

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER**

FINAL ORDER

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

In Re: Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003

In the matter of Radford Global Limited

In respect of:

S. No.	Entity's Name	PAN
1	Nishit Agarwal Beneficiary Trust	AABTN3350K
2	Pinky Agarwal	AABTN3350K
3	Pratik Agarwal Beneficiary Trust	AABTP7516K
4	Praveen Kumar Agarwal	ACSPA4725A
5	Praveen Kumar Agarwal HUF	AAIHP6229C
6	Apex Commotrade Private Limited	AAJCA4459K
7	Avlokan Dealcom Private Limited	AALCA1583G
8	Bazigar Trading Private Limited	AABCB3052B
9	Devakantha Trading Private Limited	AADCD7044B
10	Dhanleela Investments & Trading Company Limited	AAACR1770P
11	Pine Animation Limited	AAECM0267A
12	Pyramid Trading and Finance Ltd (presently known as Mishka Finance and Trading Ltd.)	AAACP2548R
13	Runicha Merchants Private Limited	AAECR0580M
14	Sanklap Vincom Private Limited	AAMCS1711P
15	Signet Vinimay Private Limited	AAMCS1712Q
16	SKM Travels Private Limited	AAICS0688K
17	Udbal Mercantile Private Limited	AABCU2648C
18	Vibgyor Financial Service Pvt Ltd	AAACV8378B
19	Winall Vinimay Private Limited	AAACW8004B
20	Daga Infocom Private Limited	AABCD9604P

21	Amit Singh	BABPS7447D
22	Shelter Sales Agency Private Limited	AASCS1797F
23	Amrusha Mercantile Private Limited	AALCA0340D
24	Spice Merchants Private Limited	AAPCS7492G
25	Artiben S. Kansara	ATWPK6701D
26	Manisha Jayesh Shah	AOBPS1451C
27	Rajeev Garg	ACJPG8162C
28	Sangita Pramod Harlalka	AAAPH8161P
29	Shailesh Lalman Ojha	AAJPO0625L

1. Securities and Exchange Board of India ("SEBI") conducted an investigation into the trading and dealings in the scrip of Radford Global Ltd. (hereinafter referred to as 'RGL/the company') for the period February 27, 2012 to March 24, 2014 (hereinafter referred to as 'Investigation Period/IP').
2. It was observed that the scrip of RGL, which was listed on Bombay Stock Exchange Ltd. ("BSE") was suspended by BSE from January 14, 2003 till December 19, 2011 i.e. the day when the suspension was revoked. After revocation of the suspension, RGL made a preferential allotment of 91,00,000 equity shares on February 16, 2012 at the price of Rs 15 each to 48 allottees. After revocation of suspension, the scrip was traded only on December 20, 2011 before the investigation period. Subsequently, the RGL stock was split on January 28, 2013 in the ratio of 5:1.
3. Investigation revealed that during 27/02/2012 - 28/01/2013 (hereinafter referred to as Patch 1) the price of the scrip of RGL opened at Rs.3.2, reached a high of Rs. 241.35 and closed at Rs.241.35 i.e. an increase of 7442.19%. Further, during the period 29/01/2013 to 23/07/2013 (hereinafter referred to as Patch 2) the price of the scrip opened at Rs. 49.2, reached a high of Rs. 86 and closed at Rs. 75.
4. The financial results of the company during the period covering Patch 1 and Patch 2 are as follows:

(Rs. in million)

	FY 2011-12	FY 2012-13	FY 2013-14
Net Profit	0.43	4.59	1.80

(Source: BSE Website and Annual Report of RGL)

5. The total shareholding of the company ending FY 2012-13 was 7,03,11,500 shares and the high price during Patch 1 was observed as Rs. 241.35/-. Accordingly, the market

capitalization of RGL on the high price day was Rs. 16,96,96,80,525/- (1696.97 crores approx). Therefore, the profit of Rs 45.9 lakhs registered by the company during the FY ending March 31, 2013 did not justify the considerable rise in its scrip's price during patch 1. Further, it was also observed that the major corporate announcements during the period were pertaining only to announcements of preferential allotment, financial results, stock split and increase in share capital.

6. The Price Volume details of RGL scrip during the period (patch-wise) are as follows:

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. (date) during the period (Rs.)	High price & vol. (date) during the period (Rs.)	Avg. no. of (shares) traded daily during the period.
Patch 1 (Pre Split price rise)	(27/02/2012-28/01/2013)	Price	3.2	241.35	3.2 (27/02/2012)	241.35 (28/01/2013)	98.76
		Vol	100	5	1 (1 share on 26 trading days)	4385 (10/01/2013)	
Patch 2 (Post Split price rise)	(29/01/2013-23/07/2013)	Price	49.2	75	49.2 (29/01/2013)	86 (21/05/2013)	495063
		Vol	10	180675	5 (30/01/2013)	1747580 (22/04/2013)	

Observations regarding Patch 1 - (27/02/2012-28/01/2013) (Pre-split price rise patch):

- Investigation revealed that during Patch I, there were a total of 200 trades for 11,950 shares on 121 trading days with only one trade on 98 trading days. The price of the scrip opened at Rs.3.2, reached a high of Rs. 241.35 and closed at Rs. 241.35 i.e. an increase of 7442.919%. It was observed that 36 entities bought and 41 entities sold during the patch. The net LTP increase contribution by 41 sellers amounted to 238.15.
- Analysis of trading pattern of sellers who singly or with connected entities contributed more than 5% to increase in LTP revealed that the price rise in Patch 1 was caused majorly by 5 sellers viz, Rajeev Garg, Sangita Pramod Harlalka, Shailesh Lalman Ojha, Artiben S. Kansara and Manisha Jayesh Shah. These sellers were observed to have placed sell orders for small quantity when large quantity of buy orders were pending and they were holding sizeable number of tradable RGL shares.

9. Based on UCC database of BSE, MCA database, off-market data and bank statements (of entities contributing to more than 5%), sellers Artiben S. Kansara and Manisha Jayesh Shah were found to be connected to each other. As per KYC, Manisha Jayesh Shah has common address and phone number with her relative and independent director of RGL viz, Manish Nareshchandra Shah (Address - B-2, Vishwakarma Society, V.P. Road, Andheri West, Mumbai - 400058 and phone number - 26280622).
10. The summary of order log analysis of the 5 sellers contributing to more than 5% LTP increase, is as under:
- i. Rajeev Garg contributed Rs.102.95 (41.76%) of market positive LTP increase in 25 trades for 390 shares. He was a seller in 29 out of 200 trades. All his 25 positive LTP contributing trades were first trades. Further, out of the 25 first trades, there was trade of 1 share executed on 21 trading days. There were 4 trades of Rajeev Garg which did not contribute to positive LTP increase for 160 shares. (Date: 21/09/2012, 14/12/2012 and 2 trades on 10/01/2013).
 - ii. Sangita Pramod Harlalka contributed Rs.16 (6.49%) of market positive LTP increase in 6 trades for 35 shares. She was the only seller on the days on which she traded and contributed to significant positive LTP increase.
 - iii. Shailesh Lalman Ojha contributed Rs.15.3 (6.21%) of market positive LTP increase in 4 trades for 18 shares. He was the only seller on the 4 days he traded and contributed to significant positive LTP increase.
 - iv. It was observed that Noticees - Artiben S. Kansara and Manisha Jayesh Shah are connected to each other. Artiben S. Kansara contributed Rs.7.84 (3.18%) of market positive LTP increase in 8 trades for 8 shares. All LTP increases were contributed by Artiben S. Kansara through executing first trades of the day. There are 2 non-first trades of Artiben S. Kansara for 1 share each with no LTP contribution. Further, Manisha Jayesh Shah contributed Rs.6.05 (2.45%) of market positive LTP increase in 15 trades for 19 shares. All LTP increase was contributed by Manish Jayesh Shah through executing first trades of the day. Thus, Artiben S. Kansara and Manisha Jayesh Shah together contributed Rs.13.89 (5.63%) of market positive LTP increase in 23 trades for 27 shares. Artiben S. Kansara executed 2 trades for 1 share each both on 16/06/2012 and 24/06/2012. However, she contributed to positive LTP in only first trades on each of these days. Manisha Jayesh executed 2 trades for 1 share each on 22/06/2012, 3 trades for 1 share each on 26/06/2012, 4 trades for 1 share each on 27/06/2012, 5 trades for 1 share each on 28/06/2012 and 6 trades for 1 share

each on 29/06/2012. However, she contributed to positive LTP in only first trades on each of these days.

11. It is observed that the above named 5 Noticees placed sell orders for small quantity when large quantity of buy orders were pending and they were holding sizeable number of tradable RGL shares. Despite holding substantial number of shares and there being large buy demand for RGL shares, the above 5 sellers chose to sell only 470 shares during Patch 1 with each sale order ranging from 1-20 shares (with an exception of one trade of Rajeev Garg for 100 shares).
12. It was alleged in the SCN that such a trading pattern in illiquid scrip like RGL, indicates that the 5 sellers played a major role in manipulating the price of the scrip, thereby resulting in 60.09% increase in positive LTP of the RGL scrip during Patch 1. It was further alleged in the SCN that the 5 Noticees namely, Rajeev Garg, (Noticee no .27) Sangita Pramod Harlalka (Noticee no. 28), Shailesh Lalman Ojha (Noticee no 29), Artiben S. Kansara (Noticee no 25) and Manisha Jayesh Shah (Noticee no.26) sold shares in the market in very small quantities with a manipulative intent to increase the scrip price and thereby violated sections 12(a),(b) and (c) of the SEBI Act, 1992 read with regulations 3(a),(b),(c),(d) and 4(1), 4(2)(a) & (e) of SEBI (PFUTP) Regulations, 2003.

Observations regarding Patch 2- (29/01/2013-23/07/2013) (Post-split price rise patch)

13. Investigation revealed that during Patch 2, there were total 85301 trades for 60397726 shares. The price of the scrip opened at Rs.49.2, reached a high of Rs. 86 and closed at Rs. 75 i.e., an increase of Rs 25.8 (52.44%) during Patch 2.
14. Investigation revealed that a group of 24 connected entities (16 buyers and 8 sellers hereinafter collectively referred to as 'connected group entities') have contributed Rs. 23.35 (7.77%) of market positive LTP increase during Patch 2. The details of the connections of the 24 entities are as follows:

CONNECTION TABLE

Sn.	Client Name and PAN	Basis of Connection
1	Dhanleela Investments & Trading Company Ltd.	RGL {bank account No. 0311121500 with Kotak Mahindra Bank }, has fund transactions with Dhanleela Investments & Trading Company Ltd. and Pyramid Trading and Finance Ltd.

	(AAACR1770P)	
2	Pyramid Trading and Finance Ltd. presently known as – Mishka Finance and Trading Ltd. (AAACP2548R)	1. RGL has fund transactions with Pyramid Trading and Finance Ltd. 2. Pyramid Trading and Finance Ltd. has fund transactions with Dhanleela Investments & Trading Company Ltd. and Pine Animation Ltd.
3	Pine Animation Ltd. (AAECM0267A)	1. Pine Animation Ltd. (A/c. No. 50103075412 – Allahabad Bank,) has fund transactions with Dhanleela Investment & Trading Company Ltd. and Pyramid Trading and Finance Ltd.
4	Bazigar Trading Pvt. Ltd. (AABCB3052B)	1. One entity Amrit Sales Promotion Pvt. Ltd. bank account no. 00060340006382, has fund transactions with Blue Circle Services Ltd., Burlington Finance Ltd. and Symphony Merchant Pvt. Ltd. 2. As per MCA database, Hanuman Mal Tater, is common Director in Amrit Sales Promotion, Burlington Finance and Bazigar Trading. 3. As per MCA database, Panna Lal Maloo, is common Director in Amrit Sales Promotion Pvt. Ltd., Manimudra Vincom and Symphony Merchant. 4. Blue Circle Services Ltd. (AAACB2131L) has fund transactions with Pint Animation Ltd. and Amrit Sales Promotion Pvt. Ltd.
5	Avlokan Dealcom Pvt. Ltd. (AALCA1583G)	1. One entity Rangan Vincom transferred shares in off-market to Devatma Distributors 2. As per MCA, Rangan Vincom, Ladios Trading and Avlokan Dealcom have common director viz. Debendra Das 3. As per the MCA, Rangan Vincom and Katyani Commodities have common address viz, 4, N.S Road, 1st Floor, Kolkata -700001. Rangan Vincom transferred shares in off-market to Devatma Distributors 4. Devatma Distributors and Anjali Suppliers have common director viz. Raj Kumar Dabriwal, Annex G and common address viz. 2E, Cornfield Road, Ground Floor, Kolkata – 700 019. 5. From Anjali Suppliers A/c.6611227263, with Kotak Mahindra Bank, fund transactions with Sirpur Marketing Pvt. Ltd. was observed. Sirpur Marketing received Rs. 75 lakh from RGL through Scan Infrastructure Ltd on 13/02/2012.

6	Praveen Kumar Agarwal (ACSPA4725A)	1. As per MCA, Chiranjit Mahanta is the common director in Kingfisher Properties, Topwell Properties, Esquire Enclave, Shivkhori Construction, Limestone Properties and Natural Housing.
7	Pinky Agarwal (ACGPA7438L)	2. From Topwell Properties Axis Bank A/c. No.911020032366261, fund transactions with Kingfisher Properties, Esquire Enclave, Radison Properties, Shivkhori Construction, Limestone Properties, Natural Housing, Signet Vinimay and Sanklap Vincom were observed.
8	Praveen Kumar Agarwal HUF (AAIHP6229C)	3. From Kingfisher Properties Axis Bank A/c. No.911020032345837, fund transactions with Esquire Enclave, Radison Properties Shivkhori Construction, Natural Housing, Topwell Properties, Apex Commotrade, Runicha Merchants, Spice Merchants and Divyadrishti Merchants were observed.
9	Nishit Agarwal Beneficiary Trust (AABTN3350K)	4. Praveen Kumar Agarwal and Pinky Agarwal are the authorised signatory in the bank account of Nishit Agarwal Beneficiary Trust, Pratik Agarwal Beneficiary Trust and Jupiter Brokerage Services Ltd.
10	Pratik Agarwal Beneficiary Trust (AABTP7516K)	5. Esquire Enclave Pvt. Ltd. bank A/c. No. 911020031723278 (Axis Bank) has fund transactions with Kingfisher Properties Pvt. Ltd. (AAECK3394G), Topwell Properties Pvt. Ltd. (AADCT8403C), Radison Properties Pvt. Ltd. (AAFCR2818B), Shivkhori Construction Private Limited (AAPCS7850L), Limestone Properties Pvt. Ltd. (AACCL0133G), Natural Housing Pvt. Ltd. (AADCN6251G), Praveen Kumar Agarwal (ACSPA4725A, Divyadrishti Traders Pvt. Ltd. (AABCD8146J), Apex Commotrade Pvt. Ltd. (AAJCA4459K) and Jupiter Brokerage Services Ltd. 6. Pinky Agarwal and Praveen Kumar Agarwal are directors in Jupiter Brokerage Services Ltd. Jupiter Brokerage Services (Axis Bank A/c. No.911020047397153,) had received Rs.1.2 crore from Esquire Enclave on 07/02/2012 and further transferred Rs.30 lakh each to (sr. no. 6), (sr. no. 7), (sr. no. 9) and (sr. no. 10), to subscribe the preferential allotment of RGL. Jupiter Brokerage Services also has fund transactions with Praveen Kumar Agarwal HUF (sr. no. 8). Thus, sr. no. 6 to sr. no. 10 are related and connected to Esquire Enclave Pvt. Ltd. 7. As per Divyadrishti Merchants bank A/c. no. 000605010065 with ICICI Bank, fund transactions with

		Divyadrishti Traders, Dhanraksha Vincom, Ridhi Vincom and Kingfisher Properties were observed. 8. RGL had fund transfer with to Scan Infrastructure Ltd., Scan had fund transfer with Sirpur Marketing Pvt. Ltd., Sirpur had fund transfer with Gaungour Suppliers, which in turn had fund transfer with Divyadrishti Traders Pvt Ltd. (Bank A/c of Scan, Sirpur, Gaungour 9. Divyadrishti Trader Pvt Ltd. and Esquire Enclave Pvt. Ltd. Limited have fund transaction
11	Runicha Merchants Pvt. Ltd. (AAECR0580M)	1. As per MCA database, Abhiset Basu and Pradip Dey are the directors in Runicha Merchants, Signet Vinimay, Winall Vinimay, Sanklap Vincom, SKM Travels and Scope Vyapar. 2. Winall Vinimay (A/c.No.07920200006026 DCB Bank has fund transaction with Apex Commotrade , Spice Merchant, Signet Vinimay, Runicha Merchant, Sankalp Vincom. 3. Runicha Merchants has fund transaction with Kingfisher Properties, and fund transactions with Topwell Properties and Spice Merchants.
12	Signet Vinimay Pvt. Ltd. (AAMCS1712Q	
13	Winall Vinimay Pvt. Ltd. (AAACW8004B)	
14	Sanklap Vincom Pvt. Ltd. (AAMCS1711P)	
15	SKM Travels Pvt. Ltd. (Now Bitter Commercial Pvt. Ltd.) (AAICS0688K)	
16	Amit Singh (BABPS7447D)	Off-market transactions with Spice Merchant, Scope Vyapar, Sanklap Vincom, Runicha Merchants, Signet Vinimay in various scrips during the Investigation Period.
17	Vibgyor Financial Service Pvt Ltd (AAACV8378B)	Vibgyor Financial Service has off market transfer of shares with Scope Vyapar
18	Spice Merchants Pvt. Ltd. (AAPCS7492G)	1. Shakuntala Sah and Aman Sah are the directors in Spice Merchants and Apex Commotrade. 2. From Apex Commotrade ICICI Bank A/c. No 62770550383 fund transactions with Runicha Merchants, Signet Vinimay, Sanklap Vincom, Spice Merchants, Daga Infocom, SKM Travels, Scope Vyapar and Winall Vinimay were observed.
19	Apex Commotrade Pvt. Ltd. (AAJCA4459K)	

		3. Spice Merchants (Kotak Mahindra A/c. 68011001873) has fund transaction with Sanklap Vincom and Rander Corporation
20	Daga Infocom Pvt. Ltd. (AABCD9604P)	Krupa B. Mehta is the Director in Daga Infocom Pvt Ltd and Shefali Investments Pvt Ltd. Daga Infocom has fund transactions with Apex Commotrade & Apex Commotrade has fund transaction with Kingfisher Properties.
21	Devakantha Trading Pvt. Ltd. (AADCD7044B)	1. Devakantha Trading bank A/c. No. 36040200000553 (Bank of Baroda has fund transactions with Shelter Sales Agency, Udbal Mercantile and Amrusha Mercantile.
22	Shelter Sales Agency Pvt. Ltd. (AASCS1797F)	2. From Shelter Sales Agency IndusInd Bank A/c. No. 200999036626, fund transferred with Spice Merchants was observed
23	Udbal Mercantile Pvt. Ltd. (AABCU2648C)	
24	Amrusha Mercantile Pvt. Ltd. (AALCA0340D)	

15. It is observed that the 16 buyers of connected group entities contributed Rs.74.85 to net increase in LTP and Rs.116 of positive LTP increase (i.e.38.56% of the total market positive LTP) in 1420 trades for 11,83,458 shares.

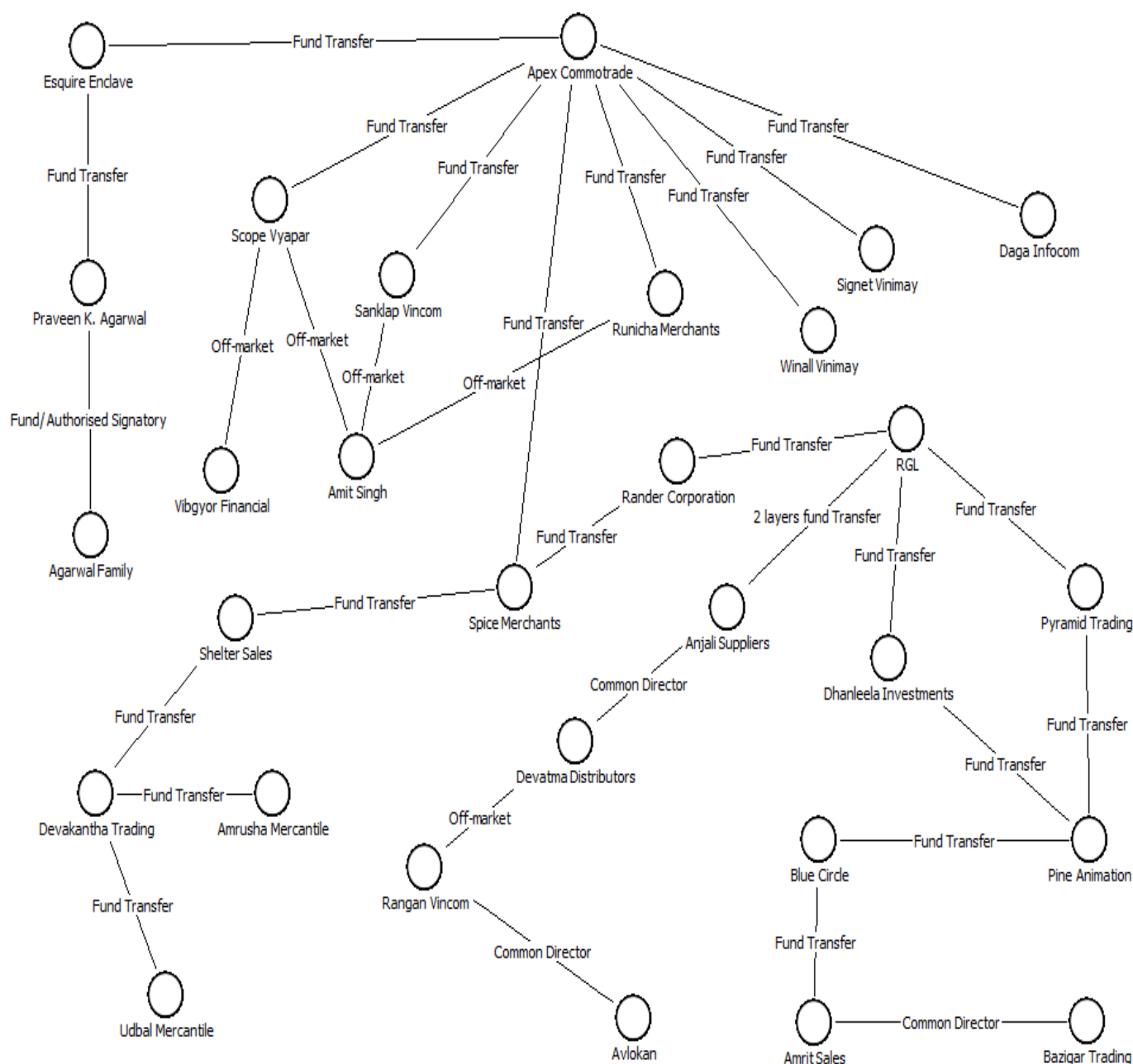
16. Investigation revealed that out of the 1420 positive LTP trades of the 16 buyer mentioned above, in 379 trades for 2,24,612 shares, the counterparties were connected to the buyers.

17. The details of positive LTP increase contribution by the counterparties (8 sellers) are given below:

Buyer Name	Sr. no.	Connected group entities as seller	LTP > 0	Qty	No. of Trades	% of mkt. positive LTP
16 connected group entities	1	Nishit Agarwal Beneficiary Trust	6.15	58670	122	2.04
	2	Praveen Kumar Agarwal HUF	5.40	56481	64	1.80
	3	Pinky Agarwal	3.90	24346	55	1.30
	4	Praveen Kumar Agarwal	3.80	18818	76	1.26
	5	Pratik Agarwal Beneficiary Trust	3.70	61152	59	1.23
	6	Dhanleela Investments & Trading Company Ltd.	0.20	100	1	0.07
	7	Pine Animation Ltd.	0.15	50	1	0.05
	8	Daga Infocom Pvt. Ltd.	0.05	4995	1	0.02
	Grand Total		23.35	224612	379	7.77

Thus, 16 Buyers and 8 Sellers of the connected group entities together contributed Rs. 23.35 to positive LTP which is 7.77% of total market positive LTP.

18. A pictorial presentation of connections among the 24 entities is as under:



Agarwal family includes Praveen Kumar Agarwal HUF, Pinky Agarwal, Nishit Agarwal Beneficiary (Noticee no. 1) Trust and Pratik Agarwal Beneficiary Trust (Noticee no. 3) who are connected among themselves

19. It is observed that the above mentioned connected group entities (16 buyers and 8 sellers) contributed Rs. 23.35 (7.77%) of market positive LTP increase and thereby contributed to price rise in the scrip during Patch 2. Hence, the intragroup trading amongst the aforesaid entities resulted in false and misleading appearance of trading in the scrip as well as contributed to price rise in the scrip during Patch 2.
20. It is pertinent to mention here that Noticees no. 1-5 at Table above (mentioning the 8 sellers) were allottees under the preferential allotment of RGL, who sold a total of 45,64,875 shares during the investigation period. These entities belong to same family and sold shares for a total sale value of Rs 36.69 crore during the investigation period. Thus, it is evident that these entities indulged in price manipulation and also benefitted by selling their shares at a substantially high value. It is further observed that the entities at sr. no. 1, 2 and 5 in Table above (mentioning the 8 sellers) being trusts and HUF are managed by Praveen Kumar Agarwal (Noticee no. 4) by virtue of him being the trustee and karta of the entities at sr. no. 1, 2 and 5.
21. Thus, the intragroup trading in this patch by Noticees namely Amrusha Mercantile Pvt. Ltd, Devakantha Trading Pvt. Ltd, Udbal Mercantile Pvt. Ltd., Shelter Sales Agency Pvt. Ltd., Amit Singh, Runicha Merchants Pvt Ltd, Spice Merchants Pvt. Ltd., Apex Commotrade Pvt. Ltd., Winall Vinimay Pvt. Ltd., Signet Vinimay Pvt. Ltd. Sanklap Vincom Pvt. Ltd., Pyramid Trading & Finance Ltd., SKM Travels Pvt. Ltd., Vibgyor Financial Service Pvt. Ltd., Bazigar Trading Pvt. Ltd., Avlokan Dealcom Pvt. Ltd. Nishit Agarwal Beneficiary Trust, Praveen Kumar Agarwal HUF, Pinky Agarwal, Praveen Kumar Agarwal, Pratik Agarwal Beneficiary Trust, Dhanleela Investments & Trading Company Ltd., Pine Animation Ltd. and Daga Infocom Pvt. Ltd. was observed to be with a manipulative intent to increase the scrip price and hence, in violation with Sections 12(a),(b) and (c) of the SEBI Act, 1992 read with regulations 3(a),(b),(c),(d) and 4(1),4(2)(a) & (e) of SEBI (PFUTP) Regulations, 2003.
22. In view of the above observations / findings of the investigation, a show cause notice dated March 09, 2018 (hereinafter referred to as "SCN") was issued to the 29 Noticees calling upon them to show cause as to why suitable directions under Sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 ("SEBI Act") should not be issued against them for the alleged violations noted above.

REPLIES AND HEARING

23. The SCN was delivered upon all the Noticees and replies thereto were received from most of the Noticees which are recorded in the subsequent paragraphs.

24. An opportunity of hearing was provided to the Noticees in two groups on January 15, 2019 (for 15 entities) and January 22, 2019 (for 14 entities). On January 15, 2019, none of the 15 Noticees appeared, however, Praveen Kumar Agarwal for himself and three others i.e. Nishit Agarwal Beneficiary Trust, Praveen Kumar Agarwal HUF, and Pratik Agarwal Beneficiary Trust sought adjournment, which was granted. The hearing scheduled on January 22, 2019 could not be held due to certain official exigencies and the Noticees namely, Vibgyor Financial Service Pvt Ltd and Daga Infocom Private Limited who had confirmed their presence for the hearing were provided another opportunity of hearing on March 6, 2019. Praveen Kumar Agarwal and his related family trusts were also provided an opportunity of hearing on March 6, 2019. On the said date, authorized representatives on behalf of Praveen Kumar Agarwal and his three family trusts appeared. They also appeared on behalf of Pinky Agarwal whose name they had not mentioned in their earlier communications. Authorized representative on behalf of Vibgyor Financial also appeared for the hearing. The remaining entity – Daga Infocom sought adjournment and was provided another date of hearing on April 16, 2019. In the meantime, another entity named Bazigar Trading Pvt. Ltd. communicated that it had not received the SCN in the matter. Although the SCN was earlier delivered on the official address of the entity on record, upon its request, a copy of the SCN along with annexures was sent to it. Thereafter, an opportunity of hearing was provided to Bazigar Trading and Daga Infocom on April 16, 2019, which was attended by their authorized representatives. Pursuant to the personal hearings, the above mentioned entities (who attended the hearing), also filed written submissions or response to the queries posed during the hearing. The same have been considered for the purpose of this order and appropriate reference at the relevant places will be made in subsequent paragraphs in this order.

