practices

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.
(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely: —
    (a) indulging in an act which creates false or misleading appearance of trading in the securities market;
    (b) ….
    (e) any act or omission amounting to manipulation of the price of a security;
    (f) ….

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

(h) ….

18. From the available records, I note that GGPL registered total income of Rs. 83.59 crores and Rs. 26.46 crore for the year ended on March, 2018 and March, 2017, respectively. It was observed that annual revenue of GGPL has increased by Rs. 56.89 crore and annual net profit has increased by Rs. 2.31 crore (*profit for year ending on March, 2017 was Rs. 0.27 Crore*). The quarterly revenue and profit has increased steadily from the quarter ended on September, 2017 to March, 2018. Further, corporate announcements made by the GGPL were in nature of announcements of financial results and issue of bonus shares and therefore, no major impact on price/volume was observed on the basis of any corporate announcement made by the company during the investigation period. The Price Volume data for the scrip is as follows:

Table 8

Period	Dates		Opening Price (volume) on first day Rs)	Closing price (volume) on last day (Rs.)	Low price(volume) during the period (Rs.)	High Price (volume) during the period (Rs.)	Avg. no. of (shares) traded daily during the period
Before Investigation period	**(01/09/2017 - 27/12/2017)**	**Price**	141.25	157.75	139.85	203.00	42013.78
		Vol	1500	54050	3000	126026	
During Investigation Period	**(28/12/2017 -20/04/2018)**	**Price**	161	137.80	137.80	397.00	163024.05
		Vol	30263	37	37	1003242	
After investigation period	**(21/04/2018 -30/06/2018)**	**Price**	135.05	39.40	37.30	135.05	31228.16
		Vol	282	8689	24269	282	

19. I note from the above table no. 8 that there was substantial increase in the price and volume of the scrip of GGPL during investigation period, especially when same is compared with the pre and post investigation period price and volume data of the scrip of GGPL. During investigation period price of the scrip increased from Rs. 161/- to Rs 397/- i.e. 146.58% (approx.) rise. Further, there is 2.88 times increase in average trading volume of the scrip during investigation period in comparison to before investigation period average volume in the scrip. Thereafter, in post investigation period, average trading volume of the scrip drop down to 5.22 times in comparison to average trading volume of the scrip during investigation period. I also note that the price of the scrip of GGPL has further drop from high of Rs. 397/- to Rs. 135.05/- on starting day of post investigation period.

20. In terms of trading pattern of the Noticees, from Table No. 1, I note that, 22 out of 26 Noticees have sold all the shares of GGPL bought by them during the investigation period. Further, their gross buy and gross sell percentage to the total market volume of the scrip was 35.37% and 35.32%, respectively. Such a trading pattern indicates that, the Noticees were

substantially trading in the scrip of GGPL during the concentrated period of investigation and they were not having any purpose to hold the shares of the GGPL, as there was negligible net trading volume in the scrip of GGPL. From Table No. 2, I note that during the investigation period, the Noticees have executed 13.51% of synchronized trades in the scrip of GGPL amongst themselves and it was equal to 44.03% of the total traded quantity by the Noticees in the scrip of GGPL. From Table No. 3, I note that during the investigation period, the 21 Noticees out of the 26 Noticees had entered into 12,921 reversal trades and same has accounted for substantial 11.70% of total market volume in the scrip of the GGPL. From Table No. 4, I note that during the investigation period, the Noticees had contributed Rs. 913.55/- to positive LTP through 2,498 trades in the scrip of the GGPL and same has accounted for substantial 30.27% of total market positive LTP in the scrip of the GGPL. I further note that 1941 trades out of 2498 trades with positive LTP contribution were entered into by the Noticees where the counter parties belonged to the group of Noticees themselves and the Noticees had collectively contributed to positive LTP of Rs. 632.10, which has accounted for 20.94% of total market positive LTP in the scrip of the GGPL. I also note that 527 trades out of 1941 trades were those, wherein, the buy orders above LTP were placed by the Noticees before the corresponding sell orders. From Table No. 5, I note that during the investigation period, 12 Noticees out of the 26 Noticees through 22 trades have contributed Rs. 20.60/- to NHP, which has accounted for 8.83 % of total NHP in the scrip. Further, for NHP of Rs. 13.55/- (5.80 % of total NHP) the counterparties belong to the group of the Noticees. From Table No. 6, I note that during the investigation period, 5 Noticees out of the 26 Noticees through 13 trades, which were '*first trades*' have contributed total positive LTP of Rs. 36.45/- (19.61% of total market positive LTP). Further, in all of these first trades, the counterparties also belonged to the group of Noticees.

