BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

(ADJUDICATION ORDER NO: Order/AK/BS/2023-24/29744)

UNDER SECTION 15-I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995, IN RESPECT OF

ANKIT LAXMIPATRAJ SINGHVI

PAN: BIZPS7497D

IN THE MATTER OF ABANS ENTERPRISES LIMITED

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') had carried out investigation in the scrip of Abans Enterprises Limited (hereinafter referred to as **"AEL/the Company"),** to ascertain violation of provisions of SEBI 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"),** if any, with respect to trading in the scrip of AEL during the period March 04, 2016 to February 28, 2020 (hereinafter referred to as **'Investigation period or IP'**).

2. Pursuant to the investigation, it was alleged that Ankit Laxmipatraj Singhvi (hereinafter referred to as **"Noticee"**) violated the provisions of Section 12A (a), (b) and (c) of SEBI Act read with Regulations 3(a), (b), (c), (d) and Regulation 4(1), 4(2)(a) and 4(2)(e) of PFUTP Regulations.

APPOINTMENT OF ADJUDICATING OFFICER

3. Upon being satisfied that there are sufficient grounds to inquire and adjudicate upon the violation of provisions of the SEBI Act and PFUTP Regulations by the Noticee, SEBI, in exercise of powers u/s 15-I of the SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter

referred to as the "**Adjudication Rules**"), r/w Section 19 of the SEBI Act appointed undersigned as the Adjudicating Officer **(**hereinafter referred to as the "**AO"),** vide order dated June 13, 2023, to inquire into and adjudge u/s 15-I r/w Section 15 HA of SEBI Act, the alleged violations by the Noticee.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. Show Cause Notice ref. no. EAD-6/AK/BS/25358/1/2023 dated June 21, 2023 (hereinafter referred to as "**SCN"**) was issued to the Noticee in terms of the provisions of rule 4(1) of the Adjudication Rules r/w Section 15-I of SEBI Act, requiring the Noticee to show cause as to why an inquiry should not be held against him and why penalty, if any, should not be imposed under the provision of Section 15 HA of SEBI Act for the alleged violations.

5. Vide email dated July 06, 2023, Noticee forwarded scanned copy of a letter dated July 05, 2023 and informed that a Settlement application has been filed by him under SEBI (Settlement Proceedings) Regulations, 2018 and requested for keeping the adjudication proceedings in abeyance during the pendency of the settlement application.

6. Vide email dated September 22, 2023, it was informed that settlement application filed by the Noticee has been rejected. Therefore, the adjudication proceedings, which were kept in abeyance, resumed and vide email dated September 22, 2023, Noticee was directed to file reply to SCN, latest by September 28, 2023.

7. Noticee, vide email dated September 26, 2023, requested for inspection of documents. Therefore, an opportunity of inspection of documents was granted on September 29, 2023 and same was conveyed to the Noticee, vide email dated September 27, 2023. Subsequently, inspection of documents was rescheduled to October 04, 2023. Noticee conducted the inspection of documents through his authorized representative (AR) on October 04, 2023. AR of the Noticee requested for copies of certain documents which were provided, vide letter dated October 05, 2023. Noticee was also advised to file reply to SCN on or before October 12, 2023.

8. Noticee vide letter dated October 12, 2023 requested for extension of time till October 17, 2023 to file reply to SCN. Noticee's request was acceded to and the Noticee, vide letter dated October 17, 2023, filed his reply to SCN.

9. In the interest of justice, vide hearing notice dated October 18, 2023, an opportunity of personal hearing was granted to Noticee on October 25, 2023. Noticee, vide letter dated October 19, 2023, citing the unavailability of his counsel on October 25, 2023, requested for re-scheduling the hearing to October 30, 2023. Acceding to the request made by Noticee, hearing was rescheduled on October 30, 2023. Authorized Representative of Noticee viz. Ms. Aparna Wagle and Mr. Kunal Kataria, Advocate i/b Alliance Law, appeared for hearing before me on the scheduled date and made submissions, which were in line with reply filed vide letter dated October 17, 2023. Post hearing submissions were filed, vide email dated November 02, 2023.

CONSIDERATION OF ISSUES AND FINDINGS

10. I have taken into consideration the facts and material available on record. The issues that arise for consideration, in the present case, are as follows:
    I. Whether Noticee violated the provisions of Section 12A (a), (b) & (c) of SEBI Act read with Regulations 3(a), (b), (c) & (d) and 4(1), 4(2)(a) and 4(2)(e) of PFUTP Regulations?
    II. If yes, whether it attracts monetary penalty under section 15HA of the SEBI Act?
    III. If so, what should be the monetary penalty that should be imposed upon the Noticee taking into consideration the factors stipulated in Section 15J of the SEBI Act r/w Rule 5(2) of the Adjudication Rules?

BACKGROUND AND FACTS OF THE CASE:

11. Pursuant to a reference received from Director of Income Tax, Mumbai, SEBI had carried out investigation in the scrip of the AEL to ascertain violation of the

provisions of SEBI Act and PFUTP Regulations, if any, in the scrip of AEL during the IP.

12. Facts of the matter, as brought out during investigation and given in SCN, are given below:

12.1. Shareholding Pattern of the Company during the relevant period to the IP is given below:

Particulars	Quarter ended Dec 2015			Quarter ended Mar- Sept 2016			Quarter ended December 2016-March 2020		
	No. of share holders	No. of shares	% shareholding	No. of share holders	No. of shares	% shareholding	No. of share holders	No. of shares	% shareholding
Promoter Holding	1	3,56,278	20.43	1	13,90,224	9.97	1	1,04,00,792	74.56
Non Promoter Holding	167	13,87,444	79.57	167	1,25,59,552	90.03	169	35,48,984	25.44
Total	**168**	**17,43,733**	**100**	**168**	**1,39,49,776**	**100**	**170**	**1,39,49,776**	**100**

12.2. The details of financial results of the company during the relevant period of the IP are given below:

(Rs. Mn)

Description	Year Ended				
	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16
Net Sales	3315.67	1313.94	696.55	625.06	194.83
Other Income	43.40	0.02	0.69	3.23	1.98
Total Income	3359.07	1313.95	697.24	628.29	196.81
Net Profit/ (Loss)	10.69	14.08	1.74	1.10	1.24

12.3. On the basis of the price and volume variations, the entire IP was divided into 4 patches as below for analysis:-

- Patch 1 (Gradual Price rise) between 04/03/2016 - 11/09/2019.
- Patch 2 (Price Rise) between 12/09/2019 – 27/12/2019.
- Patch 3 (Price Fall) between 30/12/2019 – 24/01/2020.
- Patch 4 (Price Rise) between 27/01/2020 – 28/02/2020.

The price-volume data for the IP, is as under:

Period	Dates		Opening Price (vol.) on first day of the period (Rs.)	Closing price (vol.) on last day of the period (Rs.)	Low price (vol.) during the period (Rs.)	High Price (volume) during the period (Rs.)	Avg. no. of shares traded daily during the period
Pre-Investigation period	(01/10/2015 – 02/03/2016)	Price	16.55 (01/12/2015)	25.55 (02/03/2016)	16.55 (01/12/2015)	25.55 (02/03/2016)	3.80
		Vol	1	10	1	10	
Patch 1 (Gradual Price rise)	(04/03/2016 - 11/09/2019)	Price	3.30 (04/03/2016)	52.90 (11/09/2019)	3.30 (04/03/2016)	54 (09/09/2019)	576.92
		Vol	4600	156	4600	603	
Patch 2 (Price Rise)	(12/09/2019 – 27/12/2019)	Price	50.30 (12/09/2019)	278.75 (27/12/19)	50.35 (12/09/2019)	290.05 (24/12/19)	3426.12
		Vol	588	5735	588	5735	
Patch 3 (Price Fall)	(30/12/2019 – 24/01/2020)	Price	273.20 (30/12/2019)	248.85 (24/01/2020)	239.45 (24/1/2020)	276.95 (10/1/2020)	2338.25
		Vol	257	822	822	983	
Patch 4 (Price Rise)	(27/01/2020 – 28/02/2020)	Price	248.50 (27/01/2020)	293.85 (28/02/2020)	233.65 (7/2/2020)	303.00 (28/02/2020)	417.52
		Vol	449	673	214	673	
Post investigation Period	(02/03/2020 – 31/05/2020)	Price	286.85 (02/03/2020)	173.10 (29/05/2020)	140.50 (08/04/2020)	292.40 (02/03/2020)	297.59

The average traded quantity in the scrip of AEL during the IP was 1,229 shares per day. The table shows that the trading volume was high during the IP but was low before and after IP.

12.4. SCN brought out that adverse findings were noted against Noticee in “Patch 2” and “Patch 4”. Analysis of same is given in following paragraphs:

PATCH-2 PRICE RISE (12/09/2019 to 27/12/2019)

12.5. **Last Trade Price (LTP) Analysis:** As the scrip of AEL was traded only on BSE, the trade-log was analyzed for BSE. Based on the price volume movement in the scrip, it was observed that the scrip of AEL showed sudden price rise during ‘Patch 2’ of the IP. During the period, the price of the scrip opened at Rs.50.30 and touched a high of Rs.290.05 and closed at Rs.278.75. The analysis is given below:

12.5.1. **LTP analysis of Noticee:** Analysis of trades of Noticee as buyer is given below:

Client Name	All LTP Rate(Rs.)	All Traded Qty.	All No. of Trades	Pos. LTP Rate (Rs.)	Pos. Traded Qty.	Pos. no. Trades	Neg. LTP Rate (Rs.)	Neg. Traded Qty.	Neg. no. Trades	Zero Traded Qty.	Zero No Trades	% LTP to total Mar. Pos. LTP
Noticee	42.55	1885	63	58.80	189	21	-16.25	425	11	1271	31	7.74%
Market Total	**225.85**	**246681**	**3356**	**759.20**	**22683**	**352**	**-533.35**	**13955**	**285**	**210043**	**2719**	**100.00%**

12.5.2. It was observed that Noticee was amongst top LTP contributors as buyer and contributed Rs. 42.55 to net LTP and Rs.58.80/- (i.e. 7.74%) to total market positive LTP out of which Rs. 58.25/- (i.e. 7.67%) was contributed through small trades of 1 to 10 shares.

12.5.3. On further analysis, it was noted that despite availability of large sell orders 'Noticee' was deliberately placing small quantity of buy orders at higher prices, which resulted into price rise of the scrip of AEL during the patch.