25. The replies filed by the Noticees and the written and oral submissions made by the Noticees are summarized below. For the sake of brevity, repetition of common submissions made by the Noticees has been avoided, but the same shall be dealt with at appropriate places in the subsequent paragraphs of this order. The specific submissions made by the entities are noted below:

26. PRAVEEN KUMAR AGARWAL

26.1. It is humbly submitted that, the allegation in the SCN in so far as they relates to me, are product of mere surmises, conjectures and hearsay and are totally misplaced and contrary to factual position on record. Sweeping inferences have been made in the SCN, based merely on surmises & conjunctures, suspicion and assumption, and on erroneous inference of connection, to draw the preconceived conclusion which are totally untenable and unreasonable. It is extremely absurd on

the part of SEBI to label my trades as manipulative after about 66 months of the transactions.

- 26.2. It is humbly submitted that I'm deemed to be related / connected to Mrs. Pinky Agarwal, Praveen Kumar Agarwal (HUF), Nishit Agarwal Beneficiary Trust, and Pratik Agarwal Beneficiary Trust. In the SCN, my trades in 'Radford' have been clubbed together with several other unrelated entities, so as to draw adverse inference against me.
- 26.3. It is specifically submitted that I am not connected, related to any of the 16 (sixteen) entities listed in Table 7 or entities listed at S. no. 6, 7 & 8 in Table no. 8 namely, Amrusha Mercantile Pvt. Ltd. , Devkant Trading Pvt. Ltd., Udbal Mercantile Pvt. Ltd., Shelter Sales Agency Pvt. Ltd., Amit Singh, Runicha Merchants Pvt. Ltd., Spice Merchants Pvt. Ltd., Apex Commtrade Pvt. Ltd., Winall Vinimay Pvt. Ltd., Signet Vinimay Pvt. Ltd., Sankalp Vincom Pvt. Ltd., Pyramid Trading & Finance Ltd., SKM Travels Pvt. Ltd., Vibygor Financial Services Pvt. Ltd., Bazigar Trading Pvt. Ltd., Avlokan Dealcom Pvt. Ltd., Dhanleela Investments & Trading Co. Ltd., Pine Animation Ltd., and Daga Infocom Pvt. Ltd.. Any inference of my connection with these entities is wrong, flawed, erroneous, irrational and devoid of any merit.
- 26.4. It is submitted that I'm not related or connected in any manner what so ever to the promoters, Directors, Key Management Personnel, other Preferential Allottees of 'Radford' (except as admitted ...above) , or any of entities impugned or referred to in the SCN. Any inference of my connection with these entities is erroneous, wrong, flawed, irrational and devoid of merit.
- 26.5. I'm an Investor in securities market since 2006 and I invest for gains. I make investments in the identified scripts and restrict my investments to a selected few stocks. Preferential allotments are one such mode of acquisition of bulk shares without disturbing the market equilibrium of my identified scripts.
- 26.6. I trade in the market in the ordinary course, out of my own wisdom, independently and without any fraudulent intent or design. I have never been faulted for my trades on any prior occasion by any of the exchanges or any regulatory authorities.
- 26.7. My rational for making investments in Radford are summarized as under:
- i. Radford had proposed to be a one stop financial solutions for all kind of services especially in both Funds based and Non Fund based qualitative services related to Real Estate Industry and recruitment agency.

- ii. Both these sector looked promising to me. In my opinion Real Estate was at its ebb at that point of time and was ripe for investments for value investor and recruitment services was a sunrise industry.
- iii. Both these sectors were the direct beneficiary of economic revival in our country.
- iv. Radford was a profit making company and with infusion of funds was expected to grow faster. The price of Rs.15/- at which the preferential issue was offered, was in my opinion justified by the fundamental of the company and its business plans and projected earnings.
- v. When in my opinion the price of the script overran its fundamental, I have sold the shares and nothing adverse should be read against the same. I had sold the shares to lock my gains.

26.8. It has been stated in the SCN that the investigation has been conducted by SEBI pursuant to receipt of reference from Principle Director of Income Tax, Kolkata, Delhi and Chandigarh. It is thus, apparent that SEBI have carried out the whole investigation to just implicate the entities based on the pre-drawn conclusions, surmises and conjectures.

26.9. Before proceeding further I would first like to place on records, the following:

- a. That vide an ex-parte ad interim order u/s 11(1), 11(4) and 11B of the SEBI Act, 1992 passed by the Hon'ble WTM on 19/12/2014 the following directions were passed against me and several other entities ...
- b. That the direction passed in the ex-parte ad interim order as above, were revoked in respect of various entities vide order passed by the Hon'ble WTM on 20/09/2017. However, in my case the directions were' not revoked and the Hon'ble WTM ...
- c. I had full faith in SEBI and had patiently waited for 4 years, under a belief that after proper inquiry and investigation SEBI would definitely find out that I'm a bonafide investor like other preferential allottees and had traded in the script of "Radford" in the normal course without any manipulative intent. But even after the passage of more than 4 years, the restraining directions are still continuing against me causing me great hardship, financial losses and. social stigma. Further to that, the allegation in the present SCN has completely broken me and I feel that grave injustice is been done to me for no apparent reason.
- d. I understand that the present SCN is in continuation of the aforesaid proceedings, though the same has not been mentioned in the present SCN. Moreover, the investigation period mentioned in the Hon'ble WTM ex parte ad interim order was January 28, 2013 to March 24, 2014, while in the present SCN the investigation period has been reckoned as 27/02/2012 to 23/07/2013. There

are no rationales or explanation for the change in the investigation period. I would request your kind authority to provide me with all the Investigation report in the captioned subject copies of complaints against me, if an and investors complaint w.r.t "Radford" in general statement of any person recorded during investigation to make a more meaningful submission to the allegation against e. The choice of investigation period shows that the same has been chosen arbitrarily and without any basis or reasonableness neither is there any justification for change in the investigation period.

My Trades in 'Radford' :

26.10. I have traded only during Patch 2 on 3 days' my transactions in 'Radford' were genuine and in the ordinary course. All my transactions were carried out on the screen based anonymous order matching system of the exchange wherein it is impossible to know the counterparty buyer or brokers. All my orders were placed at prevailing market price and within the price range prevailing at that point of time. Further, I have traded independently, without acting in concert with anybody. I have not carried out any transactions with any fraudulent intent, or to contribute to LTP and increasing the price as alleged in the SCN. All my orders were placed with a view to maximize my gains and realize the best price for my sell trade, based on the maxim "buy cheap & sell dear". All my orders were placed like a prudent investor.

26.11. During the investigation period spanning over 511 days, I have traded on just 3 days. All my trades resulted in deliveries; there were no intra- day square off trades. I have placed several orders during the day. All my orders were placed at prevailing market prices and with a view to maximize my selling price. None of my orders has resulted in creation of a new "high price" for Radford. None of my trades are alleged to be synchronized, or reversal.

26.12. From my trades ... the following are apparent:

- a. That my trades were spread over 3 days.
- b. My Average selling prices were lower than the highest price for the day.
- c. My trades and volume were a small fraction of the overall trades and volume on the exchanges.

26.13. It is humbly submitted that I had 10,00,000 shares of "Radford" out of which I had sold 5,00,000 shares during Patch 2. As a general rule it is said that "selling have a moderating effect on prices". Thus, to allege that I had increased prices vide my selling is a contradictory terms. Secondly, as the maxim, goes "btly cheap & sell

deaf", it was my endeavour to maximize my selling price and I had placed' my orders accordingly. Based on the above, none of my trades has been at the highest price of the day. It is humbly submitted that when the price of 'the script overran its fundamental, I decided to liquidate my holding and realize my gains. I still continue to hold 5,00,000 shares of "Radford".

26.14. From my trading details, the following are apparent:

- a. A vast majority of the shares sold 4,79,391/- i.e. about 95.88% were at or below LTP.
- b. A vast majority of my trades' 918 nos. i.e. 92.07% of my total trades were at or below LTP.
- c. The LIP Impact as worked out in Annexure 6 of SCN are based, on buy orders of the buyers and are not based on my sell order price. The same are therefore erroneous and misrepresentative so far as my trades are concerned.

26.15. I draw your kind attention to the fact that the positive LTP impact of Rs. 3.80 alleged against me are based on incorrect appraisal of facts on records. The positive LTP impact in Annexure - 6 / Table 8 of SCN are worked out based on trade orders data of purchasers and the same are not based on my sell orders. It is humbly submitted that I have placed all my orders at prevailing market prices and with an objective of maximizing my gains / sales realization; I had not placed any orders with a view to increase the price of 'Radford'. Summary of the orders placed b me are as under:

Total Orders during the Investigation period	Orders placed at LTP at the time of order placement	Orders placed at below LTP at the time of my order placements	Orders at above LTP at the time of my order placements
10	8	0	2

26.16. From the Table as above, it is very evident that a majority of my orders were placed at or below the LTP and a miniscule 2 orders were placed at above LTP. The orders placed at above LTP were below the highest price for the day. None of my trades resulted in a new High price for the script.

26.17. With prejudice to the above, the allegations against me are based on incorrect appraisal of facts on records. In several instances my sell orders were placed at or below LTP, at the time of my order placements, but allegation have been levelled against me that I have increased the LTP. It seems that the allegation that I have contributed Rs.3.80 to the positive LTP in Annexure 6 to the SCN / Table 8 in the SCN are based on buy orders data of the buyers and

not based on my sell data. The same shows that erroneous inference has been drawn against me based on incorrect appraisal of facts.

26.18. I also enclose herewith the trade details of the alleged 18,818 shares sold by me in respect of which it has been alleged that I have contributed Rs. 3.80 to the positive LTP as ... From the same it would be apparent that there was a substantial time gap between my order placements and the order placed by the alleged buyers. Most of my orders were placed at or below the LTP prevailing at that point of time; some orders were placed at a price slightly above the LTP to maximize my gains / sales realisation. Further none of my orders were placed at the highest price for the day. I humbly submit that my trades had matched with the counterparties in the anonymous order matching system of the exchange in the ordinary course and not by any meeting of mind. If my intention were to collude with the buyers and jack up the price in the scrip of Radford, the buy and the sell orders would have been placed simultaneously and my matching would have been more frequent. Since, there is a significant time gap between buy and sell orders, it proves that there was no malicious intent and the trades were genuine and in the ordinary course of business.

26.19. Further to the above, I continue to hold onto 5,00,000 shares of "Radford". Had my objective been to increase the price of "Radford" by the alleged "intragroup trading amongst the alleged connected entities", I would have definitely sold shares after 3/7/2013 to the alleged "connected noticees" since they had traded even after 3rd July 2013. But this has not been the case. The same proves that my trading was bonafide and in the ordinary course and the alleged grouping is erroneous and based on surmises and conjunctures.

26.20. Based on the details provided w.r.t my trades in the script of "Radford" it is apparent that all my trades in "Radford" were independent, genuine, in the ordinary course and at prevailing market prices.

Erroneous presumption of connection:

26.21. Unrelated and: unconnected entities have been grouped together based on mere surmise and conjectures to draw adverse inference without any basis. It appears that commercial transactions between unrelated entities have been used as a alibi to allege connection. Commercial transactions between two entities, with whom I are not related or connected, have been unduly stretched in order to somehow bunch me with these entities. Trades of several unconnected entities have been grouped together with. mine, so as to draw adverse inference against me. It is submitted that I have independently carried

out transactions in the scrip of "Radford" on the anonymous order 'matching mechanism of the exchange. The transactions carried out by me were genuine and without any fraudulent intent.

26.22. With regards to the "basis of connection", it is a matter of records that I along with my wife Pinky Agarwal are director of Jupiter Brokerage Services Ltd ('Jupiter' for short) along with Shri. Ajay Agarwal, since incorporations M/s. 'Jupiter' has acknowledged that they have received a sum of Rs. 1.20 crores from M/s. Esquire Enclave Pvt. Ltd. ('Esquire' for short), as share application money. M/s Jupiter has further submitted that they have received Share Application from 'Esquire' in the past also. M/s. Jupiter had allotted 34,600 Equity shares of Face Value of Rs. 10/-each on 31/03/2012 to M/s. Esquire (Copy of Form 2 filed with MCA is enclosed ...) M/s. Esquire is just a minority shareholder of M/s. Jupiter holding just 3% of equity shares of M/s. Jupiter. It is further; submitted that M/s. Esquire did not had any nominee director on the Board of M/s. Jupiter and had never participated in any decision making process of M/s. Jupiter. Further apart from the fact that Esquire is a minority shareholder of Jupiter', M/s. Jupiter is not aware of any dealing or transactions of Esquire with any third parties and neither are they concerned or accountable for the same. They are independent entities having separate ownership and control.

26.23. Further to the above, I vehemently deny that I 'm related to M/s. Esquire in any manner whatsoever. M/s. Jupiter has confirmed that they did not have any nominee on the Board of Esquire. Further, Mr. Chiranjit Mahanta was not the nominee of Jupiter on the board of M/s. Esquire or that they have any ownership or management control over M/s. Esquire. I am not related to any of the entities listed in Para 14 of the SCN (except where specifically admitted) for the purpose of my trading in the securities market. I deny any relationship with Mr. Chiranjit Mahanta or any entities wherein he was a Director.

26.24. Based on the fact that M/s. Esquire had funds transaction with various entities, no adverse inference is to be drawn against me. The transaction between Esquire and other parties were not on my behalf or behest and neither am I concerned for the same. At no point of time was I aware of any transaction / relationship / dealing between Esquire and any other entities. In respect of transaction between myself and M/s. Esquire, I humbly submit that I had taken a loan of Rs. 2 lacs from Esquire on 21/9/2012 and the same was repaid to M/s. Esquire on 22/7/2013 (Bank accounts in support of the transactions are enclosed...)

- 26.25. Further, even though there has been a fund movement between me & M/s. Esquire, there were no alleged matched trades between us. Hence, mere fund movement without any allegation of matched trades is futile, fallacious and serves no purpose.
- 26.26. Further, the funds movements had no linkage or relationship with my trades in "Radford".
- 26.27. Without prejudice, I humbly submit that s. Esquire is not even a noticee in the present SCN. When "Esquire" is not a "connected noticee" any inference of my connection with other alleged noticees are erroneous, and based merely on surmises & conjunctures.
- 26.28. I submit that I am neither related nor connected with Esquire Enclave or Apex Commotrade in any manner whatsoever. I have been alleged to be a "connected noticee" based on alleged funds transfer between Esquire and Apex Commotrade Pvt. Ltd. I submit that Esquire is an independent entity, not under my ownership and control. The funds transfer between Esquire and Apex are of no concern to me. The same were not on my advice or behest. There is absolutely nothing on records to link the alleged funds transfer between Esquire and Apex with my trades in "Radford". It cannot be alleged that I'm connected to any entity for violation of PFUTP Regulation based on banking transaction between two entities, with whom I'm not related, and which have no bearing to my alleged trades in "Radford". Further, I draw your kind attention to observation of Hon'ble WTM in order dated September 20, 2017 wherein it is stated that SEBI conducted a detailed investigation (emphasis supplied) of the entire scheme employed in the instant matter, role and connection amongst the concerned entities, _ funds used for the price manipulation of the scrips of Radford, etc., and after extensive investigation did not find any adverse evidence/adverse findings in respect of Esquire. Thus, when there are no adverse findings against Esquire w.r.t their fund transactions or their role in violation of PFUTP Regulation, how can we be alleged to be a "connected noticee" for alleged violation of PFUTP regulation based on fund movement between Esquire and Apex Commotrade. It thus appears that erroneous inference of connection has been drawn against me based on surmises and conjunctures and stretched relationship to somehow pin me down.
- 26.29. I humbly submit that the "basis of connection" based on funds transfer are irrational and illogical. How can funds transfer based on some commercial

transactions in the normal course be the basis of alleging connection? And that too in support of PFUTP violations?

26.30. It has been alleged that the 16 buyers had an impact of Rs. 116/- on the LTP in aggregate. Assuming without admitting the allegation against the alleged entities to be true, it has been alleged that 8 entities on the sell side have impacted LTP by Rs. 23.25 in consonance with the alleged 16 buyer entities. Then why is it that by the same yardstick the remaining entities who have contributed to the LTP impact of Rs. 92.75 has not been alleged to be in violation of SEBI PFUTP Regulation? The same proves that data has been selectively used to somehow or the other include me in the list of 'connected noticees'.

26.31. The very fact that the alleged 16 buyers have impacted the LTP by Rs. 116.00 shows that these buyers were buying substantial quantity from the market at higher prices than the LTP for reasons best known to them and that some part of my trades in the ordinary course were picked up by them in keeping with their buy strategy. Nothing adverse should be read into such matching in the ordinary course.

26.32. Further to all that have been stated above, I submit that only selective trades that were executed at price higher than the LTP is not conclusive to establish the charge of price manipulation as alleged in the SCNs. In this regard, I draw your kind attention to the observations of the Hon'ble SAT ' in its order dated February 25, 2010 in the matter of *Vikas Ganeshmal Bengani Vs. SEBI:-*

"Merely because an investor placed orders in the scrip at a price higher than LTP does not by itself lead to the conclusion that he was manipulating the scrip. May be the person was desperate to purchase the shares in order to meet his market obligations. Action of purchasing share at a price higher than LTP is only indicative of the desire of the purchaser to buy the' shares for whatsoever reasons.."

26.33. Further it is almost impossible to know the identity of the parties in a screen-based transaction. The position has been accepted and affirmed by SEBI before the joint Parliamentary Committee (UPC) on Stock Market Scam and matters relating thereto, 2001, which tabled its Report in the Parliament in December, 2002. In the report it has, inter alia, been stated:

"SEBI has also confirmed that in the screen based trading that is prevalent in the stock exchange now, the buyer or the broker will not be aware of the identity of the seller or the broker."

26.34. My orders are vital in determining my intention. Since none of my orders have been at the highest prices for the day and the fact that none of my orders are alleged to be first trades, it cannot be alleged that I have raised the LTP. If a buyer wants to buy shares from available sellers at that point of time and places an order at a price above LTP (at that point of time) from available sellers, nothing can be alleged against the sellers. Generalised observation has been made with regards to my sales completely ignoring the fact that in the anonymous screen based order matching system of the exchanges, trades of a buyer matches with those of the seller when their prices matches. It is only then that trades are executed. If a buyer wants to buy shares, he will definitely have to buy the same from the sellers available in the anonymous screen at a price demanded by them.

26.35. My selling was confined to the period 01/07/2013 to 03/07/2013. During the period of my selling, the price of "Radford" decreased from Rs.78.55 to Rs. 78.15. Thus, during the period of my trade the price of "Radford" has decreased and not increased. The same proves my point that selling as a general rule dampens the prices. Further the allegation that I have contributed to the market positive LTP are based on buy orders of the buyers and no adverse inferences had been drawn against my sell order. Further, my trades which had negative impact on the LTP have not been considered while levelling allegations. Thus, selective and erroneous data has been considered to make unsubstantiated allegations against me.

26.36. I draw your kind attention to Annexure 7 annexed to the SCN, wherein the "details of the shares sold by various preferential allottees" has been provided. From the same it is apparent that other preferential allottees have sold the shares during Patch 2 at similar price points and they have also traded in similar manner, but no adverse inferences have been drawn against them. On days that I have sold shares, other preferential allottees have also sold shares. The sell trades of such other preferential allottee are considered to be genuine and bonafide. I have also traded likewise and in ordinary course, but I have been singled out, for reasons best known to SEBI.

26.37. While no case has been made out against me in the "SCN" and based on the fact that I have not carried out any fraudulent or manipulative trade as alleged, in the script of "Radford", there is no cause for issuing any fresh

direction against me u/s 11(1), 11 (4) and 11B of the SEBI Act, 1992. In this regards I humbly place on record the fact that I have already suffered total debarment of more than 4 years vide the ex-parte ad interim order u/s 11(l), 11(4) and 11B of the SEBI Act, 1992 passed by the Hon'ble WTM on 19/12/2014 and the restraining direction against me are still continuing.

26.38. The direction "restraining me from accessing the securities market and buying, selling or dealing in securities either directly or indirectly" is gross, harsh, disproportionate and excessive in the facts of the instant case. It is reiterated that I have not derived any unfair gain or pecuniary advantage from transactions carried out by me in the normal course of business.

27. Praveen Kumar Agarwal HUF, Nishit Agarwal Beneficiary Trust, Pratik Agarwal Beneficiary Trust , Pinky Agarwal

27.1. These four entities filed their separate replies vide letters dated February 28, 2019 / March 11, 2019. The scheme of their replies was similar to the reply of Praveen Kumar Agarwal summarized above.

27.2. These 4 entities along with Praveen Kumar Agarwal were also represented in the personal hearing dated March 6, 2019 by a common authorized representative. It was submitted during the hearing that the submissions for all the 5 entities are similar and the arguments were explained taking Praveen Kumar Agarwal 's submissions as example. The following was *inter alia* submitted during the hearing:

- i) I was a preferential allottee and it was normal for me as a seller to sell shares at a higher price.
- ii) All my trades should be considered irrespective of the fact whether they are below LTP, at LTP or above LTP. The SCN bases its allegations against only considering the trades executed above LTP.
- iii) A small percentage of my shares have been tainted in the SCN.
- iv) The SCN contains incorrect calculation of LTP. So if one order has resulted into 4 trades, LTP contribution has been multiplied by 4 instead of counting it only once.
- v) Out of the entities named in the connection table,, many entities have been let off after the investigation by SEBI. Thus, the chain linking the entities with each other has broken.
- vi) I have no connection with the counterparties of my trades.

- vii) There is no allegation in the SCN that the fund transfers, which have been shown as the basis of connection amongst entities, had any relation with the trading mentioned in the SCN.
- viii) There was no allegation of synchronized trades.
- ix) When I sold the shares of RGL, the price had already fallen.
- x) Without prejudice to other arguments, it is submitted that the interim order has been in force against me for more than 4 years. Also, adjudication proceedings have been initiated against me in the same matter.

27.3. The entities were asked to submit details of their trading, other preferential allotment investments for the period January to July 2013. Within a period of 10 days. Thereafter, written submissions dated March 15, 2019 on behalf of the 5 entities was received and the same has been taken on record.

28. VIBGYOR FINANCIAL SERVICES

28.1. We deny any and all allegations of the SCN and nothing contained therein shall be treated to have been admitted on account of non-traverse or otherwise.

28.2. Vibgyor Financial Services Private Limited is the business of NBFC since the year 2001. We have huge goodwill and reputation in business. We are engaged in the business of offering loans and advances and also purchase and sale of securities and commodities. We have been investing and trading in shares since a long time.

28.3. Apart from the NBFC business our other group companies are into tea viz Sumran Agro Pvt. Ltd, Subh Properties Pvt Ltd, Sumaran Projects Pvt. Ltd. under the brand, name and style "Meri Chai" These Companies' enjoy enormous goodwill and repute in the market.

28.4. This SCN is in continuation to the earlier ex-parte ad-interim order dated December 19,2014 and the restraints imposed on us continue even after 3.5 years have elapsed (relaxed from time to time but not sufficient). This snail-paced actions of SEBI have denied us our rightful opportunities of investment and trading in securities markets for last 3.5 years where markets have performed well, but we have lost opportunity because of baseless order of SEBI.

28.5. It may be noted that similar orders were issued against us in the matter of Pine Animation Ltd. and Mishka Finance and Trading Ltd. for absolutely

similar transactions, which have been withdrawn, but the order in Radford still continues for the reasons only known to SEBI. As a prudent regulator SEBI is expected to be consistent in its actions and such aberration and differences in actions causing unwarranted restraint and infringement of constitutional rights are not envisaged under the scheme of SEBI Act. We humbly submit that the reckless actions of SEBI have infringed upon our rights in Article 19 (1) (g) [right to profession, trade and business], Article 300A [right to property] and above all Article 14 [equality before the law or equal protection within the territory of India].

28.6. Para.14 of the SCN alleges that investigations revealed that a group of 24 connected entities (16 buyers and 8 sellers hereinafter collectively referred to as 'connected group entities') have contributed Rs. 23.35 (7.77%) of the market LTP increase during Patch 2 (29/01/13 to 23/7/13). The details of connection are given in Table 6 of Para 14. The basis of connection related to us is recorded in row number 17 which quotes "Vibgyor Financial Services has off market transferred of shares with Scope Vyapar Annex X". Annexure X of the SCN refers to the following off market transactions:

Date	Qty.	Scrip	Client Name	Cpty Client name
26/5/2012	30000	Rander Corp. Ltd.	Vibgyor	Scope Vyapar

28.7. We deny the allegation of being a part 'connected group entities' as wrongly alleged in the SCN for the reasons recorded hereunder:

- We humbly submit that these transactions with Scope Vyapar have nothing to do with our dealing in Radford and both are completely independent transactions executed at different points of time.
- We purchased 30,000 equity shares of Rander Corporation Ltd @ Rs 153/- per share for Rs 45,90,000/- in February 2013. The payment was made through bank account and a ledger reflecting purchase and payment is annexed Bank statement reflecting the payment is attached
- We have purchased 82000 shares of Radford on June 3, 2013 i.e. almost one and a half years after the alleged transaction that substantiates our relationship. We humbly submit that it is extremely absurd and untenable to make us a part of the so called 'connected group entities' based on a transaction that took 1.5 years before at arm's length price and was settled

through banking channel. We most humbly submit that such commercial transactions cannot form a basis of connecting anyone or making them a part of the 'connected group entities'.

28.8. Further Para 14 of the SCN also quotes that a price movement of Rs. 23.35 (7.77%) was caused by 16 'connected group entities' which also means that 92.23% movement was caused by other market participants against whom no action is allegedly taken.

28.9. Further Row 14 of Table in Para 15 on Pg. 13 alleges that we have caused a positive LTP movement of 10 paise of the total positively LTP 300.80 during Patch 2. This is a negligibly small 0.03% of the price movement caused by all entities in the markets. This comes to a contribution of 1 / 3000th part of the entire LTP of the market.

28.10. Annexure 6 to the SCN provided the trade log. It can be observed from the trade log that we have purchased 82000 shares of Radford only on June 3, 2013 through a single order bearing order number 12000112183901 placed at 12:39:06 PM for Rs. 84.55, which were executed at the same time and resulted into several trades as recorded hereunder:

- The average price of 82000 shares was Rs. 84.50/ -
- ... there was huge amount of liquidity in the shares of Radford when we placed order. The best 5 quotes are displayed on trading screen. The LTP at the time of order placement was Rs. 84.45 and our total quantity of 82000 shares would be traded within a difference of 10 paise i.e. upto a price of Rs. 84.55
- So as a general practice the dealer would have placed order with a limit price of Rs. 84.55. We most humbly submit that this is one of the normal practice of executing transaction where there is adequate liquidity and the impact cost will be negligible. In our case the impact cost of the order was only 5 paise as the average purchase price Rs. 84.50.

28.11. ... trades in market happen based on random walk theory and are not a linear progression. Some trades are bound to execute above or below the LTP and thus there is a price movement in the stock markets. If it is expected that no trade should impact the LTP then all the trades will perpetually take place at a constant price and there will be no change in price of any stock in the market. So we once again submit and request SEBI to appreciate that the

alleged movement of Rs. 0.10 because of our transactions was is normal and not a manipulative transactions as wrongly alleged.

28.12. Further the counter parties to our trades are Mr. Neeraj Singal, Mr. Suresh R Maheshwari, M/s. Suresh Maheshwari HUF, Mrs. Nisha Suresh Maheshwari and Mr. Arun Vishnu Ralkar.

28.13. Of these Mr. Neeraj Singhal was a party to the order dated December 19, 2014 who has later been exonerated of charges of PFUTP violations by SEBI vide its order dated September 20, 2017 as there was no adverse finding against him.

28.14. Even further the other 4 counter parties to my trades are not subject to the current SCN and therefore it can be construed that I SEBI has accepted that I am not related to any of them, failing which the alleged relationship would have been mentioned in the SCN.