21. I have perused the trade log for the investigation period for scrip, and on random basis selected three dates i.e. 28.12.2017, 16.01.2018 and 08.02.2018. A brief of the same is as follows:

<u>Table 9</u>

Date	Total Trades	Total Buy Trades by the Noticees	% of total buy trades of the Noticees to total trades	Total Sell Trades by the Noticees	% of total buy trades of the Noticees to total trades
28/12/2017	188	107	57%	130	69%
16/01/2018	284	226	80%	242	85%
08/02/2018	528	448	85%	469	89%

22. From the above table, I found that in the aforementioned dates, the Noticees were significantly trading among themselves in the scrip of GGPL. Such as, on February 08, 2018, the Noticees were buyer for 85% of the total buy trades in the scrip of GGPL on given date

and they were seller for 89% of the total sell trades in the scrip of GGPL on given date. Such a trading pattern among a close group of persons in a particular scrip on a given date indicate towards employing of a manipulative device and practices to artificially influence the price and volume of a particular scrip.

23. On sample basis, I have further perused the trade data of Mr. Amitkumar Bhikhbhai Solanki, Noticee No. 14 and I note that he has placed 1,926 buy trades and 1989 sell trades in the scrip of GGPL during the investigation period. In 1845 trades out of 1926 buy trades i.e. 95.8%, the counterparties were the Noticees from the '*suspected group*'. Similarly, in 1914 out of 1989 sell trades i.e. 96.22%, the counterparties were the Noticees from the '*suspected group*'. Further, while perusing the data for 08/02/2018 in the scrip of GGPL, I came through an instance, wherein for all 29 trades of the noticee Mr. Narendrabhai Jayantibhai Rupera (Noticee No. 11), the counterparty was Mr. Chandrakant Sevantilal Thakkar (Noticee No. 12). Similarly, for all 39 buy trades of Mr. Chandrakant Sevantilal Thakkar (Noticee No. 12) on given date the counterparty was Mr. Parbhubhai Ratilal Shireshiya (Noticee No. 7).

24. Considering the price volume data provided in table no. 8, aforementioned financials of GGPL (*refer para 18*), no major corporate announcement during the investigation period, facts related to abnormal trading patterns of the Noticees (*refer Table No. 1 – 6 and paras 20 - 23*) in the scrip of GGPL in a concentrated period, I am of the opinion that aforesaid attendant circumstances exhibits an apparent motive to artificially raise the price/ volume of the scrip.

25. During the instant proceedings, Notiees No. 9, 12, 15 and 23 have contended that the SCN is based on surmises and conjectures as the Noticees have not entered into repetitive trades without intention of change of ownership and have not created misleading appearance of trading in the Scrip. Further, their trades are miniscule as compared to the trading undertaken during the relevant period. In this regard, I note that the SCN in this case is based on the trades executed by the Noticees and trading pattern observed in the scrip during the investigation period. SCN has clearly brought out the reference through the trade data and pattern of the Noticees during the relevant period and how the same resulted into the creation of artificial price rise and volume, significant contribution towards positive LTP, significant number of reversal trades, contribution in positive LTP through NHP and first trade in the scrip, etc. while trading among themselves. Therefore, in my view SCN in this case is based on facts and supported by trade data and trading patterns of the Noticees. I further note that, Noticee No. 9 has executed total of 856 buy trades and 893 sell trades, Noticee No. 12 has executed total of 388 buy trades and 353 sell trades, Noticee No. 15 has executed total of 1275 buy trades and 1195 sell trades and Noticee No. 23 has executed total of 219 buy trades and 241 sell trades during the investigation period in the scrip of GGPL. I also note that, Noticee