PATCH-4: Price Rise (27/01/2020 to 28/02/2020)

12.6. Last Trade Price (LTP) Analysis

12.6.1. **LTP analysis *(27/01/2020 - 28/02/2020 – Price Rise):*** During the period, the price of the scrip opened at Rs.248.5 and touched period high of Rs.303.0 and closed at Rs.293.9. The details of Noticee, who was one of the top LTP contributors among buyers, is given below:

Client Name	All LTP Rate (Rs.)	All Traded Qty.	All No. of Trades	Pos. LTP Rate (Rs.)	Pos. Traded Qty.	Pos. no. Trades	Neg. LTP Rate (Rs.)	Neg. Traded Qty.	Neg. no. Trades	Zero Traded Qty.	Zero No Trades	% LTP to total Mar. Pos. LTP
Noticee	1092.45	1896	210	1127.95	767	123	-35.50	274	12	855	75	81.92%
Market Total	**45.05**	**10438**	**658**	**1376.90**	**2099**	**172**	**-1331.85**	**3186**	**193**	**5153**	**293**	**100.00%**

Noticee was the top LTP contributor with contribution of Rs.1092.45/- to net LTP and Rs.1127.95/- to total market positive LTP out of which Rs.1063.1/- (i.e. 77.21%) was contributed through small trades of 1 to 10 shares.

12.6.2. It was noted that despite availability of large sell orders Noticee deliberately placed small quantity of buy orders at higher prices, which resulted into price rise of the scrip of AEL during the patch.

12.7. New High Price (NHP) Analysis

During ‘Patch 4’, price of the scrip moved from open price of Rs.248.5 to a high price of Rs.303.0 and Rs.54.50 of NHP was created. Details of NHP contributed by Noticee is given below:

Client Name	Quantity	Number of Trades	Contribution To Market NHP(Rs.)	% of Market NHP
Ankit Laxmipatraj Singhvi	17	8	37.90	69.54%
Market total	**235**	**12**	**54.50**	**100.00%**

Noticee contributed to LTP by his trades establishing ‘New High Price’ of Rs. 37.90 (69.54% of the total market NHP) which is significant.

12.8. First Trade Analysis

During ‘Patch 4’, positive LTP of Rs. 109.95 was contributed through a total of 26 first trades at BSE. The details of first trade analysis of Noticee is given below:

Client Name	Total No. of First Trades	Traded Qty. from First Trades	No. of First Trades at Pos. LTP	Net LTP(Rs.)	Pos. LTP (Rs.)
Ankit Laxmipatraj Singhvi	14	62	12	78.30	84.55
Market total	**26**	**117**	**16**	**35.25**	**109.95**

Noticee contributed to LTP through first trades Rs. 84.55 (76.90% of the total market LTP through first trades).

12.9. It was observed that Noticee contributed positive LTP of 7.67% to total market positive LTP through 19 small trades (1 to 10 quantities) during the ‘Patch 2’ (12/09/2019 - 27/12/2019). Further there were 15 trades where he placed buy order for smaller quantity (where seller placed order for more than 100 shares). Such 15 trades during the patch contributed Rs.42.00 to market positive LTP i.e. 5.53% to market positive LTP. Also, Noticee contributed positive LTP of 77.21% to total market positive LTP through 104 small trades (1 to 10 quantities) during 'Patch 4' (27/01/2020-28/02/2020). Further there were 29 trades where Noticee placed buy order for smaller quantity (where seller placed order for more than 100 shares). Such 29 trades during the 'Patch 4' contributed Rs.314.85 to market positive LTP i.e. 22.87% to market positive LTP. Further, Noticee contributed to LTP by contributing New High Price of Rs. 37.90 (69.54% of the total market NHP) and also contributed LTP of Rs. 84.55 by first trades that constituted 76.90% of market positive LTP through 'First trades'. The Noticee placed buy orders at higher prices and contributed to positive market 'LTP' through small orders, 'NHP' and 'First trades'.

12.10. Based on the above, it was alleged in the SCN that Noticee has violated the provisions of Section 12A (a), (b) & (c) of SEBI Act read with Regulations 3(a), (b), (c) & (d) and Regulation 4(1), 4(2) (a) & (e) of PFUTP Regulations.

Issue I. Whether Noticee violated the provisions of Section 12A (a), (b) & (c) of SEBI Act read with Regulations 3(a), (b), (c) & (d) and Regulation 4(1), 4(2)(a) and 4(2)(e) of PFUTP Regulations.

13. Before moving forward, it is pertinent to refer to the relevant provisions which are alleged to have been violated. The said provisions are reproduced hereunder:-

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;

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 thereunder;

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

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

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;

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

14. The extract of the reply of the Noticee to SCN is given below:-

14.1. *It is submitted that the Noticee has not committed any violation of the PFUTP Regulations for the following amongst other grounds, each of which is explained in detail hereinbelow:*

Shares were bought by the Noticee in regular course, in miniscule quantities and as a genuine trader:

14.2. *At the outset, the Noticee submits that the shares of AEL were bought by the Noticee in normal course. The Noticee submits that trades were executed by the Noticee at Stock Exchange through the Screen Based Trading System (SBTS) and hence the identities of the counterparties cannot be known to the Noticee, in any manner whatsoever. As per the SCN, the Noticee had traded with 56 counter parties, clearly establishing that the trading was done by the Noticee in normal course of stock exchange.*

14.3. *It is further submitted that the Noticee, as a buyer, cannot decide the price at which it wants to buy the particular scrip. If the Noticee wants its buy order to be executed in the SBTS, the Noticee has to place a buy order at a price that matches one of the sell orders pending to be executed on the SBTS. Alternatively, the subsequent buy order can be placed at a slightly higher price so as to ensure that the buy order is definitely executed. Therefore, it is abundantly clear that the Noticee, by placing buy orders to match the pending sell orders on SBTS cannot be alleged to have contributed to a positive LTP. As per SEBI's own case in Para 5.7.6 when it alleges that "This shows that despite availability of large sell orders 'Noticee' was deliberately placing small quantity of buy orders at higher prices, which resulted into price rise of the scrip of AEL during the patch." it can be understood that SEBI is aware that sell orders are already available on the electronic portal and buy orders are placed subsequently.*

14.4. *As stated in the SCN, there was good demand to acquire AEL's stock in the market during that period and the Noticee, not being a resourceful trader made only small trades. The Noticee submits that it is a well settled law that placing trades in small quantities is not illegal or violative of the PFUTP Regulations in itself. It has been categorically held by the Hon'ble Securities Appellate Tribunal in the matter of M/s. Nishith M Shah HUF vs. SEBI (Appeal No. 97 of 2019), decided on 16.01.2020, that:*

> *"4. We are of the opinion that the impugned order cannot be sustained for the following reasons:-*
>
> *…*

(e) Selling miniscule amount of shares by itself is not illegal nor manipulative nor violative of Regulation 3 and 4 of the PFUTP Regulations unless collusion with others is found."

Noticee submits that there is no violation of law if a retail investor with limited resources at his disposal and trades in small lots.

14.5. *The Noticee submits that SEBI has failed to consider that Noticee's buy trades above the LTP were only matching the sell orders above LTP which were pending on the SBTS of the Exchange. The Noticee was not the one who placed buy orders first and hence he cannot be held liable for price manipulation or for creating any false or misleading appearance of trading.*

No connection established between other Noticees and counter parties/ other entities:

14.6. *The Noticee submits that no case has been established by SEBI to show that the Noticee had any motive and/ or any connection with the Company and its Directors/ Promoters and/or the counter parties to aid in the manipulation of the price of the scrip of AEL and in absence thereof, allegations made by SEBI in this regard hold no water. Further, the Noticee submits that it is not SEBI's case either that there is any connection between the Noticee and the promotors/ directors or any key managerial personnel of the Company.*

14.7. *It is submitted that SEBI ought to have considered that there is no trading pattern resulting in price rise along with the connection between the buyers and sellers involved in such alleged trades. It is submitted that the Noticee is not connected to any of the entities and further no such connection whatsoever has been contended and/ or established between the Noticee and the counter parties by SEBI as well. Infact, the Noticee, as per the SCN, has traded with 56 counterparties.*

*Noticee in his reply placed reliance on Hon'ble Securities Appellate Tribunal (Hon'ble SAT) judgments in the matter of **M/s. Nishith M Shah HUF vs. SEBI** (Appeal No. 97 of 2019), decided on 16.01.2020, **R. K. Global vs. SEBI** (Appeal no. 155/2008), decided on September 16,2010, **Narendra Ganatra v/s SEBI** (Appeal No 47 of 2011), decided on July 29,2011, **Sterlite Industries (India) Limited vs. SEBI** (Appeal No. 20 of 2001), decided on October 22, 2001, **Videocon International vs. SEBI** (2002) 4 CU 402 (SAT), **Parsoli Corporation vs. SEBI** (Appeal No 146/2011 decided on August 08, 2011). Noticee also placed reliance on Judgment of Hon'ble Supreme Court of India in the case of **Ram Sharan Yadav vs. Thakur Muneshwar Nath Singh** [(1984) 4 SCC 649 (AIR 1985 SC 24)]*

LTP Analysis mentioned in the SCN is incorrect:

14.8. *The Noticee submits that as per the Table in Para 5.6, Noticee's name does not appear amongst the top 10 buyers of the scrip of AEL. Upon a bare perusal of the said Table, it appears that the Noticee's buy orders were less than 2% (about 0.76% as per trade logs) of the market volume. While Noticee's buy orders during Patch 2 were less than 2% of the market volume traded, it is extremely far-fetched to allege that the Noticee, while trading in miniscule quantities as compared to the market volume, managed to contribute to a positive LTP of Rs. 58.25 of by 7.67%. The Noticee submits that such analysis of SEBI is arbitrary, ex-facie irrational and absurd and without giving any due regard to the market volume at the relevant time. It is submitted that it would be incorrect to hold the Noticee guilty of serious charge of market manipulation and fraud* *on account of such miniscule trades. It is further submitted that the Noticee has undertaken trading for only about few days in Patch 2 and 4 out of the overall Investigation Period extending to about over 4 years. Hence, the question of market manipulation based on the trading of few days in minuscule quantities cannot be held to have caused market manipulation. Hence, the contention itself is perverse and without merits.*