28.15. In several judgments including Jagruti Securities V/s SEBI (2008), Vikas Bengani vs WTM (2010), Adolf Pinto vs AO (2010), S.P.J. Stock Brokers Pvt. Ltd. vs Securities and Exchange Board (2013), HB Stockholdings Limited vs SEBI (2013) etc. the Hon'ble SAT has already settled a ratio that collusion of minds of buyers and sellers is imperative to establish the allegation of manipulative trades in the current case the sellers to our trades have either been exonerated or have not been charged of any allegations and therefore the allegation cast upon us must fall.

28.16. Further there was a positive LTP contribution due to our trades in Pine and Mishka where we have been exonerated of the allegations vide orders dated September 19, 2017 and October 5, 2017 respectively. Positive LTP due to our trades in Pine was 25 Paise, but SEBI has appreciated that such an impact is normal and cannot be found fault with. However surprisingly SEBI finds fault with a price movement of 10 Paise in Radford. This observation is inconsistent with the stand of SEBI and being a prudent regulator, it is expected of SEBI to be consistent in its actions.

28.17. Finally there are several other entities who have contributed positive LTP movement to Radford, but are not a party to the SCN. As a result the SCN is absolutely discriminatory as it does not provide any valid reason for not making these entities, a party to the SCN. The list of entities who are not a party to SCN in spite of contributing positive LTP is given hereunder:

Buyer LTP

Udbal Mercantile Private Limited	17.65
Radison Properties Private Limited	0.80
Ran an Vincom Private Limited	0.50
Avlokan Dealcom Private Limited	0.40
An'ali Suppliers Private Limited	0.15
Divya Drishti Traders Pvt.Ltd	0.15
Burlington Finance Limited	0.10
Ladios Tradin.. Private Limited	0.10
Amrit Sales Promotion Pvt Limited	0.05
Bazigar Trading Private Limited	0.05
Blue Circle Services Limited	0.05
Limestone Properties Private Limited	0.05
Manimudra Vincom Private Limited	0.05
Shefali Investment P Ltd	0.05
Shivkhori Construction Private Limited	0.05
To well Properties Private Limited	0.05

28.18. It is even more absurd that 8 entities have contributed higher or similar amount of LTP and one of them viz. Udbai Mercantile Private Limited contributed Rs.17.65 (176.5 times our contribution to positive LTP), but is still not subject to SCN.

28.19. We submit that we have traded in Radford are in the normal course of business as we saw an increasing trend and have in fact become a victim of the entire transaction losing a huge amount of money as the shares of Radford remain suspended. Now that SEBI has identified this entire transaction to be a fraud, it is duty bound to collect the money from the persons who perpetrated the fraud and reimburse the loss suffered by us.

28.20. In light of the aforesaid we pray before your good self to,

- 1. Allow us a personal hearing in this matter as we had missed out on earlier opportunities;*
- 2. Drop the allegations cast upon us in the SCN;*
- 3. Consider our above submissions that we are not connected or related to any of the entities and were never involved in the alleged market manipulation;*
- 4. Revoke the directions passed against us that prevent us from freely dealing in securities market;*
- 5. Detach the demat account on immediate basis, since we are genuine investors and the SEBI order is causing us huge financial and reputation loss;*

6. Grant such other relief as SEBI may deem fit including reimbursement of losses to the tune of 64,11,345.79, as we are a victim of the alleged fraud that SEBI claims to have unearthed.

29. BAZIGAR TRADING PVT. LTD

29.1. The allegations in the Notice proceed on specious and extraneous grounds disregarding the material circumstances. All the allegations are unsubstantiated, unjustified, unwarranted and contrary to factual position on record. The findings smack of predetermined mind to penalize us under some pretext or other, overlooking the obvious that defines the case.

Preliminary Submissions

29.2. It is submitted that the allegations made in the Notice, make no case for any proceedings against us. Charges in the Notice are based on the assumption that we are part of "connected group entity". There is nothing in the SCN to suggest that we had any role to play in the trading done by various entities/ individuals in the scrip of Radford. It may be noted that we had purchased the shares of Radford by using our own fund. It is reiterated that no borrowings were made from the entities belonging to Radford or from their promoters. Further, post the sale of shares, the pay outs received were deployed by us for our own business and the same were not transferred to any other business or entity/entities including the entities belonging to Radford & to their promoters/ directors.

29.3. The allegations in the SCN are based on our alleged connection with Amrit Sales Promotion Pvt Ltd, Blue Circle Services Ltd, Burlington Finance Ltd and Symphony Merchant Pvt Ltd. Surprisingly, SEBI in its order dated September 20, 2017 has revoked the directions issued vide interim order (December 19, 2014) qua Amrit Sales Promotion Pvt Ltd, Burlington Finance and Symphony Merchant Pvt Ltd who had also traded during the relevant time. However, the directions qua us continue to operate as on date.

29.4. Further, it may be noted that the allegation of contribution to positive LTP is based on 1 stray trade (which happened in ordinary course of trading). While drawing adverse inference SEBI has failed to consider our total trading during the relevant period.)

Background Facts

29.5. The relevant facts are set out herein below:

(i) ...We are an investment and Financial Company primarily engaged in the trading of securities in secondary and primary market. We are registered with Reserve Bank of India as a Non-Banking Financial Company (NBFC) vide Registration No.B-13.01959. Since inception we have been carrying on the business of trading in the securities market with fairness and in accordance with the provision of law.

(ii) We are carrying on the trading activities in the market with due diligence, fairness and in compliance with the provisions of law. We have never defaulted in meeting our payment or delivery obligations to the brokers or the Exchange. The details of trading done by us in the scrip of Radford are as follows:

Period	Total Bought Quantity	Total Sold Quantity	Price range during the period
Patch 1 (27.02.12 to 28.01.13)	Nil	Nil	Rs.3.2/- to Rs.241.35/-
Patch 2 (29.01.13 to 23.07.13)	34,500	---	Rs.49.2/- to Rs.75/-

(iii) As on date we are not holding any shares of Radford We may point out that at the relevant time i.e. during Patch 1 and Patch 2 we had done trading in various other scrips. While trading in the scrip of Radford we were trading independently without acting in concert with anybody. We were not aware of the counter parties to our trades. All the shares were bought or sold by us at the then prevalent market prices through the screen based mechanism of stock exchange, wherein we were not aware of the counter parties to our trades.

(iv) Significantly, prior to commencement our trading in the scrip the scrip price was in upward mode and had increased from Rs.3.20 to Rs.241.35. The time at which we entered into the market to buy this stock, the charts were showing bullish signals based upon technical data (which includes price rise along with traded volumes). The pricing and daily volume of the scrip was good enough to suggest that further rise was around the corner. The scrip was considered among others as one of the technically sound on the charts. Further, at the relevant time, market was also abuzz with rumours of a potential takeover by a big corporate house by a high profile group which already had investments in the Company. Our decision to buy shares of

Radford was primarily and majorly influenced by the past price movement of the scrip, the consistent profit made by the Company and also the technical analysis of the scrip which was also suggesting similar signals.

(v) ... SEBI passed an Order dated September 20, 2017 wherein certain entities were exonerated by SEBI. Insofar as we are concerned there was no exoneration and the direction passed by the Ex parte Order continued to operate.

(viii) Now after a period of around 18 months, we have been served with the captioned Notice. Admittedly, as on date we have already suffered restraint directions for more than 4 years. On perusal of the Notice, it appears that the said Notice has been issued post completion of investigation by SEBI. Strangely, the detailed submissions made by us in our various replies to SEBI have been completely ignored and overlooked and again the same allegations have been reiterated in the Notice. Clearly, our submissions have not been appreciated in proper perspective and the preconceived notions have dominated the entire allegations in the Notice. We submit that the submissions made by us in the said replies be read as part and parcel of this reply. In the subsequent paras we will demonstrate the hollowness and falsity of the allegations levelled against us.

29.6. In the said Notice adverse inferences qua us have been drawn based on the alleged conduct of others and by clubbing us with other persons/entities. The said clubbing with others (which are branded as "24 connected entities" as set out in Para 14 of the Notice) has resulted in distorted conclusions against us. The entire grouping is erroneous and misleading and we have erroneously been lumped with others. Unrelated and unconnected entities have been grouped together based on mere surmises and conjectures to draw adverse inferences without any basis. Normal relationships have been unduly stretched in order to somehow bunch us with other entities and attribute their actions/ knowledge to us, which is legally untenable and unsustainable. Based on the alleged connections, acts of other persons/ entities cannot be fastened on to us or any adverse inference drawn against us. Since the grouping is erroneous, the whole edifice of the Notice collapses.

Parawise comments

29.7. ... we were not aware of the investigations conducted by SEBI. At no point of time, SEBI sought any information from us during the course of investigation. Had our explanation been sought during the course of investigations, the occasion for issuance of SCN would not have arisen.

29.8. It is denied that the profit of the company did not justify the considerable rise in the scrip price during the Patch 1 as alleged. It is SEBI's own case that the Company had made various corporate announcement viz. preferential allotment, financial results, stock split and increase in share capital. Definitely, the said announcement would have impacted the price and volume in the scrip. In any event, we had started trading in the scrip of Radford only on 16.04.2013 i.e. during Patch 2. Therefore, for any increase in the price and volume of the scrip prior to 16.04.2013 we cannot be held liable or responsible in any manner. Further, we are not aware of the entities/individuals traded in the scrip during the relevant time. Based on the trading done by them no adverse inference can be drawn against us.

29.9. Significantly, at the relevant when the price was allegedly rising, no concerns were raised by stock exchange or SEBI.

29.10. *Alleged Connections*

i. In so far as funds transaction of Amrit Sales Promotion Pvt Ltd with various entities viz. Blue Circle Services Ltd, Burlington Finance Limited and Symphony Merchant Pvt Ltd is concerned, we may point out that nothing turns on the same. A sweeping allegation of some fund transaction has been made but no particulars or supporting material has been brought on record to substantiate the same. Based on the various fund transfer between other entities no adverse inference can be drawn against us. It may be noted that we had purchased the shares of Radford by using our own fund and no borrowings were made from the aforesaid entities. In any event there, is no allegation of fund transfer qua us in the Notice.

In so far as Hanuman Mal Tater being the common director in Amrit Sales Promotion Pvt Ltd, Burlington Finance and Symphony Merchant Pvt Ltd is concerned, it may be noted that nothing turns on the basis of the same. Though Hanuman Mal Tater is the common director, but all the entities have acted independently. We had no role to play in the management and affairs (including trading) of other entities and vice versa. Here it may be noted that during the relevant time Hanuman Mal Tater was director in various other companies (40 companies) including our company. Therefore, based on the same no adverse inferences can be drawn against us. In any event, SEBI in its order dated September 20, 2017 has revoked the directions issued vide interim order qua Amrit Sales Promotion Pvt Ltd, Burlington Finance and Symphony Merchants

Pvt Ltd. Therefore, no adverse inference can be drawn against us based on the aforesaid observation.

iii. In so far as Panne Lal Maloo being the common director in Amrit Sales Promotion Pvt Ltd, Manimudra Vincom and Symphony Merchant is concerned, it may be noted that on the basis of the same no adverse inference can be drawn against us. We had no role to play in the management and affairs (including trading) of the aforesaid entities and vice versa. Therefore, based on the conduct of others no adverse inferences can be drawn against us.

iv. In so far as fund transfer with Blue Circle Services Ltd with Pine Animation Ltd and Amrit Sales Promotion Pvt Ltd is concerned, it may be noted that we are not aware of the same. There is nothing on record to suggest that the said alleged fund transfers were at our behest or on our behalf. Therefore, based on the same no adverse inference can be drawn against us. We had no role to play in the management and affairs (including trading) of the aforesaid entities and vice versa. It is reiterated that we had purchased the shares of Radford by using our own fund and no borrowings were made from the aforesaid entities. In any event there is no allegation of fund transfer qua us in the Notice. Therefore, based on the conduct of others no adverse inferences can be drawn against us.

29.11. It is submitted that the said connection has nothing to do with the trading done by us in the scrip of Radford. In the absence of the same no adverse inference of us being part of connected group entities can be drawn and the alleged actions of other persons/entities cannot be fastened on to us.

29.12. In this regard we invite your attention to the Order passed by the Hon'ble Securities Appellate Tribunal in the matter of Mr. Babubhai Desai vs Securities and Exchange Board of India (SAT Order dated 15.02.2016, Appeal No. 81 of 2014) the Hon'ble Securities Appellate Tribunal has inter alia observed that :

'There has to be unambiguous and clear evidence in respect of the connection sought to be established among the ten appellants by the learned adjudicating officer in the impugned order. The guilt or culpability of each of the appellants has to be analyzed and established separately before holding them guilty of forming an alleged group to manipulate the price or volume in a given case. Mere common landline number or that of the accountant of the appellants would not be itself convert certain

entities into a group or concert who could have jointly traded in a design. It is a serious charge and hence cogent and convincing evidence is required to be brought on record before the said charge could be proved against the appellants".

29.13. Further it is submitted that in the Notice, we have been alleged to have contributed to positive LTP. The said allegation is belied by the data, which SEBI itself has brought on record in the said Para. Same is evident from the following analysis of the data as contained in the Notice.

29.14. As per the data in the Notice, we have traded as follows

	Qty	No of Trades
Zero LTP	32,153	11
Negative LTP	NIL	NIL
Positive LTP	2,347	1
Total	34,500	12

(i) From the aforesaid it is clear that, save and except 1 trade, balance 11 trades were sold at Zero LTP. It is submitted that based on 1 stray trade at above LTP, serious allegation of increasing the price has been leveled which is totally unjustified and unwarranted.

(ii) We respectfully submit that, while levelling sweeping allegation of increasing the price, our total trading during the relevant period has not be viewed holistically. Admittedly, all the trades are at market price save and except one trade (which happened in ordinary course of trading.)

(iii) Significantly, it may be noted that, if an entity wants to increase the price, definitely its majority trades will not be at market price, as in the instant case. Our trading behavior is totally incompatible with the allegations of increasing the price.

(iv) That the alleged 1 trade above LTP had only an impact of Rs. 0.05/- in the price of the scrip which is exceedingly insignificant to have any impact on volume or price of the scrip. Same itself amply demonstrates that trading was bonafide, not motivated by intention to increase the price and also that we were not part of the alleged group-who as per SEBI were involved in increasing the price of the scrip.

- 29.15. It is submitted that as per the trade logs provided by SEBI, there are around 9 different counter parties to our trades viz. Bimal Desai, GM Lingaraju, Heena Vinod Shah, Praveen Kumar Agarwal HUF, Neeraj Singal, Gaurav Agarwala, Renu Agarwal, Mohan Mittal, and Nishit Agarwal Beneficiary Trust.
- 29.16. It is submitted that at the relevant time we were not aware of the aforesaid counter parties to our trades. Admittedly, there is nothing on record to demonstrate any kind of connection or relation or concerted understanding with the alleged counter parties.
- 29.17. Further, out of the 9 counter parties to our trade, only two entities viz. Praveen Kumar Agarwal HUF and Nishit Agarwal Beneficiary Trust are part of the alleged 'connected group entities' and with regard to the remaining 7 entities, there is no reference to their trades in the SCN.
- 29.18. Further, out of the total shares purchased by us during the relevant time i.e. 34,500 shares in respect of only 10,500 shares to persons viz. Praveen Kumar Agarwal HUF and Nishit Agarwal Beneficiary Trust are out of the alleged 'connected group entities' and in the remaining 24,000 shares 7 other entities/persons are the counter parties. Same only goes to show that we were trading in the ordinary course and while buying the shares on 2 instances the alleged connected group entities-" were our counter parties and on 7 instances other persons/ entities in the market were our counter parties. Strangely, while alleging that the counter parties to our trades were connected to us, no connection with Praveen Kumar Agarwal HUF and Nishit Agarwal Beneficiary Trust who are alleged to be part of connected group entities has been shown. In the absence of the same allegation that the counter parties were connected to the buyers cannot sustain.
- 29.19. Admittedly, there is no allegation of any synchronization of trades or execution of circular or reversal trades etc. Therefore, merely because some entities were our counter parties-who are alleged to be connected entities - no adverse inferences can be drawn against us.
- 29.20. Admittedly, all our purchase transactions were delivery based. Therefore, the issue of creating false and misleading appearance of trading cannot and does not arise.
- 29.21. ... it is submitted that in the instant case there is no evidence at all to establish the charge of violation of PFUTP Regulations against us. On the

contrary data will bear out that the alleged 1 trade above LTP was accidental in nature and the same had only an impact of Rs. 0.05/- in the price of the scrip. It is reiterated that a transaction would be violative of the Regulations only if it is executed with a view to manipulate the market or is executed to create false volumes resulting in upsetting the market equilibrium. And definitely not in a case like this wherein all the trades were bonafide, and the alleged one trade had above LTP occurred accidentally.

29.22. In view of the foregoing submissions, it is respectfully submitted that, we have not committed any wrong and no charge has been established against us to warrant any directions. There has been no violation of any of the provisions of the SEBI Act or PFUTP Regulations. The allegations in the Notice do not flow out of the factual position and are based on mere surmises and conjectures therefore cannot be legally sustained and therefore, it is humbly prayed that the Notice be discharged against us and no directions be issued against us.

29.23. Without prejudice to the aforesaid, it is submitted that similarly placed entities (Refer Para 32 of Ex parte Order dated December 19, 2014) against whom similar ex parte order/confirmatory orders were passed have already been permitted to deal in the securities market and the prohibitions/restraints imposed on them have been lifted by SEBI vide its Order dated September 20, 2017. Surprisingly, in so far as we are concerned, restraint directions continue to operate and the same have not been lifted. It may be appreciated that we have already undergone/suffered a ban of more than 4 years and also suffered both reputationally and financially. The debilitating restraint of more than four years is itself hugely disproportionate and excessive in the facts and circumstances of the case. Any further continuance of the directions, in the circumstances, would be hugely detrimental to us.

30. DAGA INFOCOM PRIVATE LTD.

30.1. In the SCN, it has been alleged the Company is part of an alleged group of 24 connected entities (hereinafter referred to as "connected group entities") which have contributed Rs. 23.35 (7.77%) of market positive LTP during the Patch 2 i.e (29/01/2013-23/07/2013). The basis of connection is as follows:

- I. Ms. Krupa B. Mehta is the Director in the Company and also Shefali Investments Pvt. Ltd.; and
- ii. The Company had fund transactions with Apex Commotrade and Apex Commotrade had fund transactions with Kingfisher Properties.

- 30.2. In this regard it is submitted that if Ms. Krupa B. Mehta is a Director in some other Company as well (as per Annexure AC of the SCN he is a director in 5 Companies) how is that in any manner related to the present matter. No connection has been shown of Shefali Investments Pvt. Ltd. with any other entity who has been issued the present SCN nor has any action of Shefali Investments Pvt. Ltd. has been shown to be violative of any SEBI Law provision. Therefore the basis of connection of the Company with Shefali Investments Pvt. Ltd. is useless and with no meaning.
- 30.3. With regards the fund transaction with Apex Commotrade it is submitted that the Company had received Rs. 1,50,00,000/- & Rs 70,00,000/- loan from Apex Commotrade in 2 tranches and the same was repaid to them. This was a normal financial transaction between two companies and it does not mean that the two are connected to each other and have connived to artificially increase the volume and price in the scrip of Radford. It is not the case that funds transferred by the Company were in fact transferred to Kingfisher Properties. The Company had only repaid its loan and it was upon Apex Commotrade to utilize those funds as they wished to. In any event it is submitted that if at all it is established that Apex Commotrade Pvt. Ltd. was connected to the Company, it is Apex Commotrade Pvt. Ltd. who had transferred funds to Kingfisher Properties and not the Company, therefore if any violation has to be alleged it should be against Apex Commotrade and Kingfisher Properties. It is important to note that Kingfisher Properties has not been issued a SCN in the present matter and the ex-parte order against it in the matter of Radford has been revoked.
- 30.4. Hereto annexed is copy of the Ledger Account of Apex Commotrade Pvt. Ltd. along with the relevant Bank Statements of the Company. It is to be noted that this is a repayment of earlier Advances Received on 01.03.2012 and 14.03.2012.
- 30.5. The onus shall be on SEBI to prove as to whether the company was part of the connected group entities and also whether there was any prior meeting of minds or collusion with such entities to increase the volume and price of the scrip of Radford. However no such exercise has been done by SEBI while issuing the present SCN. In view of this it is submitted that the present proceedings against me shall be dropped based on this point only, as there is no connection of the Company with other entities as alleged in the SCN and therefore in furtherance the charge of any violation of provisions of SEBI Act, 1992 and PFUTP Regulation does not stand.

30.6. Without prejudice to the above it is submitted that whether the Company is connected to any number of entities or not, the charge of violation of provisions of SEBI Act, 1992 and PFUTP Regulations should be established independently based on the trades and conduct or intention of each entity.

30.7. At the outset it is submitted that the complete trade log and order log for the investigation period has not been provided to us. Only trade log from a selected date onwards has been given.

30.8. Now before dealing with the alleged manipulative trades by the Company let us note the total trading done by the company in the scrip of Radford during the Patch 2 period:

Trades of Daga Infocom Pvt. Ltd. in the scrip of Radford									
Buy Trades					Sell Trades				
Total No. of trades	No. of trades at 0LTP	+ ve LTP contributed (No. of trades)	- ve LTP contributed (No. of trades)	Sum LTP	Total No. of trades	No. of trades at 0LTP	+ ve LTP contributed (No. of trades)	- ve LTP contributed (No. of trades)	Sum LTP
14	12	0	-0.65 (2)	- 0.65	40	37	+0.4(3)	0	+0.4

30.9. The above data clearly shows that the intent of the Company was never to increase the price of the scrip, if the intent would have been to increase the price of the scrip then the Company would not have placed buy orders at a price lower than the LTP and thus contributing negative LTP. If the total impact of the trades (both buy and sell) of the Company is to be seen then it comes to Rs. -0.25.

30.10. The trades executed by the Company were genuine trades and it is submitted that there was no collusion or meeting of minds between the Company and the other alleged connected group entities for increasing the price of the scrip as alleged in the SCN. In any event as mentioned above the charge of fraud and manipulation has to be proved independently. There is no evidence or finding in the SCN that the Company was colluding with the other alleged group entities or there was a prior meeting of minds to manipulate the price of the scrip of Radford. The SCN has been issued based on mere surmises and conjectures without any iota of evidence against me based on which the Company have been alleged to have violated the said provisions of SEBI Act, 1992 and PFUTP Regulations. A charge of market manipulation is

a very serious violation which should be supported with higher degree of evidence.

- 30.11. In the SCN it is alleged that the Company is one of the 8 entities who acted as sellers when 16 entities mentioned in Table No. 7 of the SCN were buying the shares. In this regard it is submitted that as a seller the intention of any person would be to get the best possible highest price for the shares being sold by them/it. In the present case the buy order at a price higher than LTP were already pending at the time the Sell orders were being placed by the Company. In any event it is submitted that why an entity would not sell a share at a higher price when a buyer for that high price is already available.
- 30.12. It is also alleged in the SCN that entities mentioned in Table 7 and 8 of the SCN have contributed Rs. 23.35 (7.77%) to the total market positive LTP. This allegation in itself is absurd, if the price of the scrip of Radford during Patch 2 increased from Rs. 49.2 to a high of Rs. 86 in which the Company had in total contributed to negative LTP then in that case the Company cannot be alleged to have increased the price of scrip of Radford as alleged in para 21 of the SCN.
- 30.13. It is also not a charge in the SCN that the Company has in any manner benefited from such manipulation. Without prejudice to the above, if it is held that all the alleged, connected group entities were manipulating the price of the scrip then it is the preferential allottees who had benefited from such manipulation, however in the present case the order passed against the preferential allottees has been revoked by SEBI.
- 30.14. It is not even the case of SEBI that the Company has executed any circular or synchronized trades therefore merely based on the connection and the LTP contributed by me which is miniscule (Rs. 0.05), it cannot be alleged that the Company has violated the provisions of SEBI Act, 1992 and PFUTP Regulations.
- 30.15. The shares were purchased through off-market and were sold in the market and it is a settled law that off-market transactions are per se not illegal and it is also not the charge in the present SCN that the shares were sold in a fraudulent manner. The selling of shares has not been alleged to be fraudulent.
- 30.16. *Pursuant to the hearing dated April 16, 2019, the following was submitted by Daga Infocom vide letter dated April 27, 2019 :*

- a) The Company had fund transactions with Apex Commotrade and Apex Commotrade had fund transactions with Kingfisher Properties wherein. It has been explained before the WTM that the Company had only paid the payment which has been received by the company in the month of March, 2012 and also copy of Bank statement & copy of ledger is already submitted before you.
- b) Further, WTM have asked to provide any MOU or agreement between two companies. In this regard, we like to submit that Company have received the Money for the purpose of application of Tenders for Purchase of Property near Nariman Point or Navi Mumbai for more details we are enclosing Memorandum of Understanding dated 29.02.2012.
- c) Further, our Authorised representative (AR) discussed about the manipulative trades by the company with the WTM. In this regard, our AR explained you the table given at point no.10 in our last submission which clearly shows the intent of the Company was never to increase the price of the scrip, if the intent would have been to increase the price of the scrip then the Company would not have placed buy orders at a price lower than the LTP and thus contributing negative LTP. If the total impact of the trades (both buy and sell) of the Company is to be seen, then it comes to Rs. -0.25. Further, explained you that company is having a business of trading in shares & securities and its trading in many of the securities. Further, WTM have asked to submit that Ledger of brokers for the Financial year 2012-2013 & 2013-2014. In this regard, we like to submit that Company is having broker account at Progressive shares Brokers Private limited. We are enclosing ledger account for the financial year 2012-2013 & 2013-14 along with transaction statement which will clearly show that company trades in many shares & securities.

31. DHANLEELA INVESTMENTS & TRADING COMPANY LIMITED (FORMERLY KNOWN AS RATNI INVESTMENTS COMPANY LIMITED)

- 31.1. It can be seen that the only basis for any alleged connection with the person stated in the aforesaid SCN are some fund transactions done with two entities which have nothing to do with the alleged trades in the scrip of the Company and the SCN also does not make out any ground or case that such fund transfers were done for the purposes of or were connected to the alleged violations of the SEBI regulations.
- 31.2. At the outset it is submitted that none of the aforesaid allegations and the alleged basis on which the SCN has been issued is applicable to us. We

have no connection with any of the entities mentioned in the SCN as regards the alleged trading in the scrip of the Company and none of the alleged connections are relevant or pertinent or giving rise to any of the alleged violations. We have not undertaken any synchronized and reversal trades and the same has not even been alleged in the SCN.

- 31.3. The SCN proceeds against us on the sole basis that it is allegedly connected to RGL and Pyramid Trading and Finance Limited on account of certain fund transactions. The details of such alleged transactions as provided in the SCN are provided in the annexures to the SCN and it is not the case of SEBI in the SCN and there is no allegation that (i) these fund transfers were illegal, (ii) that these fund transfers were in fact made in furtherance of carrying any trades in the scrip of the Company, (iii) these fund transfers were for perpetuating an illegal transaction or trade or were in fact related to any alleged fraudulent and unfair trade practices alleged against us. Therefore, in the absence of any allegation or statement or averment to the aforesaid effect or the investigation failing to find any evidence to the aforesaid effect, merely because there were legitimate fund transaction between entities, it cannot lead to an inescapable conclusion that the entities between which such fund transfers were made are connected entities for the purposes of carrying out manipulative trades and in the absence of such a conclusion the SCN deserves to be quashed and set aside as against us.
- 31.4. It is trite to mention and submit that having a connection on the basis of certain fund transfers between entity is in and of itself not sufficient to lend credence to any allegation of manipulative trades, and the same at best can be a circumstance to further advance a case against a violation.
- 31.5. It is also humbly submitted that the onus is on SEBI to prove as to whether we were part of the connected group of entities and also whether there was any prior meeting of minds or collusion with such entities to increase the volume and price of the scrip of RGL. However no such exercise has been done by SEBI while issuing the present SCN.
- 31.6. It must be seen that the SCN that there is no allegation of any violation by us during Patch1 of the trading window where significant violations have been alleged. The only allegation contained against us is that we have contributed positive LTP during Patch 2 trading days. Here also, as is evident from SCN itself, at paragraph 17, there is only 1 trade of 100 shares which has allegedly contributed to positive LTP and which is alleged to be manipulative. Before dealing with such allegation in detail, it must be stated at the outset that

the sheer quantity in respect of which this allegation has been levied is so low and miniscule that in no manner can lead to an inference of a price manipulation. There are no repetitive trades or structured trades even alleged (and rightly so) against us which could have given rise to a suspicion of a malicious trade. One trade where we as a Seller have sold shares at a price which is 20paise (Rs. 0.20) higher than the LTP amounting to a 0.07% rise in the LTP can never give rise to a conclusion or even an inference that such a trade was manipulative and violative of PFUTP Regulations.