No. 9 has executed 635 reversal trades and reversed 19,274 shares of GGPL, Noticee No. 12 has executed 98 reversal trades and reversed 5,855 shares of GGPL, Noticee No. 15 has executed 1332 reversal trades and reversed 1,57,421 shares of GGPL, and Noticee No. 23 has executed 80 reversal trades and reversed 14,456 shares of GGPL. It is also noted that, the contribution in positive LTP of GGPL scrip by Noticees No. 9, 12, 15 and 23 was 0.83%, 0.88%, 2.49% and 0.40% of the total market positive LTP, respectively. Noticee No. 23 has also contributed 0.42% (Rs. 1.00/- positive LTP) towards NHP through its 2 of trades and Rs 1.15/- of positive LTP through his first trade in the scrip of GGPL. Noticee No. 15 has contributed Rs 0.55/- of positive LTP through his first trade in the scrip of GGPL. In view of aforementioned trade data and trading pattern of Noticees No. 9, 12, 15 and 23 in the scrip of GGPL, I am of the opinion that their trades cannot be considered miniscule or in small quantities during the investigation period, instead they have significant influence in creation of artificial trading volume and artificial price of the scrip. Therefore, in my view the said submission of the aforesaid Noticees is factually incorrect and legally untenable.

26. In respect of above, I refer to the observations of the Hon'ble Securities Appellate Tribunal ("SAT") judgement in the matter of *Giriraj Kumar Gupta HUF Vs. SEBI* (Date of decisions: February 25, 2020), in which the Hon'ble Tribunal, *inter alia*, held that "*Having heard the learned counsel for the parties, we are of the considered view that the impugned transactions, in the facts and circumstances of the matter, would fall in the realm of violations of PFUTP Regulations. Individual argument that each entity's trade is miniscule and only on a few days alone etc. is not sufficient to rebut the findings in the impugned order.*"

27. I further note that, the violation by the Noticees in this case is of creation of artificial trading volumes and artificial price by trading among the 26 Noticees, hence, it would be appropriate to consider the impact of these transactions among the Noticees in totality as a group. Considering the trading pattern in this case, it is very much possible that trade in any scrip can be executed even for less quantity and same can cause a substantial variance with the LTP of the scrip. Since the price of the scrip can get altered based on a trade involving miniscule quantity of share, such a trade when carried out repetitively with manipulative intent, can have potentiality to manipulate the price of the scrip in the same manner as can be done by a trade involving large number of shares. Thus, the aforesaid LTP contributing trades of the Noticees themselves go on to show as to how their trades involving small number of shares have proved to be equally potent to distort the price discovery mechanism of the market. I also note that, law does not allow any allowance for such fraudulent act of creation of misleading appearance of trading and creation of artificial price rise due to impugned trades and trading pattern. In view of the same, I find no merit in such contentions of the Noticees.

28. The Noticees have contended that there was no connection between the Noticees and the Promoters/Directors and GGPL, there could be no basis to assume that the Noticees had been accumulating shares of GGPL with a view to dispose them of and to make undue gains. In this regard, I note that though direct evidence is not available in the present matter as regards to meeting of minds or collusion among the Noticees, therefore, the genuineness of trading has to be determined based upon circumstantial evidence involving multiple factors such as trading pattern, concentration of trades among the Noticees, LTP, NHP, First Trade analysis, etc. In this context, the Hon'ble SAT vide its order dated July 14, 2006, in the case of *Ketan Parekh vs. SEBI* (Appeal no. 2/2004) observed that- *"The nature of transactions executed, the frequency with which such transactions are undertaken, the value of the transactions, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn."*

29. Further, in *SEBI v Kishore R Ajmera (AIR 2016 SC 1079)*, Hon'ble Supreme Court held that - *"…in the absence of direct proof of meeting of minds elsewhere in synchronized transactions, the test should be one of preponderance of probabilities as far as adjudication of civil liability arising out of the violation of the Act or provision of the Regulations is concerned. The conclusion has to be gathered from various circumstances like that volume of the trade effected; the period of persistence in trading in the particular scrip; the particulars of the buy and sell orders, namely, the volume thereof; the proximity of time between the two and such other relevant factors. The illustrations are not exhaustive...".* The Hon'ble Supreme Court further observed that – "*It is a fundamental principle of law that proof of an allegation levelled against a person may be in the form of direct substantive evidence or, as in many cases, such proof may have to be inferred by a logical process of reasoning from the totality of the attending facts and circumstances surrounding the allegations/charges made and levelled. While direct evidence is a more certain basis to come to a conclusion, yet, in the absence thereof the Courts cannot be helpless. It is the judicial duty to take note of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a reasonable conclusion therefrom. The test would always be that what inferential process that a reasonable/prudent man would adopt to arrive at a conclusion.*"