14.9. *Further, SEBI's allegation that the 21 buy orders (of less than 10 shares each) placed by the Noticee during Patch 2 contributed to Rs. 58.58 in positive LTP is absurd and denied in toto. It is submitted that the total volume of buy trades during Patch 2 as per SEBI's own case is as large as 1,06,364 shares. Against this background, Noticee's 21 buy orders of 1 or 2 share each cannot, in any manner, have caused the purported effect of positive LTP on the price of AEL, as alleged by SEBI. It is submitted that the price and volume being traded by other entities, especially the top 10 buyers, would have majorly attributed to the positive LTP in the price of AEL which has not been considered or analysed by SEBI.*

14.10. *As per the order matching mechanism of the Exchange, if the sell order price is higher than the buy order price, the order cannot be executed and hence when a person wants to buy shares from the market, has to match his buy price with the available sell order price which is the mechanism governing any trading. Therefore, to successfully buy the shares, the Noticee has to enter a limit price for the buy order which is exact or slightly higher than the sell order prices visible on the SBTS at the time for the purchase transaction to go through.*

14.11. *The Noticee has added and updated trades in order to match the price of the existing sell order prices and to sweep in the shares. For a contention of market manipulation, it must be synchronized by both parties as they are entering into such trades intentionally and with a pre-meditated mind to cause price manipulation which has not been proved in the present matter*

14.12. *It is pertinent to note that the Hon'ble Securities Appellate Tribunal in the matter of* ***Superstar Exports Private Limited vs. SEBI*** *(Appeal No. 614 of 2019), decided on 02.05.2022, in Paragraph 12 held that:*

> *".... Besides the trading pattern of the appellant i.e. to buy the share for higher price to match the selling order cannot be a sole ground for branding the trades as manipulative unless some additional factors like adverse financials of the Company, the shares being illiquid, connection with the counter party etc. is established."*

14.13. *Without making out any case against the Noticee, SEBI cannot implicate the Noticee by merely stating that even though large quantities were available, the Noticee bought shares in smaller quantities. It is submitted that there is no provision under law that prohibits the Noticee from choosing its desired quantity of trade, however small or big, when placing a buy order and hence, such an allegation has no substance and is devoid of merit. Further, as held by the Hon'ble SAT in the matter of* Superstar Exports *(supra), the Noticee cannot be alleged to have manipulated the price of the scrip of AEL as all the additional factors stated therein such as adverse financial of the Company, scrip being illiquid, connection with the counter parties, etc, all of which are unequivocally absent in the present matter.*

14.14. *The Noticee submits that it is ludicrous as on one hand SEBI states that Noticee contributed to a positive LTP by placing small trades and at the same time, SEBI has implied that the Noticee should have bought larger quantities as available for sale which could have presumably in turn impacted the LTP in a larger manner and would have contributed to a further rise in LTP, implicating the Noticee. Therefore, it is submitted that SEBI's contentions and allegations are self-contradictory and have been framed with a pre-conceived notion to entangle the Noticee.*

14.15. *The Noticee submits that the buy order quantities mentioned in Para 5.9.3 are unclear and imprecise as it states that a total of 123 buy trades were undertaken without considering that the approach of the Noticee has been segmented in the buy orders. Further, SEBI has arbitrarily picked instances of trading and made vague allegations without any specific observation against the Noticee. Additionally, many buy trades placed by the Noticee at the time relevant where the buy order was more than 10 shares has not been considered by SEBI. It is submitted that SEBI has failed to provide the complete information and analysis pertaining to the case it has attempted to make out against the Noticee. The said paragraphs also state that there was another 104 buy trades which have been analysed separately. Therefore, the Noticee states that SEBI has conveniently divided the trades undertaken by the Noticee and implicated the Noticee based on such flawed and fragmented analysis which is bad in law and deserves to be set aside. The Noticee submits that the investigation undertaken by SEBI in the present matter has failed to establish any case of price manipulation by the Noticee or creation of any false and misleading appearance of trading by him.*

14.16. *The Noticee submits that the small quantity of shares have no influential bearing on the LTP. In fact, any positive and negative impact on the LTP would be greater in case of larger buy trades, which is not the case here especially when the scrip is well traded and not even illiquid. There is no such mechanism by which price of the scrip would increase if one placed small quantity at higher prices, as alleged. The total volume of the trades being placed in and around the same time would have a definitive impact on the price of the scrip. The Noticee having limited financial resources could not afford to buy large quantities of shares and hence opted for buying very small quantities.*

14.17. *Further, without making a case for any connivance and or motive for manipulation, it is submitted that SEBI cannot allege PFUTP violations since the shares of AEL were bought by the Noticee in normal course. SEBI has not provided an iota of evidence to show that there was any price manipulation or wrongdoing on part of the Noticee. SEBI has in turn taken the trade logs, fragmented them into 4 patches as per its own discretion and implicated the Noticee for PFUTP violation by circumstantially analysing the trades placed. It is humbly submitted that no case for the alleged violations has been made out by SEBI against the Noticee and therefore, the Noticee deserves to be exonerated on this ground alone. In connection with the same, it is pertinent to note that Securities Appellate Tribunal in the matter of* ***Jagruti Securities vs SEBI*** *(Appeal No. 102 of 2006), decided on 27th October, 2008, held that:*

> *"<u>We, therefore, come back to the conclusion which we have already drawn that for the charge of raising price artificially to be established, the element of collusion between the buyer and the seller is a sine qua non.</u>*

8. For the reasons recorded above, it is difficult to hold that the appellant by placing purchase orders on behalf of Ameet Parikh at prices higher than the last traded price, was artificially trying to raise the price of the scrip of JIK. In this view of the matter the impugned order cannot be sustained."

Trade Log Analysis

14.18. *The Noticee submits that the Ld. AO in the said SCN has selectively identified the trades, especially the ones stated in Paragraph 5.7.7 on Page 8-9 of the said SCN, to implicate the Noticee and the same are denied in toto. On bare perusal of the extracted trade logs pertaining to the Noticee, the contentions of SEBI appear to be farfetched. The Noticee herein reproduces certain trades which SEBI has overlooked. Even otherwise, the table produced in Paragraph 5.7.7 at Page 8-9 of the said SCN, the buy order placed by the Noticee is significantly after the sell order was placed and the buy rate is marginally above the sell rate which doesn't establish market manipulation or manipulation in the scrip price as purported by the Respondent. Moreover, the Noticee submits that each of the trades mentioned in the said Table, the buy order price placed by Noticee is a meagre Rs. 0 – Rs. 1.50 over and above the sell order available in the SBTS which is a routine practice in stock market trading. It is submitted that placing a buy order slightly higher than the prevailing price and/ or the available sell order price, as undertaken by the Noticee in a few trades, was with a view to ensure that the trade gets executed.*

14.19. *The Noticee submits that there have been several occasions, contrary to SEBI's case against the Noticee, wherein the Noticee had placed a buy order for a larger quantity but the trade could be executed only for small quantity. The details of such trades as extracted from Annexure 2 to the said SCN are mentioned below:*

Trade Date	*Seller Name*	*Trade Time*	*Buy Order Lmtime*	*Sell Order Lmtime*	*Trade Rate (Rs.)*	*LTP Rate (Rs.)*	*Buy Rate (Rs.)*	*Sell Rate (Rs.)*	*Traded Qty*	*Buy Ord Qty*	*Sell Ord Qty*
03-10-2019	*Suresh Kumar Sarma Kuchi*	*10:12:12.683675*	*10:11:22.461408*	*10:12:12.683675*	*69.5*	*-0.7*	*69.5*	*0*	*1*	*250*	*1*
03-10-2019	*Sanjeeshlakra*	*12:10:55.925507*	*10:11:22.461408*	*12:10:55.925507*	*69.5*	*0*	*69.5*	*0*	*1*	*250*	*1*
03-10-2019	*Sanjeeshlakra*	*12:11:04.721575*	*10:11:22.461408*	*12:11:04.721575*	*69.5*	*0*	*69.5*	*0*	*1*	*250*	*1*
03-10-2019	*Sanjeeshlakra*	*12:11:11.439140*	*10:11:22.461408*	*12:11:11.439140*	*69.5*	*0*	*69.5*	*0*	*1*	*250*	*1*
03-10-2019	*Sanjeeshlakra*	*12:11:18.912160*	*10:11:22.461408*	*12:11:18.912160*	*69.5*	*0*	*69.5*	*0*	*1*	*250*	*1*
22-10-2019	*Swapnesh suhaslone*	*09:53:02.325573*	*09:53:02.089821*	*09:53:02.325573*	*97.8*	*-1.2*	*97.8*	*0*	*5*	*250*	*5*
22-10-2019	*Swapnesh suhaslone*	*09:54:23.971806*	*09:53:02.089821*	*09:54:23.971806*	*97.8*	*0*	*97.8*	*0*	*3*	*250*	*3*
06-11-2019	*Jagadeesh bejawada*	*11:52:52.494613*	*11:25:48.870032*	*11:52:52.494613*	*103.65*	*-1.35*	*99*	*0*	*1*	*200*	*1*
06-11-2019	*Harpreet singh*	*13:49:27.200157*	*13:12:43.287639*	*13:49:27.200157*	*103.55*	*-1.95*	*99*	*0*	*7*	*200*	*7*
26-12-2019	*Kiransan jaysalantre*	*15:18:53.604659*	*12:54:27.600821*	*15:18:53.604659*	*276.8*	*0*	*276.8*	*0*	*1*	*90*	*1*
13-01-2020	*Anudeep badam*	*09:42:25.180109*	*09:32:40.460042*	*09:42:25.180109*	*270.7*	*-5.5*	*270.7*	*0*	*7*	*92*	*7*
17-01-2020	*Samim Akhtar*	*14:23:03.196775*	*14:23:03.196775*	*10:13:19.375026*	*258.4*	*0*	*258.4*	*0*	*1*	*96*	*1*
17-01-2020	*Sarode Shantaram*	*14:23:03.196775*	*14:23:03.196775*	*10:18:34.699599*	*258.4*	*0*	*258.4*	*263.65*	*3*	*96*	*3*
19-02-2020	*Sheth Amit Jayesh*	*15:10:22.262379*	*15:10:22.262379*	*14:49:57.820861*	*283.9*	*0.9*	*288*	*293.5*	*2*	*51*	*10*
19-02-2020	*Anjireddy Vuyyuru*	*15:10:22.262379*	*15:10:22.262379*	*14:21:04.550690*	*285.4*	*1.5*	*288*	*285.4*	*1*	*51*	*10*