31.7. It is submitted that as a seller, any person or entity would want to get the best price for the scrip being sold and will attempt to sell it at a higher price than the one available in the market and a person trying to earn profit while selling shares cannot be faulted. Such a sale at a higher price cannot under any circumstance be said to be violative of any provisions of the PFUTP Regulations.

31.8. Without prejudice to our submission that it is not a part of any alleged group and no connection with the alleged group exists, is irrelevant, as has been held numerous times by SEBI, Hon'ble Securities Appellate Tribunal and the Hon'ble Supreme Court of India, that it is not possible to ascertain the identity of a buying or selling entity when trading in shares / securities through a stock exchange mechanism. Therefore even if it is alleged that some allegedly connected entities / persons / group was a part of the trade executed by us in the shares of RGL, it is submitted we could never have been aware of the buying or the selling entity, as the case may be, especially since no such allegation has also been made against us. This principle should further be applied in respect of the trades executed by us especially since (1) the quantity traded by us is absolutely miniscule and (2) there is no charge of any reversal or synchronized trading.

31.9. The only trade which contributed to LTP was as a result of market forces and there was no manipulative intent. Further, SEBI has not even considered that there are two trades under taken by us before and after the alleged manipulative trade (Trade ID 1973 and 1502) are at a price lower than the LTP and have in-fact contributed to the negative LTP. It can be seen that trade ID 1255, which in fact contributed Rs 0.20 to the LTP indicates that the counter-party Shelter Sales Agency had placed the order to buy the shares at 11:20:11 at the stated price and after the order was pending for about 4 minutes (which is a significant time in the stock exchange trading mechanism) after which we purchased the shares at 11:24:37. This can by no means indicate a fraudulent or a manipulative transaction as we being a seller obtained the best possible

price for his sale trade on a pending order which was pending for a huge amount of time. Further, there is no direct or indirect connection between Shelter Sales and us and the same is not even alleged.

31.10. Further, from the trade and order log it is evident that the intent was never to increase the price of the scrip as if the same was its intent then we would not have placed buy orders at a price lower than the LTP and thus contributing negative LTP. If the total impact of the trades (both buy and sell) of ours is to be seen then it is negative LTP. It must also be seen that we have traded significantly on the buy side and sell side in the scrip of the Company and all such transactions are evidently legal and not manipulative and the same rightly not even been alleged in the SCN.

31.11. The trades executed by us were genuine trades and it is submitted that there was no collusion or meeting of minds between us and the other alleged connected group entities for increasing the price of the scrip as alleged in the SCN. In any event as mentioned above the charge of fraud and manipulation has to be proved independently. There is no evidence or finding in the SCN that we were colluding with the other alleged group entities or there was a prior meeting of minds to manipulate the price of the scrip of RGL. The SCN has been issued based on mere surmises and conjectures without any iota of evidence against me based on which we have been alleged to have violated the said provisions of SEBI Act, 1992 and PFUTP Regulations.

31.12. It is also alleged in the SCN that entities mentioned in Table 7 and 8 of the SCN have contributed Rs. 23.35 (7.77%) to the total market positive LTP. This allegation in itself is absurd, if the price of the scrip of RGL during Patch 2 increased from Rs. 49.2 to a high of Rs. 86 in which we had in total contributed to negative LTP then in that case we cannot be alleged to have increase the price of scrip of RGL as alleged in para 21 of the SCN.

31.13. It must be further seen that the allegation in the SCN is that during Phase 2, the price of the scrip opened at Rs. 49.2 and reached a high of Rs. 86 and closed at Rs. 75. It can be seen from the trade and order log as annexed to the SCN and herein that the alleged manipulative trade specified in the SCN was a sale of the scrip of the Company at Rs. 84.75 was at time when the price had already at its peak and there were volumes existing in the scrip. Therefore, on the basis of documents and records annexed to and relied on in SCN itself, it cannot be held that we have in any way contributed to price rise or volumes in the scrip.

31.14. It is also not a charge in the SCN that we have in any manner benefited from such manipulation. Without prejudice to the above, if it is held that all the alleged connected group entities were manipulating the price of the scrip then it is the preferential allottees who had benefited from such manipulation, however in the present case the order passed against the preferential allottees has been revoked by SEBI.

31.15. In this regard, the observations in *Adolf Pinto vs. AO*, SEBI(Appeal No.102 of 2010, Order dated September 07, 2010), may be observed:

"4... .It is axiomatic that the Appellant could not have executed circular trades by himself and this is not the case set up against him. When the other brokers have been given the benefit of doubt for circular trading, we see no reason how the Appellants alone can be held guilty of that charge... ."

31.16. On the same ground that the no violation of any PFUTP Regulation was found against above mentioned entities, the trading of the Company cannot be alleged to be in violation of provisions of SEBI Act, 1992 and PFITP Regulations.

31.17. In addition to the aforesaid submissions, the following are some additional objections / grounds for quashing the SCN as against us:

NO SPECIFIC AVERMENT AGAINST US:

31.18. It can be seen from the SCN that there is no specific averment, allegation or statement against us in respect of the alleged violation of various regulations of SEBI. The only analysis of our trade is when the high price and raising of LTP is being considered under the SCN where also it is evident from the SCN itself that (i) the quantity traded by us was extremely low (ii) the alleged trade in question to be manipulative is between us and an entity with whom no connection exists and no direct and indirect connection has even been alleged (iii) majority of the sell trades executed by us were in fact at LTP (iv) there are no allegations of any synchronized or reversal or circular trades undertaken by us (v) The Overall impact of the trades executed by us at both buy and sell side is negative.

31.19. The SCN proceeds to treat us at par with all other entities who have in fact allegedly traded / acquired shares of RGL and against which entities there are allegations of synchronised and reversal trading and we have been wrongly painted with the same brush. The allegations have been made against

us and in a generalized manner, without any specific details as to the nature of any role played by us in respect of any of the alleged violations.

THE SCN IS BAD IN LAW AND MUST BE STRUCK DOWN / QUASHED AS AGAINST US:

- 31.20. The law as regards the requirement of issuance of Show Cause Notice and the contents that are mandatorily required to be included in such show cause notice was recently considered and elaborated by the Hon'ble Supreme Court in *Gorkha Security Services v. Govt. (NCT of Delhi)*, (2014) 9 SCC 105. It was held as follows:

"Contents of the show-cause notice

21. The central issue, however, pertains to the requirement of stating the action which is proposed to be taken. The fundamental purpose behind the serving of show-cause notice is to make the noticee understand the precise case set up against him which he has to meet. This would require the statement of imputations detailing out the alleged breaches and defaults he has committed, so that he gets an opportunity to rebut the same. Another requirement, according to us, is the nature of action which is proposed to be taken for such a breach. That should also be stated so that the noticee is able to point out that proposed action is not warranted in the given case, even if the defaults/breaches complained of are not satisfactorily explained...

22. The High Court has simply stated that the purpose of show-cause notice is primarily to enable the noticee to meet the grounds on which the action is proposed against him. No doubt, the High Court is justified to this extent. However, it is equally important to mention as to what would be the consequence if the noticee does not satisfactorily meet the grounds on which an action is proposed. To put it otherwise, we are of the opinion that in order to fulfil the requirements of principles of natural justice, a show-cause notice should meet the following two requirements viz:

- a. The material grounds to be stated which according to the department necessitates an action;*
- b. Particular penalty/action which is proposed to be taken. It is this second requirement which the High Court has failed to omit... ."*
- c. It has been further held in S.L. Kapoor v. Jagmohan & Ors., (1980) 4 SCC 379 that:*

"The demands of natural justice are not met even if the very person proceeded against has furnished the information on which the action is based, if it is furnished in a casual way or for some other purpose. We do not suggest that the opportunity need be a "double opportunity" that is, one opportunity on the factual allegations and another on the prop penalty. Both may be rolled into one. But the person proceeded against must know that he is being required to meet the allegations which might lead to a certain action being taken against him."

31.21. It is humbly submitted that the SCN nowhere makes out any specific case against us and in manner provides an opportunity or details of any allegations that are we have to meet. The SCN is general and vague in nature and there is no specific case made out against us.

31.22. It is therefore submitted that the SCN does not meet the mandatory requirements of a valid show cause notice as laid down by the Hon'ble Supreme Court in the aforesaid decision.

31.23. **NO CONNECTION WITH THE ENTITY WITH WHOM THE TRADE ALLEGED TO BE MANIPULATIVE AND VIOLATIVE OF SEBI REGULATIONS:**

(i) The very basis of proceeding with an investigation into the trades executed by us have been on the basis of an alleged connection of our's with RGL and Pyramid Trading and Finance Limited.

(ii) It is evident from the trade and order log and the SCN, that even though an alleged connection has been sought to be made between us and RGL and Pyramid Trading and Finance Limited, the counterparty to the trade - which has allegedly resulted in a positive LTP impact and has allegedly violated the PFUTP Regulations and the SEBI Act - is Shelter Sales Agency Private Limited and no connection, directly or indirectly, has been made out or even alleged between us and said counterparty. Therefore, on this basis alone the SCN must be dismissed and quashed as against us.

31.24. In view of the above and the facts and circumstances of the present case, the SCN fails to consider the fact that the trade executed by us were genuine and also that there is no allegation against us of being in collusion with any buyer in order to make a positive impact on the LTP of RGL.

32. SPICE MERCHANTS PRIVATE LIMITED

32.1. The SCN suggests, although is not clear and vague even on this point, that the notice has been issued to us on the basis of an alleged connection that we have with certain buyers of the scrip of the Company. The basis of connection is thus:

" 1. Shakuntala Shah and Aman Sah are the directors in Spice Merchants and Apex Commotrade (Annex V)

From Apex Commotrade ICICI Bank A/c No. 62770550383 (Annex Z), fund transactions with Runicha Merchants, Signet Vinimay, Sankalp Vincom, Spice Merchants, Daga Infocom, SKM Travels, Scope Vyapar and WinallVinimay were observed.

Spice Merchants (Kotak Mahindra A/c 68011001873) has fund transactions with Snkalp Vincorn and Rander Corporation Anex AA."

32.2. It can therefore be seen that the only basis for any alleged connection with the person stated in the aforesaid SCN are some fund transactions done with the aforesaid entities which have nothing to do with the alleged trades in the scrip of the Company and the SCN also does not make out any ground or case that such fund transfers were done for the purposes of or were connected to the alleged violations of the SEBI regulations.

32.3. We have no connection with any of the entities mentioned in the SCN as regards the alleged trading in the scrip of the Company and none of the alleged connections are relevant or pertinent or giving rise to any of the alleged violations. We have not undertaken any synchronized and reversal trades and the same has not even been alleged in the SCN.

32.4. The details of such alleged transactions as provided in the SCN are provided in the annexures to the SCN and it is not the case of SEBI in the SCN and there is no allegation that (i) these fund transfers were illegal, (ii) that these fund transfers were in fact made in furtherance of carrying any trades in the scrip of the Company, (iii) these fund transfers were for perpetuating an illegal transaction or trade or were in fact related to any alleged fraudulent and unfair trade practices alleged against us and (iv) the connection as alleged in the SCN is with lie counterparties to the alleged manipulative trades undertaken by us. Therefore, in the absence of any allegation or statement or averment to the aforesaid effect or the investigation failing to find any evidence to the aforesaid effect, merely because there were legitimate fund transaction

between entities, it cannot lead to an inescapable conclusion that the entities between which such fund transfers were made are connected entities for the purposes of carrying out manipulative trades and in the absence of such a conclusion the SCN deserves to be quashed and set aside as against us.

32.5. Further, the trade and in respect of the trading in the shares of the company during the relevant period also highlight the following:

- a) there have been no transactions or trades between the aforesaid Noticee and Noticees number 1, 3, 4, 10, 11 and 20 - the alleged connected sellers.
- b) The trades between the aforesaid notices and the remaining connected sellers did not have any impact on the last traded price and the net LTP contribution was miniscule in respect of the trades between the Noticee and Noticees number 2 and 5 i.e. Rs. 0.25 +ve LTP(0.08% of the market +ve LTP).

32.6. There has been no allegation of any kind of connection between the buyers and the sellers in respect of the trades in the shares of the company in question. Specifically, there is no allegation, documents, observations and materials on record which even remotely suggest that the Noticee and Noticees number 2 and 5 (the alleged connected sellers) were connected.

32.7. The allegations and the material relied upon by SEBI in the SCN indicates that various trades were executed by the Noticee (a total of 1809 trades where the traded quantity was 33,42,475 shares). It must also be seen that approximately 94% of the trades executed by us were in fact at the last traded price. This information is crucial to note and observe since no entity attempting to enter into a fraudulent or illegal transaction would execute almost all of its trades at the last traded price when the principal allegation against such entity is positive contribution to the last traded price.

32.8. It is submitted that merely buying shares at a higher LTP does not in any way in isolation of any other factors be considered as a manipulative trade violative of PFUTP Regulations and the provisions of SEBI Act. There are various factors which could result in a buyer buying at a price higher than the LTP and this in itself cannot be held to be a manipulative trade practice. There are numerous orders and judgments of both SEBI and the Hon'ble SAT explaining the same (as also cited later in this reply). There is no finding or even an allegation in the SCN that Spice indulged in any circular, reversal, synchronized or first trades during the Investigation Period. There is no allegation that we undertook both buying and selling of the scrip and

contributed to rising the LTP. In the absence of any such finding in the investigation, there is no basis to hold us accountable for any violation of the PFUTP Regulations and SEBI Act as alleged or at all.

32.9. It is submitted as regards Spice, as a buyer of shares on the stock exchange mechanism, we could never have been aware of who the counterparty to the trade is going to be and therefore the buying entities being allegedly connected group entities, without prejudice to our submission that we are not a part of any alleged group and no connection with the alleged group exists, is irrelevant, as has been held numerous times by SEBI, Hon'ble Securities Appellate Tribunal and the Hon'ble Supreme Court of India, that it is not possible to ascertain the identity of a buying or selling entity when trading in shares / securities through a stock exchange mechanism. Therefore even if it is alleged that some allegedly connected entities / persons / group was a part of the trade executed by us in the shares of RGL, it is submitted we could never have been aware of the buying or the selling entity, as the case may be, especially since no such allegation has also been made against us.

32.10. It is further submitted that an analysis of the trade and order log for the trades in the scrip of RGL for the Investigation Period would reveal that the orders were placed by the us at LTP on most occasions at both a lower than LTP price and a higher than LTP price on some occasions due to the necessities and conditions prevailing in the market.

32.11. Further, from the trade and order log it is evident that our intent was never to increase the price of the scrip as we have also placed buy orders at a price lower than the LTP and thus contributing negative LTP. Despite being trading regularly and at many instances at LTP in the scrip, SEBI has sought to take random trades out of the entire trades by us and instead of seeing the entire trading activity as a whole, are alleging the same to be manipulative and violative of the provisions of SEBI Act and PFUTP Regulations. The said allegations accordingly are completely baseless and devoid of any legal or logical rationale.

32.12. The trades executed by us were genuine trades and it is submitted that there was no collusion or meeting of minds between us and the other alleged connected group entities or any other Person whatsoever for increasing the price of the scrip as alleged in the SCN.

32.13. It must be further seen that the allegation in the SCN is that during Phase 2, the price of the scrip opened at Rs. 49.2 and reached a high of Rs. 86 and

closed at Rs. 75. It can be seen from the trade and order log as annexed to the SCN and herein that the alleged manipulative trade specified in the SCN was purchase of the scrip of the Company at near peak prices - at the time when the price had already at its peak and there were volumes existing in the scrip. Therefore, on the basis of documents and records annexed to and relied on in SCN itself, it cannot be held that we have in any way contributed to price rise or volumes in the scrip. The SCN on this basis alone deserves to be quashed and set aside.

32.14. In this regard, the following judgments may also be noted:

Smitaben N. Shah vs. SEBI (Date of decision July 30, 2010)

"We cannot lose sight of the fact that a serious charge like fraudulent trading cannot be established on the basis of these tenuous and farfetched connection. In this view of the matter, we have no hesitation to hold that the appellants did not act in tandem with any of the entities referred to in Annexure 2 as alleged in the show cause notice and found by the whole time member."

33. WINALL VINMAY PRIVATE LIMITED

33.1. The SCN alleges that the aforesaid Noticee is connected with noticees no. 13, 14, 15 and 16. For the purposes of applying to the SCN, without admitting and specifically reserving our rights to deal with the basis of the connection as alleged, we will proceed on the assumption that a connection between the aforesaid entities exists. We once again clarify that we reserve our right to (1) deny and deal with the aforesaid connection and (2) establish that merely having a connection with one entity is not a sufficient ground to hold that entity being reliable and responsible for fraudulent and unfair trading or be liable or responsible for creating by another alleged connected entity. The connection has to be established in terms of the trading in the shares of a particular company and that the said connection was in fact utilised for collectively, jointly and with the common intention to enter into an execute fraudulent trades. This has not been established by the investigation or the SCN.

33.2. Further, apart from the connection between Noticee and noticees 13, 14, 15 and 16 on the basis of certain common directors, the SCN itself is clear that the Noticee is not connected to any other entity to which the SCN has been issued.

33.3. As regards the alleged connection and without prejudice to the aforesaid submission proceeding on the basis that a connection exists, it is humbly submitted that the SCN does not allege that (i) the very basis of such connection was illegal, or (ii) any fund transfers as alleged were in fact made in furtherance of carrying any trades in the scrip of the Company, (iii) these fund transfers or connections were for perpetuating an illegal transaction or trade or were in fact related to any alleged fraudulent and unfair trade practices alleged against Dhanleela and (iv) the connection as alleged in the SCN is with the counterparties to the alleged manipulative trades undertaken by the aforesaid Noticee. Therefore, as the SCN has, solely on the basis that allegedly connected entities have undertaken trades in the scrip of the Company and observe and allegedly find that unfair and fraudulent trades have been undertaken by the said Noticee it is unwarranted, unsupported by the facts and documents and material on record and completely illegal. The SCN must therefore be struck down quashed on this ground alone.

33.4. This is a preliminary reply based on the documents made available to us along with the SCN and we reserve the right to file an additional detailed reply to the SCN if and when warranted.

33.5. Further, the trades in respect of the trading in the shares of the company during the relevant period also highlight the following:

- a) there have been no transactions or trades between the aforesaid Noticee and Noticees no. 10, 11 and 20 i.e. Dhanleela Investments & Trading Co Ltd, Pine Animation Ltd, and Daga Infocom Private Limited - the alleged connected sellers.
- b) The trades between the aforesaid notices and the remaining connected sellers did not have any impact on the last traded price and the net LTP contribution was miniscule in respect of the trades between the Noticee and Noticees no. 1, 2, 3, 4 and 5 viz. Rs. 0.5 +ve LTP (the alleged connected sellers).
- c) It is important to note that the total LTP contributed by my trades is Rs. 1.95 which could not be alleged to have led to an increase in price during the Patch 2 period.
- d) There has been no allegation of any kind of connection between the buyers and the sellers in respect of the trades in the shares of the company in question. Specifically, there is no allegation, documents, observations and materials on record which even remotely suggest that the Noticee and Noticees no. 1, 2, 3, 4 and 5 (the alleged connected sellers) were connected.

- 33.6. It is a matter of settled law that to establish an unfair and fraudulent trades between a buyer and a seller, it must be shown that the buyer and the seller were connected and acted in furtherance of a common intent to execute the alleged fraudulent trades. This requirement has not been established or met with by the present SCN.
- 33.7. There is no basis and material and documents on record to even suggest that the fund transfers from the Noticee No. 19 to Noticee Nos. 13, 14, 15 and 16 were done for the purposes of entering into and executing any manipulative trades and in the absences of any such material or documents or evidence on record, no observation much less a conclusion or a finding can be drawn against the said entities in respect of the captioned trades.
- 33.8. It is trite to mention and submit that having a connection on the basis of certain fund transfers between entities is in and of itself not sufficient to lend credence to any allegation of manipulative trades. Such alleged connection itself cannot be formed a basis to hold the Noticee guilty of any alleged violations under the PFUTP Regulations and the SEBI Act and since the SCN does not make out any case for any malafide or manipulative intent and neither does it even deal with or suggest any intentional manipulation of price of the shares by the Noticee but only infers such a manipulation on the basis of an alleged connection which cannot be considered sufficient to conclude that the Noticee has violated the provisions of SEBI Act and PFUTP Regulations as alleged or at all.
- 33.9. It is also humbly submitted that the onus is on SEBI to prove as to whether Noticee were part of the connected group of entities and also whether there was any prior meeting of minds or collusion with such entities to increase the volume and price of the scrip of the Company. However no such exercise has been done by SEBI while issuing the present SCN. In view of this it is submitted that the present proceedings against the Noticee must be dropped as there is no connection of the Noticee with other entities as alleged in the SCN in connection with the alleged violation of provisions of SEBI Act, 1992 and PFUTP Regulation
- 33.10. The allegations and the material relied upon by SEBI in the SCN indicates that various trades were executed by the Noticee (a total of 1100 trades where the traded quantity was 21,89,989 shares). It must also be seen that approximately 96% of the trades executed by us were in fact at the last traded price. This information is crucial to note and observe since no entity

attempting to enter into a fraudulent or illegal transaction would execute almost all of its trades at the last traded price when the principal allegation against such entity is positive contribution to the last traded price.

33.11. The net contribution to the last traded price given the sheer quantity involved is not significant and has been the result of normal and bona fide trades over the stock exchange. It is also evident from the material relied upon in the SCN itself that while there has been trades at a price higher than the last traded price, there also have been trades which have been executed over the stock exchange mechanism at the price lower than the last traded price by each of the aforesaid Noticee. It is humbly submitted that such traits are purely the one by the market forces prevalent at the time and has been executed in the normal course of business. It is further submitted that, if the intent of the Notice would have been to positively impact the LTP then it is needless to mention that Notice would have never traded at a price below the LTP. This therefore indicates that at no point of time was the Notice intending to trade with an intention to manipulate the market and the scrip and to contribute positive LTPs fraudulently and that the trades and the price of the trades were purely determined by market forces acting at the relevant time as far as the trades of Noticee are concerned. There are no repetitive trades or structured trades even alleged (and rightly so) against the Notice which could have given rise to a suspicion of a malicious trade.

33.12. There is no finding or even an allegation in the SCN that the Noticees indulged in any circular, reversal, synchronized or first trades during the Investigation Period. There is no allegation that the Noticee undertook both buying and selling of the scrip and contributed to rising the LTP. In the absence of any such finding in the investigation, there is no basis to hold the Noticee accountable for any violation of the PFUTP Regulations and SEBI Act as alleged or at all.

33.13. It can be further observed from the trade and the order log at all the trades of the aforesaid entities were executed as per the normal stock exchange mechanism and there is no linkage or possibility of connivance in the manner in which the buyer orders have been placed by the aforesaid entities. The shares have been purchased following the normal trading principles and in majority of the cases it can be observed from the said trade and order log that the sale orders were already existing in the market at the price at which these trades have been executed. This further supports the contention of the Noticee that there was no untoward or illegal or mala fide rating which was executed by it.

33.14. It is also important to note that since the entire basis to formulate the alleged charge an allegation against us is a positive contribution to the last traded price of the shares of the company as a result of our trades, since the transaction of share purchase presupposes a fact that there was a buyer and seller of shares, of fraudulent or illegal trading would therefore also assume that the counterparty to our trades were also involved in such alleged illegal trading. However, in the trades which have allegedly contributed to a positive contribution to the last traded price, no questions have been asked or no show cause notice has been issued to the counterparties of such trades.

33.15. Noticee, as a buyer of shares on the stock exchange mechanism, could never have been aware of who the counterparty to the trade is going to be and therefore the buying entities being allegedly connected group entities, without prejudice to Noticee's submission that it is not a part of any alleged larger group and no connection with the alleged group exists is irrelevant, as has been held numerous times by SFBI, Hon'ble Securities Appellate Tribunal and the Hon'ble Supreme Court of India, that it is not possible to ascertain the identity of a buying or selling entity when trading in shares / securities through a stock exchange mechanism.

33.16. It must be further seen that the allegation in the SCN is that during Phase 2, the price of the scrip opened at Rs. 49.2 and reached a high of Rs. 86 and closed at Rs. 75. It can be seen from the trade and order log as annexed to the SCN and herein that the alleged manipulative trade specified in the SCN was purchase of the scrip of the Company at near peak prices - at the time when the price had already at its peak and there were volumes existing in the scrip. Therefore, on the basis of documents and records annexed to and relied on in SCN itself, it cannot be held that noticee has in any way contributed to price rise or volumes in the scrip. The SCN on this basis alone deserves to be quashed and set aside.

33.17. It is also not a charge in the SCN that the Noticee has in any manner benefited from such manipulation. Without prejudice to the above, if it is held that all the alleged connected group entities were manipulating the price of the scrip then it is the preferential allottees who had benefited from such manipulation, however in the present case the order passed against the preferential allottees has been revoked by SEBI.

33.18. SEBI vide order dated 20/09/2017 has revoked the ex-parte orders dated 19/12/2014 and 09/11/2015 in the matter of RGL against 82 entities. The

following are few of the above mentioned 82 entities against who no adverse evidence / findings were found in respect of violation of the PFUTP Regulations and SEBI Act:

1. Ritu Singal
2. Brij Bhushan Singal
3. Afsar Zaidi
4. Bimal Desai
5. Kamal PunwaniIndur
6. G.M. Lingaraju
7. Naresh Nemchand Shah
8. Tanvi Bhavik Trevadia

33.19. Each of the aforesaid entities is one of the few counterparties to the trades executed by the Noticee. These are only some of the examples for illustration. The review of trade and order log would reveal that majority of the trade counterparties to the Noticee's trades were in fact the aforesaid 81 persons. When there is no allegation, evidence or finding against the counterparty to the very same trade which is alleged to be manipulative, then no allegation against Noticee in respect of the same trade cannot be upheld.

33.20. The trades itself by us are miniscule that they can no way be held to be a part of the deceptive device or scheme to commit fraud. The buying of shares itself has not been alleged to be fraudulent.

33.21. The trade above the LTP is purely incidental and are a function of the stock market trade practice.

33.22. There is not even a single allegation in the SCN itself that we have in fact entered into any synchronized trading, reversal trading or first trades in any shares of RGL. The duration in which we executed the trades which are the subject matter of the SCN, at that time the price of the scrip was already at its peak and there was sufficient volume in the market. We in no way has contributed or indulged in creating any false or misleading appearance in the market.

33.23. The trades executed by us was genuine and also that there is no allegation against us of being in collusion with any buyer in order to make a positive impact on the LTP of RGL.

34. PINE ANIMATION LIMITED

34.1. It has been stated in the SCN that the alleged investigation was conducted into the possible trading irregularities of the scrip of the Company by connected persons / entities and basis of any alleged connection that is stated as follows: "Pine Animation Limited has fund transactions with Dhanleela Investments & Trading Company Ltd. and Pyramid Trading and Finance Limited."

34.2. It can therefore be seen that the only basis for any alleged connection with the person stated in the aforesaid SCN are some fund transactions done with two entities which have nothing to do with the alleged trades in the scrip of the Company and the SCN also does not make out any ground or case that such fund transfers were done for the purposes of or were connected to the alleged violations of the SEBI regulations.

34.3. At the outset it is submitted that none of the aforesaid allegations and the alleged basis on which the SCN has been issued is applicable to us. We have no connection with any of the entities mentioned in the SCN as regards the alleged trading in the scrip of the Company and none of the alleged connections are relevant or pertinent or giving rise to any of the alleged violations. We have not undertaken any synchronized and reversal trades and the same has not even been alleged in the SCN.