30. The trading pattern as found in this case among the Noticees in the scrip of GGPL shows that same cannot occur just by coincidence, such as matching of all buy and sell trades of a Noticee on a given day with all sell and buy trades of other Noticee. The trading behavior of the Noticees in this case makes it clear that aforesaid trades of the Noticee could not have been possible without prior meeting of minds. The synchronized trading by the Noticees among the closed group on regular basis during the relevant period in a particular scrip, all indicate that the trades executed by the Noticees were orchestrated trades, wherein they were acting in concert to manipulate the price of the scrip of GGPL and for creating an appearance

of artificial trading volumes in the scrip of GGPL. I observe that the aforesaid inferences based on the trading pattern of the Noticees are sufficient in themselves to prove the charges of manipulation and the mere absence of any other direct evidence cannot be a ground of exoneration, as held by Hon'ble Supreme Court in the matter of *SEBI Vs. Kishore R. Ajmera* [(2016) 6 SCC 368]. In view of the above facts and circumstances, I found the Noticees trading pattern in the scrip of GGPL during the investigation period to be manipulative and deceptive in nature. Therefore, once the Noticees has been found to have indulged in such manipulative transactions in scrip, they are liable for their acts and omissions. Thus, I reject such contentions of the Noticee.

31. The Noticees have contended that they have traded through the trading terminal which reveals the best five orders based on price as well as the total depth of order book in respect of trading in the scrip as these are the major determining factors required by them for making an investment decision for buying and selling securities. In this regard, I note that the Hon'ble Supreme Court in *SEBI vs. Rakhi Trading Private Ltd., in Civil appeals no., 1969 of 2011 with Civil Appeal Nos., 31743177 of 2011 and Civil Appeal No., 3180 of 2011 decided on February 8, 2018* case held that such undesirable transactions would certainly include unfair practices in trade and thus, orchestrated trades are a misuse of the market mechanism. Thus, the Noticee's contention regarding determining factors of their impugned trades based on BSE terminal is devoid of any merit and rejected hereby.

32. The Noticees have provided three references of the block/bulk deal in the scrip of the GGPL. Further, they have mentioned that their trades were influenced by the press release dated February 20, 2018 that GGPL had bagged order worth Rs. 1050 million for printing and supply of various books and registers from Jharkhand Education department and financials of the Company. In this regard, I note that the all the three references related to block/ bulk deal in the scrip of the GGPL belongs to March 16, 19, 20 and 21 of 2018 i.e. at the fag end of the investigation period and by that time the price of the scrip was already at its peak i.e. in range of Rs. 387.75/- to Rs. 396.86/- (bulk deal prices). Further, the order of Rs 1,050 million referred by the Noticees pertains to February 20, 2018. It has been observed that the Noticees were trading from December 28, 2017 in the scrip of GGPL. Therefore, I fail to understand that, how the bulk/ block deals in March, 2018 and order bagged by GGPL on February 20, 2018 has influenced their decision to trade in the scrip from December 28, 2017 to February 19, 2018. With regard to claim of the Noticees that their trades in scrip were influenced from financials of GGPL, I note that the financials and major corporate announcements during the relevant period and possibility of the same in affecting the price and volume of the scrip has been discussed in para 18 and 19 of this order. I further found no basis in such claims, as the Noticee were continuously buying and selling the shares of GGPL instead of holding the

same. In my opinion, a genuine investors having regards to fundamentals and revenue/ profit generation capacity of a company would like to hold the shares of that company, instead squaring-off the same on a regular basis during a relevant period. In view of the above, I find no merit in above claims of the Noticees.

33. The Noticees have submitted that it is a settled law that all violators of manipulation are not to be punished but only the ones making unlawful and illegal gains out of such violations should be punished. In this regard, I note that, the Noticees have not produced any judgement or orders in respect of aforesaid settled law. I further note that the investigation has not brought out the unlawful and illegal gains made by the Noticees by indulging in manipulative trades in the scrip of GGPL during the investigation period. However, in this regard, I observe that establishment of direct quantified damage/loss to an investor in *personam* is not an essential ingredient to prove the charges of the price manipulation. The very acts of marking up the price of a scrip higher by manipulative trading practices even by a selected few persons can induce the investors *in rem*. There is no evidence on record to show that the drastic upward price movement of scrip of GGPL from Rs. 161/- to Rs. 397/- was attributable to any genuine corporate action or business development but the same was found to be due to the manipulative and fraudulent trades executed by some people in the scrip. It is relevant to state here that how so ever judicious an investor may try to be; he may not always be able to understand as to whether the price rise noticed in a scrip is due to any genuine business development or due to manipulative actions in the market. By observing such a price trend showing remarkable increase in the share price of a company, an innocent investor has all reasons to fall prey to the temptation to invest in such security.