25-02-2020	Settyganty Danunjayulu	11:45:14.144098	11:45:14.144098	10:24:19.417708	282.45	0.45	0	0	9	300	9
27-02-2020	Sheth Amit Jayesh	12:10:11.372251	12:10:11.372251	10:58:15.241889	285	0	0	291	8	150	50
27-02-2020	Suraj Unnikrishnan	12:10:23.993258	12:10:23.993258	10:52:40.321479	285.5	0.5	0	285.5	10	150	10

14.20. *The Noticee submits, from the trade logs as extracted above, that the traded quantity in each of the aforementioned/ extracted trades is minuscule in nature i.e. 1 - 10 shares. It may be further noted that in each of such miniscule trades, the Noticee had placed a larger buy order i.e. of 51 - 300 shares however, due to the prevailing market circumstances, the executed trades comprise of only miniscule quantities of the shares. The Noticee submits that it is known that trades are executed on SBTS and the Noticee has no part to play in SBTS's mechanism of matching and executing the trades.*

14.21. *The aforesaid trades have been completely and conveniently overlooked by SEBI. Moreover, certain trades, as mentioned in the Table under Para 5.7.7 on Page 8-9 of the said SCN, have been cherry picked and presented in a one-sided arbitrary manner in order to implicate the Noticee.*

Noticee has traded only through the Screen Based Trading System (SBTS):

14.22. *It is submitted, that the Noticee, all throughout, was trading through the Screen Based Trading System (SBTS) and at prevailing market prices and SEBI's analysis of purported "First Trades" and "New High Price" during Patch 4 hold no water. It is submitted that SEBI has failed to make out any legitimate case against the Noticee. It is further submitted that SEBI has failed to stipulate any details or proper analysis for arriving upon the alleged conclusions under the headings of "First Trades" and "New High Price". SEBI has time and again stated that the Noticee has "deliberately" undertaken such trades without ascertaining any motive of the Noticee and/ or any connection between the Noticee and the counter parties involved.*

14.23. *It is submitted that in order to establish involvement of a person in price or market manipulation, a connection between the buyer and the seller and, a prior meeting of the minds must be established. The Noticee doesn't have any connection or relation with the counter parties which were 56 in number as per the SCN. Without establishing this connection, the charge of creating price or market manipulation cannot be sustained.*

SEBI has erred by disregarding the financials of the Company during the Investigation Period:

14.24. *The Noticee submits that while SEBI has reproduced the financial results of AEL in Para 5.2 of the said SCN, it has erred by completely disregarding the effect of such financial results of AEL on the price of the scrip of AEL. On a bare perusal of the said financial results, it can be seen that the Net Sales of AEL increased from Rs. 696.55 million in March 2018 to Rs. 1313.94 million in March 2019 i.e. Rs. 617.39 million or 88.64%. The said growth in the business of AEL coincides with the Patch-1 period, as recognised by SEBI, and therefore, the price rise during Patch-1 period can be directly attributed to the sudden increase in Net Sales.*

14.25. *Furthermore, the Net Sales of AEL increased from Rs. 1313.94 million in March 2019 to Rs. 3315.67 million in March 2020 i.e. a whooping Rs. 2001.73 million or 152%. It is submitted that disclosure of the earlier positive financial results of March 2019 of AEL in the public domain is likely to have influenced a huge positive impact in the overall price of the scrip of AEL which SEBI has failed to consider in entirety. It is* *pertinent to note that the earlier financials of the company was available in public domain and accessible to public at large. The Noticee submits that Patch 2, 3, and 4, as recognized by SEBI, coincides with the period when AEL's Net Sales were growing at a tremendous growth rate of 152% and therefore, the volatility in the price of the scrip of AEL observed at the time was a regular market phenomenon. However, SEBI has failed to acknowledge these factors while undertaking the present investigation against the Noticee and therefore, the investigation is flawed, defective and one-sided.*

14.26. *Furthermore, the net profit of the Company has increased from Rs. 1.24 million to Rs. 10-14 million during the Investigation Period, which is humungous and showcases fundamental strength and growth potential of the Company which may be solely attributable to the price increase of the scrip during the Patch 1, 2, 3 and 4 of the Investigation Period. However, SEBI has dealt with this issue selectively and failed to acknowledge the effect of the financial results of the Company on the price rise of its scrip which is irrational and, on this ground alone, the allegations against the Noticee deserve to be set aside.*

Noticee continues to hold shares of AEL till date

14.27. *The Noticee submits that Noticee continues to hold shares of AEL till date. Stating without admitting, if it was the intention of the Noticee to manipulate the price of the scrip of AEL he would have also offloaded all of his shareholding in AEL to maximise its gains. The Noticee thus, reiterates that he has bought shares of AEL in a genuine manner and in normal course. The Noticee's holdings, at present, in the scrip of AEL are mentioned herein below:*

Name of the DP	***Total Holdings as on 11/10/2023*** *(No. of Shares)*	***Total Holdings of shares bought during the IP as on 11/10/2023*** *(No. of Shares)*
Axis Securities	*1*	*1*
Sharekhan	*6,920*	*1,415*
HDFC Securities	*1,007*	*651*
Total:	***7,928***	***2,067***

14.28. *It is therefore amply clear that not only the Noticee continues to hold shares of AEL bought during the Investigation Period but also has subsequently continued to buy more shares (shares bought by the Noticee = 5861) instead of selling such shares. It can be seen that the price of the scrip of AEL peaked during the Investigation Period. The Noticee humbly submits that the Noticee has bought more shares and sold only a small portion of such shares. The Noticee reiterates and submits that if it were the intention of the Noticee to indulge in price manipulation, as alleged by SEBI in the said SCN, he would have also sold the shares at the relevant time when the price of the scrip of AEL had peaked in order to reap the gains. The Noticee humbly submits that on this ground alone the SCN ought to be set aside and the Noticee deserves to be exonerated.*

For the sake of brevity, some of the Noticee's critical submissions are summarized as under:

14.29. *That the disclosure of the earlier positive financial results of March 2019 of AEL in the public domain is likely to have influenced a huge positive impact in the overall price of the scrip of AEL which SEBI has failed to consider and hence the positive impact has been caused by Patch 1 and not by Patch 2 to 4.*

14.30. *Based on the table provided by SEBI, it appears that the Noticee's buy orders were less than 2% (about 0.76%) of the market volume. While Noticee's buy orders during Patch 2 was less than 2% of the market volume traded, it is extremely far-fetched to allege that the Noticee, while trading in miniscule quantities as compared to the market volume, managed to contribute to a positive LTP of Rs. 58.25 or by 7.67%.*

14.31. *Selling/ buying miniscule amount of shares by itself is not illegal nor manipulative unless collusion with others is fraud.*

14.32. *That the price and volume being traded by other entities, especially the top 10 buyers, would have majorly attributed to the positive LTP in the price of AEL which has not been considered or analysed by SEBI;*

14.33. *That in order to successfully buy the shares, the Noticee had to enter a limit price for the buy order which was exact or slightly higher than the sell order prices visible on the SBTS at the time for the purchase transaction to go through*

14.34. *That the Noticee continues to hold shares of AEL bought during the Investigation Period and has subsequently continued to buy more shares instead of selling such shares. The Noticee humbly submits that the Noticee has bought more shares and sold only a small portion of such shares. The Noticee reiterates and submits that if it were the intention of the Noticee to indulge in price manipulation, as alleged by SEBI in the said SCN, he would have also sold the shares at the relevant time when the price of the scrip of AEL had peaked in order to reap the gains.*

15. I have carefully perused the available records in respect of allegations made in the SCN dated June 21, 2023, reply dated October 17, 2023 and November 02, 2023 filed by the Noticee and submissions made during the course of hearing conducted on October 30, 2023 in this matter.

16. I note from the SCN that the allegation against Noticee is that he contributed Rs.58.80/- during "Patch 1" and Rs. 1127.95/- during "Patch 2" to total market positive LTP which accounted for 7.74% & 81.92% respectively during said patches. It was also alleged in the SCN that Noticee placed buy orders for small quantities despite availability of large sell orders during the investigation period. Further, it was also observed that Noticee contributed Rs. 37.90/- to LTP establishing "New High Price" (NHP) i.e. 69.54% of total market NHP and also contributed Rs.84.55/- to LTP through first trades i.e. 76.90% of total market LTP through "First trades". Therefore, it was alleged that Noticee placed buy orders at higher prices and contributed to positive market 'LTP' through small orders, 'NHP' and 'First trades'.

17. Noticee in his reply dated October 17, 2023 contended that Noticee's buy orders in Patch 2 were less than 2% (about 0.76%) of the market volume therefore, it is extremely far-fetched to allege that the Noticee, while trading in miniscule quantities as compared to the market volume, managed to contribute to a positive LTP of Rs. 58.25 i.e. 7.67%. To deal with the contention raised by Noticee, I would like to note that charges against Noticee have been framed not only on the basis of his transactions undertaken during Patch 2 whereas findings noted during two patches viz. "Patch 2" & "Patch 4" were considered in the SCN. I note that price of the AEL increased from Rs.50.30/- to Rs. 278.75/- (touched high of Rs.290.05/-) during "Patch 2" and price increased from Rs. 248.50/- to 293.90/- (touched high of Rs.303/-) during "Patch 4". As regard the impact of the Noticee's trading, I note that Noticee executed 21 trades and 123 trades in "Patch 2" & "Patch 4" contributing Rs. 58.80/- and Rs. 1127.95/- to positive LTP respectively which accounted for 7.74% and 81.92% to total market positive LTP during said patches. Further Noticee's trades also established "NHP" of Rs. 37.90/- and also contributed Rs.84.55/- to LTP through first trades of total market LTP through "First trades". By executing trades at positive LTP in both the said Patches, Noticee's trades led to increase in price of scrip of AEL. Therefore, Noticee's contention that it would be incorrect to hold the Noticee guilty of serious charge of market manipulation and fraud on account of such miniscule trades, is devoid of merit.