34.4. The SCN proceeds against us on the sole basis that it is allegedly connected to Dhanleela Investments & Trading Company Ltd. and Pyramid Trading and Finance Limited. Dhanleela Investments & Trading Company Ltd. and Pyramid Trading and Finance Limited on account of certain fund transactions. The details of such alleged transactions as provided in the SCN are provided in the annexures to the SCN and it is not the case of SEBI in the SCN and there is no allegation that (i) these fund transfers were illegal, (ii) that these fund transfers were in fact made in furtherance of carrying any trades in the scrip of the Company, (iii) these fund transfers were for perpetuating an illegal transaction or trade or were in fact related to any 'alleged fraudulent and unfair trade practices alleged against us. Therefore, in the absence of any allegation or statement or averment to the aforesaid effect or the investigation failing to find any evidence to the aforesaid effect, merely because there were legitimate fund transactions between entities, it cannot lead to an inescapable conclusion that the entities between which such fund transfers were made are connected entities for the purposes of carrying out manipulative trades and in

the absence of such a conclusion the SCN deserves to be quashed and set aside as against us.

34.5. There is no basis and material and documents on record to even suggest that the fund transfers between us and aforesaid two entities were done for the purposes of entering into and executing any manipulative trades and in the absences of any such material or documents or evidence on record, the basis of the alleged connection itself is incorrect and consequently no allegation against us survives.

34.6. It is trite to mention and submit that having a connection on the basis of certain fund transfers between entity is in and of itself not sufficient to lend credence to any allegation of manipulative trades, and the same at best can be a circumstance to further advance a case against a violation. Such alleged connection itself cannot be formed a basis to hold us guilty of any alleged violations under the PFUTP Regulations and the SEBI Act and since the SCN does not make out any case for any malafide or manipulative intent and neither does it even deal with or suggest any intentional manipulation of price of the shares by us .

34.7. It must be seen that the SCN that there is no allegation of any violation by us during Patch 1 of the trading window where significant violations have been alleged. The only allegation contained against us is as regards positive LTP contribution during Patch 2 trading days. Here also, as is evident from SCN itself, at paragraph 17, there is only 1 trade of 50 shares which has allegedly contributed to positive LTP and which is alleged to be manipulative. Before dealing with such allegation in detail, it must be stated at the outset that the sheer quantity in respect of which this allegation has been levied is so low and miniscule that in no manner can lead to an inference of a price manipulation. There are no repetitive trades or structured trades even alleged (and rightly so) against us which could have given rise to a suspicion of a malicious trade. One trade where we as a Seller has sold his shares at a price which is 15 paise (Rs. 0.15) higher than the LTP amounting to a 0.05% rise in the LTP can never give rise to a conclusion or even an inference that such a trade was manipulative and violative of PFUTP Regulations.

34.8. It is submitted that as a seller, any person or entity would want to get the best price for the scrip being sold and will attempt to sell it at a higher price than the one available in the market and a person trying to earn profit while selling shares cannot be faulted. Such a sale at a higher price cannot under any circumstance be said to be violative of any provisions of the PFUTP

Regulations. This is especially so when there are no other surrounding circumstances to even establish or suggest a violation. There is no finding or even an allegation in the SCN that we indulged in any circular, reversal, synchronized or first trades during the Investigation Period. There is no allegation that we undertook both buying and selling of the scrip and contributed to rising the LTP. In the absence of any such finding in the investigation, there is no basis to hold us accountable for any violation of the PFUTP Regulations and SEBI Act as alleged or at all.

34.9. Further, in any case, the suggestion that 16 connected group entities were the buyer of the scrips sold by the entitle mentioned in Table 8, it is submitted as regards to us, as a seller of shares on the stock exchange mechanism, We could never have been aware of who the counterparty to the trade is going to be and therefore the buying entities being allegedly connected group entities, without prejudice to our submission that it is not a part of any alleged group and no connection with the alleged group exists, is irrelevant, as has been held numerous times by SEBI, Hon'ble Securities Appellate Tribunal and the Hon'ble Supreme Court of India, that it is not possible to ascertain the identity of a buying or selling entity when trading in shares / securities through a stock exchange mechanism. Therefore even if it is alleged that some allegedly connected entities / persons / group was a part of the trade executed by us in the shares of RGL, it is submitted we could never have been aware of the buying or the selling entity, as the case may be, especially since no such allegation has also been made against us. This principle should further be applied in respect of the trades of ours especially since (1) the quantity traded by us is absolutely miniscule and (2) there is no charge of any reversal or synchronized trading against us.

34.10. The only trade which contributed to LTP was as a result of market forces and there was no manipulative intent. It can be seen that trade ID 1132, which in fact contributed Rs 0.15 to the LTP indicates that the counter-party Shelter Sales Agency had paced the order to buy the shares at 10:14:17 at the stated price and after the order was pending for about 7 minutes (which is a huge time in the stock exchange trading mechanism) after which we purchased the shares at 10:21:35. This can by no means indicate a fraudulent or a manipulative transaction as we being a seller obtained the best possible price for his sale trade on a pending order which was pending for a huge amount of time. Further, there is no direct or indirect connection between Shelter Sales and us and the same is not even alleged.

34.11. Further, from the trade and order log it is evident that the intent of us was never to increase the price of the scrip as if the same was its intent then we would not have placed buy orders at a price lower than the LTP and thus contributing negative LTP. If the total impact of the trades (both buy and sell) of us is to be seen then it is negative LTP.

34.12. There is no evidence or finding in the SCN that we was colluding with the other alleged group entities or there was a prior meeting of minds to manipulate the price of the scrip of RGL. The SCN has been issued based on mere surmises and conjectures without any iota of evidence against me based on which we have been alleged to have violated the said provisions of SEBI Act, 1992 and PFUTP Regulations.

34.13. It is also alleged in the SCN that entities mentioned in Table 7 and 8 of the SCN have contributed Rs.23.35 (7.77%) to the total market positive LTP. This allegation in itself is absurd, if the price of the scrip of RGL during Patch 2 increased from Rs. 49.2 to a high of Rs. 86 in which we had in total contributed to negative LTP then in that case we cannot be alleged to have increase the price of scrip of RGL as alleged in para 21 of the SCN.

34.14. It is also not a charge in the SCN that we has in any manner benefited from such manipulation. Without prejudice to the above, if it is held that all the alleged connected group entities were manipulating the price of the scrip then it is the preferential allottees who had benefited from such manipulation, however in the present case the order passed against the preferential allottees has been revoked by SEBI.

34.15. OBJECTIONS AND GROUNDS FOR QUASHING THE SHOW CAUSE NOTICE

NO SPECIFIC AVERMENT AGAINST US

(i) It can be seen from the SCN that there is no specific averment, allegation or statement against us in respect of the alleged violation of various regulations of SEBI. The only analysis of our trade is when the high price and raising of LTP is being considered under the SCN where also it is evident from the SCN itself that (i) the quantity traded by us was extremely low (ii) the alleged trade in question to be manipulative is between us and an entity with whom no connection exists and no direct and indirect connection has even been alleged (iii) majority of the sell trades executed by us were in fact at LTP (iv) there are no allegations of any

synchronized or reversal or circular trades undertaken by us (v) The Overall impact of the trades of us at both buy and sell side is negative.

34.16. NO CONNECTION WITH THE ENTITY WITH WHOM THE TRADE ALLEGED TO BE MANIPULATIVE AND VIOLATIVE OF SEBI REGULATIONS

34.17. The very basis of Proceeding with an investigation into the trades executed by us has been on the basis of an alleged connection of us with Dhanleela. It is evident from the trade and order log and the SCN, that even though an alleged connection has been sought to be made between us and Dhanleela Investments & Trading Company Ltd. and Pyramid Trading and Finance Limited, the counterparty to the trade - which has allegedly resulted in a positive LTP impact and has allegedly violated the PFUTP Regulations and the SERI Act - is Shelter Sales Agency Private Limited and no connection, directly or indirectly, has been made out or even alleged between us and said counterparty. Therefore, on this basis alone the SCN must be dismissed and quashed as against us.

34.18. In view of the above and the facts and circumstances of the present case, the SCN fails to consider the fact that the trade executed by us was genuine and also that there is no allegation against us of being in collusion with any buyer in order to make a positive impact on the LTP of RGL.

35. RUNICHA MERCHANTS PRIVATE LIMITED

35.1. Apart from the connection between Noticee and noticees 14, 15, 16 and 19 of the SCN on the basis of certain common directors, the SCN alleges that there are certain fund transactions with Kingfisher Properties and Topwell Properties and Spice Merchants. The insinuation arising from this allegation is not clear. Without prejudice to the fact that the statement in the SCN is vague and without any relevance whatsoever, it is submitted that merely because some fund transactions exists the same does not imply that the entities are connected and more so when the said connection is sought to be drawn for meting out a charge of violations of the provisions of SEBI Act and PFUTP Regulations. Merely on account of an unconnected fund transfers which are in and of itself not alleged to be illegal, and in the absence of any finding or observation that the same have been done to perpetuate an illegality or fraudulent trading, it is submitted that any reliance on such fund transfers is baseless and no connection exists at all between the Noticee and Kingfisher Properties and Topwell Properties and Spice Merchants.

35.2. As regards the alleged connection and without prejudice to the aforesaid submission proceeding on the basis that a connection exists, it is humbly submitted that the SCN does not allege that (i) the very basis of such connection was illegal, or (ii) any fund transfers as alleged were in fact made in furtherance of carrying any trades in the scrip of the Company, (iii) these fund transfers or connections were for perpetuating an illegal transaction or trade or were in fact related to any alleged fraudulent and unfair trade practices alleged against Dhanleela and (iv) the connection as alleged in the SCN is with the counterparties to the alleged manipulative trades undertaken by the aforesaid Noticee. Therefore, as the SCN has, solely on the basis that allegedly connected entities have undertaken trades in the scrip of the Company and observe and allegedly find that unfair and fraudulent trades have been undertaken by the said Noticee it is unwarranted, unsupported by the facts and documents and material on record and completely illegal. The SCN must therefore be struck down quashed on this ground alone.

35.3. Further, the trade and in respect of the trading in the shares of the company during the relevant period also highlight the following:

- a) there have been no transactions or trades between the Noticee and Noticees no.10, 11 and 20 i.e. Dhanleela Investments & Trading Co Ltd, Pine Animation Ltd, and Daga Infocom Private Limited - the alleged connected sellers.
- b) The trades between the aforesaid notices and the remaining connected sellers did not have any impact on the last traded price and the net LTP contribution was minuscule in respect of the trades between the Noticee and Noticees no. 1, 2, 3, 4 and 5 i.e Rs. 1.65 +ve LTP (0.55% of the total market positive LTP).
- c) It is important to note that the total LTP contributed by my trades is Rs. 3.45 which could not be alleged to have led o increase in price during the Patch 2 period.
- d) There has been no allegation of any kind of connection between the buyers and the sellers in respect of the trades in the shares of the company in question. Specifically, there is no allegation, documents, observations and materials on record which even remotely suggest that the Noticee and Noticees no. 1, 2, 3, 4 and 5 (the alleged connected sellers) were connected.

35.4. It is a matter of settled law that to establish an unfair and fraudulent trades between a buyer and a seller, it must be shown that the buyer and the seller were connected and acted in furtherance of a common intent to execute

the alleged fraudulent trades. This requirement has not been established or met with by the present SCN.

35.5. SCN does not make out any case for any malafide or manipulative intent and neither does it even deal with or suggest any intentional manipulation of price of the shares by the Noticee but only infers such a manipulation on the basis of an alleged connection which cannot be considered sufficient to conclude that the Noticees violated the provisions of SEBI Act and PFUTP Regulations as alleged or at all.

35.6. It is also humbly submitted that the onus is on SEBI to prove as to whether Noticee were part of the connected group of entities and also whether there was any prior meeting of minds or collusion with such entities to increase the volume and price of the scrip of the Company. However no such exercise has been done by SEBI while issuing the present SCN.

35.7. The allegations and the material relied upon by SEBI in the SCN indicates that various trades were executed by the Noticee (a total of 1175 trades where the traded quantity was 15,84,913 shares). It must also be seen that approximately 94% of the trades executed by us were in fact at the last traded price. This information is crucial to note and observe since no entity attempting to enter into a fraudulent or illegal transaction would execute almost all of its trades at the last traded price when the principal allegation against such entity is positive contribution to the last traded price.

35.8. The net contribution to the last traded price given the sheer quantity involved is not significant and has been the result of normal and bona fide trades over the stock exchange. It is also evident from the material relied upon in the SCN itself that while there has been trades at a price higher than the last traded price, there also have been trades which have been executed over the stock exchange mechanism at the price lower than the last traded price by each of the aforesaid Noticee. It is humbly submitted that such traits are purely the one by the market forces prevalent at the time and has been executed in the normal course of business. It is further submitted that, if the intent of the Noticee would have been to positively impact the LTP then it is needless to mention that Noticee would have never traded at a price below the LTP. This therefore indicates that at no point of time was the Noticee intending to trade with an intention to manipulate the market and the scrip and to contribute positive LTPs fraudulently and that the trades and the price of the trades were purely determined by market forces acting at the relevant time as far as the trades of Noticee are concerned. There are no repetitive trades or structured

trades even alleged (and rightly so) against the Noticee which could have given rise to a suspicion of a malicious trade.

35.9. It is submitted that merely buying shares at a higher LTP does not in any way in isolation of any other factors be considered as a manipulative trade violative of PFUTP Regulations and the provisions of SEBI Act. There is no finding or even an allegation in the SCN that the Noticee indulged in any circular, reversal, synchronized or first trades during the Investigation Period. There is no allegation that the Noticee undertook both buying and selling of the scrip and contributed to rising the LTP. In the absence of any such finding in the investigation, there is no basis to hold the Noticee accountable for any violation of the PFUTP Regulations and SEBI Act as alleged or at all.

35.10. It is also important to note that since the entire basis to formulate the alleged charge an allegation against us is a positive contribution to the last traded price of the shares of the company as a result of our trades, since the transaction of share purchase presupposes a fact that there was a buyer and seller of shares, of fraudulent or illegal trading would therefore also assume that the counterparty to our trades were also involved in such alleged illegal trading. However, in the trades which have allegedly contributed to a positive contribution to the last traded price, no questions have been asked or no show cause notice has been issued to the counterparties of such trades.

35.11. Further, in any case, the suggestion that 16 connected group entities were the buyer of the scrips sold by the entities mentioned in Table 8, it is submitted as regards Noticee, as a buyer of shares on the stock exchange mechanism, could never have been aware of who the counterparty to the trade is going to be and therefore the buying entities being allegedly connected group entities, without prejudice to Noticee's submission that it is not a part of any alleged larger group and no connection with the alleged group exists, is irrelevant, as has been held numerous times by SEBI, Hon'ble Securities Appellate Tribunal and the Hon'ble Supreme Court of India, that it is not possible to ascertain the identity of a buying or selling entity when trading in shares / securities through a stock exchange mechanism.

35.12. It must also be seen that the Noticee traded only on the buy side and not on the sell side in the scrip of the Company and all such transactions are evidently legal and not manipulative and the same has rightly not even been alleged in the SCN. Despite being trading regularly and at many instances in the scrip, SEBI has sought to take random trades out of the entire trades by the Noticee and instead of seeing the entire trading activity as a whole, are alleging

the same to be manipulative and violative of the provisions of SEBI Act and PFUTP Regulations. The said allegations accordingly are completely baseless and devoid of any legal or logical rationale.

35.13. The trades executed by us were genuine trades and it is submitted that there was no collusion or meeting of minds between the Noticee and the other alleged connected group entities for increasing the price of the scrip as alleged in the SCN. In any event as mentioned above the charge of fraud and manipulation has to be proved independently. There is no evidence or finding in the SCN that Noticee was colluding with the other alleged group entities or there was a prior meeting of minds to manipulate the price of the scrip of the Company.

35.14. It must be further seen that the allegation in the SCN is that during Phase 2, the price of the scrip opened at Rs. 49.2 and reached a high of Rs. 86 and closed at Rs. 75. It can be seen from the trade and order log as annexed to the SCN and herein that the alleged manipulative trade specified in the SCN was purchase of the scrip of the Company at near peak prices - at the time when the price had already at its peak and there were volumes existing in the scrip.

36. SANKLAP VINCOM PRIVATE LIMITED

36.1. The connection has to be established in terms of the trading in the shares of a particular company and that the said connection was in fact utilised for collectively, jointly and with the common intention to enter into an execute fraudulent trades. This has not been established by the investigation or the SCN.

36.2. Further, apart from the connection between Noticee and notices 13, 15, 16 and 19 on the basis of certain common directors, the SCN itself is clear that the Noticee is not connected to any other entity to which the SCN has been issued.

36.3. Without prejudice to the aforesaid submission proceeding on the basis that a connection exists, it is humbly submitted that the SCN does not allege that (i) the very basis of such connection was illegal, or (ii) any fund transfers as alleged were in fact made in furtherance of carrying any trades in the scrip of the Company, (iii) these fund transfers or connections were for perpetuating an illegal transaction or trade or were in fact related to any alleged fraudulent and unfair trade practices alleged against Dhanleela and (iv) the connection

as alleged in the SCN is with the counterparties to the alleged manipulative trades undertaken by the aforesaid Noticee. Therefore, as the SCN has, solely on the basis that allegedly connected entities have undertaken trades in the scrip of the Company and observe and allegedly find that unfair and fraudulent trades have been undertaken by the said Noticee it is unwarranted, unsupported by the facts and documents and material on record and completely illegal.

36.4. Further, the trade and in respect of the trading in the shares of the company during the relevant period also highlight the following:

a) there have been no transactions or trades between the aforesaid Noticee and the 6 alleged connected sellers except with Praveen Kumar Agarwal HUF (one trade was executed for 4500 shares with a positive LTP contribution of 0.05) and Pinky Agarwal (two trades were executed with 0 LTP). This itself will show and should be sufficient to establish that no manipulative intent can be imputed upon the Noticee for such a transaction. Therefore, there were in fact no trades of any significance between the Noticee and the alleged connected sellers.

b) The Total LTP contribution by the Noticees trade is Rs.1.10 out of which only Rs. 0.5 was with the alleged counter party group viz. (0.17% of the total market positive LTP). This fact would further substrate the genuineness of the trades of the Noticee.

c) There has been no allegation of any kind of connection between the buyers and the sellers in respect of the trades in the shares of the company in question. Specifically, there is no allegation, documents, observations and materials on record which even remotely suggest that the Noticee and Noticees no. 1, 2, 3, 4 and 5 (the alleged connected sellers) were connected.

36.5. It is a matter of settled law that to establish an unfair and fraudulent trades between a buyer and a seller, it must be shown that the buyer and the seller were connected and acted in furtherance of a common intent to execute the alleged fraudulent trades. This requirement has not been established or met with by the present SCN.

36.6. It is also humbly submitted that the onus is on SEBI to prove as to whether Noticee were part of the connected group of entities and also whether there was any prior meeting of minds or collusion with such entities to increase the volume and price of the scrip of the Company. However no such exercise has been done by SEBI while issuing the present SCN.

- 36.7. The allegations and the material relied upon by SEBI in the SCN indicates that various trades were executed by the Noticee (a total of 233 trades where the traded quantity was 8,92,600 shares). It must also be seen that approximately 91% of the trades executed by us were in fact at the last traded price. This information is crucial to note and observe since no entity attempting to enter into a fraudulent or illegal transaction would execute almost all of its trades at the last traded price when the principal allegation against such entity is positive contribution to the last traded price.
- 36.8. The net contribution to the last traded price given the sheer quantity involved is not significant and has been the result of normal and bona fide trades over the stock exchange. It is also evident from the material relied upon in the SCN itself that while there has been trades at a price higher than the last traded price, there also have been trades which have been executed over the stock exchange mechanism at the price lower than the last traded price by each of the aforesaid Noticee. It is humbly submitted that such traits are purely the one by the market forces prevalent at the time and has been executed in the normal course of business. It is further submitted that, if the intent of the Noticee would have been to positively impact the LIP then it is needless to mention that Noticee would have never traded at a price below the LTP. This therefore indicates that at no point of time was the Noticee intending to trade with an intention to manipulate the market and the scrip and to contribute positive LTPs fraudulently and that the trades and the price of the trades were purely determined by market forces acting at the relevant time as far as the trades of Noticee are concerned. There are no repetitive trades or structured trades even alleged (and rightly so) against the Noticee which could have given rise to a suspicion of a malicious trade.
- 36.9. The shares have been purchased following the normal trading principles and in majority of the cases it can be observed from the said trade and order log that the sale orders were already existing in the market at the price at which these trades have been executed. This further supports the contention of the Noticee that there was no untoward or illegal or mala fide trading which was executed by it.
- 36.10. In the trades which have allegedly contributed to a positive contribution to the last traded price, no questions have been asked or no show cause notice has been issued to the counterparties of such trades.
- 36.11. Noticee, as a buyer of shares on the stock exchange mechanism, could never have been aware of who the counterparty to the trade is going to be and

therefore the buying entities being allegedly connected group entities, without prejudice to Noticee's submission that it is not a part of any alleged larger group and no connection with the alleged group exists, is irrelevant, as has been held numerous times by SEBI, Hon'ble SAT and the Hon'ble Supreme Court of India, that it is not possible to ascertain the identity of a buying or selling entity when trading in shares / securities through a stock exchange mechanism.

36.12. It is also evident from the above trade and order log and the SCN, that even though an alleged connection has been sought to be made between the Noticee and other buyers of the shares, the counterparties to the trade - which has allegedly resulted in a positive LIP impact and has allegedly violated the PFUTP Regulations and the SEBI Act - are none of the aforesaid entities but are entities against whom no violation has even been alleged in the SCN and no connection, directly or indirectly, has been made out or even alleged between the Noticee and said counterparty.

36.13. It must also be seen that the Noticee traded only on the buy side and not on the sell side in the scrip of the Company and all such transactions are evidently legal and not manipulative and the same has rightly not even been alleged in the SCN. Despite being trading regularly and at many instances in the scrip, SEBI has sought to take random trades out of the entire trades by the Noticee and instead of seeing the entire trading activity as a whole, are alleging the same to be manipulative and violative of the provisions of SEBI Act and PFUTP Regulations. The said allegations accordingly are completely baseless and devoid of any legal or logical rationale.

36.14. In any event as mentioned above the charge of fraud and manipulation has to be proved independently.

36.15. It must be further seen that the allegation in the SCN is that during Phase 2, the price of the scrip opened at Rs. 49.2 and reached a high of Rs. 86 and closed at Rs. 75. It can be seen from the trade and order log as annexed to the SCN and herein that the alleged manipulative trade specified in the SCN was purchase of the scrip of the Company at near peak prices - at the time when the price had already at its peak and there were volumes existing in the scrip. Therefore, on the basis of documents and records annexed to and relied on in SCN itself, it cannot be held that Noticee has in any way contributed to price rise or volumes in the scrip.

36.16. Recently, in the matter of *Ashlesh Shah v. SEBI* (Misc. Application No. 254 of 2017 and Appeal No. 265 of 2017), the Hon'ble Securities Appellate Tribunal vide its order dated 18/04/2018 has observed and held that:

"... However, mere fact that the appellant belonged Krupa Soni group could not be a ground to hold that the single buy order placed by the appellant on 06.04.2010 to buy 7700 shares of RCL was with a view to create an artificial momentum in the illiquid scrip of RCL. As noted earlier, by 06 04.2010 the RCL scrip had ceased to be an illiquid scrip and in view of heavy trading, the RCL scrip had virtually reached its peak on 06.04.2010..."

13. As on date the appellant has already suffered prohibition imposed by the WTM for more than two, years Since we find it difficult to sustain the view taken by the WTM qua the appellant in the facts of present case we deem it proper to give benefit of doubt to the appellant and accordingly set aside the impugned decision qua the appellant"

36.17. The aforesaid judgment and the principle laid down by the Hon'ble Securities Appellate Tribunal squarely applies as regards Noticee and no price or volume manipulation can be said to be done by us for the reasons as mentioned in detail hereinabove, the SCN qua the Noticee deserved to be quashed and set aside.

36.18. It is also not a charge in the SCN that the Noticee has in any manner benefited from such manipulation. Without prejudice to the above, if it is held that all the alleged connected group entities were manipulating the price of the scrip then it is the preferential allottees who had benefited from such manipulation, however in the present case the order passed against the preferential allottees has been revoked by SEBI.

37. SIGNET VINMAY PRIVATE/LIMITED

37.1. Apart from the connection between Noticee and Noticees 14, 13, 16 and 19 on the basis of certain common directors, the SCN itself is clear that the Noticee is not connected to any other entity to which the SCN has been issued.

37.2. As regards the alleged connection and without prejudice to the aforesaid submission proceeding on the basis that a connection exists, it is humbly submitted that the SCN does not allege that (i) the very basis of such connection was illegal, or (ii) any fund transfers as alleged were in fact made in furtherance of carrying any trades in the scrip of the Company, (iii) these

fund transfers or connections were for perpetuating an illegal transaction or trade or were in fact related to any alleged fraudulent and unfair trade practices alleged against Dhanleela and (iv) the connection as alleged in the SCN is with the counterparties to the alleged manipulative trades undertaken by the aforesaid Noticee.

37.3. Further, the trade and in respect of the trading in the shares of the company during the relevant period also highlight the following:

a) there have been no transactions or trades between the aforesaid Noticee and Noticees no. 11 and 20 i.e. Pine Animation Ltd, and Daga Infocom Private Limited - the alleged connected sellers.

b) The trades between the aforesaid notices and the remaining connected sellers did not have any impact on the last traded price and the net LTP contribution was miniscule in respect of the trades between the Noticee and Noticees no. 1, 2, 3, 4, 5 and 10 i.e. Rs. 0.8 +ve LTP (0.27% of the total market positive LTP).

c) It is important to note that the total LTP contributed by my trades is Rs. 1.35 which could not be alleged to have led o increase in price during the Patch 2 period.

d) There has been no allegation of any kind of connection between the buyers and the sellers in respect of the trades in the shares of the company in question. Specifically, there is no allegation, documents, observations and materials on record which even remotely suggest that the Noticee and Noticees no. 1, 2, 3, 4 5 and 10 (the alleged connected sellers) were connected.

37.4. It is a matter of settled law that to establish an unfair and fraudulent trades between a buyer and a seller, it must be shown that the buyer and the seller were connected and acted in furtherance of a common intent to execute the alleged fraudulent trades. This requirement has not been established or met with by the present SCN.

37.5. It is trite to mention and submit that having a connection on the basis of certain fund transfers between entities is in and of itself not sufficient to lend credence to any allegation of manipulative trades. Such alleged connection itself cannot be formed a basis to hold the Noticee guilty of any alleged violations under the PFUTP Regualtions and the SEBI Act and since the SCN does not make out any case for any Malafide or manipulative intent and neither does it even deal with or suggest any intentional manipulation of price of the shares by the Noticee but only infers such a manipulation on the basis of an alleged connection which cannot be considered sufficient to conclude that the

Noticee has violated the provisions of SEBI Act and PFUTP Regulations as alleged or at all.

37.6. It is also humbly submitted that the onus is on SEBI to prove as to whether Noticee were part of the connected group of entities and also whether there was any prior meeting of minds or collusion with such entities to increase the volume and price of the scrip of the Company. However no such exercise has been done by SEBI while issuing the present SCN.

37.7. The allegations and the material relied upon by SEBI in the SCN indicates that various trades were executed by the Noticee (a total of 698 trades where the traded quantity was 9,03,711 shares). It must also be seen that approximately 96% of the trades executed by us were in fact at the last traded price. This information is crucial to note and observe since no entity attempting to enter into a fraudulent or illegal transaction would execute almost all of its trades at the last traded price when the principal allegation against such entity is positive contribution to the last traded price.

37.8. The net contribution to the last traded price given the sheer quantity involved is not significant and has been the result of normal and bona fide trades over the stock exchange. It is also evident from the material relied upon in the SCN itself that while there has been trades at a price higher than the last traded price, there also have been trades which have been executed over the stock exchange mechanism at the price lower than the last traded price by each of the aforesaid Noticee. It is further submitted that, if the intent of the Noticee would have been to positively impact the LTP then it is needless to mention that Noticee would have never traded at a price below the LTP. This therefore indicates that at no point of time was the Noticee intending to trade with an intention to manipulate the market and the scrip and to contribute positive LTPs fraudulently and that the trades and the price of the trades were purely determined by market forces acting at the relevant time as far as the trades of Noticee are concerned. There are no repetitive trades or structured trades even alleged (and rightly so) against the Noticee which could have given rise to a suspicion of a malicious trade.

37.9. It is submitted that merely buying shares at a higher LTP does not in any way in isolation of any other factors be considered as a manipulative trade violative of PFUTP Regulations and the provisions.

37.10. The shares have been purchased following the normal trading principles and in majority of the cases it can be observed from the said trade and order

log that the sale orders were already existing in the market at the price at which these trades have been executed. This further supports the contention of the Noticee that there was no untoward or illegal or mala fide rating which was executed by it.