34. It has already been recorded that there was no corporate announcement by GGPL that could be stated as a reason behind such price rise and when the trades of the Noticees are evaluated carefully, it can be observed that the said trades must have created an illusion in the minds of the investors about the bright future prospect of the scrip after witnessing the price of the scrip riding on an ascending graph. It is therefore clear that the inducement created by the manipulative trading of the Noticees is sufficient enough to establish their violations as alleged in the SCN without dealing into the quantification of losses caused to the investors which is not at all necessary to decide the merits of the charges against the Noticees. I further note that the Hon'ble Supreme Court in the matter of *SEBI vs. Rakhi Trading Private Ltd.* (*supra*), had recognized that, if the factum of manipulation is established, it will necessarily follow that the investors in the market have been induced to buy or sell and that no further proof in this regard is required. Further, the market is so widespread that it may not be humanly possible for the Board to track the persons who were actually induced to buy or sell securities as

a result of manipulation and the Board cannot be imposed with a burden which is impossible to be discharged. Considering the same, I reject such contention of the Noticees.

35. I note that in totality of the circumstances as observed in this case, it is not acceptable that the Noticees have not employed any manipulative and deceptive device in contravention of the SEBI Act or the rules and the regulations made there under. Further, the manipulative and deceptive trades as found in this case are covered under the definition of '*fraud*' and dealing of the Noticees were '*fraudulent*' as defined under Regulation 2(1)(c) of the PFUTP Regulations.

36. In view of the aforesaid facts and circumstances, it cannot be ignored that the Noticees through manipulative and deceptive trades in the scrip of GGPL have created a misleading appearance of trading and manipulated the price of the scrip by acting in concert in pre-determined manner. Such a fraudulent act, as found in this case have an adverse impact on the fairness, integrity and transparency in the securities market. In view of the above, I find that the allegation of violation of regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a), (e) and (g) of the PFUTP Regulations by the 26 Noticees stands established. Thus, I hold Noticees No. 1-26, liable for penalty under Section 15HA of the SEBI Act which reads as under: -

Penalties and Adjudication

Penalty for fraudulent and unfair trade practices

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

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

While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely: -
(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;
(b) the amount of loss caused to an investor or group of investors as a result of the default;
(c) the repetitive nature of the default."
Explanation. *—For the removal of doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section;*

38. It is noted from the material available on record, that quantifiable gain or unfair advantage accrued to the 26 Noticees or the extent of loss suffered by the investors as a result of the

default in this case cannot be computed. However, considering the fact of abnormal rise in price of the scrip by 146.58% and volume by 288% without any basis, pursuant to approximately 35% of buy and sell trades, 13.51% synchronized trades and positive LTP contribution of 30.27% by the Noticees during the investigation period, I am of the view that such trades had created a misleading appearance of trading in the scrip and manipulated the price of the scrip. I also find that the aforesaid act of creating artificial price/volume by the Noticees establishes the *mala fide* intent of the said Noticees. In these circumstances, I am of the view that for the market abuse and fraudulent practices by the Noticees monetary penalty needs to be imposed under section 15HA of the SEBI Act.

39. I note that, the fraudulent act as found in this case has a potential to defraud the investors and same cannot be in the interest of securities market. The law does not permit any allowance to be made for such fraudulent act as found in this case. The fraudulent act as found in this case, had clearly defeated the purposes of the SEBI Act and Regulations i.e. investor protection and orderly development of the securities markets. In my view, the default by these Noticees is grave and the gravity of this matter cannot be ignored.

40. Taking into consideration all the facts and circumstances of the case including the aforesaid 15J factors and exercising the powers conferred upon me under section 15I of the SEBI Act read with Rule 5 of the Adjudication Rules, I hereby impose, following monetary penalty upon 26 Noticees under section 15HA of the SEBI Act. In my view, the said penalty is commensurate with the violation committed by these Noticees in this case.

Table 10

Noticee No.	Noticee Name	Penalty Amount
1	Harishkumar Kantilal Patel	Rs. 10,00,000/- (Rupees Ten Lakh Only)
2	Nilay Jitendrakumar Mistry	Rs. 10,00,000/- (Rupees Ten Lakh Only)
3	Hiteshbhai Mistri	Rs. 5,00,000/- (Rupees Five Lakh Only)
4	Parmar Mukeshkumar	Rs. 9,00,000/- (Rupees Nine Lakh Only)
5	Ravikumar Parmar	Rs. 5,00,000/- (Rupees Five Lakh Only)
6	Dhaval Solanki	Rs. 7,00,000/- (Rupees Seven Lakh Only)
7	Parbhubhai Ratilal Shireshiya	Rs. 5,00,000/- (Rupees Five Lakh Only)
8	Jayshreeben Deepakbhai Sakariya	Rs. 7,00,000/- (Rupees Seven Lakh Only)
9	Divyaben Hiteshbhai Gangani	Rs. 5,00,000/- (Rupees Five Lakh Only)
10	Pardhi Dhirubhai Khanabhai	Rs. 8,00,000/- (Rupees Eight Lakh Only)
11	Narendrabhai Jayantibhai Rupera	Rs. 7,00,000/- (Rupees Seven Lakh Only)
12	Chandrakant Sevantilal Thakkar	Rs. 5,00,000/- (Rupees Five Lakh Only)
13	Harishkumar Sakariya	Rs. 8,00,000/- (Rupees Eight Lakh Only)
14	Amitkumar Bhikhbhai Solanki	Rs. 10,00,000/- (Rupees Ten Lakh Only)
15	Ketan Pravinbhai Panchal	Rs. 9,00,000/- (Rupees Nine Lakh Only)
16	Preyashbhai Sathvara	Rs. 7,00,000/- (Rupees Seven Lakh Only)
17	Sejalben Prayashkumar Sathvara	Rs. 8,00,000/- (Rupees Eight Lakh Only)
18	Vishalkumar Krishnakant Borisha	Rs. 7,00,000/- (Rupees Seven Lakh Only)
19	Ankit Jagdishbhai Pithava	Rs. 5,00,000/- (Rupees Five Lakh Only)
20	Praveen Kumar	Rs. 7,00,000/- (Rupees Seven Lakh Only)
21	Subhashbhai Gelot	Rs. 5,00,000/- (Rupees Five Lakh Only)

22	Nikhil Kiritbhai Panchal	Rs. 5,00,000/- (Rupees Five Lakh Only)
23	Bhavin Natwarlal Panchal	Rs. 7,00,000/- (Rupees Seven Lakh Only)
24	Alpeshkumar Pratapbhai Chaudhari	Rs. 5,00,000/- (Rupees Five Lakh Only)
25	Arpan Darshakkumar Bhatt	Rs. 5,00,000/- (Rupees Five Lakh Only)
26	Rameshchandra Chhitubhai Patel	Rs. 5,00,000/- (Rupees Five Lakh Only)

41. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order in either of the way of demand draft in favour of "*SEBI - Penalties Remittable to Government of India*", payable at Mumbai, or by following the path at SEBI website, ENFORCEMENT > Orders > Orders of AO > PAY NOW; OR by using the web link https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html. In case of any difficulties in payment of penalties, the Noticees may contact the support at portalhelp@sebi.gov.in

42. The Demand Draft or details and confirmation of e-payment made in the format as given in table below shall be sent to *"The Division Chief, EFD-DRA-IV, Securities and Exchange Board of India, SEBI Bhavan, Plot No. C- 4 A, "G" Block, BandraKurla Complex, Bandra (E), Mumbai - 400 051."* and also to e-mail id:- tad@sebi.gov.in:

1	Case Name	
2	Name of the 'Payer/Noticee'	
3	Date of Payment	
4	Amount Paid	
5	Transaction No.	
6	Bank Details in which payment is made	
7	Payment is made for(like penalties/disgorgement / recovery/ settlement amount and legal charges along with order details)	

43. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, *inter alia,* by attachment and sale of movable and immovable properties.

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

Date: March 22, 2022
Place: Mumbai

Vijayant Kumar Verma
Adjudicating Officer