18. Noticee in his reply contended that small quantity of shares have no influential bearing on the LTP and there is no such mechanism by which price of the scrip would increase if one placed small quantity at higher prices, as alleged in the SCN. Noticee also contended that there is no provision in law that prohibits the Noticee from choosing desired quantity of trade, however small or big when placing a buy order and such an allegation has no substance. In this regard, I note that Noticee executed small quantity trades contributing to LTP more than 5% and following tables, showing analysis of such trades, were provided in SCN:

Patch 2

Buyer Name	No. of	Positive LTP Contribution	Positive LTP Contribution	Positive LTP Contribution when	Total Positive	% of positive	% contribution

	trades (LTP >0)	when buy order qty. was of 1 share only		when buy order qty. was between 2-10 shares		buy order qty. were more than 10 shares		LTP contribution (Rs.)	LTP to Total Market positive LTP	to total mkt positive LTP through small orders (1-10 shares)
		Positive LTP contribution (Rs.)	No. of trades	Positive LTP contribution(Rs.)	No. of trades	Positive LTP contribution(Rs.)	No. of trades			
Noticee	21	58.25	19	0	0	0.55	2	58.80	7.74	7.67

Patch 4

Buyer Name	No. of trades (LTP >0)	Positive LTP Contribution when buy order qty. was of 1 share only		Positive LTP Contribution when buy order qty. was 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	% contribution to total market positive LTP through small orders (1-10 shares)
		Positive LTP contribution (Rs.)	No. of trades	Positive LTP contribution(Rs.)	No. of trades	Positive LTP contribution (Rs.)	No. of trades			
Noticee	123	1002.9	90	60.2	14	64.85	19	1127.95	81.92	77.21

19. I note from the trade log in the scrip of AEL, which was also provided to the Noticee as annexure to SCN that Noticee executed small quantity trades. Details of such trades are given below:

Patch 2

Sr No	TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	TRADE_RATE	LTP_RATE	TRADE_VALUE	TRADED_QTY	ORDER_AVLQTY	CP_ORDER_AVLQTY
1	29/10/2019	ANKIT LAXMIPATRAJ SINGHVI	ASTERPETAL TRADE SERVICES PRIVATE LIMITED	92.6	1.6	92.6	1	1	2000
2	30/10/2019			94.5	5	94.5	1	1	2000
3	30/10/2019			94.5	5	94.5	1	1	2000
4	30/10/2019			94.5	4	94.5	1	1	2000
5	31/10/2019			97.5	3	97.5	1	1	2000
6	31/10/2019		UMMAID MAL CHOPRA	97	2	97	1	1	200
7	31/10/2019		ASTERPETAL TRADE SERVICES PRIVATE LIMITED	97.5	0.5	97.5	1	1	2000
8	31/10/2019			97.5	1.5	97.5	1	1	2000

9	01/11/2019		PRIYADARSHINIMISHRA	100.5	3	100.5	1	1	50
10	01/11/2019			99.5	1.5	99.5	1	1	50
11	04/11/2019		ASTERPETAL TRADE SERVICES PVT LTD	100.5	0.9	100.5	1	1	2000
12	04/11/2019		JUDHISTIRA BEHERA	100	5.25	100	1	1	25
13	05/11/2019		NARESH BUTANI	103.5	3.5	103.5	1	1	100
14	05/11/2019		RAJINDER PAL SINGH	103.5	1	103.5	1	1	100
15	05/11/2019		RAJINDER PAL SINGH	103.5	3.5	103.5	1	1	100
16	05/11/2019		ASTERPETAL TRADE SERVICES PRIVATE LIMITED	103.5	3.5	103.5	1	1	2000
17	06/11/2019			105	1.5	105	1	1	2000
18	25/11/2019		SANJAY KUMAR RAI	147.9	6.5	147.9	1	1	1
19	27/11/2019		PRAKASH	156	5.5	156	1	1	105
		TOTAL LTP			**58.25**				

Patch 4

Sr No	TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	TRADE_RATE	LTP_RATE	TRADE_VALUE	TRADED_QTY	ORDER_AVLQTY	CP_ORDER_AVLQTY
1	28/01/2020	ANKIT LAXMIPATRAJ SINGHVI	KARMAVIPULBHAIOZA	249.8	5.9	249.8	1	1	7
2	28/01/2020		SURAJ UNNIKRISHNAN	249.75	9.65	249.75	1	1	25
3	28/01/2020		SHETH AMIT JAYESH	249.7	9.6	249.7	1	1	30
4	29/01/2020		SHETH AMIT JAYESH	254.55	4.9	254.55	1	1	50
5	29/01/2020		SHETH AMIT JAYESH	254.5	9.8	254.5	1	1	50
6	29/01/2020		SHETH AMIT JAYESH	250.95	1.95	250.95	1	1	50
7	30/01/2020		SHETH AMIT JAYESH	254.9	3.95	254.9	1	1	50
8	30/01/2020		SHETH AMIT JAYESH	254.8	9.8	254.8	1	1	50

9	30/01/2020	SHETH AMIT JAYESH	254.75	9.75	254.75	1	1	50
10	01/02/2020	SUJIT BHAGWAN MORE	254.45	4.85	254.45	1	1	18
11	03/02/2020	DEEPAK BANSAL	259.35	5.05	259.35	1	1	250
12	03/02/2020	SHETH AMIT JAYESH	259.15	9.9	259.15	1	1	50
13	03/02/2020	SHETH AMIT JAYESH	259.1	9.85	259.1	1	1	50
14	03/02/2020	SHETH AMIT JAYESH	258.95	9.7	258.95	1	1	50
15	05/02/2020	PRANAVSHIVAB HAIPRAJAPATI	253.85	5.05	253.85	1	1	1
16	05/02/2020	SATENDRA PRASAD TIWARI	254.5	5.5	254.5	1	1	100
17	05/02/2020	SATENDRA PRASAD TIWARI	254.5	5.5	254.5	1	1	100
18	05/02/2020	SHETH AMIT JAYESH	254.2	5.15	254.2	1	1	10
19	06/02/2020	SHWETAGUPTA	254.5	1.5	254.5	1	1	1
20	06/02/2020	VISHNU RAJAN	260	5.5	260	1	1	1
21	06/02/2020	SHETH AMIT JAYESH	266.7	6.7	266.7	1	1	50
22	06/02/2020	SHETH AMIT JAYESH	264.85	22.8	264.85	1	1	50
23	06/02/2020	RAGHUL B	264.85	23.15	264.85	1	1	1
24	06/02/2020	SURAJ UNNIKRISHNAN	264.5	22.8	264.5	1	1	25
25	07/02/2020	PRABHAKARAV ULA	250	16.35	250	1	1	4
26	07/02/2020	SHETH AMIT JAYESH	256.45	6.45	256.45	1	1	100
27	07/02/2020	SHETH AMIT JAYESH	255.7	21.7	255.7	1	1	10
28	07/02/2020	SHETH AMIT JAYESH	253.95	0.25	253.95	1	1	10
29	07/02/2020	JAYA DINESH SHAH	252	1	252	1	1	10
30	10/02/2020	HEMRAJ JAT	264.5	9.5	264.5	1	1	100
31	10/02/2020	DEEPAK BANSAL	260	14	260	1	1	951

32	10/02/2020		DEEPAK BANSAL	260	14	260	1	1	951
33	10/02/2020		ASTERPETAL TRADE SERVICES PRIVATE LTD	259.75	4.75	259.75	1	1	100
34	10/02/2020		BRIJ NANDAN PRASAD	259.7	4.7	259.7	1	1	40
35	10/02/2020		BRIJ NANDAN PRASAD	259.4	4.4	259.4	1	1	40
36	11/02/2020		JATIN KISHORBHAI KACHA	260	0.25	260	1	1	15
37	11/02/2020		HEMRAJ JAT	265	5	265	1	1	99
38	11/02/2020		SURAJ UNNIKRISHNAN	269.5	10.5	269.5	1	1	16
39	11/02/2020		DEEPAK BANSAL	269.6	14.6	269.6	1	1	351
40	11/02/2020		DEEPAK BANSAL	269.6	14.6	269.6	1	1	351
41	11/02/2020		DEEPAK BANSAL	269.6	0.05	269.6	1	1	349
42	11/02/2020		DEEPAK BANSAL	269.6	15.6	269.6	1	1	349
43	11/02/2020		SURAJ UNNIKRISHNAN	269.2	15	269.2	1	1	10
44	11/02/2020		ASTERPETAL TRADE SERVICES PRIVATE LTD	269.25	13.95	269.25	1	1	100
45	11/02/2020		ASTERPETAL TRADE SERVICES PRIVATE LTD	269.25	13.45	269.25	1	1	100
46	12/02/2020		MOHIT SINGH	281	21	281	1	1	10
47	12/02/2020		SURAJ UNNIKRISHNAN	280.5	19.45	280.5	1	1	5
48	12/02/2020		SHETH AMIT JAYESH	280.7	19.65	280.7	1	1	75
49	13/02/2020		MOHIT SINGH	294	4	294	1	1	9
50	13/02/2020		KARTICK CHANDRA SETT	291	14.95	291	1	1	200
51	13/02/2020		KARTICK CHANDRA SETT	291	0.1	291	1	1	200
52	13/02/2020		SURAJ UNNIKRISHNAN	290.5	14.5	290.5	1	1	5

53	13/02/2020		DEEPAK BANSAL	291	0.25	291	1	1	100
54	14/02/2020		SHETH AMIT JAYESH	293.9	2.9	293.9	1	1	50
55	14/02/2020		DEEPAK BANSAL	293.5	11.5	293.5	1	1	100
56	14/02/2020		DEEPAK BANSAL	290.5	6.5	290.5	1	1	32
57	14/02/2020		RITA LUCY DMELLO	290	6	290	1	1	50
58	14/02/2020		DEEPESH GUPTA	289.9	16.9	289.9	1	1	200
59	17/02/2020		DEBNATHPAHA RI	278.7	3.2	278.7	1	1	1
60	17/02/2020		RAHUL KUMAR	285	6.3	285	1	1	100
61	17/02/2020		DEEPAK BANSAL	284.5	4	284.5	1	1	95
62	17/02/2020		SHETH AMIT JAYESH	284.4	5.5	284.4	1	1	50
63	17/02/2020		SHETH AMIT JAYESH	283.7	4.75	283.7	1	1	50
64	17/02/2020		SHETH AMIT JAYESH	279.55	14.55	279.55	1	1	50
65	17/02/2020		SHETH AMIT JAYESH	279.45	0.1	279.45	1	1	50
66	18/02/2020		DEEPESH GUPTA	289	10	289	1	1	350
67	18/02/2020		SHETH AMIT JAYESH	288.85	26.35	288.85	1	1	100
68	19/02/2020		SHETH AMIT JAYESH	293.5	15.5	293.5	1	1	10
69	19/02/2020		RITA LUCY DMELLO	288	22.35	288	1	1	50
70	19/02/2020		SHETH AMIT JAYESH	285.4	19.35	285.4	1	1	10
71	20/02/2020		SHETH AMIT JAYESH	292.95	22.95	292.95	1	1	50
72	20/02/2020		DEEPESH GUPTA	290	19.95	290	1	1	350
73	20/02/2020		SHETH AMIT JAYESH	287.45	17.4	287.45	1	1	50
74	25/02/2020		SHETH AMIT JAYESH	282.45	13.45	282.45	1	1	50
75	25/02/2020		SHETH AMIT JAYESH	282.4	7.4	282.4	1	1	50

76	26/02/2020		SHETH AMIT JAYESH	287.9	26.35	287.9	1	1	50
77	26/02/2020		SHETH AMIT JAYESH	287.9	1.9	287.9	1	1	50
78	26/02/2020		SHETH AMIT JAYESH	285.7	24.15	285.7	1	1	50
79	26/02/2020		MOHIT SINGH	284.2	22.65	284.2	1	1	16
80	26/02/2020		AVANI PINKESH SHETH	281	0.1	281	1	1	50
81	26/02/2020		SURAJ UNNIKRISHNAN	284.9	1.9	284.9	1	1	5
82	27/02/2020		SHETH AMIT JAYESH	293.9	9.15	293.9	1	1	50
83	28/02/2020		DEEPESH GUPTA	298	23	298	1	1	120
84	28/02/2020		DEEPESH GUPTA	298	23.5	298	1	1	120
85	28/02/2020		SURAJ UNNIKRISHNAN	296.5	9.5	296.5	1	1	19
86	28/02/2020		SURAJ UNNIKRISHNAN	296.5	20.9	296.5	1	1	19
87	28/02/2020		SURAJ UNNIKRISHNAN	296.5	20.6	296.5	1	1	19
88	28/02/2020		RITA LUCY DMELLO	295	19.5	295	1	1	50
89	28/02/2020		SHETH AMIT JAYESH	294.75	20.25	294.75	1	1	5
90	28/02/2020		SHETH AMIT JAYESH	294.75	20.25	294.75	1	1	5
		Total LTP			1002.9				

20. I note from the analysis of trades executed by Noticee in “Patch 2” that out of 21 positive LTP buy trades, in 19 trades (i.e. 90.48%) buy order quantity was 1 share that contributed to positive LTP of Rs. 58.25/-. Similarly, in “Patch 4”, out of 123 positive LTP buy trades, in 90 trades (73.17%), buy order quantity was 1 share that contributed to positive LTP of Rs.1002.90/-. For 104 trades (84.55%), buy order quantity was in the range of 1-10 shares, which resulted in contribution of Rs. 1063.10 (77.21%) of total market positive LTP during “Patch 4”. Therefore, I find that contention raised by Noticee that small quantity of shares have no influential bearing on the LTP is devoid of merit.

21. Noticee in his reply submitted that he has bought shares of AEL in normal course in a genuine manner. I find that impugned trades executed by Noticee does not contain the characteristics of genuine trades. One of the very basic rationale for trading is buying more shares at lower price if available in market. Trades executed by Noticee are elaborated for better understanding of the trading pattern. Following examples have been extracted from trades executed in Patch 4:

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	TRADE_TIME	ORDER_LMTIME	CP_ORDER_LMTIME	TRADE_RATE	LTP_RATE	ORDER_LMRATE	CP_ORDER_LMRATE	TRADED_QTY	ORDER_LMQTY	CP_ORDER_LMQTY
07/02/2020	ANKIT LAXMIPATRAJ SINGHVI	JAYA DINESH SHAH	14:36:59.963745	14:36:59.963745	14:36:29.037163	252.9	0.9	256	252.9	3	10	10
07/02/2020	ANKIT LAXMIPATRAJ SINGHVI	SHETH AMIT JAYESH	14:36:59.963745	14:36:59.963745	14:26:59.383627	252.95	0.05	256	252.95	7	10	10
19/02/2020	ANKIT LAXMIPATRAJ SINGHVI	SHETH AMIT JAYESH	15:10:22.262379	15:10:22.262379	14:49:57.820861	283.9	0.9	288	283.9	2	51	15
19/02/2020	ANKIT LAXMIPATRAJ SINGHVI	ANJIREDDY VUYYURU	15:10:22.262379	15:10:22.262379	14:21:04.550690	285.4	1.5	288	285.4	1	51	10
26/02/2020	ANKIT LAXMIPATRAJ SINGHVI	SHETH AMIT JAYESH	11:10:11.013167	11:10:11.013167	11:02:08.155615	280.9	18.85	285	280.9	50	50	56

21.1. On 07/02/2020, Noticee placed buy order at 14:36:59 hrs. and sell order was entered at 14:36:29 hrs. i.e. before the buy order of Noticee. Sell order was placed by Jaya Dinesh Shah at lower price i.e. Rs. 252.90/- whereas, buy order was placed by Noticee at Rs. 256/- i.e. at a price higher than the price available in market. Trade for 3 shares was executed at 14:36:59 hrs. at Rs. 252.90/-. Similarly in another trade on same date, Noticee's buy order was placed at higher rate than sell order available in market. Sheth Amit Jayesh placed sell order at Rs. 252.95/- whereas, Noticee placed his buy order at Rs. 256/-. Sell order was placed at 14:26:59 hrs. Noticee placed buy order at 14:36:59 hrs.

Noticee deliberately placed his orders at higher price despite existence of sell orders at lower price.

21.2. On 19/02/2020, sell order was placed in the system at 14:49:57 hrs. Sell order was placed at rate of Rs. 283.90/- by Sheth Amit Jayesh. Thereafter, Noticee placed buy order at 15:10:22 hrs. at Rs. 288/-. This shows the manipulative intention of the Noticee that despite sell order existing in the system at lower price, buy order was placed at higher price. Trade got executed at 15:10:22 hrs. at Rs. 283.90/- for 2 shares. In another trade on 19/02/2020, it was noted that Noticee placed his order subsequent to the sell order which was available at lower price. At 14:21:04 hrs. sell order was placed by ANJIREDDY VUYYURU at Rs. 285.40/-. Later on, at 15:10:22 hrs. Noticee placed his buy order at Rs. 288/- resulting in trade at 15:10:22 hrs. for 1 share at Rs. 285.40/- and positive LTP of Rs.1.50/- was created with this transaction.

21.3. Similar trading pattern was noted on 26/02/2020, Noticee traded with Sheth Amit Jayesh and it was noted that Noticee placed buy order at Rs. 285/- at 11:10:11 hrs. whereas, sell order at Rs. 280.90/- was placed by Sheth Amit Jayesh at 11:02:08 hrs. which shows that sell order was available at lower price before Noticee placed buy order at higher price. Trade was executed at 11:10:11 hrs. at Rs. 280.90/- for 50 shares.

22. Transactions executed in Patch 4 are elaborated further as below:

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	TRADE_TIME	ORDER_LMTIME	CP_ORDER_LMTIME	TRADE_RATE	LTP_RATE	ORDER_LMRATE	CP_ORDER_LMRATE	TRADED_QTY	ORDER_LMQTY	CP_ORDER_LMQTY
14/02/2020	ANKIT LAXMIPATRAJ SINGHVI	DEEPESH GUPTA	12:47:48.482471	12:47:48.482471	11:35:22.244522	289.9	0.15	290	289.9	1	2	200
18/02/2020	ANKIT LAXMIPATRAJ SINGHVI	DEEPESH GUPTA	09:15:09.425754	09:15:09.425754	09:15:00.216368	289	10	289.9	289	1	1	350

19/02/2020	ANKIT LAXMIPATRAJ SINGHVI	DEEPESH GUPTA	15:11:17.254297	15:11:17.254297	11:46:40.278111	286	0.5	288	286	1	20	200

22.1. I note that on 14/02/2020, there was a sell order placed by Deepesh Gupta at 11:35:22 hrs. for 200 shares at Rs. 289.90. Thereafter, Noticee placed a buy order at higher price of Rs. 290/- for 2 shares. I note that sell order was already available when buy order was placed by the Noticee. Trade was executed at Rs. 289.90/- for 1 share.

22.2. Similar pattern of Noticee's trading was noted on 18/02/2020 when Noticee's trade created positive LTP of Rs.10. Sell order was placed by Deepesh Gupta at 09:15:00 hrs. at Rs. 289/-. Thereafter, Noticee at 09:15:09 hrs. placed buy order at Rs. 289.90/- i.e. at a price higher than the price of available sell order. 350 shares were available in sell order at Rs. 289/- whereas, Noticee placed his order at higher rate for just 1 share resulting into trade at 09:15:09 hrs. at Rs. 289/-.

22.3. I note that on 19/02/2020 at 15:11:17 hrs., Noticee placed buy order for 20 shares at Rs. 288.Sell order of Deepesh Gupta placed at 11:46:40 hrs. was existing in the system at Rs. 286/- with available sell quantity of Rs. 200 shares. Noticee's order shows that he was willing to pay more for buying shares of AEL which he could have bought at lower price.

22.4. The above analysis shows that Noticee was deliberately placing his orders at higher price with an intention to manipulate the price of scrip of AEL despite sufficient quantity available for selling at lower price. Dealings in securities shall be deemed to be a manipulative fraudulent or an unfair trade if it involves, including but not limited to, any act or omission amounting to manipulation of the price of a security including influencing or manipulating the reference price of bench mark price of any securities. The trading pattern of the Noticee, as mentioned above shows that despite sell orders being available at lower price, Noticee placed buy orders at higher price which clearly establishes that Noticee by placing buy order at higher price, deliberately tried to induce the sellers to increase the price thereby manipulating the price in the market.

23. I find from the SCN that Noticee placed buy orders for smaller quantity despite availability of large sell orders (more than or equal to 100 shares). Same was illustrated and provided in the SCN as below:-

Patch 2

Trade Date	Seller Name	Trade Time	Buy Lmtime	Seller_ Lmtime	Trade Rate (Rs)	Ltp Rate (Rs)	Buy Rate (Rs)	CP_ORDER_LMRATE	Traded Qty	Buy Qty disclosed	Sell Qty disclosed
27/11/2019	Prakash	10:10:59.125801	10:10:59.125801	09:33:34.798965	156	5.5	156	156	1	1	105
30/10/2019	Asterpetal	11:39:38.081982	11:39:38.081982	11:17:57.927291	94.5	5	94.5	94.5	1	1	2000
30/10/2019	Asterpetal	12:36:53.396257	12:36:53.396257	11:17:57.927291	94.5	5	95	94.5	1	1	2000
30/10/2019	Asterpetal	13:36:50.828458	13:36:50.828458	11:17:57.927291	94.5	4	94.5	94.5	1	1	2000
05/11/2019	Naresh Butani	09:42:24.710378	09:42:24.710378	09:24:10.374023	103.5	3.5	103.5	103.5	1	1	100

Patch 4

Trade Date	Seller Name	Trade Time	Buy Lmtime	Seller_ Lmtime	Trade Rate (Rs)	Ltp Rate (Rs)	Buy Rate (Rs)	CP_ORDER_LMRATE	Traded Qty	Buy Qty disclosed	Sell Qty disclosed
18/02/2020	Sheth Amit Jayesh	09:34:59.968989	09:34:59.968989	09:18:33.354709	288.85	26.35	288.85	288.85	1	1	100
18/02/2020	Sheth Amit Jayesh	09:22:44.588209	09:22:44.588209	09:18:33.354709	288.85	23.85	290	288.85	7	10	100
28/02/2020	Deepesh Gupta	09:39:01.365922	09:39:01.365922	09:19:46.213637	298	23.5	298	298	1	1	120
28/02/2020	Deepesh Gupta	09:33:55.593954	09:33:55.593954	09:19:46.213637	298	23	0	298	1	1	120
20/02/2020	Deepesh Gupta	13:31:45.930588	13:31:45.930588	13:08:26.146489	290	19.95	290	290	1	1	350

24. Few trades given in the above table are explained below for understanding the trading pattern of the Noticee:

24.1. In Patch 2, on 30/10/2019 sell order was placed at Rs. 94.50/- at 11:17:57 hrs. having disclosed quantity of 2000 shares. Thereafter, Noticee at 11:39:38 hrs. placed buy order for 1 share at Rs. 94.50/- and trade got executed at 11:39:38 hrs. for 1 share at Rs. 94.50/-.

24.2. In another instance on same date i.e. 30/10/2019, sell order was placed at Rs. 94.50/- at 11:17:57 hrs. having disclosed quantity of 2000 shares. In spite of availability of sell order at lower price, Noticee placed buy order for 1 share at Rs. 95/- at 12:36:53 hrs. resulting into trade for 1 share at Rs. 94.50/-.

24.3. On 30/10/2019, at 11:17:57 hrs. sell order at Rs. 94.50/- having disclosed quantity of 2000 shares was punched in the system. Noticee placed buy order at Rs. 94.50/- for 1 share at 13:36:50 hrs. Trade got executed for 1 share at Rs. 94.50/- at 13:36:50 hrs.

24.4. I also note that on 30/10/2019 at 11:39:38 hrs. Noticee executed trade for 1 share at Rs.94.50/- which contributed Rs. 5 to positive LTP. Another trade for 1 share was executed at Rs.94.50/- at 12:36:53 hrs. which contributed Rs. 5 to positive LTP. On 30/10/2019, Noticee again traded at 13:36:50 hrs. at Rs.94.50/-, which again resulted in positive LTP of Rs. 4. This pattern clearly establishes that Noticee was increasing the price of the scrip whenever it fell to maintain the price at higher levels by executing trades in small quantity. This trading pattern establishes that Noticee orchestrated a plan to defraud the general investors by manipulating the price of the scrip and maintaining the same at desired level.

24.5. I note that similar pattern i.e. buying miniscule quantity of shares despite availability of large sell orders, was also found in “Patch 4” of the IP.

24.6. I note from the above that despite availability of sell orders for large quantities, Noticee deliberately chose to place buy orders for 1 share each and his trades were getting executed for 1 share only. Such trading pattern shows the manipulative intent of the Noticee that if the Noticee was genuinely interested in buying the shares of AEL he would have placed his buy orders when sufficient quantity was available. Price of the scrip rose from Rs. 50.30/- to Rs. 278.75/- during Patch 2. Price continued to increase in Patch 4 when it increased from Rs. 248.50/- to Rs. 293.90/-. I note that Noticee in his reply has submitted that as on October 11, 2023, he continued to hold 2,067 shares of AEL bought during the IP. Noticee could have bought large quantity when it was available at lower prices. However, Noticee continued to buy shares of AEL at higher prices in small quantity which defies all logics and is contrary to the general economic sense of a rational investor.

25. I note that in Patch 2, out of 21 positive LTP contributing trades, disclosed quantity of sell orders was large (more than or equal to 100 shares), despite that Noticee placed 15 trades wherein the buy order was placed for smaller quantity (less than or equal to 10 shares). Such 15 trades were executed in 7 days out of total 10 days when 'Noticee' traded during the patch and contributed Rs. 42 to market positive LTP i.e. 5.53% to market positive LTP. Similarly, in "Patch 4", out of 123 positive LTP contributing trades, disclosed quantity of sell orders was large (more than or equal to 100 shares), despite that Noticee placed 29 trades wherein the buy order was placed for smaller quantity (less than or equal to 10 shares). Such 29 trades were executed in 12 days out of total 21 days when Noticee traded during the patch contributed Rs. 314.85 to market positive LTP i.e. 22.87% to market positive LTP. I do not find merit in the reply of the Noticee that there is no legal prohibition on buying small quantity of shares, since, trading pattern of Noticee shows his intention to manipulate the price of the scrip.

26. Noticee in his reply while contesting the allegation of buying in small quantity when large sell orders were available, produced a list of certain trades and stated that there have been several occasions, wherein the Noticee had placed buy order for

large quantity but the trade could be executed only for small quantity. I note that this argument of Noticee is out of context and misplaced as no allegation has been made against the Noticee for such trades.

27. Noticee in his own submission has accepted that he has placed and updated orders in order to match price of the existing sell order prices and to sweep in the shares. Referring to the information provided in the SCN as illustration given in paragraph 24 above, Noticee submitted that buy order price placed by Noticee is a meagre Rs.0- Rs. 1.50 over and above the sell order available in the Screen Based Trading System (SBTS). I note that Noticee's behavior of trading in the scrip of AEL is devoid of commercial sense that in spite of sell orders being available at lower price, Noticee placed buy orders at higher price and Noticee also accepted the same. Hon'ble SAT, in Dhiren Dharamdas Agarwal HUF v SEBI decided on September 05, 2022, while analyzing the trading behavior of placing buy order at higher price when shares are available at lower price, held that:

"5. ……It makes no sense for a buyer to buy at a higher price when the shares are available at a lower price. Thus, placing buy orders above LTP amounts to manipulating the price of the scrip and also creates misleading appearance of trading."

28. Noticee contented that no case has been established by SEBI to show that the Noticee had any motive and/ or any connection with the Company and its Directors/ Promoters and/or the counter parties to aid in the manipulation of the price of the scrip of AEL and in absence thereof, allegations made by SEBI in this regard hold no water. In this regard, I note that Noticee's contention is devoid of merit as establishing connection between the company/promoters/counterparties is not a pre-condition to prove any manipulation in the scrip of any listed entity. Hon'ble Securities Appellate Tribunal vide order dated September 05, 2022 in the matter of Dhiren Dharamdas Agarwal HUF v SEBI held that:

"7. It was urged that the appellant was not connected with the Company or with the co-promoters nor was connected with the counter party nor was connected with other

entities as indicated in the show cause notice. In this regard, the appellant has relied upon a decision of this Tribunal in the matter of Sapna Dilip Bombaywala vs SEBI (Appeal no. 143 of 2020 decided on June 24, 2020) and in the matter of M/s Nishith M. Shah HUF vs SEBI (Appeal no. 97 of 2019 decided on January 16, 2020). In our opinion the said decisions are distinguishable and are not applicable to the facts in question. Even if there is nothing to establish any connection between buyer and seller, we are of the opinion that in the instant case the trades executed by the appellant were clearly manipulative and therefore violative of Regulation 3 & 4 of the PFUTP Regulations."

29. It was also alleged in the SCN that Noticee contributed to positive LTP through "New High Price" and through "First Trades" and following information was provided in SCN:

Client Name	**Quantity**	**Number of Trades**	**Contribution To Market NHP(Rs.)**	**% of Market NHP**
Ankit Laxmipatraj Singhvi	17	8	37.90	69.54%
Market total	**235**	**12**	**54.50**	**100.00%**

Client Name	**Total No. of First Trades**	**Traded Qty. from First Trades**	**No. of First Trades at Pos. LTP**	**Net LTP(Rs.)**	**Pos. LTP (Rs.)**
Ankit Laxmipatraj Singhvi	14	62	12	78.30	84.55
Market total	**26**	**117**	**16**	**35.25**	**109.95**

30. I note from the trade log that the following trades of Noticee established "New High Price" and also contributed to positive LTP:

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	TRADE_TIME	ORDER_LMTIME	CP_ORDER_LMTIME	TRADE_RATE	LTP_RATE	ORDER_LMRATE	CP_ORDER_LMRATE	TRADED_QTY	ORDER_LMQTY	CP_ORDER_LMQTY
28/01/2020	Noticee	KARMAVIPULBHAI OZA	09:07:09.000165	09:03:31.284328	09:00:01.783678	249.8	5.9	249.8	0	1	1	7
29/01/2020	Noticee	SHETH AMIT JAYESH	09:26:16.531226	09:26:16.531226	09:17:46.211711	254.55	4.9	254.55	254.55	1	1	50

30/01/2020	Noticee	SHETH AMIT JAYESH	09:23:14.854158	09:23:14.854158	09:17:14.699177	254.9	3.95	254.9	254.9	1	1	50
03/02/2020	Noticee	DEEPAK BANSAL	09:25:42.669111	09:25:42.669111	09:00:04.857343	259.35	5.05	259.35	259.35	1	1	250
06/02/2020	Noticee	VISHNU RAJAN	09:35:09.365683	09:35:09.365683	09:00:02.196089	260	5.5	260	260	1	1	1
06/02/2020	Noticee	SHETH AMIT JAYESH	09:35:27.057059	09:35:27.057059	09:21:44.738583	266.7	6.7	266.7	266.7	1	1	50
12/02/2020	Noticee	MOHIT SINGH	09:19:04.645902	09:19:04.645902	09:00:00.035975	281	21	281	281	1	1	10
28/02/2020	Noticee	SHETH AMIT JAYESH	09:07:06.000144	09:05:21.307270	09:03:11.824555	303	14.25	303.1	303	10	10	10

31. I further note from the trade log that the following trades of Noticee contributed to LTP through "First Trade":

TRADE_DATE	**CLIENTNAME**	**CP_CLIENTNAME**	**TRADE_TIME**	**ORDER_LMTIME**	**CP_ORDER_LMTIME**	**TRADE_RATE**	**LTP_RATE**	**ORDER_LMRATE**	**CP_ORDER_LMRATE**	**TRADED_QTY**	**ORDER_LMQTY**	**CP_ORDER_LMQTY**
28/01/2020	Noticee	KARMA VIPULBHAIOZA	09:07:09.000165	09:03:31.284328	09:00:01.783678	249.8	5.9	249.8	0	1	1	7
29/01/2020	Noticee	SHETH AMIT JAYESH	09:26:16.531226	09:26:16.531226	09:17:46.211711	254.55	4.9	254.55	254.55	1	1	50
30/01/2020	Noticee	SHETH AMIT JAYESH	09:23:14.854158	09:23:14.854158	09:17:14.699177	254.9	3.95	254.9	254.9	1	1	50
03/02/2020	Noticee	DEEPAK BANSAL	09:25:42.669111	09:25:42.669111	09:00:04.857343	259.35	5.05	259.35	259.35	1	1	250
10/02/2020	Noticee	HEMRAJ JAT	09:16:30.497187	09:16:30.497187	09:00:42.955080	264.5	9.5	264.5	264.5	1	1	100
11/02/2020	Noticee	JATIN KISHOR	09:15:55.285714	09:15:55.285714	09:00:38.676152	260	0.25	260	260	1	1	15

		BHAI KACHA										
14/02/2020	Noticee	SHETH AMIT JAYESH	09:17:16.119454	09:17:16.119454	09:16:14.766234	293.9	2.9	293.9	293.9	1	1	50
17/02/2020	Noticee	DEBNATHPAHARI	09:31:54.342387	09:31:54.342387	09:24:44.244004	278.7	3.2	278.7	278.7	1	1	1
18/02/2020	Noticee	DEEPESH GUPTA	09:15:09.425754	09:15:09.425754	09:15:00.216368	289	10	289.9	289	1	1	350
19/02/2020	Noticee	SHETH AMIT JAYESH	09:18:11.476658	09:18:11.476658	09:06:53.181814	293.5	15.5	293.5	293.5	1	1	10
27/02/2020	Noticee	SHETH AMIT JAYESH	09:17:29.051063	09:17:29.051063	09:15:11.070080	293.9	9.15	293.9	293.9	1	1	50
28/02/2020	Noticee	SHETH AMIT JAYESH	09:07:06.000144	09:05:21.307270	09:03:11.824555	303	14.25	303.1	303	10	10	10

32. I note from the trades given in the tables above that Noticee was consistently buying 1 share in each trade (except on 28/02/2020 when he bought 10 shares) even though sell orders for higher number of shares were available. For example, on 03/02/2020, Noticee bought 1 share at Rs. 259.35/- though 250 shares were available in market at the same rate. Similarly, on 18/02/2020, Noticee placed order for just 1 share at Rs. 289.90/- whereas, 350 shares were available at Rs. 289/- per share. Inspite of sufficient quantity available in market, Noticee was buying miniscule quantity of shares on regular basis which clearly indicates that the intention of the Noticee was to manipulate the market price in a fraudulent manner and not to buy shares genuinely. It is evident from the trading pattern of the Noticee that intention of Noticee was to artificially inflate the price of the scrip of AEL.

33. With reference to allegation of manipulation through “New High Price” and “First trades”, Noticee also submitted that said allegation does not hold water as SEBI has failed to stipulate any details or proper analysis for arriving upon the alleged conclusions under the headings of “First Trades” and “New High Price”. In this

regard, I note that Noticee executed 8 trades for 17 shares establishing "New High Price" and contributed to LTP by establishing NHP of Rs. 37.90/-. As the price moved from Rs. 248.50/- to a high price of Rs. 303/-, total market NHP of Rs. 54.50/- of NHP was created during Patch 4. Noticee's contribution accounted for 69.54% of total market NHP. Similarly, I note that positive LTP of Rs. 109.95/- was created during Patch 4 through "First Trades". Noticee executed 12 trades out of 14 trades at positive LTP creating positive LTP of Rs. 84.55/- which accounted for 76.90% of total market LTP through "First Trades". Further, in view of the details/explanation provided at paragraph 29 to 32 above, Noticee's contention is not acceptable.

34. Reliance is also placed on Hon'ble SAT order dated December 15, 2021 in M/s Adamina Traders Pvt Ltd. wherein Hon'ble SAT held that :

"8. It was contended that out of 6519 trades only 554 trades were found to the positive LTP and, therefore, these figures indicates that there was no intention on the part of the appellant to manipulate the price since the remaining trades were either negative LTP or zero LTP. Further, there was a huge difference between the buy time and the sell time and consequently the LTP in 176 trades was very negligible which cannot lead to a conclusion that the appellant indulged in manipulation of price. <u>We are unable to accept this argument as we find from the trading pattern of the appellant that on most occasions the appellant was placing buy orders of miniscule quantity ranging from 1 to 10 shares above LTP though large orders were pending in the system. The WTM has categorically found that 6 out of 176 trades, in a large numbers trades, only one share was purchased. These miniscule trades of one share per day led to increase price of the scrip by Rs. 50.23 which amounted to Rs. 26.34% of the total market positive LTP.</u>

9. Thus, in the instant case, the pattern of trading, namely, placing buy orders in small quantities which led to increase in the price of the scrip was clearly fraudulent and manipulation of the price of the scrip which was violative of Regulations 3 and 4 of the PFUTP Regulations. Thus, the finding given by the WTM does not suffer from any error of law. The decision of this Tribunal in the case of M/s Nishith M. Shah is, thus, not *applicable in the facts and circumstances of the present case and is clearly distinguishable.*

35. In view of the findings in preceding paragraphs, I note that Noticee contributed positive LTP of Rs. 58.80/- and Rs. 1127.95/- through 21 trades in "Patch 2" and 123 trades in "Patch 4". Noticee also contributed to positive LTP by establishing NHP of Rs. 37.90/- in 8 trades and Rs. 84.55/- through 12 "First Trades". Noticee executed such trades by buying in small quantities i.e. 1 to 10 shares despite large sell orders available in market. It was also noted that Noticee was placing his buy orders at a price higher than the sell order price available in the system. Therefore, I find that Noticee had indulged in trades which are fraudulent and in violation of provisions of Section 12A (a), (b) and (c) of SEBI Act 1992 read with Regulation 3(a), (b), (c), (d) and 4(1), 4(2) (a) and (e) of PFUTP Regulations.

Issue II: If yes, whether it attracts monetary penalty under section 15HA of the SEBI Act?

36. In light of findings and observations made against the Noticee brought out in the foregoing paragraphs, it is established that the Noticee had violated the provisions of Section 12A (a), (b) and (c) of SEBI Act 1992 read with Regulation 3(a), (b), (c), (d) and 4(1), 4(2) (a) and (e) of PFUTP Regulations.

37. Above violations, make the Noticee liable for monetary penalty under Section 15HA of the SEBI Act which is reproduced below for reference:

Penalty for fraudulent and unfair trade practices.

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

Issue III: If so, what should be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15J of the SEBI Act r/w Rule 5(2) of the Adjudication Rules?

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

    15J – Factors to be taken into account by the adjudicating officer

    While adjudging quantum of penalty under [15-I or section 11 or section 11B, the Board or 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.

39. From the material available on record, I note that no quantifiable gain or unfair advantage accrued to the Noticee or the extent of loss suffered by the investors has been brought out. Further from the material available on record, it may not be possible to ascertain the exact monetary loss to the clients/ investors on account of violations committed by the Noticee. I note that no action has been taken by SEBI against the Noticee in the past.

40. I note that, as per the provisions of the Amendment of Section 15HA vide the Securities Laws (Amendment) Act, 2014, that came into force on September 08, 2014, the penalty shall not be less than five lakh rupees. In the instant case, it is observed that the violation of the PFUTP Regulations, took place after the aforesaid date.

41. It is relevant to refer to the following Judgment of Hon'ble Supreme Court of India dated February 13, 2023 in the matter of SEBI Vs Sandip Ray:

"Learned counsel for appellant further submits that even review application filed to make a correction in the order and to justify that the order reducing the penalty below Rs.1,00,000/- is not permissible under Section 15HB of the SEBI Act, 1992.

After we have heard learned counsel for the appellant, it clearly manifests that the Tribunal has not taken into consideration the effect and mandate of Section 15HBof the SEBI Act,1992.

Taking into consideration the facts and circumstances of this case, there appears no justification in calling upon the respondent and we modify the order impugned dated 29.07.2022 and the penalty of Rs.75,000/-as inflicted upon noticee no.5 (Mr. Sandip Ray) and Noticee no.6 (Mr. Rajkumar Sharma), as referred to in para no.13 of the order impugned, is modified and substituted to Rs.1,00,000/-in terms of Section 15HB of SEBI Act, 1992 and with this modification the present appeals stand disposed of." (emphasis supplied).

42. In light of aforementioned Judgments of Hon'ble Supreme Court of India and violations committed by Noticee as discussed in previous paragraphs of this order and considering the statutory mandate of minimum penalty, I find that Noticee is liable to pay the penalty as prescribed under Section 15 HA of SEBI Act.

ORDER

43. Considering all the facts and circumstances of the case and exercising the powers conferred upon me u/s 15-I of the SEBI Act r/w rule 5 of the Adjudication Rules, I hereby impose a penalty of Rs.5,00,000 (Rs. Five Lakh only) on Ankit Laxmipatraj Singhvi (PAN: BIZPS7497D) under Section 15 HA of SEBI Act for violation of provisions of Section 12A (a), (b) and (c) of SEBI Act read with Regulation 3(a), (b), (c), (d) and 4(1), 4(2) (a) and (e) of PFUTP Regulations.

44. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link:

ENFORCEMENT → ORDERS → ORDERS OF AO → PAY NOW

45. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings under Section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

46. In terms of Rule 6 of the Adjudication Rules, a copy of this order is sent to the Noticee and also to Securities and Exchange Board of India.

PLACE: MUMBAI	**AMIT KAPOOR**
DATE: NOVEMBER 08, 2023	**ADJUDICATING OFFICER**