37.11. It is also important to note that since the entire basis to formulate the alleged charge an allegation against us is a positive contribution to the last traded price of the shares of the company as a result of our trades, since the transaction of share purchase presupposes a fact that there was a buyer and seller of shares, of fraudulent or illegal trading would therefore also assume that the counterparty to our trades were also involved in such alleged illegal trading. However, in the trades which have allegedly contributed to a positive contribution to the last traded price, no questions have been asked or no show cause notice has been issued to the counterparties of such trades.

37.12. It is also evident from the above trade and order log and the SCN, that even though an alleged connection has been sought to be made between the Noticee and other buyers of the shares, the counterparties to the trade - which has allegedly resulted in a positive LTP impact and has allegedly violated the PFUTP Regulations and the SEBI Act - are none of the aforesaid entities but are entities against whom no violation has even been alleged in the SCN and no connection, directly or indirectly, has been made out or even alleged between the Noticee and said counterparty.

37.13. It must also be seen that the Noticee traded only on the buy side and not on the sell side in the scrip of the Company and all such transactions are evidently legal and not manipulative and the same has rightly not even been alleged in the SCN. Despite being trading regularly and at many instances in the scrip, SEBI has sought to take random trades out of the entire trades by the Noticee and instead of seeing the entire trading activity as a whole, are alleging the same to be manipulative and violative of the provisions of SEBI Act and PFUTP Regulations.

37.14. The trades executed by us were genuine trades and it is submitted that there was no collusion or meeting of minds between the Noticee and the other alleged connected group entities for increasing the price of the scrip as alleged in the SCN. In any event as mentioned above the charge of fraud and manipulation has to be proved independently.

37.15. It must be further seen that the allegation in the SCN is that during Phase 2, the price of the scrip opened at Rs. 49.2 and reached a high of Rs. 86 and

closed at Rs. 75. It can be seen from the trade and order log as annexed to the SCN and herein that the alleged manipulative trade specified in the SCN was purchase of the scrip of the Company at near peak prices - at the time when the price had already at its peak and there were volumes existing in the scrip.

38. SKM TRAVELS PRIVATE LIMITED

38.1. Apart from the connection between Noticee and noticees 14, 15, 13 and 19 on the basis of certain common directors, the SCN itself is clear that the Noticee is not connected to any other entity to which the SCN has been issued.

38.2. Without prejudice to the aforesaid submission proceeding on the basis that a connection exists, it is humbly submitted that the SCN does not allege that (i) the very basis of such connection was illegal, or (ii) any fund transfers as alleged were in fact made in furtherance of carrying any trades in the scrip of the Company, (iii) these fund transfers or connections were for perpetuating an illegal transaction or trade or were in fact related to any alleged fraudulent and unfair trade practices alleged against Dhanleela and (iv) the connection as alleged in the SCN is with the counterparties to the alleged manipulative trades undertaken by the aforesaid Noticee.

38.3. Further, the trade and in respect of the trading in the shares of the company during the relevant period also highlight the following:

- a) there have been no transactions or trades between the aforesaid Noticee and the alleged connected sellers i.e. Noticees no. 1, 2, 3, 4, 5, 10, 11 and 20.
- b) There has been no allegation of any kind of connection between the buyers and the sellers in respect of the trades in the shares of the company in question.
- c) The LTP contributed by the Noticees trades is a meagre Rs. 0.25 +ve LTP that also not with the allegedly connected 8 counterparties.
- d) The counterparties to trades of the noticee which contributed +ve LTP are as follows:

- i. Neeraj Singal(Preferential Allottee)
- ii. Alok Kumar Khemka
- iii. Babita Mittal(Preferential Allottee)
- iv. Bimal Desai(Preferential Allottee)
- v. Brij Singal (Preferential Allottee)
- vi. Ashok Jiwrajka(Preferential Allottee)

- 38.4. Out of the aforesaid 6 entities, SEBI vide order dated 20/09/2017 has revoked the ex- parte orders dated 19/12/2014 and 09/11/2015 in the matter of RGL inter alia against 5 preferential allottees.
- 38.5. It is a matter of settled law that to establish an unfair and fraudulent trades between a buyer and a seller, it must be shown that the buyer and the seller were connected and acted in furtherance of a common intent to execute the alleged fraudulent trades. This requirement has not been established or met with by the present SCN.
- 38.6. It is trite to mention and submit that having a connection on the basis of certain fund transfers between entities is in and of itself not sufficient to lend credence to any allegation of manipulative trades. Such alleged connection itself cannot be formed a basis to hold the Noticee guilty of any alleged violations under the PFUTP Regulations and the SEBI Act and since the SCN does not make out any case for any malafide or manipulative intent and neither does it even deal with or suggest any intentional manipulation of price of the shares by the Noticee but only infers such a manipulation on the basis of an alleged connection which cannot be considered sufficient to conclude that the Noticee has violated the provisions of SEBI Act and PFUTP Regulations as alleged or at all.
- 38.7. The allegations and the material relied upon by SEBI in the SCN indicates that various trades were executed by the Noticee (a total of 142 trades where the traded quantity was 4,94,050 shares). It must also be seen that approximately 94% of the trades executed by us were in fact at the last traded price. This information is crucial to note and observe since no entity attempting to enter into a fraudulent or illegal transaction would execute almost all of its trades at the last traded price when the principal allegation against such entity is positive contribution to the last traded price.
- 38.8. It is also evident from the material relied upon in the SCN itself that while there has been trades at a price higher than the last traded price, there also have been trades which have been executed over the stock exchange mechanism at the price lower than the last traded price by each of the aforesaid Noticee. It is humbly submitted that such traits are purely the one by the market forces prevalent at the time and has been executed in the normal course of business. It is further submitted that, if the intent of the Noticee would have been to positively impact the LTP then it is needless to mention that Noticee would have never traded at a price below the LTP.

- 38.9. There are no repetitive trades or structured trades even alleged (and rightly so) against the Noticee which could have given rise to a suspicion of a malicious trade. It is submitted that merely buying shares at a higher LTP does not in any way in isolation of any other factors be considered as a manipulative trade violative of PFUTP Regulations and the provisions of SEBI Act. There are various factors which could result in a buyer buying at a price higher than the LTP and this in itself cannot be held to be a manipulative trade practice. There are numerous orders and judgments of both SEBI and the Hon`ble SAT explaining the same (as also cited later in this reply).
- 38.10. It can be further observed from the trade and the order log at all the trades of the aforesaid entities were executed as per the normal stock exchange mechanism and there is no linkage or possibility of connivance in the manner in which the buyer orders have been placed by the aforesaid entities. The shares have been purchased following the normal trading principles and in majority of the cases it can be observed from the said trade and order log that the sale orders were already existing in the market at the price at which these trades have been executed. This further supports the contention of the Noticee that there was no untoward or illegal or mala fide rating which was executed by it.
- 38.11. Since the transaction of share purchase presupposes a fact that there was a buyer and seller of shares, of fraudulent or illegal trading would therefore also assume that the counterparty to our trades were also involved in such alleged illegal trading. However, in the trades which have allegedly contributed to a positive contribution to the last traded price, no questions have been asked or no show cause notice has been issued to the counterparties of such trades.
- 38.12. It is also evident from the above trade and order log and the SCN, that even though an alleged connection has been sought to be made between the Noticee and other buyers of the shares, the counterparties to the trade - which has allegedly resulted in a positive LTP impact and has allegedly violated the PFUTP Regulations and the SEBI Act - are none of the aforesaid entities but are entities against whom no violation has even been alleged in the SCN and no connection, directly or indirectly, has been made out or even alleged between the Noticee and said counterparty.
- 38.13. It must also be seen that the Noticee traded only on the buy side and not on the sell side in the scrip of the Company and all such transactions are evidently legal and not manipulative and the same has rightly not even been

alleged in the SCN. Despite being trading regularly and at many instances in the scrip, SEBI has sought to take random trades out of the entire trades by the Noticee and instead of seeing the entire trading activity as a whole, are alleging the same to be manipulative and violative of the provisions of SEBI Act and PFUTP Regulations.

38.14. It must be further seen that the allegation in the SCN is that during Phase 2, the price of the scrip opened at Rs. 49.2 and reached a high of Rs. 86 and closed at Rs. 75. It can be seen from the trade and order log as annexed to the SCN and herein that the alleged manipulative trade specified in the SCN was purchase of the scrip of the Company at near peak prices - at the time when the price had already at its peak and there were volumes existing in the scrip.

38.15. It is also not a charge in the SCN that the Noticee has in any manner benefited from such manipulation. Without prejudice to the above, if it is held that all the alleged connected group entities were manipulating the price of the scrip then it is the preferential allottees who had benefited from such manipulation, however in the present case the order passed against the preferential allottees has been revoked by SEBI.

39. APEX COMMOTRADE PRIVATE LIMITED

39.1. The SCN suggests, although is not clear and vague even on this point, that the notice has been issued to us on the basis of an alleged connection that we have with certain buyers of the scrip of the Company. The basis of connection is thus:

"1. Shakuntala Shah and Aman Sah are the directors in Spice Merchants and Apex Commotrade (Annex V)

2. From Apex Commotrade ICICI Bank A/c No. 62770550383 (Annex Z), fund transactions with Runicha Merchants, Signet Vinimay, Sankalp Vincom, Spice Merchants, Daga Infocom, SKM Travels, Scope Vyapar and Winall Vinmay were observed.

3. Spice Merchants(Kotak Mahindra A/c 68011001873) has fund transactions with Snkalp Vincom and Rander Corporation Anex AA."

39.2. It can therefore been seen that the only basis for any alleged connection with the person stated in the aforesaid SCN are some fund transactions done with the aforesaid entities which have nothing to do with the alleged trades in the scrip of the Company and the SCN also does not make out any ground or

case that such fund transfers were done for the purposes of or were connected to the alleged violations of the SEBI regulations.

39.3. We have not undertaken any synchronized and reversal trades and the same has not even been alleged in the SCN.

39.4. In the SCN and there is no allegation that (i) these fund transfers were illegal, (ii) that these fund transfers were in fact made in furtherance of carrying any trades in the scrip of the Company, (iii) these fund transfers were for perpetuating an illegal transaction or trade or were in fact related to any alleged fraudulent and unfair trade practices alleged against us and (iv) the connection as alleged in the SCN is with the counterparties to the alleged manipulative trades undertaken by us. Therefore, in the absence of any allegation or statement or averment to the aforesaid effect or the investigation failing to find any evidence to the aforesaid effect, merely because there were legitimate fund transaction between entities, it cannot lead to an inescapable conclusion that the entities between which such fund transfers were made are connected entities for the purposes of carrying out manipulative trades and in the absence of such a conclusion the SCN deserves to be quashed and set aside as against us.

39.5. Further, the trade and in respect of the trading in the shares of the company during the relevant period also highlight the following:

a) there have been no transactions or trades between the aforesaid Noticee and Noticees number 11 and 20 i.e. Dhanleela Investments & Trading Co Ltd, Pine Animation Ltd, and Daga Infocom Private Limited - the alleged connected sellers.

b) The trades between the aforesaid notices and the remaining connected sellers did not have any impact on the last traded price and the net LTP contribution was miniscule in respect of the trades between the Noticee and Noticees number 2, 3, 4, 5 (the alleged connected sellers).

c) There has been no allegation of any kind of connection between the buyers and the sellers in respect of the trades in the shares of the company in question. Specifically, there is no allegation, documents, observations and materials on record which even remotely suggest that the Noticee and Noticees number 10, 2, 3, 4 and (the alleged connected sellers were connected).

39.6. The onus is on SEBI to prove as to whether we were a part of the connected group of entities and also whether there was any prior meeting of minds or collusion with such entities to increase the volume and price of the

scrip of the Company. However no such exercise has been done by SEBI while issuing the present SCN.

- 39.7. The allegations and the material relied upon by SEBI in the SCN indicates that various trades were executed by the Noticee (a total of 777 trades where the traded quantity was 12,23,735 shares). Only 44 trades out of the 777 trades contributed Rs. 2.9 as positive LTP and rest of the trades were at 0 LTP or negative LTP. It must also be seen that approximately 94% of the trades executed by us were in fact at the last traded price. This information is crucial to note and observe since no entity attempting to enter into a fraudulent or illegal transaction would execute almost all of its trades at the last traded price when the principal allegation against such entity is positive contribution to the last traded price.
- 39.8. Further, in any case, the suggestion that 16 connected group entities were the buyer of the scrips sold by the entities mentioned in Table 8, it is submitted as regards Apex, as a buyer of shares on the stock exchange mechanism, we could never have been aware of who the counterparty to the trade is going to be and therefore the buying entities being allegedly connected group entities, without prejudice to our submission that we are not a part of any alleged group and no connection with the alleged group exists, is irrelevant, as has been held numerous times by SEBI, Hon'ble Securities Appellate Tribunal and the Hon'ble Supreme Court of India, that it is not possible to ascertain the identity of a buying or selling entity when trading in shares / securities through a stock exchange mechanism.
- 39.9. It is further submitted that an analysis of the trade and order log for the trades in the scrip of RGL for the Investigation Period would reveal that the orders were placed by the us at LTP on most occasions at both a lower than LTP price and a higher than LTP price on some occasions due to the necessities and conditions prevailing in the market. Therefore, it is evident from the trade and order log itself and our trading activity no sinister or manipulative or fraudulent intent can be attributed to us for its trades.
- 39.10. It must be further seen that the allegation in the SCN is that during Phase 2, the price of the scrip opened at Rs. 49.2 and reached a high of Rs. 86 and closed at Rs. 75. It can be seen from the trade and order log as annexed to the SCN and herein that the alleged manipulative trade specified in the SCN was purchase of the scrip of the Company at near peak prices - at the time when the price had already at its peak and there were volumes existing in the scrip. Therefore, on the basis of documents and records annexed to and relied on in SCN itself, it cannot be held that we have in any way contributed to price rise or volumes in the scrip.

39.11. SEBI vide order dated 20th September, 2017 has revoked the ex-parte orders dated 19th December, 2014 and 09th November, 2015 in the matter of RGL against 82 entities. The review of trade and order log would reveal that majority of the trade counterparties to the the Noticee's trades were in fact the aforesaid 82 persons. When there is no allegation, evidence or finding against the counterparty to the very same trade which is alleged to be manipulative, then no allegation against Noticee in respect of the same trade cannot be upheld.

40. AMIT SINGH

40.1. I refer to your letter dated 9/3/2018 and I note the contents therein. In this context, I would like to state that the allegation made by you is not acceptable. All the trading done by me was according to the principles of exchange hence, the allegation is not acceptable.

41. RAJEEV GARG

41.1. I have been investing in stock market since last 25 .years but such investment does not more than Rs.5 Lakh till date hence I am a small investor.

41.2. I am ready to furnish my demat account details and income tax returns for the assessment years of 2010-11 to 2017-18 or otherwise.

41.3. I am not involved in any kind of speculative trades in any share and stocks till date. It might be co-incidence for the script of Radford Global Ltd, wherein, such kinds of pattern of selling of shares have been pressed by me. I have not deliberately or maliciously pressed such transactions as given in Para 10(i) of the show cause notice.

41.4. It is also submitted that rest of the Noticees might or might not be involved in such kind of speculative trades but I have not conspired with any of the noticees' status shown in show cause.

41.5. I am middle class person and invest in many companies and also subscribe in IPOs and I do buy and sell petty shares quantity in many scripts for investment purposes but not for speculation purposes. I am very careful while selling the shares and always sell share being a bonafide investor, it does not make me a speculator as described in Para 10(i) of the show cause notice.

I am ready to furnish affidavit in support of any of the contents and documents, if desired by this honorable authority/department.

- 41.6. I do not watch any result or activities of any company with the intention to execute any speculative trades. I have not contributed in the rise of price of Radford Global Ltd as mentioned in Para 10(i) of the show cause notice.
- 41.7. It is also submitted that I have not played any role being a seller by manipulating the price of the aforesaid script and even otherwise such gain might be occurred being a bonafide natural seller being an investor of such script. I have not also sold such shares in the market in very small quantity with any malafide intention to manipulate the price of script and I have not violated any provisions of SEBI Act 1992 or any other laws. I am not a trader or frequent buyer/seller in stock market and I do not follow any of the person/trader, who buys and sells shares frequently or in any speculative methods.
- 41.8. I have not placed any sell order in aforesaid scrip when large quantity of buy orders were pending, if it is found then it was completely co-incident and I never placed such sell order with the speculative intention, though, such number of buyers might be pending in routine manner. I also say that I am not aware about any activities of other noticees and I am not connected with them in any manner.
- 41.9. I have not placed any order of buy or sell or whatever, with the intention of speculation, although executed being a general investor, who sells/buys his shares with the general sense or common sense. I have been un-necessarily joined with other 4 sellers of such script as shown in Para 11 of the above show cause notice,
- 41.10. It is also submitted that my earlier reply dated 16-11-2015 and 08-03-2016 kindly be read with this reply.
- 41.11. I am a middle class person, who earns around 2-3 Lakhs per year and I don't have any contact or connection with any speculator kind of person. I am very shocked to see show-cause notice and feeling that a simple kind of selling in script of Radford Global Ltd. might be treated speculation for a general investor, allegedly.
- 41.12. I am ready to furnish documents regarding my yearly income and I can furnish any document and undertaking, which are required by this authority.

Kindly quash the above show cause notice as earliest and drop the proceedings against me and also grant relief as deems fit.

42. ARTIBEN KANSARA

42.1. At the outset, it is submitted that I do not admit or accept any statement or allegations contained in the Notice except to the extent that the same is expressly agreed. Nothing stated in the Notice shall be deemed to be admitted by me merely on account of non- traverse unless the same is specifically admitted.

42.2. A perusal of the said Notice reveals that the allegations made against me are as follows:

i During patch 1 of Investigation period viz. 27 February. 2012 to 28 January 2013 the price of scrip opened at Rs. 3.2 and reached a high of Rs. 241.35 and that I am singly or with 4 other connected entities have contributed more than 5% to increase in LTP.

ii. As Per SEBI's analysis of trading pattern I am amongst these 5 entities who have placed sell orders for small quantity when large quantity of buy orders were pending and was holding sizeable number of tradable RGL shares.

iii. I am connected with one Manisha Jayesh Shah.

iv. I alone have contributed Rs.7.84 (3.18%) of market positive LTP increase in 8 trades (each first trade of the day) for 8 shares. All these LTP increases were contributed through execute first trades of the day.

42.3. At the outset, the above stated allegations are without any basis and hence devoid of merit and for the facts and circumstances stated herein, the Notice against me ought to be withdrawn immediately. It is submitted that I am not in violation of any provisions of law much less the provisions of SEBI Act and PFUTP Regulations.

42.4. I had purchased shares of RGL at a price from Mrs. Manisha Shah and am currently holding NIL shares of RGL.

42.5. It is alleged that because my trading pattern was found to be similar to the other 4 entities (alleged group) mentioned in paragraph 8 of the Notice I am being held responsible for increase in LTP and price rise in the scrip of RGL. I completely deny this contention and submit that this allegation does not bear any substratum and in any way I cannot be linked to other entities just

because there is some similarity found in the manner- of trading because all traders in the share market follow one rule of selling their shares at a higher price and buying the shares at lower prices in order to earn profit. No document in Annexure 5 of the Notice shows as to how I was part of the said group or how there was meeting of minds between the alleged groups to manipulate the price of the shares of RGL.

42.6. I state and submit that I have sold the shares in normal course of trading business and am not at all concerned with the trading of RGL & other entities and the LTP and their matching of trades, creation of artificial volumes and manipulation of price during the relevant period. All the transactions entered into by me were bona fide and under the honest belief that the alleged dealings in the shares were also bona fide.

42.7. In absence of cogent material no such presumption can be drawn that I was involved in manipulating the price of the scrip in connivance or in individual capacity.

42.8. With respect to SEBI's contention that I sold the shares of RGL with a manipulative intent to increase the scrip price, the sale of shares in miniscule quantity over the period of days is a natural practice in order to seek a better value of the share and thus I cannot be charged under any provision of law much less the PFUTP for any manner of fraudulent or unfair trade practice. As and when I observed that the price of the share is raising it was desirable to avail a higher price for the share.

42.9. I further submit that I have not made any abundant profits by trading the scrip of RGL nor does the Notice reflect that I have benefitted in any manner from such alleged manipulation.

42.10. It is a well settled principle that every trade establishes the price of the scrip. This principle is established in *Smitaben N. Shah vs. Securities and Exchange Board of India* wherein it was held that:

"It is by now well settled that every trade establishes the price of the scrip. We cannot lose sight of the fact that the impugned purchase orders of the appellants had been executed on the first day of trading when there was no circuit filter on the price range of the scrip and the price discovery mechanism of the stock exchanges was in full play to discover the price. *The price discovery mechanism allows a free play of the forces of demand and supply on the basis of which the price is discovered* In other words, the price is what

a willing buyer pays to a willing seller. *When the price discovery mechanism is in operation on the first day of trading, it is not unusual for buyers and sellers to put in orders of their choice, unhindered by any limit put by the circuit falter as they would be testing the waters.* It is, therefore, prudent and quite usual for a buyer to put in orders at a low price and for a seller at a high price because it is natural that a buyer will 'want to buy at the lowest price and the seller would like to sell at the highest available price. 'Buy low and sell high' is the mantra of any market including the securities market. The fact that only insignificant quantity of orders of the appellants got executed as trades at the rate of Rs. 30 per share goes to show that their initial exercise of testing the waters proved successful only to a very limited extent and they had to raise the bar to get the desired quantity of shares. This pattern of trading is not unusual to cause any alarm. " (Emphasis Supplied)

42.11. The above view further establishes my case that the trading done by me was in absolutely a normal course of practice. My only intention (as a matter of right) to trade miniscule volume was to gauge the market environment in order to achieve the best price for the scrip in hand.

42.12. Furthermore, it is pertinent to note that SEBI vide order dated 20 September 2017 has revoked the ex-parte orders dated 19 December 2014 and 09 November 2015 in the matter of RGL against 82 entities. It was inter alia recorded as under:

"9. Upon completion of investigation by SEBI, investigation did not find any adverse evidence/adverse findings in respect of violation of provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (PFUTP Regulations) in respect of following 82 entities (against whom directions were issued vide the interim orders as confirmed vide the above said confirmatory orders) warranting continuation of action under Section 11 B r/w 11(4) of SEBI Act. However, investigation has found adverse findings against Radford which warrants Adjudication Proceedings. The details of the 82 entities are as follows:- "

42.13. From a bare reading of the above extract of the Order it can be seen that SEBI had withdrawn its allegations against entities who were very much involved in contributing positive LTP in the scrip of RGL and yet because there was not "adverse" findings in respect of violations of provisions of SEBI proceedings ceased to continue against these 82 entities.

- 42.14. Therefore, by not withdrawing the Notice against me whilst setting other entities free from any allegations SEBI is in colourable exercise of its power against me and such an act is completely arbitrary in nature.
- 42.15. The documents annexed as Annexure 4 of the SCN do not establish even one detail about me and hence these documents do not demonstrate any evidentiary value to establish my connection with anyone. I submit that in absence on any evidence which shows my connection with Manisha Jayesh Shah no allegation can be levelled against me.
- 42.16. I have independently and as per my understanding have sold the scrip of RGL as and by way of a normal transaction without any malicious' intention to manipulate the price of the scrip. Therefore it is important for SEBI to be certain of its supportive documents before making allegations which may have magnifying repercussions on my reputation. As set out in the case of *KSL & Industries Ltd vs. Chairman, SEBI*
- "A wild allegation of market manipulation, in particular the charge of fraudulent action unsupported with convincing evidence is not to be sustained. I fully agree with Shri Khambatta's submission in this regard that allegation of fraud' cannot survive on mere conjectures and surmises. "*
- 42.17. In light of the above position of law, no allegation can be made against me for violation of such serious nature only on the basis of surmises and conjectures.
- 42.18. It is therefore expressly denied that I have engaged in a trade that would lead to market manipulation or any kind of unfair trade practice. I also deny indulging in miniscule trading in order to manipulate the price of the scrip.
- 42.19. I have also sold 3945 shares of RGL post the Patch 1 period, which has not been alleged to manipulative trades by SEBI nor taken into consideration while issuing the SCN.
- 42.20. In view of the submissions made above no violation of any provisions of SEBI Act, 1992 and SEBI (PFUTP) Regulations, 2003 can be made out against the me, therefore issuing any directions under Section 11(1), 11 (4) and 11B of SEBI Act does not arise and it is prayed that the captioned SCN/proceedings be dropped against the me.

42.21. It is therefore requested to your good self to grant an opportunity of personal hearing before passing of any Orders in the matter and that I crave leave to file Additional Submissions if so required.

43. SHAILESH OJHA

43.1. The details sought for by me to defend myself and make out a case has not been provided to me. I have also been made a part of a large group and the respective trade and order logs have not been provided to me. No connection has been established between me and other people of this group. Merely because I have made some money on the shares sold by me.

43.2. I purchased only 100 shares of Radford from off market at Rs. [3200] on or around September 27, 2012 upon receiving certain information about Radford. The intention was to make some money from sale of shares of Radford. The basis of the investment was that the suspension of the Company had been removed. This was a positive indicator according to me at that time. I had expected some basic price movement on the basis of this and had not considered the fundamentals.

43.3. Where connections between members of the alleged group exist, the same have been set out in the SCN. Considering that I have merely sold 18 shares in 4 trades between November 23, 2012 and December 20, 2012 it is surprising that I have been included in the alleged group.

43.4. Even excluding the shares sold by me in a large timeframe of more than two years, the shares have gone up substantially. Further, if the entire period of investigation is considered my alleged contribution to the increase in share price would be lower.

43.5. After the prices moved over my purchase price and in order to keep booking profits I kept selling small stakes on the basis of my understanding in the market especially as the shares had increased in price over my purchase price. I sold small quantities of shares to ensure that I kept profit booking so that if the markets turned against me, I would have made some money on the basis of the sales. Only a small number of shares were sold by me as the liquidity in the shares was low. If there was, in fact, any fraud I would be a victim of such fraud instead of the perpetrator and therefore SEBI ought to investigate further and figure out who has been the real beneficiary of such fraud, if any.

- 43.6. I am a small trader with a minor interest in the securities market. As I had heard a rumour in the market that the shares of Radford would be a good short term trading opportunity. I invested a small amount and had bought shares at a price of Rs.3200 in off-market to test the veracity of the said rumour. That I was a part of a group or part of a group can be denied solely on the basis that I would have participated to the fullest extent of the price rise, if I was aware of any manipulated price rise. It is submitted that even if there was a larger conspiracy in the manipulation of the shares of the Company, I was not a part of such a conspiracy.
- 43.7. The trades executed by me were genuine trades and it is submitted that there was no collusion or meeting of minds between me and the other alleged notices for increasing the price of the scrip as alleged in the SCN. In any event as mentioned above the charge of fraud and manipulation has to be proved independently.
- 43.8. There is no evidence or finding in the SCN that I was colluding with the other entities or there was a prior meeting of minds to manipulate the price of the scrip of the Company. The SCN has been issued based on mere surmises and conjectures without any iota of evidence against me based on which I have been alleged to have violated the said provisions of SEBI Act, 1992 and PFUTP Regulations. A charge of market manipulation is a very serious violation which should be supported with higher degree of proof.
- 43.9. On the ground that the no violation of any PFUTP Regulation was found against any of the entities who were the buyers of the shares or who had placed orders for buying the shares at a price higher than LTP which were already pending when I placed my sell orders, my trades cannot be alleged to be in violation of provisions of SEBI Act, 1992 and PFUTP Regulations.
- 43.10. It is further submitted that the observation that the Noticees were holding substantial number of shares during the period of their respective sale transactions is completely incorrect. I had purchased merely 100 shares and same was sold in a phased manner. It is reiterated that the undersigned was a genuine trader who clearly wanted to sell at a price higher than his investment prices and further had no intention to mark the price higher than the LTP.
- 43.11. It is reiterated that the undersigned is not aware of any of the other persons in the group and has therefore wrongly be clubbed with such entities. Without prejudice to what is stated hereinabove, even on a standalone basis

the undersigned has sold only 18 shares contributing a negligible amount if the entire investigation period is considered.

43.12. With respect of the details set out in Patch 2 there is no reference to the undersigned and therefore I do not make any submissions in respect of the same. However it is pertinent to note that I had sold 305 shares of the Company between April 17, 2013 and June 10, 2013 out of which 2 trades were at 0 LTP and 1 trade was in -ve UP, which fact has conveniently ignored by SEBI. These trades further substantiates the fact that the trades executed by me were genuine trades and without any intent to manipulate the market equilibrium.

43.13. As I am an individual entity that is not connected to the other members of the group, my trades ought to be considered individually.

44. MANISHA JAYESH SHAH

44.1. At the outset it is submitted that none of the allegations contained in the SCN are warranted nor any charge of any violation of the PFUTP Regulations as alleged or at all are sustainable against me.

44.2. Further, it is evident from the SCN itself that there are no allegations or materials brought on record to establish any violation by me in respect of any of the provisions of SEBI Act and/or PFUTP Regulations

44.3. Further, I vehemently deny each and every allegation levied upon me, if any. It is humbly submitted that the allegations levied upon me are baseless and devoid of any evidence in support of them and the same shall be demonstrated by me in this Reply.

44.4. The SCN proceeds against me on the sole basis that I am a relative of Mr. Manish Jayesh Shah and he is a Director of Radford and that through my trades in the scrip of the Company have contributed to a positive LTP of Rs. 6.05 (2.45% of market positive LTP) in the scrip of the Company as a seller during Patch 1.

44.5. It is important to note that along with the SCN the trade and order log in the scrip of Radford for the Patch 1 has not been provided and that the present reply is based on the information provided in the SCN.

44.6. The SCN also alleges that I am connected to one Ms. Artiben S. Kansara, however no statement or evidence has been brought on record to prove the same.

44.7. Trades resulting in contribution to positive LTP are as follows:

Qty Traded	Number of Trades	LTP (in Rs.)
19	15	6.05

44.8. It is submitted that I had purchased 1000 shares of Radford on or around December, 2011 at a price of Rs. 5/- (INR FIVE) per share and as the price of the scrip of the Company was continuously rising, I decided to slowly reducing my shareholding of the Company and recover my investment cost. It was noted that during the period I was selling the shares there were large buy orders pending on the stock exchange mechanism, however just to check whether the orders are being executed at a price higher than the last traded price.

44.9. The SCN itself records that not all trades executed by me contributed to the increase in the LTP of the shares of Radford. It is important to note that during the Patch 1, I had off loaded all my shareholding in the scrip of Radford, however the said fact has been totally ignored by SEBI while issuing the SCN and as the trade and order log has not been provided for the Patch 1 period I am unable to deal with the rest of the trades.

44.10. It can therefore be seen that the trades executed by me in the scrip were completely genuine and were without any intent to manipulate the price of the scrip of Radford. It cannot be alleged that I sold shares in small quantities when I was holding shares of Radford in sizeable quantity. It is clear from the copy of the demat statement annexed with the SCN that I had sold a total of 1000 shares during the Patch 1 period and contributed only Rs. 6.05 (2.45% of the total market positive LTP) which would not affect the price of the shares of Radford as during that period the price of the scrip increased from Rs. 3.2 to Rs. 241.35. For such a meagre increase in price of the scrip of Radford through my trades, it cannot be alleged that my intention was to manipulate the price of the scrip of Radford.

44.11. It is submitted that the quantities involved in the allegation against me are itself so small that it should give rise to any suspicion, assumption, inference or conclusion of mala fide or illegal intent. Apart from the meagre amount of quantities involved, which in my respectful submission cannot give rise to any adverse conclusion against me, It is evident from the SCN itself that

substantial amount of my trades (out of the total trades executed by me) were executed in fact at the LTP and this would further show that I had no intent to defraud or manipulate the market or violate any applicable provisions of the PFUTP Regulations and the SEBI Act as alleged or at all.

44.12. I have traded in the market as a seller and there were already buyers existing to purchase the scrip of the company at the price at which the sale occurred and it was not the sellers who established the price. Given the fact that the buy orders were already pending for buying the shares of the Company in large quantities and my sell order matched the price set by the pending buy order, I cannot be held to be contributing to or accountable for illegally increasing the LTP of the scrip. Accordingly, no violation of price manipulation can be sustained against the seller, of the scrip in such circumstances. If at all there exists a violation, without prejudice to the aforesaid and without admitting or commenting on the legality or basis of the buy orders, it is the buyers who need to be questioned by SEBI and proceeded against if found guilty, and not the sellers. Given the aforesaid circumstances, the mere fact that I was holding more shares than what I sold is wholly irrelevant and immaterial as regards the allegation of PFUTP violation is concerned.

44.13. It is submitted that there is no connection or collusion between me and the buying entities and no such connection or collusion has, rightly, not even been established or even alleged in the SCN. It is trite to mention that to establish a charge of price manipulation in the trading of shares, a connection or collusion needs to be established between the buying and selling entities and it needs to be established that the parties acted to manipulate the price of the* shares. No such collusion or connection having been established or even alleged in the SCN, no charge of price manipulation can be sustained against me, a seller, in this case.

44.14. The fact that no violation has been found/alleged against the counterparty to my trades cannot be stated to be outside the purview of the present inquiry because for any given trade there will be 2 parties and in the present case I was the seller and the buyers of those shares has not been alleged to be in violation of any PFUTP Regulations. It is submitted that a buyer or seller alone cannot intend to manipulate the price of the scrip, there has to be meeting of minds between both of them to intentionally manipulate the price of the scrip and no such collusion or connection having been established or even alleged in the SCN, no charge of price manipulation can be sustained against me, a seller, in this case.

44.15. It must be seen that in the SCN that there is no allegation against me for any repetitive trades or structured trades (and rightly so) which could have given rise to a suspicion of a malicious trade.

44.16. It is submitted that as a seller, any person or entity would want to get the best price for the scrip being sold and will attempt to sell it at a higher price than the one available in the market and a person trying to earn profit while selling shares cannot be faulted. Such a sale at a higher price cannot under any circumstance be said to be violative of any provisions of the PFUTP Regulations. This is especially so when there are no other surrounding circumstances to even establish or suggest a violation. There is no finding or even an allegation in the SCN that I indulged in any circular, reversal, synchronized or first trades during the Investigation Period. There is no allegation that I undertook both buying and selling of the scrip and contributed 'to rising the LTP. In the absence of any such finding in the investigation, there is no basis to hold me accountable for any violation of the PFUTP Regulations and SEBI Act as alleged or at all.

44.17. On the basis of above submissions itself, the SCN against me must be quashed and set aside. Further, it must be noted that there is no charge of any self-trade or entering into trades where there is no change of beneficial ownership and the .only allegation against me is of price manipulation, which as I submitted above, is without any basis in fact or in law.

44.18. In light of the above, it is evident that there is no case made out against me for manipulative trades and violation of PFUTP Regulations as alleged or at all and the SCN deserves to be set aside and quashed as against me.

44.19. The SCN has been issued based on mere surmises and conjectures without any iota of evidence against me based on which I have been alleged to have violated the said provisions of SEBI Act, 1992 and PFUTP Regulations. A charge of market manipulation is a very serious violation which should be supported with higher degree of proof.

44.20. In this regard, the observations in *Adolf Pinto vs. AO, SEBI* (Appeal No. 102 of 2010, Order dated September 07, 2010), may be observed:

"4... .It is axiomatic that the Appellant could not have executed circular trades by himself and this is not the case set up against him. When the other brokers have been given the benefit of doubt for circular trading, we see no reason how the Appellants alone can be held guilty of that charge... ."

- 44.21. On the same ground that the no violation of any PFUTP Regulation was found against any of the entities who were the buyers of the shares or who had placed orders for buying the shares at a price higher than LTP which were already pending when I placed my sell orders, my trades cannot be alleged to be in violation of provisions of SEBI Act, 1992 and PFITP Regulations.
- 44.22. With respect to the allegation of off market purchase of shares by me, it is submitted that an off market transaction per se is not illegal. Therefore, making allegations against me or charging me with violation of PFUTP Regulations just because I purchased shares is incorrect, illegal and unwarranted.
- 44.23. Hon'ble SAT in the case of Rajendra G Parikh v. SEBI (Appeal No. 44 of 2009), observed that :*"Apart from the bald allegation made in the show cause notice, there is not an iota of material on record to show that these persons formed a cartel or that the promoters of the company were in a way linked with the persons to whom the shares had been transferred in off market transactions. He has not referred to any material which could substantiate these findings nor could it be pointed out to us the learned counsel appearing for the Board. Merely because promoters transferred the shares to them in off market transaction is no ground to hold that there was a link between the two. Off market transactions are not illegal."*
- 44.24. Therefore, from the above judgment it is evident that no allegation can be substantiated against me by taking support of the fact that the transaction was an off market transaction.
- 44.25. The Hon'ble Securities Appellate Tribunal on various occasions had dealt with the issue involved as in the present case.
- 44.26. *Premchand Shah & Ors. vs. SEBI* (Date of decision February 02, 2011)
"5... *.It is not in dispute that the appellants as a group are inter se related/connected to each other and that they, except appellant no. 1, have exited from the company by selling the shares held by them... ..It is also on record that 74.26 per cent of the shares sold by the appellant had been purchased by the Ganatra group. The question that we need to answer is whether the sale of shares by the appellants and the purchase thereof by the Ganatra group was collusive.*

6...it is, thus clear that during patch 1, the buyers were far in excess than sellers and the number of shares offered for sale were far less than those for which buy orders were in the system. In such a situation the price of the scrip has to go up. It must be remembered that the price discovery mechanism of the stock exchanges works on the principle of demand and supply and if the demand is more than the supply, the price is bound to go up and this is the reason why the price of the scrip went up during patch I and not because the Appellants were conniving with the Ganatra Group... .. Since the demand was far in excess of the supply, the price went up. Another interesting feature of notice here is that there were large number of buyers and sellers in both patch I and patch II and the Appellants who were the sellers are only 10 in number and the Ganatra Group which was buying consists of only 17 persons. It is clear that apart from the Appellants and the Ganatra Group there were large number of other buyers and sellers in the market which led to price increase. In this background, we cannot hold that the Appellants and the Ganatra Group connived to increase the price of the scrip.,"

44.27. It is important to note that Ld. Whole Time Member, SEBI vide order dated September 20, 2017 has exonerated 82 entities who were involved in the trading of the scrip of Radford while holding that no adverse inference findings against the 82 entities with respect to manipulation in the scrip of Radford and thereby revoking the directions passed against them vide the ex-parte and confirmatory order in the matter of Radford. It is submitted that these 82 entities included the alleged Radford Group entities and the preferential allottees who had made -substantial profit by trading in the scrip of Radford.

44.28. In view of the above and the facts and circumstances of the present case, the SCN fails to consider the fact that the trade executed by me was genuine and also that there is no allegation against me of being in collusion with any buyer in order to make a positive impact on the LTP of the Company.

44.29. The aforesaid explanations make it quite clear that I have not violated any provisions of the SEBI Act and PFUTP Regulations and therefore the directions and findings of the SCN. must be quashed and set aside with. Immediate effect.

44.30. I request that in addition to the opportunity to place this reply on record, I may also be given an opportunity for the personal hearing before any decision is taken by you in the matter.

45. SANGITA PRAMOD HARLALKA

45.1. The following may be noted at the outset:

a. I purchased only 100 shares of Radford from off market at Rs. [3300] on or around 27th September, 2012 on the basis of some news in the market and hoped to make some money on a company whose suspension had been removed in the recent past. I had not looked at the fundamentals but only on the price movement in that company.

b. The details sought for by me to establish my case has not been provided to me especially considering that I was clubbed along with the alleged group. It is highly unfortunate that SEBI investigates certain companies without a time limit, alleges violations without any basis of connection and merely because certain shares have been traded and thereafter does not even provide the complete trading details of patch to provide one's case. This shows the inherent bias against an individual and belies all established principles of the 'rule of law'.

c. I am not a part of any group what so ever. No connections have been put forth by SEBI in respect of my connections to the alleged group of which I am a part. Where connections between entities of the alleged group exist, the same have been put forward as a part of the SCN.

d. It is surprising that I have been roped into to the group on the basis of a mere selling of 35 shares in 6 trades.

e. Even without my participation, the shares have gone up substantially and if the complete period of investigation my alleged contribution would be lesser.

45.2. I am a small trader with a minor interest in the securities market. As I had heard a rumour in the market that the shares of Radford would be a good short term trading opportunity. I invested a small amount of merely Rs. 3300 to test the veracity of the said rumour. That I was a part of a group or part of a group can be denied solely on the basis that I would have participated to the fullest extent of the price rise, if I was aware of any manipulated price rise. It is submitted that even if there was a larger conspiracy in the manipulation of the shares of the Company, I was not a part of such a conspiracy.

- 45.3. With the benefit of hindsight, I was very unhappy that I could not have participated in the complete rally in the scrip but happy that I avoided the subsequent fall in the prices and thereby create a loss on my positions.
- 45.4. After the prices moved over my purchase price and in order to keep booking profits I kept selling small stakes on the basis of my understanding. I had kept selling small quantities of shares to ensure that I kept profit booking so that if the markets turned against me, I would not be caught on the wrong foot. It is also pertinent to note that only a small quantity of shares were sold by me on particular dates as the liquidity in the stock was low. It is further submitted that, if in fact there was fraud the undersigned himself would seem to be a victim of such fraud. In fact, SEBI ought to investigate further and figure out who has been the major beneficiary of such fraud, if any.
- 45.5. In any event there were already buyers existing to purchase the scrip of the company at the price at which the sale occurred and it was not the sellers who established the price. Given the fact that the buy orders were already pending for buying the shares of the Company in large quantities and my sell order matched the price set by the pending buy order, I cannot be held to be contributing to or accountable for illegally increasing the LTP of the scrip. Accordingly, no violation of price manipulation can be sustained against the seller, of the scrip in such circumstances. If at all there exists a violation, without prejudice to the aforesaid and without admitting or commenting on the legality or basis of the buy orders, it is the buyers who need to be questioned by SEBI and proceeded against if found guilty, and not the sellers. Given the aforesaid circumstances, the mere fact that I was holding more shares than what I sold is wholly irrelevant and immaterial as regards the allegation of PFUTP violation is concerned.
- 45.6. The trades executed by me were genuine trades and it is submitted that there was no collusion or meeting of minds between me and the other alleged notices for increasing the price of the scrip as alleged in the SCN. In any event as mentioned above the charge of fraud and manipulation has to be proved independently. There is no evidence or finding in the SCN that I was colluding with the other entities or there was a prior meeting of minds to manipulate the price of the scrip of the Company. The SCN has been issued based on mere surmises and conjectures without any iota of evidence against me based on which I have been alleged to have violated the said provisions of SEBI Act, 1992 and PFUTP Regulations. A charge of market manipulation is a very serious violation which should be supported with higher degree of proof.

- 45.7. On the ground that the no violation of any PFUTP Regulation was found against any of the entities who were the buyers of the shares or who had placed orders for buying the shares at a price higher than LTP which were already pending when I placed my sell orders, my trades cannot be alleged to be in violation of provisions of SEBI Act, 1992 and PFUTP Regulations.
- 45.8. It is further submitted that the observation that the notices were holding substantial number of shares during the period of their respective sale transactions is completely incorrect. I had purchased merely 100 shares and same was sold in a phased manner. It is reiterated that the undersigned was a genuine trader who clearly wanted to sell at a price higher than his investment prices and further had no intention to mark the price higher than the LTP.
- 45.9. It is reiterated that the undersigned is not aware of any of the other persons in the group and has therefore wrongly be clubbed with such entities. Without prejudice to what is stated hereinabove, even on a standalone basis the undersigned has sold only 35 shares contributing a negligible amount if the entire investigation period is considered.
- 45.10. With respect of the details set out in Patch 2 there is no reference to the undersigned and therefore I do not make any submissions in respect of the same. However it is pertinent to note that I had sold 315 shares of the Company on 17th June, 2013 (3 trades) out of which 2 trades were at 0 LIP and 1 trade was in -ve LTP, which fact has conveniently been ignored by SEBI. These trades further substantiates the fact that the trades executed by me were genuine trades and without any intent to manipulate the market equilibrium.
- 45.11. It is denied that the undersigned had any notion of creating a misleading appearance of trading on the basis of sale of 5-10 shares.
- 45.12. As I am an individual entity that is not connected to the other members of the group, my trades ought to be considered individually.

CONSIDERATION OF ISSUES

46. I have considered the allegations levelled in the SCN and the replies, oral / written submissions made by the Noticees in response to the SCN. I note that the SCN refers to alleged violations against a total of 29 Noticees during two different patches of the investigation. In respect of patch 1 (i.e. from 27/02/2012 to 28/01/2013) allegations have been levelled against 5 Noticees namely, Rajeev

Garg, Sangita Pramod Harlalka, Shailesh Lalman Ojha, Artiben S. Kansara and Manisha Jayesh Shah who are listed at serial nos. 25 to 29 in the table on the first page of this order. In respect of patch 2 (i.e. from 29/01/2013 to 23/07/2013), allegations have been levelled against the remaining 24 Noticees.

47. Since the nature of violations alleged against the Noticees in these two patches is different, in my view, it would be appropriate to deal with the allegations separately. Taking the above into account and the replies/submissions of the Noticees in response to these allegations, the following issues arise for my consideration:

- A. Whether Noticees No. 1-24 (referred in Table at page 1) acted collectively as a group and contributed 7.77% of the total market positive LTP increase during patch 2 thereby resulting in false and misleading appearance of trading in the scrip of RGL and contributed to price rise in the scrip of RGL thereby violating the provisions of SEBI Act and PFUTP Regulations as alleged in the SCN?
- B. Whether Noticees No. 25 to 29 (referred in Table at page 1) sold shares in the market in very small quantities with a manipulative intent to increase the price of the scrip of RGL and thereby violated the provisions of SEBI Act and PFUTP Regulations as alleged in the SCN?
- C. If the answers to issues A and B are in the affirmative, what directions are required to be issued against the Noticees?

A. Whether Noticees No. 1-24 acted collectively as a group and contributed 7.77% of the total market positive LTP increase during patch 2 thereby resulting in false and misleading appearance of trading in the scrip of RGL and contributed to price rise in the scrip of RGL thereby violating the provisions of SEBI Act and PFUTP Regulations as alleged in the SCN?

48. As already noted, according to the SCN, the allegation is that a group of 24 connected entities (16 buyers and 8 sellers, connections amongst whom have been noted earlier in the order in the connection table) have contributed Rs. 23.35 (7.77%) of market positive LTP increase in the scrip of RGL during Patch 2.

49. The said 16 buyers contributed Rs.74.85 to net increase in LTP and Rs.116 of positive LTP increase (i.e.38.56% of the total market positive LTP) in 1420 trades for 11,83,458 shares. The relevant details are noted in the following table :

	Name	All Trades	LTP diff > 0	LTP diff < 0	LTP diff = 0	
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Sr. No.		LTP Imp act	QTY traded	No of trades	LTP Imp act	QTY trade d	No of trades	LTP Impac t	QTY trade d	No of trades	QTY trade d	No of trade s	% of Positive LTP to Total Market Positive LTP
1	Amrusha Mercantile Pvt. Ltd.	17.30	3374 465	83 45	25.10	144 215	31 1	-7.80	604 65	87	3169 785	7947	8.34
2	Devakantha Trading Pvt. Ltd.	14.70	2525 591	12 61 5	27.75	727 76	33 4	- 13.0 5	130 23	84	2439 792	12197	9.23
3	Udbal Mercantile Pvt. Ltd.	12.75	2905 451	71 73	17.65	912 08	17 9	-4.90	398 67	51	2774 376	6943	5.87
4	Shelter Sales Agency Pvt. Ltd.	12.05	3156 896	77 62	20.15	120 585	24 7	-8.10	473 54	94	2988 957	7421	6.70
5	Amit Singh	3.50	3193 625	10 24	5.15	204 350	63	-1.65	374 72	24	2951 803	937	1.71
6	Runicha Merchants Pvt Ltd.	3.45	1584 913	11 75	3.90	924 32	56	-0.45	602 6	6	1486 455	1113	1.30
7	Spice Merchants Pvt. Ltd.	3.10	3342 475	18 09	5.65	141 130	72	-2.55	542 16	32	3147 129	1705	1.88
8	Apex Commotrade Pvt. Ltd.	2.55	1223 735	77 7	2.90	464 87	44	-0.35	124 00	5	1164 848	728	0.96
9	Winall Vinimay Pvt. Ltd.	1.95	2189 989	11 00	2.95	735 72	40	-1.00	200 00	9	2096 417	1051	0.98
10	Signet Vinimay Pvt. Ltd.	1.35	9037 11	69 8	1.50	360 61	25	-0.15	234 8	3	8653 02	670	0.50
11	Sanklap Vincom Pvt. Ltd.	1.10	8926 00	23 3	1.40	644 08	18	-0.30	183 50	5	809 842	210	0.47
12	Pyramid Trading & Finance Ltd.	0.60	6481 75	49 4	1.00	273 08	15	-0.40	710 0	5	613 767	474	0.33
13	SKM Travels Pvt. Ltd.	0.25	4940 50	14 2	0.35	246 35	6	-0.10	550 0	2	463 915	134	0.12
14	Vibgyor Financial Service Pvt. Ltd.	0.10	8200 0	12	0.10	800 0	2	0.00	0	0	740 00	10	0.03
15	Bazigar Trading Pvt. Ltd.	0.05	3450 0	12	0.05	234 7	1	0.00	0	0	321 53	11	0.02
16	Avlokan Dealcom Pvt. Ltd.	0.05	3897 06	97	0.40	339 44	7	-0.35	155 80	7	340 182	83	0.13
16 Buyers net positive LTP		74.85	26941882	43468	116.00	1183458	420	-41.15	339701	414	25418723	41634	38.56
Total Market		25.80	60397726	85301	300.8	3129367	2640	-275	3024530	2009	54243829	80652	100

50. Out of the 1420 positive LTP trades of the 16 buyers mentioned in the table above, in 379 trades for 2,24,612 shares, the counterparties were allegedly connected to

the buyers. The details of positive LTP increase contribution by the counterparties (8 sellers) are given below:

Buyer Name	Sr. no.	Connected group entities as seller	LTP > 0	Qty	No. of Trades	% of mkt. positive LTP
16 connected group entities	1	Nishit Agarwal Beneficiary Trust	6.15	58670	122	2.04
	2	Praveen Kumar Agarwal HUF	5.40	56481	64	1.80
	3	Pinky Agarwal	3.90	24346	55	1.30
	4	Praveen Kumar Agarwal	3.80	18818	76	1.26
	5	Pratik Agarwal Beneficiary Trust	3.70	61152	59	1.23
	6	Dhanleela Investments & Trading Company Ltd.	0.20	100	1	0.07
	7	Pine Animation Ltd.	0.15	50	1	0.05
	8	Daga Infocom Pvt. Ltd.	0.05	4995	1	0.02
Grand Total			23.35	224612	379	7.77

51. On the basis of the above trades, the allegation levelled is that 16 Buyers and 8 Sellers of the connected group entities together contributed Rs. 23.35 to positive LTP which is 7.77% of total market positive LTP.

52. On a perusal of the replies/ oral and written submissions of the 24 Noticees, I note that following common submissions have been made by them:

- i. The connections amongst the group have been established on the basis of common directorships, fund transfers or off-market transactions between Noticees, however, various entities through whom connections have been shown, are not parties to the show cause notice. These entities who have been let off by SEBI had also traded in the scrip and were debarred vide the interim order.
- ii. The alleged contribution to the LTP by the entire group is only 7.77 %, however no action has been taken against the other entities who have contributed 92.23%.
- iii. The individual contribution of the entities is miniscule. In certain cases, it is as less as 10 paise.
- iv. Not all trades were placed at prices above LTP. In fact majority of the Noticees have submitted that most of their trades were placed at prices equal to or less than LTP.

- v. Certain Noticees had also traded in other patches but the same has been ignored by SEBI.
- vi. There are two parties to a trade. If the transaction has been found to be fraudulent and the buyer or seller has been alleged to have violated the provisions of PFUTP Regulations, then the counterparty also has to be proceeded against.
- vii. There is no charge of synchronized or circular trade. If the parties are connected to each other and have acted as a group, then why it is that there trades were not synchronized.
- viii. Several Noticees were also charged for prima facie involvement in other cases such as Pine Animation and Mishka Finance. Their trading pattern was similar in those scrips also, but no adverse finding has been recorded against them in those orders and the directions issued against them vide the interim order have been revoked.
- ix. It is also not a charge in the SCN that the Noticees have in any manner benefited from such manipulation. Without prejudice to the above, if it is held that all the alleged connected group entities were manipulating the price of the scrip then it is the preferential allottees who had benefited from such manipulation, however in the present case the order passed against most of the preferential allottees has been revoked by SEBI.
- x. Even if it is alleged that some allegedly connected entities / persons / group were a part of the trade executed in the shares of RGL, it is submitted that because of the anonymous stock exchange mechanism the Noticees could never have been aware of the buying or the selling entity, as the case may be, especially since no such allegation has also been made in the SCN.
- xi. Certain Noticees who were sellers in the group have submitted that as seen from the trade and order log as annexed to the SCN that the alleged manipulative trades specified in the SCN were sales of the scrip of the Company at a time when the price was already at its peak and there were volumes existing in the scrip. Therefore, on the basis of documents and records annexed to and relied on in SCN itself, it cannot be held that they have in any way contributed to price rise or volumes in the scrip.

53. Before dealing with the specific trades carried out by the Noticees, I find it pertinent to draw reference to the background in which the trades of the Noticees have been

alleged to be fraudulent. On a plain reading of the SCN, the genesis of the allegations levelled against Noticees no 1 to 24 appears to be the intra-group trading i.e. trades wherein they acted as counterparties. The treatment of these 24 Noticees as one group is based on several factors which have been recorded in the “connection table” drawn earlier in the order.

54. The Noticees in their replies have denied the alleged connections with other entities and have also denied having acted in a group. In this regard, I find it important to mention that in the SCN, connection amongst the 24 Noticees has been established on the basis of fund transfers, off - market transactions and also common directorship in certain instances. The parties at the two ends of any fund transfer or off-market transfer of securities or common directorship cannot deny that they do not know each other. However, drawing a connection on the basis that party at one end of a fund transfer / off-market transaction/ common directorship would also know a third person known to the party at the other end, may not hold correct in all situations. Thus, connection between two entities through a common known entities will have to be established with the aid of accompanying circumstances. One salient point in the present case which emerges from a reading of the SCN is that the correlation of the basis of connection such as fund transfer or off-market transaction with the trading in question has not been brought out. On a consideration of the connection table (noted earlier), I find that whilst several Noticees are directly connected to each other, connections amongst certain entities are notably remote. At this point, I find it pertinent to mention that in most of the cases pertaining to the securities market, the basis of connection amongst entities, whether direct or indirect, proximate or remote, would be sufficient to show the linkages amongst them. However, there are several other factors which need to be simultaneously considered before reaching any conclusion such as 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, etc. as have been referred by Hon’ble Supreme Court of India in the matter of *SEBI v. Kishore P. Ajmera* (Order dated February 23, 2016).

55. Apart from the above discussed basis of connection, I find it important to take note that the allegations in the SCN are based on the trades which have matched between the 16 buyers and 8 sellers. It is also a matter of fact that all these trades were carried out on the anonymous stock exchange platform. Further, there is no mention in the SCN about any of the trades amongst the 16 buyers and 8 sellers were in the nature of synchronized or circular or reversal trades, and during patch 2 when these 24 Noticees had trades, high volumes were recorded in the trading of the scrip of RGL.

56. I note that the SCN is silent on the point as to how the Noticees on the buyer side were able to match their trades with the Noticees on the sell side when they did not synchronize their trades. On an anonymous screen based platform, an entity is unable to know the identity of the other buyers or sellers. Thus, unless the buyers and sellers have a prior understanding of placing the orders at pre-decided price and time, they cannot be assured of matching each other's' order. The SCN does not contain any direct allegation regarding prior meeting of minds amongst the buyers and sellers of the group. In this regard, I find it pertinent to refer to the following observations of Hon'ble Supreme Court of India in the matter of *SEBI v. Kishore P. Ajmera* (Order dated February 23, 2016):

"While the screen based trading system keeps the identity of the parties anonymous it will be too naive to rest the final conclusions on said basis which overlooks a meeting of minds elsewhere. Direct proof of such meeting of minds elsewhere would rarely be forthcoming. The test, in our considered view, is one of preponderance of probabilities so far as adjudication of civil liability arising out of violation of the Act or the provisions of the Regulations framed thereunder is concerned. Prosecution under Section 24 of the Act for violation of the provisions of any of the Regulations, of course, has to be on the basis of proof beyond reasonable doubt. ...

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."

57. In light of the above observations of the Hon'ble Court, in absence of any direct evidence to that effect, meeting of minds between the buyer and seller can be proved considering the preponderance of probabilities, which essentially would require assessment of the circumstances such as proximity of placement of orders, repetitive nature of trades, the volume of trades, etc. In the present case, however, no circumstances have been brought out in the SCN to suggest that the intra-group buyers and sellers had a prior meeting of minds and in furtherance thereof they executed the trades which resulted in the positive LTP contribution of 7.77%.

58. In addition to the above, the following facts and circumstances also emerge from the SCN:

58.1. Most of the Noticees have traded beyond the period / patch of examination but the allegations in the SCN have been levelled on a percentage of Noticees' trading.

58.2. In respect of certain Noticees, the majority of their trades have been

noted to be below LTP or at LTP.

58.3. Individual LTP contribution by certain Noticees is miniscule and not blameworthy if they are not proved to be a part of the alleged group.

58.4. There is no allegation that the Noticees were funded by certain entities for the purpose of trading in the scrip of RGL or that they had borrowed funds for the purpose of trading.

58.5. There is no allegation that the Noticees (except the preferential allottees) had benefited from the alleged trading in the scrip of RGL.

59. I find that in cases of alleged price manipulation like the present one, it is not always possible to find direct evidence of price manipulation and only a holistic consideration of the relevant facts and circumstances such as trading patterns of the entities, previous trading behaviour, linkages / connections amongst the entities, direct or indirect benefits accrued to the entities, prevailing conditions in the market, liquidity in the scrip, etc. can establish the violations. In the present case, the holistic consideration of the factors as discussed in earlier paragraphs does not lead, on the preponderance of probability basis, to the violations as alleged in the show cause notice qua Noticees no. 1 to 24. Therefore, the charge of violation of Sections 12(a),(b) and (c) of the SEBI Act, 1992 read with regulations 3(a),(b),(c),(d) and 4(1),4(2)(a) & (e) of SEBI (PFUTP) Regulations, 2003 is not established against the Noticees no. 1 to 24.

B. Whether Noticees No. 25 to 29 sold shares in the market in very small quantities with a manipulative intent to increase the price of the scrip of RGL and thereby violated the provisions of SEBI Act and PFUTP Regulations as alleged in the SCN?

60. I note that during Patch I, there were only 200 trades for 11,950 shares on 121 trading days with a single trade on 98 trading days. The price of the scrip opened at Rs.3.2, reached a high of Rs. 241.35 and closed at Rs. 241.35 i.e., an increase of 7442.919%.

61. As per the SCN, the price rise in Patch 1 was caused majorly by 5 sellers viz, Rajeev Garg, Sangita Pramod Harlalka, Shailesh Lalman Ojha, Artiben S. Kansara and Manisha Jayesh Shah. Allegedly, these sellers placed sell orders for small

quantities when large quantities of buy orders were pending and they were holding sizeable number of tradable RGL shares.

62. I now proceed to examine the allegations levelled against these 5 Noticees in light of the submissions made by them.

Mr. Rajeev Garg

63. As alleged, Mr. Rajeev Garg contributed Rs.102.95 (41.76%) of market positive LTP increase in 25 trades for a total of 390 shares. The summary of his trades is as under:

Sell order date	Sell order time	Sell order rate	Sell order qty	Pending buy order at this rate	LTP	Shareholding before sell order	No. of Trades	Sell order No.
16/11/2012	11:07:39	65.2	100	24150	3.1	500	1	21000138070568
26/11/2012	15:04:12	83.1	20	21550	4	400	1	13000130270748
27/11/2012	15:26:01	87.25	20	17950	4.2	400	1	15000032228934
29/11/2012	15:26:27	91.6	10	17850	4.4	380	1	12000138233840
04/12/2012	10:13:41	105.95	20	81236	5	350	1	13000120002727
05/12/2012	15:04:20	111.2	10	27301	5.3	350	1	19000159268383
06/12/2012	15:27:13	116.75	10	18900	5.6	330	1	17000147368762
07/12/2012	15:19:39	122.55	10	20111	5.8	320	1	12000030173067
19/12/2012	10:50:33	144.7	20	12911	2.8	280	1	18000152061110
21/12/2012	12:14:57	150.5	20	10096	3	260	1	16000137103146
26/12/2012	12:31:10	156.55	20	9851	3.1	240	1	21000115143812
28/12/2012	10:29:21	162.8	20	10101	3.2	220	1	21000115096002
02/01/2013	11:29:01	172.7	20	7701	3.4	200	1	19000150094778
07/01/2013	12:39:33	179.65	20	12901	3.5	180	1	14000134201936
14/01/2013	09:32:18	198.2	20	13088	3.9	120	1	23000028014148
15/01/2013	09:29:00	202.15	5	13591	4	120	1	11000090019274
16/01/2013	09:22:01	206.15	5	13305	4	100	1	18000156006076
17/01/2013	09:38:33	210.25	5	10905	4.1	95	1	13000107032629
18/01/2013	09:35:36	214.45	5	8550	4.2	90	1	12000114032349
21/01/2013	09:17:58	218.7	5	10991	4.3	85	1	23000098006882
22/01/2013	09:28:54	223.05	5	9803	4.4	80	1	12000109019408
23/01/2013	09:42:07	227.5	5	10050	4.5	75	1	17000141011593
24/01/2013	09:39:57	232.05	5	10910	4.6	70	1	12000113014629
25/01/2013	10:57:49	236.65	5	10855	4.6	70	1	11000090150931
28/01/2013	09:41:49	241.35	5	10800	4.7	65	1	11000095028464

Note: There were 4 trades of Rajeev Garg for 160 shares which did not contribute to positive LTP increase. (Date: 21/09/2012, 14/12/2012 and 2 trades on 10/01/2013)

64. As can be seen from the above table, all the trades of Rajeev Garg (except one trade for 100 shares) were for smaller quantities and on all the 25 instances noted above, he was holding significantly more number of shares than what he sold. In his reply, Rajeev Garg had submitted that he is a middle class person and invests in many companies and also subscribes to IPOs and buys and sells petty shares quantity in many scrips for investment purposes but not for speculation purposes. He also expressed his willingness to submit his demat account, IT returns and other documents for the relevant periods. It is relevant to mention here that an opportunity of personal hearing and to file further replies was provided to Rajeev Garg (as noted earlier in the order) but he neither appeared for the hearing nor filed any written submission (other than the initial reply noted above) to justify his trading behavior which he claims to be similar in other scrips i.e. dealing in petty shares quantity in many scrips.
65. He has also submitted that he had no *mala fide* or intent to manipulate the price of RGL while placing the order in small quantities and also was not connected with any of the other Noticees. In this regard, it needs to be pointed out that under normal circumstances trading by Mr. Garg may not be considered as manipulative. But in the present case, the circumstances were peculiar. To illustrate, RGL was a scrip which was suspended for trading for around 8 years and its suspension was revoked only in December 2011; it had no track record of performance which would justify a steep price rise from Rs. 3.2 to Rs. 241.35; the average daily volume in the scrip was a meagre 98.76 shares during Patch 1 i.e. when Mr. Garg had traded. It is noted from the above table that every time Mr Garg had placed his trades, there were relatively huge number of buy orders seeking huge quantities. A reasonable man being in the position of Mr. Garg, holding shares of an illiquid scrip like RGL and being aware of the peculiar circumstances as noted above, would sell his entire or substantial shareholding when he is getting a price in multiples of his purchase price and there are buyers willing to buy the same. Contrary to that, Mr. Garg in the present case, as noted in the above table, has entered into only single trades for miniscule quantities like 5, 10, 20 shares on several days with each trade establishing a new high price.
66. The above discussed trading behavior of Mr. Garg does not in any manner appear to be genuine and for his claimed purpose of investment/profit. In this present case, this trading pattern in light of the circumstances discussed above, exhibits an intent of marking a new high price every day with significantly low volumes and also appears to be devoid of any economic rationale. Thus, the preponderance of probability leads us only to the conclusion that the trades were executed by Mr. Rajeev Garg in a manipulative manner for increasing the price of the scrip of RGL.

Shailesh Lalman Ojha

67. As per the SCN, Shailesh Lalman Ojha contributed Rs.15.3 (6.21%) of market positive LTP increase in 4 trades for 18 shares. The summary of his trades is as under:

Sell order date	Sell order time	Sell order rate	Sell order qty	Pending buy order qty at this rate	LTP	Share holding before sell order	No. of Trades	Sell order No.
23/11/2012	14:19:04	79.15	5	23750	3.75	95	1	14000167077944
11/12/2012	15:26:05	128.65	5	21201	6.1	90	1	13000116210591
13/12/2012	15:28:32	133.8	4	17201	2.6	86	1	20000134312264
20/12/2012	15:24:26	147.55	4	10825	2.85	82	1	19000160050672

68. As can be seen from the above table, all the trades of Mr. Ojha were for smaller quantities and on all the 4 instances noted above, he was holding significantly more number of shares than what he sold. As per the submissions of Mr. Ojha, he purchased only 100 shares of Radford from off market for Rs.3200 on or around September 27, 2012 upon receiving certain information about RGL with the intention to make some money from sale of shares of RGL. The basis of the investment was that the suspension of the Company had been removed and this was a positive indicator according to him at that time. He further submitted that he had expected some basic price movement on the basis of this and had not considered the fundamentals. It is relevant to mention here that an opportunity of personal hearing and to file further replies was provided to Mr. Ojha (as noted earlier in the order) but he neither appeared for the hearing nor filed any written submission (other than the initial reply noted earlier) to justify his trading behavior.

69. He has also submitted that he had no intent to manipulate the price of RGL while placing the order in small quantities and also was not connected with any of the other Noticees. He also submitted that even without his alleged contribution, the price of the scrip of RGL had risen significantly. In this regard, it needs to be pointed out that under normal circumstances trading by Mr. Ojha may not be considered as manipulative. But in the present case, the circumstances were peculiar. To illustrate, RGL was a scrip which was suspended for trading for around 8 years and its suspension was revoked only in December 2011; it had no track record of performance which would justify a steep price rise from Rs. 3.2 to Rs. 241.35; the average daily volume in the scrip was a meagre 98.76 shares during Patch 1 i.e. when Mr. Ojha had traded. It is noted from the above table that every time Mr Ojha had placed his trades, there were relatively huge number of buy orders seeking

huge quantities. A reasonable man being in the position of Mr. Ojha, holding shares of an illiquid scrip like RGL and being aware of the peculiar circumstances as noted above, would sell his entire or substantial shareholding when he is getting a price in multiples of his purchase price and there are buyers willing to buy the same. Contrary to that, Mr. Ojha in the present case as noted in the above table has entered into only single trades for miniscule quantities like 4 or 5 shares on several days with each trade establishing a new high price. In fact, he was the only seller on the 4 days on which he traded and contributed to significant positive LTP increase.

70. The above discussed trading behavior of Mr. Ojha does not in any manner appear to be genuine and for his claimed purpose of investment/profit. In this present case, this trading pattern in light of the circumstances discussed above, exhibits an intent of marking a new high price every day with significantly low volumes and also appears to be devoid of any economic rationale. Thus, the preponderance of probability leads us only to the conclusion that the trades were executed by Mr. Ojha in a manipulative manner for increasing the price of the scrip of RGL.

Sangita Pramod Harlalka

71. As alleged in the SCN, Sangita Pramod Harlalka contributed Rs.16 (6.49%) of market positive LTP increase in 6 trades for 35 shares. The summary of her trades is as under:

Sell order date	Sell order time	Sell order rate	Sell order qty	Pending buy order qty at this rate	LTP	Share holding before sell order	No. of Trades	Sell order No.
11/10/2012	14:56:48	47.35	10	41861	0.9	90	1	17000163413648
20/11/2012	14:43:43	71.85	5	23800	3.4	85	1	19000188414017
12/12/2012	15:27:39	131.2	5	15901	2.55	80	1	11000105162764
18/12/2012	15:24:06	141.9	5	7851	2.75	75	1	12000124283630
27/12/2012	15:09:43	159.65	5	10151	3.1	70	1	18000142190083
01/01/2013	15:13:09	169.35	5	10654	3.3	65	1	12000109159518

72. As can be seen from the above table, all the trades of Ms. Sangita were for smaller quantities and on all the 6 instances noted above, she was holding significantly more number of shares than what she sold. In her reply, she stated that she is a small trader with a minor interest in the securities market and she had heard a rumor in the market that the shares of Radford would be a good short term trading opportunity and thus, she invested a small amount of Rs. 3300 to test the veracity

of the said rumor. She also submitted that she would have participated to the fullest extent of the price rise, if she was aware of any manipulated price rise.

73. It is relevant to mention here that an opportunity of personal hearing and to file further replies was provided to Ms. Sangita (as noted earlier in the order) but she neither appeared for the hearing nor filed any written submissions (other than her initial reply noted earlier) to justify the claims made by her.
74. She also submitted that after the prices moved over her purchase price and in order to keep booking profits she kept selling small stakes on the basis of her understanding. Further, she sold only a small quantity of shares on particular dates as the liquidity in the stock was low. She also submitted that she had no mala fide or intent to create a misleading appearance in the scrip of RGL while placing the order in small quantities and also was not connected with any of the other Noticees. In this regard, it needs to be pointed out that even going by Ms. Sangita's version, she had bought the shares at low prices with the intent to make profits, and therefore, when the scrip price had gone considerably beyond her purchase price, she should have sold the shares of RGL. In the present case, the circumstances were peculiar i.e. RGL was a scrip which was suspended for trading for around 8 years and its suspension was revoked only in December 2011; it had no track record of performance which would justify a steep price rise from Rs. 3.2 to Rs. 241.35; the average daily volume in the scrip was a meagre 98.76 shares during Patch 1 i.e. when Ms. Sangita had traded. It is noted from the above table that every time Ms. Sangita had placed her orders, there were huge number of pending buy orders seeking huge quantities. A reasonable person being in her position, holding shares of an illiquid scrip like RGL and being aware of the peculiar circumstances as noted above, would sell his/her entire or substantial shareholding when she is getting a price in multiples of her purchase price and there are buyers willing to buy the same. Contrary to that, Ms. Sangita in the present case as noted in the above table has entered into only single trades for miniscule quantities like 5, 10 on 6 days with each trade establishing a new high price. In fact, she was the only seller on the days in which she traded and contributed to significant positive LTP increase.
75. The above discussed trading behavior of Mr. Sangita does not in any manner appear to be genuine and for her claimed purpose of making profit. In this present case, this trading pattern in light of the circumstances discussed above, exhibits an intent of marking a new high price every day with significantly low volumes and also appears to be devoid of any economic rationale. Thus, the preponderance of probability leads us only to the conclusion that the trades were executed by Ms.

Sangita Pramod Harlalka in a manipulative manner for increasing the price of the scrip of RGL.

Artiben S. Kansara and Manisha Jayesh Shah

76.As per the SCN, Artiben S. Kansara and Manisha Jayesh Shah are allegedly connected to each other. Artiben S. Kansara contributed Rs.7.84 (3.18%) of market positive LTP increase in 8 trades for 8 shares. Further, Manisha Jayesh Shah contributed Rs.6.05 (2.45% of market positive LTP increase in 15 trades for 19 shares. Their trading details are as under:

Sell order date	Sell order time	Sell order rate	Sell order qty	Pending buy order qty at this rate	LTP	Share holding before sell order	No. of Trades	Sell order No.
Artiben S. Kansara								
16/08/2012	15:18:05	16.41	1	17400	0.78	1498	#1	23000164181784
17/08/2012	15:25:10	17.23	1	19500	0.82	1497	1	20000056131671
21/08/2012	14:55:22	18.09	1	21200	0.86	1496	1	23000126318496
24/08/2012	13:26:22	18.99	1	19600	0.9	1494#	1	15000136171192
27/08/2012	15:22:06	19.93	1	17200	0.94	1493	1	21000135153919
30/08/2012	15:22:30	23.05	1	19548	1.09	1492	1	16000063125186
31/08/2012	15:23:33	24.2	1	21000	1.15	1491	1	17000157367195
06/09/2012	15:14:29	27.95	1	33506	1.3	1490	1	16000149150690
Manisha Jayesh Shah								
24/05/2012	12:15:24	4.92	1	45200	0.23	1000	1	22000138054826
28/05/2012	14:58:39	5.16	1	63002	0.24	998	1	16000039198095
07/06/2012	15:16:18	5.68	1	56300	0.27	997	1	14000169002044
15/06/2012	15:08:37	6.25	1	52400	0.29	996	1	21000131088210
18/06/2012	15:17:21	6.56	1	48100	0.31	995	1	20000248005838
19/06/2012	15:16:29	6.88	5	58500	0.32	990	1	14000172201505
21/06/2012	14:43:08	7.22	1	55750	0.34	989	1	22000141250923
22/06/2012	15:13:29	7.58	1	55900	0.36	987	*1	12000138295649
26/06/2012	15:10:03	8.34	1	53197	0.39	984	*1	15000061099773
27/06/2012	15:11:20	8.75	1	53397	0.41	980	*1	12000165209056
28/06/2012	15:10:48	9.18	1	33000	0.43	975	*1	18000214079279
29/06/2012	15:10:59	9.63	1	47999	0.45	969	*1	22000141132468
01/08/2012	15:12:15	13.52	1	37500	0.64	968	1	14000166078189
03/08/2012	15:25:58	14.19	1	35100	0.67	967	1	19000214029815
08/08/2012	15:17:47	14.89	1	28100	0.7	966	1	14000168142589

Artiben S. Kansara executed 2 trades for 1 share each both on 16/06/2012 and 24/06/2012. However, she contributed to positive LTP in only first trades on each of these days.

* Manisha Jayesh executed 2 trades for 1 share each on 22/06/2012, 3 trades for 1 share each on 26/06/2012, 4 trades for 1 share each on 27/06/2012, 5 trades for 1 share each on 28/06/2012 and 6 trades for 1 share each on 29/06/2012. However, she contributed to positive LTP in only first trades on each of these days.

77. As can be seen from the above table, all the trades of Ms. Kansara and Ms. Shah were for smaller quantities (1 on most occasions) and in all the instances noted above, they were holding significantly more number of shares than what they sold. In their respective replies, they submitted that their trades were genuine and were based on their independent decisions.
78. I note that both Ms. Kansara and Ms. Shah have denied having any connection with each other on the ground that the evidence enclosed with the SCN in respect thereof does not establish anything. It is relevant to point out here that the basis of connection between Ms. Kansara and Ms. Shah is that as per KYC details, Manisha Jayesh Shah has common address and phone number with her relative and independent director of RGL viz, Manish Nareshchandra Shah (Address - B-2, Vishwakarma Society, V.P. Road, Andheri West, Mumbai - 400058 and phone number - 26280622). Sunil Kansara shares a common address with Artiben S Kansara. Further, Manisha Jayesh Shah and Sunil Mohanlal Kansara have off market transfer of shares. It is not the case of Ms. Kansara or Ms. Shah that the above information is untrue. I, therefore, find that this basis of connection shows that Ms. Shah and Ms. Kansara were known to each other and the investigation was not wrong in clubbing the transactions of these two Noticees. .
79. However, without going further into the said basis of connection between these two entities, I proceed to examine the trading behavior of these two Noticees in light of the facts and circumstances of the case and the replies filed by them.
80. Ms. Kansara in her reply has submitted that the sale of shares in miniscule quantity over the period of days is a natural practice in order to seek a better value of the share and thus she cannot be charged under any provision of law much less the PFUTP Regulations for any manner of fraudulent or unfair trade practice. She has also submitted that the SCN does not allege that she has benefited in any manner from the alleged manipulation.
81. Ms. Shah submitted that she had purchased 1000 shares of Radford on or around December, 2011 at a price of Rs. 5 per share and as the price of the scrip of the Company was continuously rising, she decided to slowly reduce her shareholding of the Company and recover her investment cost.
82. It is relevant to mention here that an opportunity of personal hearing and to file further replies were provided to Ms. Kansara and Ms. Shah (as noted earlier in the order) but they neither appeared for the hearing nor filed any further reply to justify the claims made by them in their initial replies.

83. They also submitted that they had no *mala fide* or intent to create a misleading appearance in the scrip of RGL while placing the orders in small quantities and also were not connected with any of the other Noticees. In this regard, it needs to be pointed out that even going by the said 2 Noticees' version, they had bought the shares at low prices with the objective of making profits, and therefore, when the scrip price had gone considerably beyond their respective purchase prices, they should have sold the shares of RGL. In the present case, the circumstances were peculiar i.e. RGL was a scrip which was suspended for trading for around 8 years and its suspension was revoked only in December 2011; it had no track record of performance which would justify a steep price rise from Rs. 3.2 to Rs. 241.35; the average daily volume in the scrip was a meagre 98.76 shares during Patch 1 i.e. when these Noticees had traded. It is noted from the above tables that every time Ms. Kansara and Ms. Shah had placed orders, there were relatively huge number of pending buy orders seeking huge quantities. A reasonable person being in their position, holding shares of an illiquid scrip like RGL and being aware of the peculiar circumstances as noted above, would sell his/her entire or substantial shareholding when he/she is getting a price in multiples of his/her purchase price and there are buyers willing to buy the same. Contrary to that, Ms. Kansara and Ms. Shah in the present case as noted in the above tables entered into only 1 trade for miniscule quantities like 1, 5 on several days with each trade establishing a new high price. In fact, Ms. Kansara placed 8 orders for 8 shares on 8 different days and Ms. Shah placed 15 orders for 19 shares on 15 different days. Also, they contributed to the price increase by executing first trades on the days when they traded.
84. The above discussed trading behavior of Ms. Kansara and Ms. Shah does not in any manner appear to be genuine and for the claimed purpose of earning profit. In this present case, this trading pattern in light of the circumstances discussed above, exhibits an intent of marking a new high price every day with significantly low volumes and also appears to be devoid of any economic rationale. Thus, the preponderance of probability leads us only to the conclusion that the trades were executed by Ms. Kansara and Ms. Shah in a manipulative manner for increasing the price of the scrip of RGL.
85. Upon a holistic consideration of the facts and circumstances surrounding the trading by these 5 Noticees and in view of the above findings, it is established that the aforesaid 5 Noticees, by trading in the manner discussed above, played a major role in manipulating the price of the scrip, by contributing 60.09% increase in positive LTP of the scrip of RGL during Patch 1. At this point, it is also relevant to highlight that the SCN does not allege that the 5 Noticees i.e. Rajeev Garg, Sangita

Pramod Harlalka, Shailesh Lalman Ojha, Artiben S. Kansara and Manisha Jayesh Shah acted as a group. The SCN only alleged that Artiben S. Kansara and Manisha Jayesh Shah were connected to each other and the same has already been dealt with in earlier paragraphs. The commonality amongst these 5 Noticees was the trading behavior that they have exhibited and as discussed hereinabove, has been found to be independently manipulative in nature.

86. In view of the findings recorded above, I find that Rajeev Garg, Sangita Pramod Harlalka, Shailesh Lalman Ojha, Artiben S. Kansara and Manisha Jayesh Shah sold shares in the market in very small quantities with a manipulative intent to increase the scrip price and thereby violated sections 12(a),(b) and (c) of the SEBI Act, 1992 read with regulations 3(a),(b),(c),(d) and 4(1), 4(2)(a) & (e) of SEBI (PFUTP) Regulations, 2003.

C. If the answers to issues A and B are in the affirmative, what directions are required to be issued against the Noticees?

87. As observed above, the violation of sections 12(a),(b) and (c) of the SEBI Act, 1992 read with regulations 3(a),(b),(c),(d) and 4(1),4(2)(a) & (e) of SEBI (PFUTP) Regulations, 2003 have not been established in the present case on the basis of the facts and circumstances brought out in the SCN as against 24 Noticees i.e. Amrusha Mercantile Pvt. Ltd, Devakantha Trading Pvt. Ltd, Udbal Mercantile Pvt. Ltd., Shelter Sales Agency Pvt. Ltd., Amit Singh, Runicha Merchants Pvt Ltd, Spice Merchants Pvt. Ltd., Apex Commotrade Pvt. Ltd., Winall Vinimay Pvt. Ltd., Signet Vinimay Pvt. Ltd. Sanklap Vincom Pvt. Ltd., Pyramid Trading & Finance Ltd., SKM Travels Pvt. Ltd., Vibgyor Financial Service Pvt. Ltd., Bazigar Trading Pvt. Ltd., Avlokan Dealcom Pvt. Ltd. Nishit Agarwal Beneficiary Trust, Praveen Kumar Agarwal HUF, Pinky Agarwal, Praveen Kumar Agarwal, Pratik Agarwal Beneficiary Trust, Dhanleela Investments & Trading Company Ltd., Pine Animation Ltd. and Daga Infocom Pvt. Ltd. In view thereof, no directions need to be issued against these 24 entities.

88. With regard to Rajeev Garg, Sangita Pramod Harlalka, Shailesh Lalman Ojha, Artiben S. Kansara and Manisha Jayesh Shah, as already observed violations of sections 12(a),(b) and (c) of the SEBI Act, 1992 read with regulations 3(a),(b),(c),(d) and 4(1), 4(2)(a) & (e) of SEBI (PFUTP) Regulations, 2003 have been established.

89. With regard to these 5 Noticees, it is pertinent to note that vide interim order dated November 9, 2015, Rajeev Garg, Artiben S. Kansara and Manisha Jayesh Shah were restrained from accessing the securities market and buying, selling or

dealing in securities, either directly or indirectly, in any manner, till further directions. These directions were subsequently confirmed against Artiben S. Kansara and Manisha Jayesh Shah, but were revoked in respect of Rajeev Garg vide order dated August 26, 2016. No directions were issued against Sangita Pramod Harlalka and Shailesh Lalman Ojha.

90. Taking the above into consideration, I note that the restraint directed vide the interim order dated November 9, 2015 has remained in force against Artiben S. Kansara and Manisha Jayesh Shah for more than 4 years. As against Rajeev Garg, the restraint was revoked in August 2016 and therefore he has undergone restraint for around 10 months.

Order

91. In view of the foregoing, in exercise of the powers conferred upon me under Sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 read with section 19 thereof, I hereby revoke the directions against Amrusha Mercantile Pvt. Ltd, Devakantha Trading Pvt. Ltd, Udbal Mercantile Pvt. Ltd., Shelter Sales Agency Pvt. Ltd., Runicha Merchants Pvt Ltd, Spice Merchants Pvt. Ltd., Apex Commotrade Pvt. Ltd., Winall Vinimay Pvt. Ltd., Signet Vinimay Pvt. Ltd. Sanklap Vincom Pvt. Ltd., Pyramid Trading & Finance Ltd., SKM Travels Pvt. Ltd., Vibgyor Financial Service Pvt. Ltd., Bazigar Trading Pvt. Ltd., Avlokan Dealcom Pvt. Ltd. Nishit Agarwal Beneficiary Trust, Praveen Kumar Agarwal HUF, Pinky Agarwal, Praveen Kumar Agarwal, Pratik Agarwal Beneficiary Trust, Dhanleela Investments & Trading Company Ltd. and Pine Animation Ltd. issued vide the interim order dated December 19, 2014 which were confirmed vide order dated August 26, 2016.

92. As regards the other Noticees, I find that Artiben S. Kansara, Manisha Jayesh Shah and Rajeev Garg (against whom violations of provisions of SEBI Act and PFUTP Regulations have been established as noted above) have already undergone the restraint for the period noted above and the same is commensurate with the violations committed by them as observed in this order. I, therefore, do not find the need to issue any other direction against them. The directions which were issued against them vide the interim order dated November 5, 2015 and have remained in force till date, are hereby revoked.

93. With regard to the remaining two Noticees i.e. Sangita Pramod Harlalka and Shailesh Lalman Ojha, considering the findings recorded in this order pertaining to the violations committed by them, I, in exercise of the powers conferred upon me under sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India

Act, 1992 read with section 19 thereof, hereby restrain Sangita Pramod Harlalka and Shailesh Lalman Ojha from accessing the securities market and buying, selling or dealing in securities, either directly or indirectly, in any manner for a period of six months from the date of this order.

94. The order shall come into force with immediate effect.

95. A copy of this order shall be served upon all recognized Stock Exchanges, Depositories and the Registrar and Share Transfer Agents to ensure compliance with the above directions.

-Sd-

DATE: August 29, 2019
PLACE: Mumbai

MADHABI PURI BUCH
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA