

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: S. K. MOHANTY, WHOLE TIME MEMBER

ORDER

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

In respect of:

Noticee No.	Names of the Noticee	PAN
1.	Paras Vinod Jain	APGPJ5037B
2.	Ranju Devi Jain	AESPJ4540C
3.	Rachana Govind Attal	ATOPA7028B
4.	Shilpa Jain	AKJPJ8448G
5.	Benu Mimani	AJJPM3609B
6.	Shalini Agarwal	AGMPA9745Q
7.	Akhileshwar Kumar Mishra	ALLPM9190R
8.	Sonu	AQLPK4848H
9.	Sanjay Kumar Sharma	BALPS1713C
10.	Sunil Singhal	BGKPS9637L
11.	Amaresh Pathak	AFVPP5617G
12.	Ramesh Baheti	AHPPB1754L
13.	Rupesh Kumar Srivastava	BHUPS3428J
14.	Vinodkumar Chotamal Jain	AACPJ4690H
15.	Parinay Somani	CKDPS9760A
16.	Kuldeep Singh	APNPS1283B
17.	Janardhan Rama Bhunesar	AMDPB0019K
18.	Pawan Somani	AWJPS6689Q
19.	Dev Kishan Mal	ARUPM1933H

20.	Pradip Basu	AMNPB1572F
21.	Debashis Sur Chowdhury	BIVPS1639D
22.	Tapan Kumar Dey	AJDPD4775H
23.	Kamal Baid	AIRPB0872C
24.	Vishnu Khaitan	BIWPK7819Q
25.	Susmita Pathak	APBPP7550G
26.	Samaresh Pathak	AFQPP7243D
27.	Kusum Devi Baid	AEAPB6261J
28.	Narayan Dass Rathi	ADFPR9281A
29.	Devinder Kumar	BCFPK2068C

(The entities mentioned above are individually known by their respective name or Noticee no. and collectively referred to as "Noticees")

In the matter of Dhanleela Investments & Trading Company Ltd. (Formerly known as Ratni Investments Company Limited).

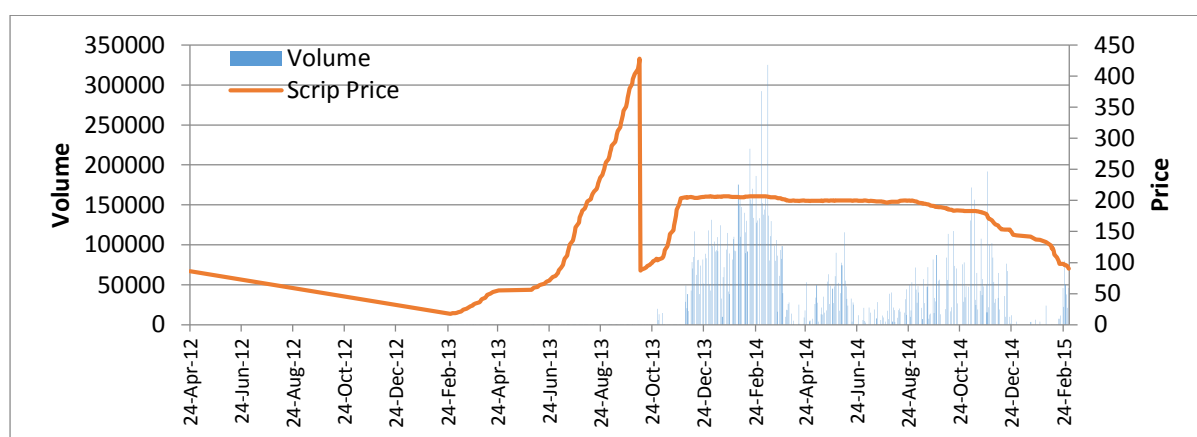
Background:

1. An investigation was undertaken by Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") for the period of April 17, 2012 to March 02, 2015 (hereinafter referred to as "**Investigation Period**") into the scrip of Dhanleela Investments & Trading Company Ltd. (Formerly known as Ratni Investments Company Limited) (hereinafter referred to as "**Dhanleela / Company**"), for possible violation, if any, of the provisions of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act, 1992**") and rules and regulations made thereunder.

2. It has been observed that trading in the scrip of the Company was suspended since September 11, 2006 for non-payment of listing fees. Suspension in trading of the scrip was revoked with effect from April 16, 2012. During the course of investigation, the price volume data in the scrip of Dhanleela was analyzed and it was observed that the price of the scrip opened at ₹86.00 on April 24, 2012. There was only one trade

on the said day and then there was no trading till February 26, 2013 i.e. for a period of 10 months. After a bonus issue of 'four shares for each share' declared on February 05, 2013 by the Company, price of the scrip opened at ₹17.50 on February 26, 2013 and reached a level of ₹427.85 on October 09, 2013. After stock split (on October 10, 2013) in 5:1 ratio, price of the scrip opened at ₹87.25 (pre-stock split price ₹436.25) on October 10, 2013, thereafter reached a high of ₹213.95 (pre-stock split ₹1069.75) on December 05, 2013 and closed at ₹90.35 (pre-stock split ₹451.75) on March 02, 2015. Details of price volume information in the scrip of Dhanleela during the Investigation Period are presented in the chart below:

Chart 1: Price-Volume Chart



Further, the Details of price volume movement in the scrip of Dhanleela in period before Investigation, during the Investigation period and after Investigation Period are tabulated below:

Table-1: Price-Volume movement at BSE

Period	Dates	Open (₹)	Close (₹)	Low (₹ (Date))	High (₹ (Date))	Avg. no. of (shares) traded daily during the period.
Before Investigation	17/04/2012-25/02/2013	No trading				
During	*26/02/13-09/10/2013	Price	17.50	427.85	17.50 (26 Feb 13) 427.85 (09 Oct 13)	20

Investigation	(Patch-I)	Vol.	1	3	1 (26 Feb 13)	605 (03 Sep 13)	5793
	10/10/2013- 05/12/2013 (Patch-II)	Price	87.25	205.00	87.25 (10 Oct 13)	213.95 (05 Dec 13)	
		Vol.	5	38,520	1 (17 Oct 13)	49,250 (03 Dec 13)	
	06/12/13- 02/03/15 (Patch-III)	Price	205.00	90.35	90.35 (02 Mar 15)	207.10 (26 Feb 14)	55187
		Vol.	17,201	46,125	5 (11 Apr 14)	325,106 (10 Mar 14)	
	After Investigation (03/03/2015- 09/06/2015)	Price	92.00	91.00	83.25 (23 Apr 15)	101.75 (23 Apr 15)	71738
		Vol.	82,241	2	2 (09 Jun 15)	279,331 (25 Mar 15)	

* There was only one trade in scrip on April 24, 2012. Next trade in scrip happened only on February 26, 2013. There was no trading in scrip before April 24, 2012 since suspension on 11 September 2006.

3. While analyzing the price and trade movement in the scrip of Dhanleela, following facts, *inter alia*, came to light in the course of investigation conducted by SEBI:

- a) No other major corporate announcements were made by the Company other than the stock split announcement, bonus issue, declaration of financial results and meeting of the Board of Directors of the Company.
- b) The price of the scrip reached its highest peak on December 05, 2013, when the market capitalization value of the Company stood at ₹1,012.51 Crores. However, the Company had disclosed its annual revenue of only ₹16.83 Crore, ₹24.21 Crore and ₹12.80 crore in the Financial Years 2012-13, 2013-14 and 2014-15, respectively with corresponding Net Profits of ₹0.32 Crore, ₹0.42 Crore and ₹0.13 Crore in those Financial Years. The summary of financial performance of the Company is depicted in the following table:

Table-2: Annual financial results of Dhanleela during the investigation period

Particulars	Year Ended		
	2012-13	2013-14	2014-15
Sales (₹ in Crore)	16.83	24.21	12.80

Other Income (₹ in Crore)	0.27	0.17	0.00
Total Sales (₹ in Crore)	17.10	24.38	12.80
Profit /Loss after Tax (₹ in Crore)	0.32	0.42	0.13

- c) Investigation revealed that, during Patch-I i.e. 26/02/13 to 09/10/2013, Noticees no. 1 to 27 (hereinafter referred to as **"27 Noticees"**) had traded on 82 days and executed a total no. of 298 trades. In 81 of those 298 trades, these 27 Noticees have contributed to the positive Last Traded Price (hereinafter referred to as **"(+) LTP / positive LTP"**) of the scrip and all of these positive LTP contributing trades were executed as first trades on those respective trading days. It is observed that these 27 Noticees, by way of repeatedly placing sell orders above the LTP for small quantities of shares, have cumulatively contributed to positive LTP of ₹291.20 (70.96% of the total market positive LTP) of the scrip thereby, have been alleged to have manipulated the price of the scrip during Patch-I of the Investigation Period.
- d) Investigation further revealed that during the Patch-II period, price of scrip opened at ₹87.25 (pre-stock split ₹436.25) on October 10, 2013 and reached a high of ₹213.95 (pre-stock split ₹1069.75) on December 05, 2013 and closed at a price of ₹205.00 (pre-stock split ₹1025.00). From the trading analysis of Patch-II, it was observed that Noticees no. 1 to 11 (hereinafter referred to **"11 Noticees"**) out of the 27 Noticees referred to at Para no. 3 (c) above, by placing sell orders above last traded price for small quantities of shares, have manipulated the price of the scrip in the Patch-II of the Investigation Period. For instance, the Noticees had traded on 15 days with a total no. of 17 trades and in 13 trades out of such 17 trades, they have contributed positive LTP. Each of these positive LTP contributing trades was also the first trade of the day. The total LTP contribution made by these 11 Noticees during Patch-II comes to ₹61.15 (47.02% of the total market positive LTP).

- e) Investigation also unearthed from the demat statements of the 27 Noticees that all of them were holding relatively sizeable quantity of shares of the Company during the period of their respective sale transactions and despite holding sizeable quantity of shares, these Noticees had released very small quantity of shares apparently only to match the buy orders which were already placed above LTP in the stock exchange system. On the basis of the trading behavior so displayed by the aforesaid 27 Noticees, it is alleged that there was no *bonafide* intention on the part of these 27 Noticees to sell their shareholdings and they have placed their sell orders only to mark the price higher than the LTP and to manipulate the price of the scrip.
- f) Investigation further revealed that none of these 27 Noticees (Noticee no. 1 to 27), who allegedly manipulated the price of the scrip in Patch-I or/and Patch-II, was holding any shares of Dhanleela before the commencement of Patch-I. It has been noticed that it was Mr. Narayan Dass Rathi (Noticee no. 28) who transferred shares of the Company to these 27 Noticees either directly or indirectly through one Mr. Devinder Kumar (Noticee no. 29) by way of off-market transfers.
4. Keeping in view of the aforementioned findings from the investigation, it has been alleged that Noticees have devised a scheme for manipulation of the price of the scrip as part of which, Noticee no. 28 and Noticee no. 29 have made off-market transfer of the shares of the Company either directly or indirectly to Noticee no. 1 to 27. Subsequently, these 27 Noticees, who received the Company's shares from Noticee no. 28 and Noticee no. 29, indulged in unfair trades to manipulate the price of the scrip upwards in the manner as highlighted in the preceding paragraphs. Such acts of the 27 Noticees have been alleged to be in breach of provisions of Regulation 3(a), (b), (c), (d) and Regulation 4 (1), 4 (2) (a), (e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations**"). It is also alleged that the Noticee

no. 28 and Noticee no. 29 devised of the aforesaid scheme of price manipulation and thus have violated Regulation 3(a), (b), (c), (d) and Regulation 4(1), 4(2) (d) of PFUTP Regulations, 2003.

5. Pursuant to the aforesaid findings during the investigation, a common Show Cause Notice dated April 05, 2018 (hereinafter referred to as “SCN”) was issued to all the Noticees, asking them to show cause as to why suitable direction under Section 11, 11(4) & 11 (B) SEBI Act, 1992 should not be issued against them for their alleged acts of violations of provisions of PFUTP Regulations, 2003.

6. I note from the available records that the aforesaid SCN was served on all the Noticees through post / affixtures, in response to which some of the Noticees have submitted their replies. Subsequently, in compliance with the principle of natural justice, an opportunity of personal hearing was accorded to the Noticees for which hearing notices dated March 26, 2019 were issued to all the Noticees wherein, the scheduled date of hearing was fixed on July 30, 2019 and July 31, 2019. The hearing notices were duly served on all the Noticees, except for the Noticee no. 28, however, none of the Noticees nor anyone on their behalf appeared before me on the aforementioned scheduled date of hearing. Again another hearing notice was issued to Noticee no. 28 vide Newspaper publication dated September 06, 2019 therein fixing his personal hearing on October 01, 2019, however, no one appeared on behalf of the Noticee no. 28 on the said date. In this regard, I note from the records that even if none of the Noticees availed the opportunity of personal hearing granted to them, a good no. of Noticees have submitted their written replies to the SCN. Details of those written replies submitted by various Noticees are tabulated below:

Table-3: Details of reply filed by the Noticees

Noticee No.	Date of Reply
Noticee no. 1	Letter dated April 18, 2018, Letter dated June 14, 2018 and Letter dated September 26, 2019

Noticee no. 2	Letter dated April 18, 2018, Letter dated June 14, 2018 and Letter dated September 26, 2019
Noticee no. 3	Letter dated April 16, 2018, Letter dated June 18, 2018 and Letter dated September 27, 2019
Noticee no. 4	Letters dated April 18, 2018, Letter dated June 14, 2018 and Letter dated September 26, 2019
Noticee no. 5	Letter dated April 20, 2018, Letter dated June 18, 2018 and Letter dated September 27, 2019
Noticee no. 6	Letter dated April 18, 2018, Letter dated June 20, 2018 and Letter dated September 27, 2019
Noticee no. 8	Letter dated June 28, 2018 and Emails dated September 27, 2019 and October 17, 2019
Noticee no. 10	Undated letter received by SEBI on May 02, 2018
Noticee no. 11	Letter dated April 18, 2018, Letter dated June 12, 2018 and Email dated September 25, 2019
Noticee no. 14	Letter dated April 18, 2018, Letter dated June 13, 2018 and Letter dated September 26, 2019
Noticee no. 15	Letter dated September 03, 2018
Noticee no. 17	Letter dated April 17, 2018, Letter dated June 15, 2018 and Letter dated September 26, 2019
Noticee no. 18	Letter dated September 03, 2018
Noticee no. 19	Letter dated June 15, 2018
Noticee no. 20	Letter dated May 07, 2018, Letter dated June 26, 2018 and Letter dated September 27, 2019
Noticee no. 21	Letter dated April 21, 2018 and Letter dated June 15, 2018

Noticee no. 23	Letter dated May 02, 2018 and Letter dated September 26, 2019
Noticee no. 24	Letter dated April 24, 2018, Undated letter received by SEBI on July 11, 2018 and Letter dated September 27, 2019
Noticee no. 25	Letter dated April 18, 2018, Letter dated June 19, 2018 and Email dated September 18, 2019
Noticee no. 26	Letter dated April 20, 2018, Letter dated June 19, 2018 and Email dated September 18, 2019
Noticee no. 27	Letter dated May 02, 2018 and Letter dated September 26, 2019
Noticee no. 28	Letter dated June 18, 2018

Submissions of the Noticees

7. After perusing the written replies submitted by the Noticees (as indicated in the preceding table), I note that almost all the Noticees have submitted identical replies, the main contentions of which are summarized as under:

Reply from the Noticees falling in the group of 27 Noticees

- (i) During Patch I and II of the Investigation Period, various trades were executed by the Noticees in the scrip of Dhanleela, however only a few trades have resulted into contribution of positive LTP. Further on various instances, such trades which resulted into contribution of positive LTP were matched with buy orders for large number of shares which were already pending in the trading system of the stock exchange at the price on which the sell trade orders of the Noticees were executed. Therefore, it is unjustified on part of SEBI to blame the Noticees for the alleged contribution to positive LTP, more so when the buyers in the respective trades have not been issued any notice in the aforesaid matter.
- (ii) With regard to the allegation of selling less number of shares every time, the Noticees have, *inter alia*, submitted that since the quantity of shares held by the Noticees was very small ranging from 25 shares to 100 shares, they preferred

to sell the same in small tranches. It is a natural practice to seek a better value for the share, therefore as and when the Noticees observed the price of share was rising, it was desirable for them to sell at a higher price.

(iii) That the Noticees have not made any abundant profits by trading in the scrip of Dhanleela and even the SCN does not state that the Noticees have benefitted in any manner from the alleged manipulation.

(iv) The shares were purchased in the off market as there were no volumes in the stock exchange platform. Further, off market transactions per se are not illegal and therefore, purchasing of shares in the off market does make the Noticees liable for violation of any provisions under the Securities law.

Reply of Noticee no. 28

(v) The allegation that the Noticee has transferred shares to other Noticees through Noticee no. 29 or Noticee no. 29 acted as his conduit, is without any evidence and no documents are produced to support such allegation. Merely because the Noticee has transferred shares to Noticee no. 29, he cannot be charged for violation of PFUTP Regulations, 2003.

(vi) The selling price of the shares in the off-market transaction was not significantly different from the price of the 'buy market orders' placed on the stock exchange. In no way could this minor price difference between the off market transfer and LTP on the stock exchange can ever result in a conclusion of price manipulation.

(vii) In addition to the above, some of the Noticees have also relied upon various judgements in their defense including the following decisions:

- Hon'ble SAT in the matter of Ashlesh Shah vs. SEBI (DoD: 18.04.2018 in Appeal no. 265 of 2017)
- Hon'ble SAT in the matter of Smitaben N. Shah vs SEBI (DoD: 30.07.2010 in Appeal no. 37 of 2010)

- KSL & Industries vs. Chairman, SEBI
- Hon'ble SAT in the matter of Rajendra G Parikh vs. SEBI (DoD: 21.01.2010 in Appeal no. 44 of 2009)
- Hon'ble SAT in the matter of Vikas Ganeshmal Bengani vs. WTM SEBI (DoD: 25.02.2010 in Appeal no. 225 of 2009)
- Hon'ble SAT in the matter of Kapil Chaturbhuj Bhuptani vs. SEBI (DoD: 10.10.2013 in Appeal no. 95 of 2013)

Consideration of Issues and Findings

8. Considering the findings of Investigation report, the allegations levelled against the Noticees in the SCN based on such findings and the explanations offered by the Noticees through their written replies to the SCN, I find that the following issue require consideration:

- Issue: Whether the acts of the Noticee no. 1 to Noticee no. 27 have resulted in violations of the provisions of Regulation 3 (a), (b), (c), (d) and Regulation 4 (1) and 4 (2) (a) and (e) of SEBI (PFUTP) Regulations, 2003 and whether the acts of the Noticee no. 28 and Noticee no. 29 have resulted in violations of the provisions of Regulation 3 (a), (b), (c), (d), and Regulation 4 (1) and 4 (2) (d) of SEBI (PFUTP) Regulations, 2003?

9. At the outset, keeping in view the fact that all the Noticees, because of their respective roles in the manipulative trades in the scrip of Dhanleela have been alleged to have violated provisions of PFUTP Regulations, 2003, it would be proper to visit the afore-stated regulatory provisions so alleged to have been violated in the SCN. The said provisions are produced hereunder for ready reference:

Regulation 3 of SEBI (PFUTP) Regulations, 2003: - Prohibition of certain dealings in securities

3. No person shall directly or indirectly –

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

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

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

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

Regulation 4 of SEBI (PFUTP) Regulations, 2003: - Prohibition of manipulative, fraudulent and unfair trade practices

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

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

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

(d) paying, offering or agreeing to pay or offer, directly or indirectly, to any person any money or money's worth for inducing such person for dealing in any security with the object of inflating, depressing, maintaining or causing fluctuation in the price of such security;

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

10. As pointed out earlier, the main allegation in the SCN is that by executing manipulative sell trades, the aforesaid 27 Noticees have contributed to the positive LTP in the scrip of Dhanleela. Therefore, to begin with, the details of such trades executed by the 27 Noticees and the impact of their trades on the LTP of scrip of Dhanleela during Patch-I of the Investigation Period need to be examined which are presented in the table below:

Table-4: Trading by Noticees No. 1 to 27 during Patch-I

S. No.	Entity Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of (+) LTP to Total Market +LTP (%)
		Net LTP	Quantity traded	No of trades	LTP	Quantity traded	No of trades	LTP	Quantity traded	No of trades	Quantity traded	No of trades	
1	Paras Vinod Jain	26.05	100	23	26.05	20	5	0	0	0	80	18	6.35%
2	Ranju Devi Jain	23.95	100	23	23.95	20	4	0	0	0	80	19	5.84%
3	Rachana Govind Attal	22.40	95	20	22.40	20	5	0	0	0	75	15	5.46%
4	Shilpa Jain	20.95	95	24	20.95	21	4	0	0	0	74	20	5.11%
5	Benu Mimani	15.10	95	16	15.10	28	3	0	0	0	67	13	3.68%
6	Shalini Agarwal	12.35	95	24	12.35	19	4	0	0	0	76	20	3.01%
7	Akhileshwar Kumar Mishra	12.00	6	2	12.00	6	2	0	0	0	0	0	2.92%
8	Sonu	11.55	5	2	11.55	5	2	0	0	0	0	0	2.81%
9	Sanjay Kumar Sharma	11.00	8	2	11.00	8	2	0	0	0	0	0	2.68%
10	Sunil Singhal	10.75	7	2	10.75	7	2	0	0	0	0	0	2.62%
11	Amaresh Pathak	10.55	95	11	10.55	14	2	0	0	0	81	9	2.57%
12	Ramesh Baheti	10.20	20	7	10.20	20	7	0	0	0	0	0	2.49%
13	Rupesh Kumar Srivastava	10.15	8	2	10.15	8	2	0	0	0	0	0	2.47%
14	Vinodkumar Chotamal Jain	9.70	95	19	9.70	18	3	0	0	0	77	16	2.36%
15	Parinay Somani	9.30	95	6	9.30	16	2	0	0	0	79	4	2.27%

S. No.	Entity Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of (+) LTP to Total Market +LTP (%)
		Net LTP	Quantity traded	No of trades	LTP	Quantity traded	No of trades	LTP	Quantity traded	No of trades	Quantity traded	No of trades	
16	Kuldeep Singh	9.10	20	7	9.10	20	7	0	0	0	0	0	2.22%
17	Janardhan Rama Bhunesar	8.35	95	11	8.35	14	2	0	0	0	81	9	2.03%
18	Pawan Somani	8.30	95	8	8.30	16	2	0	0	0	79	6	2.02%
19	Dev Kishan Mal	8.20	22	7	8.20	21	6	0	0	0	1	1	2.00%
20	Pradip Basu	5.85	95	5	5.85	7	1	0	0	0	88	4	1.43%
21	Debashis Sur Chowdhury	5.70	95	10	5.70	15	2	0	0	0	80	8	1.39%
22	Tapan Kumar Dey	5.45	95	10	5.45	14	2	0	0	0	81	8	1.33%
23	Kamal Baid	5.20	95	6	5.20	15	2	0	0	0	80	4	1.27%
24	Vishnu Khaitan	4.90	95	25	4.90	10	2	0	0	0	85	23	1.19%
25	Susmita Pathak	4.90	95	10	4.90	17	2	0	0	0	78	8	1.19%
26	Samresh Pathak	4.65	95	10	4.65	15	2	0	0	0	80	8	1.13%
27	Kusum Devi Baid	4.60	95	6	4.60	18	2	0	0	0	77	4	1.12%
	Total of 27 Noticees	291.20	1,911	298	291.20	412 (18.90% of total Qty traded)	81	0	0	0	1,499	217	70.96%
	Market Total	410.35	2,179	373	410.35	548	109	0	0	0	1,631	264	100%

11. From the table no. 4 presented above, it is noted that during the Patch-I period of trading in the scrip of Dhanleela, 27 Noticees have cumulatively executed 298 trades and out of these 298 trades, through 81 trades executed by them, they have contributed a total amount of positive LTP of ₹291.20 which is 70.96% of the total market positive LTP of ₹410.35 witnessed in the trading of the scrip during the said period. I also observe from the table that such positive LTP of ₹291.20 was contributed by the group of 27 Noticees from their trading in only 412 shares which is just 18.9% of the total shares traded (2179 shares) in the scrip of Dhanleela during

the Patch-I of the Investigation Period. The aforesaid trading data wherein group of 27 Noticees have contributed to more than 70% of total positive market LTP by executing less than 20% of the total trades in the scrip of Dhanleela during the said period, raises strong suspicion on the intent and the trading pattern adopted by the Noticees.

12. I further observe from the trade logs (annexed to the SCN) that each of those 81 positive LTP contributing trades highlighted in the table above was the 'first trade' executed on the respective trading days. Trade wise order details of the aforementioned 81 trades contributing to positive LTP are tabulated below:

Table-5: Order details of trades executed by Noticees No. 1 to 27 during Patch-I

Sr · N o.	Trade Date	Seller Name	Buy Order Time	Sell Order Time	Time Diff Between Buy order and sell order	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	%L TP	Buy Order Quantity	Sell Order Quantity	Trade QTY
1.	27/02/2013	Kuldeep Singh	09:00:00	13:49:35	04:49:35	17.85	0	17.85	0.35	0.09 %	500	1	1
2.	28/02/2013	Dev Kishan Mal	09:00:03	14:59:38	05:59:35	18.2	18.2	18.2	0.35	0.09 %	1000	2	2
3.	01/03/2013	Kuldeep Singh	09:00:02	14:50:49	05:50:47	18.55	18.55	18.55	0.35	0.09 %	1000	3	3
4.	04/03/2013	Ramesh Baheti	09:00:02	14:17:40	05:17:38	18.9	18.9	18.9	0.35	0.09 %	5000	4	4
5.	08/03/2013	Ramesh Baheti	09:00:02	15:15:39	06:15:37	20.2	20.2	20.2	0.95	0.23 %	5000	3	3
6.	11/03/2013	Dev Kishan Mal	09:00:01	15:25:02	06:25:01	21.2	21.2	21.2	1	0.24 %	1000	3	3
7.	13/03/2013	Kuldeep Singh	09:00:05	12:17:57	03:17:52	23.35	23.35	23.35	1.1	0.27 %	500	4	4
8.	18/03/2013	Ramesh Baheti	09:00:01	12:54:12	03:54:11	25.7	25.7	25.7	1.2	0.29 %	5000	3	3
9.	21/03/2013	Dev Kishan Mal	09:00:02	15:22:19	06:22:17	28.25	28.25	28.25	1.3	0.32 %	900	5	5
10.	22/03/2013	Kuldeep Singh	09:00:00	14:04:45	05:04:45	29.65	29.65	29.65	1.4	0.34 %	5000	3	3
11.	25/03/2013	Ramesh Baheti	09:00:00	12:39:26	03:39:26	31.1	31.1	31.1	1.45	0.35 %	5000	2	2

Sr N o.	Trade Date	Seller Name	Buy Order Time	Sell Order Time	Time Diff Between Buy order and sell order	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	%L TP	Buy Order Quantity	Sell Order Quantity	Trade QTY
12.	26/03/2013	Dev Kishan Mal	09:00:00	11:43:54	02:43:54	32.65	32.65	32.65	1.55	0.38 %	900	3	3
13.	28/03/2013	Kuldeep Singh	09:00:00	12:54:31	03:54:31	34.25	34.25	34.25	1.6	0.39 %	5000	4	4
14.	02/04/2013	Ramesh Baheti	09:00:00	15:29:00	06:29:00	35.95	35.95	35.95	1.7	0.41 %	5000	3	3
15.	04/04/2013	Dev Kishan Mal	09:00:01	15:22:07	06:22:06	39.55	39.55	39.55	1.85	0.45 %	5000	4	4
16.	05/04/2013	Kuldeep Singh	09:00:00	12:31:17	03:31:17	41.5	41.5	41.5	1.95	0.48 %	5000	2	2
17.	09/04/2013	Ramesh Baheti	09:30:00	09:45:23	00:15:23	43.55	43.55	43.55	2.05	0.50 %	900	3	3
18.	10/04/2013	Dev Kishan Mal	09:30:00	10:01:30	00:31:30	45.7	45.7	45.7	2.15	0.52 %	900	4	4
19.	15/04/2013	Kuldeep Singh	12:30:00	12:46:29	00:16:29	50.3	50.3	50.3	2.35	0.57 %	800	3	3
20.	18/04/2013	Ramesh Baheti	11:30:00	12:12:03	00:42:03	52.8	52.8	52.8	2.5	0.61 %	800	2	2
21.	03/06/2013	Ranju Devi Jain	13:30:00	13:36:06	00:06:06	56.5	56.5	56.5	1.1	0.27 %	800	10	10
22.	04/06/2013	Vinodkumar Chotamal Jain	11:30:00	11:48:21	00:18:21	57.6	57.6	57.6	1.1	0.27 %	800	8	8
23.	05/06/2013	Vinodkumar Chotamal Jain	13:30:00	14:01:42	00:31:42	58.75	58.75	58.75	1.15	0.28 %	500	5	5
24.	06/06/2013	Kusum Devi Baid	14:30:00	14:52:41	00:22:41	59.9	59.9	59.9	1.15	0.28 %	800	10	10
25.	10/06/2013	Samaresh Pathak	12:30:00	13:05:50	00:35:50	61.05	61.05	61.05	1.15	0.28 %	800	8	8
26.	11/06/2013	Pawan Somani	12:30:00	13:11:16	00:41:16	62.25	62.25	62.25	1.2	0.29 %	800	9	9
27.	12/06/2013	Susmita Pathak	09:30:00	10:10:38	00:40:38	63.45	63.45	63.45	1.2	0.29 %	500	10	10
28.	14/06/2013	Shalini Agarwal	12:30:00	13:03:09	00:33:09	64.7	64.7	64.7	1.25	0.30 %	500	6	6
29.	24/06/2013	Vishnu Khaitan	14:30:00	14:52:01	00:22:01	71.25	71.25	71.25	1.35	0.33 %	5000	5	5

Sr · N o.	Trade Date	Seller Name	Buy Order Time	Sell Order Time	Time Diff Between Buy order and sell order	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	%L TP	Buy Order Quantity	Sell Order Quantity	Trade QTY
30.	25/06/2013	Kamal Baid	13:30:00	14:00:12	00:30:12	72.65	72.65	72.65	1.4	0.34 %	5000	8	8
31.	26/06/2013	Rachana Govind Attal	11:30:00	11:30:19	00:00:19	74.1	74.1	74.1	1.45	0.35 %	5000	4	4
32.	27/06/2013	Benu Mimani	10:30:00	10:35:19	00:05:19	75.55	75.55	75.55	1.45	0.35 %	5000	10	10
33.	28/06/2013	Shilpa Jain	10:30:00	11:02:53	00:32:53	77.05	77.05	77.05	1.5	0.37 %	500	6	6
34.	01/07/2013	Tapan Kumar Dey	12:30:00	12:48:40	00:18:40	78.55	78.55	78.55	1.5	0.37 %	500	8	8
35.	02/07/2013	Paras Vinod Jain	10:30:00	10:33:21	00:03:21	80.1	80.1	80.1	1.55	0.38 %	5000	6	6
36.	03/07/2013	Debashis Sur Chowdhury	13:30:00	13:40:14	00:10:14	81.7	81.7	81.7	1.6	0.39 %	500	8	8
37.	04/07/2013	Shalini Agarwal	11:30:00	11:30:44	00:00:44	83.3	83.3	83.3	1.6	0.39 %	5000	5	5
38.	05/07/2013	Janardhan Rama Bhunesar	12:30:00	12:42:07	00:12:07	87.45	87.45	87.45	4.15	1.01 %	500	8	8
39.	10/07/2013	Sanjay Kumar Sharma	13:30:00	13:37:07	00:07:07	96.35	96.35	96.35	4.55	1.11 %	500	4	4
40.	11/07/2013	Sonu	11:30:00	11:35:07	00:05:07	101.15	101.15	101.15	4.8	1.17 %	500	3	3
41.	12/07/2013	Rupesh Kumar Srivastava	13:30:00	13:55:30	00:25:30	106.2	106.2	106.2	5.05	1.23 %	500	5	5
42.	15/07/2013	Parinay Somani	12:30:00	12:49:00	00:19:00	111.5	111.5	111.5	5.3	1.29 %	500	8	8
43.	16/07/2013	Rachana Govind Attal	09:30:00	09:54:36	00:24:36	117.05	117.05	117.05	5.55	1.35 %	250	4	4
44.	17/07/2013	Pradip Basu	12:30:00	12:59:06	00:29:06	122.9	122.9	122.9	5.85	1.43 %	250	7	7
45.	18/07/2013	Amareesh Pathak	13:30:00	13:38:07	00:08:07	129	129	129	6.1	1.49 %	500	7	7

Sr N o.	Trade Date	Seller Name	Buy Order Time	Sell Order Time	Time Diff Between Buy order and sell order	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	%L TP	Buy Order Quantity	Sell Order Quantity	Trade QTY
46.	22/07/2013	Ranju Devi Jain	13:30:00	13:54:43	00:24:43	135.45	135.45	135.45	6.45	1.57 %	500	5	5
47.	24/07/2013	Pawan Somani	10:30:00	10:43:03	00:13:03	149.3	149.3	149.3	7.1	1.73 %	500	7	7
48.	25/07/2013	Vinodkumar Chotamal Jain	13:30:00	13:48:12	00:18:12	156.75	156.75	156.75	7.45	1.82 %	500	5	5
49.	29/07/2013	Benu Mimani	10:30:00	10:34:09	00:04:09	164.55	164.55	164.55	7.8	1.90 %	250	8	8
50.	30/07/2013	Shilpa Jain	12:30:00	12:52:59	00:22:59	172.75	172.75	172.75	8.2	2.00 %	500	5	5
51.	31/07/2013	Kusum Devi Baid	12:30:15	13:06:03	00:35:48	176.2	176.2	176.2	3.45	0.84 %	1000	8	8
52.	01/08/2013	Samresh Pathak	13:31:01	14:04:11	00:33:10	179.7	179.7	179.7	3.5	0.85 %	992	7	7
53.	02/08/2013	Vishnu Khaitan	13:37:13	13:40:52	00:03:39	183.25	183.25	183.25	3.55	0.87 %	985	5	5
54.	05/08/2013	Paras Vinod Jain	11:45:41	11:39:03	(00:06:38)	186.9	186.9	186.9	3.65	0.89 %	25	5	5
55.	06/08/2013	Susmita Pathak	13:34:25	13:50:47	00:16:22	190.6	190.6	190.6	3.7	0.90 %	300	7	7
56.	07/08/2013	Kamal Baid	15:06:05	15:02:22	(00:03:43)	194.4	194.4	194.4	3.8	0.93 %	50	7	7
57.	08/08/2013	Shalini Agarwal	12:32:03	12:39:33	00:07:30	198.25	198.25	198.25	3.85	0.94 %	50	5	5
58.	12/08/2013	Tapan Kumar Dey	14:53:26	14:55:02	00:01:36	202.2	202.2	202.2	3.95	0.96 %	10	6	6
59.	13/08/2013	Parinay Somani	13:30:10	13:32:04	00:01:54	206.2	206.2	206.2	4	0.97 %	10	8	8
60.	14/08/2013	Debashis Sur Chowdhury	10:07:16	09:36:10	(00:31:06)	210.3	210.3	210.3	4.1	1.00 %	50	7	7
61.	16/08/2013	Janardhan Rama Bhunesar	10:10:28	10:06:13	(00:04:15)	214.5	214.5	214.5	4.2	1.02 %	43	6	6
62.	19/08/2013	Rachana Govind Attal	13:45:19	14:10:22	00:25:03	218.75	218.75	218.75	4.25	1.04 %	30	4	4

Sr N o.	Trade Date	Seller Name	Buy Order Time	Sell Order Time	Time Diff Between Buy order and sell order	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	%L TP	Buy Order Quantity	Sell Order Quantity	Trade QTY
63.	21/08/2013	Amaresh Pathak	09:39:43	09:48:30	00:08:47	227.55	227.55	227.55	4.45	1.08 %	25	7	7
64.	22/08/2013	Sunil Singhal	09:30:36	10:02:38	00:32:02	232.1	232.1	232.1	4.55	1.11 %	25	2	2
65.	26/08/2013	Akhilesh war Kumar Mishra	10:31:21	11:04:38	00:33:17	241.4	241.4	241.4	4.7	1.15 %	25	4	4
66.	30/08/2013	Rupesh Kumar Srivastava	10:48:14	11:06:55	00:18:41	261.2	261.2	261.2	5.1	1.24 %	25	3	3
67.	03/09/2013	Shilpa Jain	09:30:13	09:31:17	00:01:04	271.7	271.7	271.7	5.3	1.29 %	100	5	5
68.	04/09/2013	Rachana Govind Attal	14:30:00	14:37:50	00:07:50	277.1	277.1	277.1	5.4	1.32 %	50	3	3
69.	05/09/2013	Paras Vinod Jain	14:30:00	14:39:37	00:09:37	282.6	282.6	282.6	5.5	1.34 %	47	4	4
70.	06/09/2013	Shalini Agarwal	09:30:01	09:34:51	00:04:50	288.25	288.25	288.25	5.65	1.38 %	43	3	3
71.	10/09/2013	Rachana Govind Attal	12:30:02	12:37:08	00:07:06	294	294	294	5.75	1.40 %	50	5	5
72.	11/09/2013	Benu Mimani	09:30:49	09:38:28	00:07:39	299.85	299.85	299.85	5.85	1.43 %	50	10	10
73.	12/09/2013	Shilpa Jain	09:30:01	09:40:02	00:10:01	305.8	305.8	305.8	5.95	1.45 %	250	5	5
74.	16/09/2013	Sunil Singhal	11:41:43	11:59:43	00:18:00	318.1	318.1	318.1	6.2	1.51 %	200	5	5
75.	18/09/2013	Sanjay Kumar Sharma	09:32:36	09:49:27	00:16:51	330.9	330.9	330.9	6.45	1.57 %	200	4	4
76.	20/09/2013	Sonu	10:30:00	11:02:20	00:32:20	344.25	344.25	344.25	6.75	1.64 %	40	2	2
77.	26/09/2013	Akhilesh war Kumar Mishra	10:42:18	10:51:33	00:09:15	372.55	372.55	372.55	7.3	1.78 %	20	2	2
78.	30/09/2013	Paras Vinod Jain	09:30:38	09:53:05	00:22:27	387.6	387.6	387.6	7.6	1.85 %	20	2	2

Sr N o.	Trade Date	Seller Name	Buy Order Time	Sell Order Time	Time Diff Between Buy order and sell order	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	%LTP	Buy Order Quantity	Sell Order Quantity	Trade QTY
79.	01/10/2013	Paras Vinod Jain	09:34:47	09:51:53	00:17:06	395.35	395.35	395.35	7.75	1.89 %	20	3	3
80.	07/10/2013	Ranju Devi Jain	14:30:56	14:45:08	00:14:12	411.3	411.3	411.3	8.05	1.96 %	15	2	2
81.	09/10/2013	Ranju Devi Jain	13:32:33	13:54:16	00:21:43	427.85	427.85	427.85	8.35	2.03 %	11	3	3
		Total							291.2	70.96%			412

13. It is observed from the table no. 5 presented above that out of the 81 trades which contributed to positive LTP in the scrip of Dhanleela, there are 77 trades wherein the sell orders were placed by the 27 Noticees only after the respective buy orders were placed in the system. I also note that various Noticees in their submissions have advanced an argument that the buy orders were already available in the trading system of the exchange at a price higher than the LTP and the Noticees have placed the sell orders at the same price to match the buy orders and therefore, have contended that their acts *per se* are not manipulative and fraudulent. I agree with the submissions of the Noticee to the extent that the buy orders were already available in the system at a price higher than the LTP much before the Noticees have placed the sell orders. However, what is pertinent to note here is that, each of the aforementioned 81 trades, was the 1st trades of the day and could be executed only because the Noticees chased those buy orders with their sell orders of small quantities of shares on those trading days. Despite the fact that the buyers have placed their buy orders much ahead of the sell orders at a price higher than LTP, I note that there was no seller in the scrip with whom such buy orders could have matched on those days. In fact, in various instances the buy orders were placed around 9:00 am in the morning as soon as the market opened and remained pending on the system for hours together, but got matched with sell orders after more than 3 hours when one

of the 27 Noticees placed his sell order. For instance, in the above table no. 5 at Sr. No. 10, the buy order was placed at 09:00:00, but the said buy order got executed after a duration of more than 5 hours (05:04:45) when a sell order was placed by Noticee no. 16 (Kuldeep Singh) at a price of ₹29.65 which was ₹1.4 (0.34%) higher than LTP. Similarly, at sr. no. 15 in table no. 5 above, the buy order was placed at 09:00:01 on 04.04.2013 at a price of ₹39.55, but got executed into a trade after a duration of more than 6 hours (06:22:06) when a sell order was placed by Noticee no. 19 (Dev Kishan Mal) at a price of ₹39.55 which was 1.85 (0.45%) higher than LTP. It shows that but for the sell orders placed by the Noticees for miniscule number of shares, those corresponding pending buy orders on their own, would not have been able to make any manipulative impact on the price of the scrip. In fact, in absence of the sell orders of small quantities placed by the 27 Noticees, no transaction would have fructified and no LTP would have been formed. The mode of trading by the Noticees was evidently manipulative, because instead of selling a large part of their stock when demand for larger quantities was already available in the trading system, the Noticees preferred to off load very small quantity of shares and on most of the time they placed their sell orders in miniscule quantities. The sequencing of buy & sell orders and the trading pattern followed in these trades clearly indicate that the 27 Noticees have placed their sell orders not on business prudence but with a manipulative intent to inflate the price of the scrip.

14. I also note that certain Noticees have contended that it is natural to seek a better price of the shares and that their act of selling the shares at higher price should not be treated as manipulative and unfair. In this regard, I would like to rely on the observations of the Hon'ble SAT in the matter of *Kalpna Dharmesh Chheda and Ors. Vs. SEBI and Ors. (DoD: February 25, 2020)*, in which the Hon'ble Tribunal had, inter alia, observed that "*though generally it can be stated that selling at a price higher than the LTP particularly when buy orders are available in the system cannot be considered as manipulative in itself. However, looking at the pattern of trading done by the appellants and the fact that the appellants have derived considerable financial benefit through that particular*

scheme or nature of trading we are of the view that the trading pattern adopted by the appellants is of a manipulative and unfair nature and would squarely fall within the ambit of the PFUTP Regulations..... This behavior cannot be justified in terms of normal rational expectations of a seller.” Considering the foregoing observations, I reject this contention of the Noticees as it does not deserve further consideration.

15. It has been further alleged in the SCN that Noticees no. 1 to 11 (11 Noticees out of the 27 Noticees) by placing sell orders above LTP for small quantities of shares have manipulated the price of the scrip in Patch-II. The details of such trades executed by the 11 Noticees and their impact on the LTP of scrip of Dhanleela during Patch-II of the Investigation Period are tabulated below:

Table-6: Trading by Noticees No. 1 to 11 during Patch-II

S. No.	Entity Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of (+) LTP to Total Market (+) LTP
		Net LTP	Sum of Qty	No of trades	LTP	QTY Traded	No of trades	LTP	QTY	No of trades	QTY	No of trades	
1	Sanjay Kumar Sharma	9.20	10	1	9.20	10	1	0.00	0	0	0	0	7.07%
2	Sonu	8.80	7	1	8.80	7	1	0.00	0	0	0	0	6.77%
3	Sunil Singhal	7.60	11	2	7.60	10	1	0.00	0	0	1	1	5.84%
4	Vishnu Khaitan	7.40	10	2	7.40	10	2	0.00	0	0	0	0	5.69%
5	Rachana Govind Attal	6.95	5	1	6.95	5	1	0.00	0	0	0	0	5.34%
6	Susmita Pathak	6.00	5	1	6.00	5	1	0.00	0	0	0	0	4.61%
7	Samaresh Pathak	5.70	5	1	5.70	5	1	0.00	0	0	0	0	4.38%
8	Shalini Agarwal	3.70	25	3	3.70	20	2	0.00	0	0	5	1	2.85%
9	Benu Mimani	2.10	10	1	2.10	10	1	0.00	0	0	0	0	1.61%
10	Kamal Baid	1.95	10	1	1.95	10	1	0.00	0	0	0	0	1.50%
11	Vinodkumar Chotamal Jain	1.75	23	3	1.75	6	1	0.00	0	0	17	2	1.35%
	Total of 11 Noticees	61.15	121	17	61.15	98 (0.05% of total)	13	0	0	0	23	4	47.02%

S. No.	Entity Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of (+) LTP to Total Market (+) LTP
		Net LTP	Sum of Qty	No of trades	LTP	QTY Traded	No of trades	LTP	QTY	No of trades	QTY	No of trades	
						Qty traded)							
	Market Total	117.75	191175	405	130.05	7457	29	-12.3	2430	6	181288	370	100%

16. From table no. 6 above, I note that during the Patch-II period of trading in the scrip of Dhanleela, 11 Noticees have cumulatively executed 17 trades and out of these 17 trades, in 13 trades they have contributed positive LTP of ₹61.15 which constitutes 47.02% of the total market positive LTP of ₹117.75 contributed during the Patch-II of the Investigation Period. I also observe from the above table that such positive LTP of ₹61.15 was contributed by the said 11 Noticees from their trading in only 98 shares which was just 0.05% of the total shares traded (191175 shares) in the scrip of Dhanleela during the said Patch-II of the Investigation Period. The aforesaid trading data reveals that the 11 Noticees to have contributed to more than 47% of total market positive LTP from their trades which constituted less than 1% of the total trades of the shares of Dhanleela during the said period. Such trades executed by the 11 Noticees raise a strong suspicion about the *malafide* intention of the Noticees to artificially push up the price of the scrip higher than the LTP in every single trade that they executed during the said period.

17. As observed earlier from the trade logs (annexed to the SCN), each of those positive LTP contributing 13 trades was the 'first trade' of their respective trading days. The order wise details of the aforementioned 13 trades that have substantially contributed to positive LTP of the scrip have been tabulated below:

Table-7: Order details of trades executed by Noticees No. 1 to 11 during Patch-II

Sr. No.	TRADE DATE	Seller Name	Buy Order Time	Sell Order Time	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	%LTP	Buy Order QTY	Sell Order QTY	Traded QTY
1.	11/10/2013	Shalini Agarwal	10:51:28	10:47:21	88.95	88.95	88.95	1.7	1.31%	6	6	6
2.	15/10/2013	Vinodkumar Chotamal Jain	09:42:17	10:05:09	90.7	90.7	90.7	1.75	1.35%	6	6	6
3.	28/10/2013	Kamal Baid	14:07:33	13:52:14	104.05	104	104	1.95	1.50%	100	10	10
4.	29/10/2013	Vishnu Khaitan	13:49:06	13:44:58	106.05	106	106	2	1.54%	100	5	5
5.	05/11/2013	Shalini Agarwal	12:12:42	12:07:57	107	107	107	2	1.54%	50	14	14
6.	06/11/2013	Benu Mimani	12:01:40	11:53:49	109.1	109.1	109.1	2.1	1.61%	10	10	10
7.	07/11/2013	Vishnu Khaitan	13:06:45	12:43:58	114.55	114.5	114.5	5.4	4.15%	10	5	5
8.	08/11/2013	Samaresh Pathak	13:47:22	13:57:03	120.2	120	120.2	5.7	4.38%	100	5	5
9.	11/11/2013	Susmita Pathak	11:30:26	11:49:51	126.2	126.2	126.2	6	4.61%	100	5	5
10.	14/11/2013	Rachana Govind Attal	10:41:00	10:49:12	146.05	146.05	146.05	6.95	5.34%	100	5	5
11.	19/11/2013	Sunil Singhal	10:30:20	10:39:45	159.85	159.85	159.85	7.6	5.84%	10	11	10
12.	22/11/2013	Sonu	15:10:21	14:46:52	184.8	184.8	184.8	8.8	6.77%	10	7	7
13.	25/11/2013	Sanjay Kumar Sharma	14:04:51	13:34:51	194	194	194	9.2	7.07%	10	10	10
		Total						61.15	47.02 %			98

18. I note from the table no. 7 above that the 13 trades that were executed by the 11 Noticees which contributed to positive LTP of ₹61.15 in the scrip of Dhanleela, exhibit a pattern wherein, every Noticee has executed a sale trade on a trading day different from the trading day opted by other Noticees and every Noticee has executed his / her trade at a price much higher than the LTP. I note that various Noticees in their submissions have justified their sell orders on the rationale that the buy orders were already available in the trading system of the exchange at a price higher than the LTP

and the Noticees have placed their sell order at the same price to match the buy orders and therefore have contended that their acts are per se, not manipulative and fraudulent. I have already held this explanation of the Noticees as not acceptable while examining the trades executed by the 27 Noticees in the Patch I of the Investigation Period. I have held that even though the Noticees placed their sell orders after the buy orders were placed in the stock exchange system, it is because of the deliberate action of the Noticees to place those sell orders just to match the pending buy orders which were already available at higher LTP, the Noticees colluded in executing the high LTP trade of that particular trading day so as to establish a new high LTP. Therefore, the ground taken by the Noticees that they placed their sell orders after the buy orders were placed will not help them as but for their matching sell orders, the new higher LTP could not have been created on those trading days.

19. Moreover, in the Patch-II, the 11 Noticees have also placed their sell orders of high LTP prior to the buy orders on 8 occasions (sr. no. 1,3,4,5,6,7,12 and 13 of the aforementioned table no. 7). Thus out of 13 first trades, 7 first trades have been executed because of sell orders at a price higher than the LTP were placed by the 11 Noticees before the buy orders. Therefore, the aforesaid explanation offered by the 11 Noticees is factually incorrect and rather it goes onto substantiate the motive of the 11 Noticees to establish high LTP by placing their sell orders both before as well as after the buy orders.

20. It has been alleged in the SCN that despite holding sizeable quantity of shares, these Noticees released very small number of shares in each of their sell trades above LTP and the number of shares offered by them in their sell orders was many a times placed in single digits. Looking at such trading pattern adopted and followed religiously by the Noticees, it is alleged that there was no *bona fide* intention on the part of these 27 Noticees during the Patch-I and also on the part of the 11 Noticees (of the 27 Noticees) during the Patch-II, to sell their shareholdings and they have traded

on the exchange only to mark the price higher than LTP and to manipulate the scrip price. With regard to the said allegation, I note that the majority of the Noticees have taken a plea that the quantity of shares held by them was very less (25-100 shares), therefore they preferred to sell the same in small tranches. Noticees have further justified the acts of selling in small units by stating that it is a natural practice to seek a better value for their shares, therefore as and when the Noticees observed the price of share was rising, it was desirable for them to sell the shares at a higher price. In this regard, on an analysis of the trade data presented in the above mentioned tables, one peculiar trading pattern that was noticed is that all the aforementioned 81 trades executed by the 27 Noticees during the Patch-I and 13 trades executed by the 11 Noticees during the Patch-II which have resulted into contribution of positive LTP in the scrip of Dhanleela, were executed on different trading days which means, none of the 27 Noticees who have contributed to positive LTP of the scrip has traded jointly with any other Noticee on the same day. Further, despite the fact that the buyers were willing to buy higher quantities, none of the Noticees sold all of the quantity that they possessed in a single trade. The way the Noticees have been taking turns to place their LTP contributing sell orders on different trading days clearly smacks of a manipulative trading pattern whereby the 27 Noticees appear to have traded in one scrip with a pre-meditated mindset of sustaining the price rise of the scrip of Dhanleela continuously over a long period of time by way of contributing to the LTP of the scrip, turn by turn, on different trading days without coming together to the market on any given day as the same, would have consumed their efforts and shares in a few days. Such a trading pattern followed by the Noticees apparently with an illicit motive to inflate the price of the scrip by trading in the scrip one at a time and only once in a trading day, strongly refutes the explanations of the Noticees that since they possessed small quantities of shares of the Company, they preferred to sell small quantities in tranches, to fetch better price. The trading pattern demonstrated by the Noticees rather exposes the wicked design in the minds of the Noticees who have optionally utilised their respective possessions of the scrip of the Company in small

quantities by trading one at a time and once in a day in very small quantities of shares so as to inflate the price of the scrip over a long period of time.

21. The Noticees have advanced an argument that the shares were brought by them in the off market as there was no volumes in the stock exchange platform. They have further argued that off market transactions *per se* are not illegal. I am in agreement with the submissions of the Noticees to the extent that off market transactions *per se* are not illegal and also no allegation to that effect has been made in the SCN. However, what the SCN has endeavored to impute about the off market purchase is not about its illegality, but about its unusualness or abnormal character, more so when, none of 27 Noticees has submitted any documents to substantiate his/her claim that he/she has made an effort to buy the shares from the Stock Exchange platform but failed to buy the same from the Stock Exchange platform due to lack of volumes and ultimately had to buy those shares from off market sources. I further find a severe contradiction in the submissions of the Noticees who on the one hand, had to buy the shares in an off market transaction due to lack of volume on the Stock Exchange, but at the same time decided to offer those shares, subsequently on the exchange platform, knowing very well that there is no volume in the scrip on the Exchange platforms. There is also no denying the fact that selling shares in smaller quantities is not prohibited under the law. However, the Noticees should note that they have not been alleged for indulging in any prohibited trades, rather based on their, abnormal & insidious trading pattern in the scrip of the Company, their trades in the scrip have been alleged in the SCN to be unfair and manipulative trades, that are harmful for the market.

22. Some Noticees have also taken a plea that the quantities sold by each of them were very few and their individual contribution to positive LTP in the scrip of Dhanleela was even less than 1% in a single trade, and therefore it is very difficult for one to manipulate the price of the scrip by trading in such small quantities and with such small contribution to LTP. However I note that though the individual

contribution to positive LTP in the scrip of Dhanleela is small but the cumulative impact of all such small individual contributions has resulted in contribution to 70.96% and 47.02% of positive LTP to total market positive LTP in the scrip of Dhanleela during the two respective Patches covered in the Investigation Period. Moreover, I can't lose sight of the fact that these 27 Noticees have procured the shares in off-market directly or indirectly from one source only i.e. Noticee no. 28 and have also adopted a uniform trading strategy while selling those shares on the Exchange Platform. Thus the uncanny similarity in their approach while purchasing the shares in the off market and subsequent sell trades in the scrip of Dhanleela strongly signifies their *inter se*, association or acting in unison when it came to trading in the scrip of Dhanleela.

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

24. The fact that all the 27 Noticees have bought the shares directly or indirectly from Noticee no. 28 is not disputed. These 27 Noticees who received the shares of the Company from one person in off-market transactions, are connected through a common thread by not only receiving shares directly or indirectly from Noticee no. 28 but also by uniformly receiving the shares in small quantities. Further, most of the 27 Noticees have offered an identical reason as to why they chose to buy the shares from off-market, which I have already found to be self-contradictory and devoid of merit. The unique and peculiar trading strategy adopted by the 27 Noticees as pointed out earlier, further makes all the 27 Noticees as a part of a homogenous group, who followed identically similar abnormal pattern of trading while dealing in

the scrip of the Company. Curiously enough, all the Noticees developed a sudden interest in a scrip which remained under suspension for long and which had nothing noteworthy in record with regards to its market fundamentals so as to evoke any abrupt enthusiasm in any investor to procure the shares of the Company by whatever means even from off market sources. I observe that although the stock of the Company witnessed price rise with little or negligible volume during the investigation period, there was hardly any seller showing interest in the scrip during the said period. However, these 27 Noticees turned out to be the major sellers with minuscule quantities of shares being sold by each of them turn by turn on different trading days. When there was a strong demand for buying the scrip of Dhanleela as is evident from the buy orders of large quantities of the scrip that were available in the stock exchange system which signifies the fact that the investors were eager to buy more & more of the scrip even at LTP or at more than LTP, the 27 Noticees acted contrary to market trend and did not make any effort to consolidate their holdings by buying more shares to make more profit as the scrip was witnessing price rise. In any case the Noticees had expressed their grievance that they had to buy the shares of the Company from off-market transactions as the shares were not adequately available on the Exchange platform. Now, when the scrip was witnessing heavy buying demand, instead of evincing interest to buy more shares of the Company, these 27 Noticees decided to offload very minuscule quantities of shares in each of their trades so as to match the prices of buyers on a continues basis and in the process supported each other in inflating the price of the scrip. Interestingly it is also seen that these 27 Noticees have also not sold their entire stock despite the fact that the price had gone up to a peak of ₹213.95 per share (unadjusted stock split price ₹1069.75 per share). It further demonstrates the ill intention of these 27 Noticees who apparently wanted, only to manipulate the price and not to do any genuine trade in the scrip to earn maximum profit from their investment, made through off-market transactions. The fact that the Noticees had got their shares from off market from certain common persons and none of them had pervious history of trading in the

scrip are sufficient enough to conclude that the trades of the Noticees were not genuine and the trades executed by them were not trades executed in the normal course of trading, in a fair manner.

25. The submissions of the Noticees that there was rise in price of the scrip, which had motivated them to release in smaller quantities to reap the benefit also don't find support from the trading pattern followed by the Noticees. I find it very strange that none of the Noticees ever thought of placing any buy order to buy the stock, which was apparently in demand and majority of shareholders were not coming forward to sell the same. Therefore, in my view of the alleged trading pattern of the Noticees had potential artificially to induce the investors to invest in the scrip as their trades were generating a misleading appearance of price/ volume in the scrip whereas, the reality was that the Noticees were taking turns and were trying to raise the LTP on every different trading day during the Investigation Period by matching the pending buy orders with their sell offers of small quantities. The uniqueness in the trading pattern followed by these 27 Noticees further strengthens the view that these Noticees were forming part of one homogenous group who had received their shares from Noticee nos. 28 & 29 only with a motive to carry out a pre-mediated plan to manipulate the price of the scrip upward and to distort the price volume mechanism of the market which is evident from the details of their LTP contributing trades as demonstrated in table no. 5 of this order. Thus, in my view, the trading pattern adopted by the Noticees ostensibly indicate that the trades were placed by them under a pre-conceived scheme to raise the price of the scrip artificially and maintain such price rise over a considerable period of time.

26. The Noticees have submitted that no buyer corresponding to their trades has been issued any notice by SEBI, hence, the instant proceedings against them deserve to be disposed of by exonerating them. In this regard, the Noticees must understand that the instant proceedings require me to ascertain, on the basis of facts and other materials available on record, as to whether the alleged trades of the Noticees are fair,

normal and non- manipulative in nature or not. Further, it is trite law to state that in the quasi-judicial proceedings, the adjudicator is bound within the realms of the Show Cause Notice presented before him for adjudication. In the instant case, after examining the role of the buyers, if SEBI has found it not necessary to proceed against them, the same logic cannot *ipso facto*, be extended to other Noticees. In fact, in the matter of *Systematix Shares & Stocks India Limited v. SEBI (2012)*, the Hon'ble SAT also had the occasion to deal with a similar argument of the appellant contending that the Board should have proceeded against all wrong doers and the action against the appellant and a few entities alone was discriminatory. In the said case, the Hon'ble SAT observed that "*We cannot subscribe to this view since the Board has set its own benchmark in selecting cases for action and, in any case, the appellant cannot plead himself innocent or his trades as lawful.*" Therefore, those who seek equity must come out with clean hands. The Noticees ought to discharge their onus by justifying their trades within the bounds of market prudence before seeking an escape route by taking such a plea. Considering the foregoing, I reject this contention of the Noticees in *limine* and do not find it necessary to further deal with this contention.

27. Notwithstanding the aforesaid, the mere fact that investigation has failed to find any relation of these 27 Noticees with their counterpart buyers would not *ipso facto* entitle the Noticees to deserve an exoneration. The scope and ambit of the proceedings are confined to the four corners of law to ascertain as to whether the trading transactions of the Noticees in isolation can be classified to be true, normal and fair and the same has to be as ascertained purely on the principle of preponderance of probabilities after taking into cognizance, the factual & circumstantial details surrounding the trading behavior of the 27 Noticees.

28. Keeping in view the foregoing discussions, I note that the Noticees have failed to give any plausible reason/explanation to defend themselves against the charges levelled against them in the SCN. Further, the role played by the Noticees to artificially increase the price during the Patch-I and Patch-II needs to be seen

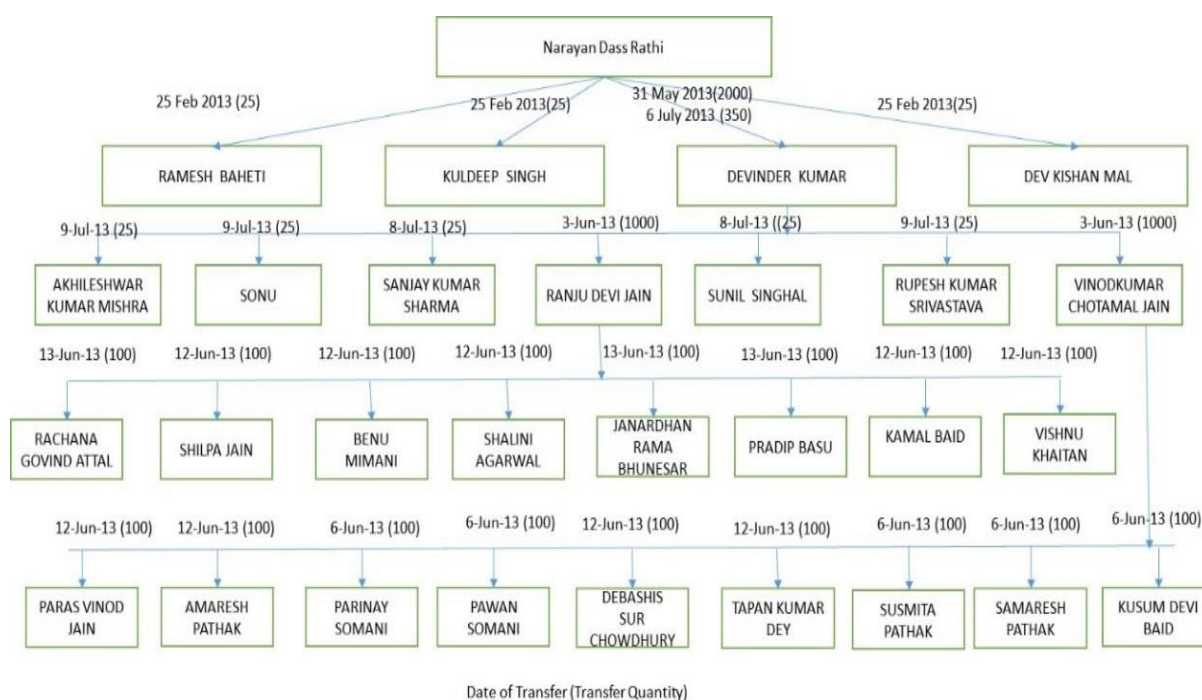
holistically, more particularly, when all of them have received shares from a common person and have followed a common, uniform but unique, trading strategy to sell their shares which unmistakably bundles them as one homogenous group. Therefore, the role played by these Noticees in the Patch-I and Patch-II needs to be perceived as the acts of a united group of entities that was aimed at manipulating the price of the scrip of Dhanleela over a period of time which they did accomplish by cumulatively contributing to the LTP of the scrip during the Patch-I & Patch-II of the Investigation Period.

29. From the aforesaid, I find that through their abnormal trading pattern, the 27 Noticees have indulged in trades to deliberately manipulate the price of the scrip. Their trading pattern of selling very few shares in a single trade on a number of occasions and in each trade, their decision to sell the stock at a price higher than the LTP in the smallest possible lot, further manifests their intention that they were not interested in selling the stock as genuine sellers in the securities market, but have interested to act in a manner to distort the market equilibrium with respect to the shares of Dhanleela. In view of the above stated factual backdrop and for the detailed reasons discussed above, it leaves no doubt in my mind that the trades executed by the 27 Noticees were not fair trades executed in the normal course of trading, and were executed with an intent to manipulate the price of the scrip.

30. It has been alleged in the SCN that Noticee no. 28 (Narayan Dass Rathi) and Noticee no. 29 (Devinder Kumar) were instrumental in the scheme of manipulation along with the 27 Noticees as part of which, they have made off-market transfer of shares, both directly and indirectly, to Noticee nos. 1 to 27 and subsequently, these 27 Noticees, who received shares from Noticee no. 28 and 29 through off-market deals, transferred some of those shares amongst themselves and also manipulated the price of the scrip by way of executing those LTP contributing trades already discussed in the foregoing paragraphs of this order. For better appreciation of the

alleged scheme that was contrived by the Noticees, details of off-market transfer of shares amongst the Noticees are represented in the chart below:

Chart 2: Off-market transfer of shares among Noticees



31. I note from the chart no. 2 above that Noticee no. 28 (Narayan Dass Rathi) had transferred shares directly to four Noticees viz. Noticee no. 12 (Ramesh Baheti), Noticee no. 16 (Kuldeep Singh), Noticee no. 19 (Dev Kishan Mal) and Noticee no. 29 (Devinder Kumar) and indirectly to rest of the Noticees through Noticee no. 29. Based on the unusual trading pattern adopted by the 27 Noticees as discussed above, it has been alleged that such off-market transfer of shares was deliberately made in order to enable those 27 Noticees to manipulate the price of the scrip. I also note that out of the aforementioned 4 Noticees who received shares of Dhanleela directly from Noticee no. 28, 3 Noticees (Noticee no. 12, 16 and 19) (hereinafter referred to as “**3 Noticees**”) received their shares from Noticee no. 28 on February 25, 2013.

32. At this juncture, it is pertinent to note that the scrip of Dhanleela was suspended from trading since September 11, 2006 and the suspension was revoked on April 24, 2012. However, only 1 trade had taken place in the scrip between April

24, 2012 and February 25, 2013. By a combined reading of the aforesaid chart no. 2 pertaining to off-market transfers and table no. 5 at para 12 of this order, I find that the shares of Dhanleela were transferred by Noticee no. 28 to aforementioned 3 Noticees on February 25, 2013 and immediately after receipt of those shares from Noticee no. 28, all the aforesaid 3 Noticees, started contributing to positive LTP in the scrip of Dhanleela from February 27, 2013 onwards by selling their shares in very small quantities in the range of 1-5 shares at a time and thus continued the same trading pattern till April 18, 2013 by selling shares on their respective turns.

33. Subsequently on May 31, 2013, Noticee no. 28 transferred 2000 shares to Noticee no. 29. From a combined reading of the chart no. 2 pertaining to off-market transfers and table no. 5 at para 12 of this order, one can easily note the manipulative trading pattern exhibited by the Noticees. For instance, immediately after receipt of shares from Noticee no. 28, Noticee no. 29 transferred those 2000 shares (1000 shares each) to Noticee no. 2 and Noticee no. 14, who in turn, started selling such shares of Dhanleela in very small quantities and jointly transferred 1700 of those shares in lots of 100 shares each, to other 17 Noticees i.e. (100 shares each to 8 Noticees by Noticee no. 2 and 100 shares each to 9 Noticees by Noticee no. 14). Subsequently, upon receipt of the aforesaid 100 shares each by the 17 Noticees, they immediately started selling these shares on the stock exchange platform in very small quantities in each of their trades at prices higher than the LTP on various occasions, which in turn consistently raised the LTP of the scrip of Dhanleela.

34. With regard to off-market transfers executed by Noticee no. 29 in the scrip of Dhanleela, , I note from chart no. 2 and from the written reply submitted by certain Noticees annexed as annexure 4 to the SCN, that the aforesaid off-market trade in 2000 shares of Dhanleela were executed by Noticee no. 28 at a price of 55.6 per share and soon after receipt of those 2000 shares, Noticee no. 29 in turn, transferred 1000 shares each to Noticee no. 2 (Ms. Ranju Devi Jain) and Noticee no. 14 (Mr. Vinod Kumar Chotamal Jain) on June 03, 2013 (Monday) at a price of only ₹50 per share. I

note that no reason / rationale has been advanced by Noticee no. 29 as to why the shares purchased by him at the rate of ₹55.6 per share were sold by him at the price of ₹50 immediately on the next trading day and that too in the off-market, when the price of scrip of Dhanleela on the stock exchange platform was already prevailing at 55.6 on June 03, 2013. Further, again on July 06, 2013, 350 shares were transferred by Noticee no. 28 to Noticee no. 29 at a price of ₹91.66 per share out of which, 125 shares (25 shares each) were transferred from Noticee no. 29 to 5 Noticees (Noticee no. 7, 8, 9, 10 and 13) within next two working days i.e. on July 08 and July 09, 2013 at a price of ₹90 per share. Again, no rationale has been provided by Noticee no. 29 as to why the shares purchased by him at a price of ₹91.66 were sold at a price of ₹90 in the next two trading days and that too in the off-market.

35. From the records I note that the Noticee no. 28 had not disputed regarding the transfer of shares made by him in off market to the aforementioned 4 Noticees and, other than the reason of 'getting high price in the off -market', the Noticee no. 28 has not advanced any other plausible explanation in support of his claim. It is also a fact that none of the Noticees except for the Noticee no. 28 was holding any shares in their demat account before February 25, 2013. It is noteworthy that within a short period of time, starting from Noticee no. 28, shares of Dhanleela were quickly transferred to other 27 Noticees through off-market transactions. As discussed in the beginning of this order, the 27 Noticees have furnished their justification to buy the shares in off market stating that there was no volume in the exchange platform while the price of the scrip was on a continuous rise. If this was the case, it is strange to observe that the Noticee no. 28, instead of retaining the shares with him preferred to sell those shares in off market to certain entities who, immediately after receipt of those shares indulged in unfair and manipulative trades in the scrip about which I have already discussed in detail in the foregoing paragraphs. In this regard, although the Noticee no. 28 and 29 have not executed any trade in the scrip of Dhanleela on the stock exchange platform during the Investigation Period, the role played by both of these

Noticees needs to be viewed in conjunction with the unfair trades executed by the 27 Noticees, as because Noticee no. 28 and 29 by their very acts of off market distribution of shares of Dhanleela in small quantities to the 27 Noticees, have in an obvious manner, instigated the process of manipulative trades executed by these 27 Noticees in a coordinated and concerted manner only to raise the price of the scrip. It thus becomes evident from the data and factual evidences highlighted above that the Noticee no. 28 had designed an artifice or a scheme for manipulation of the price of the scrip of the Dhanleela, in which the Noticee no. 29 has acted as a conduit for the Noticee no. 28 while the Noticees No. 1 to 27 have discharged their role of price of manipulators as part of that pre-conceived design alleged in the SCN.

36. The Noticees have relied upon the findings of the Hon'ble SAT in the matter of *Ashlesh Shah vs. SEBI* (DoD: 18.04.2018 in Appeal no. 265 of 2017), in *Smitaben N. Shah vs SEBI* (DoD: 30.07.2010 in Appeal no. 37 of 2010), in *Rajendra G Parikh vs. SEBI* (DoD: 21.01.2010 in Appeal no. 44 of 2009), in *Kapil Chaturbhuj Bhuptani vs. SEBI* (DoD: 10.10.2013 in Appeal no. 95 of 2013) and in the matter of *Vikas Ganeshmal Bengani vs. SEBI* (DoD: 25.02.2010 in Appeal no. 225 of 2009) wherein observations have been made pertaining to the fraudulent and manipulative trades. In this respect, having gone through the aforesaid decisions, I am of the view that the observations made in the above referred decisions are factually distinguishable hence the proposition of law made therein is not applicable in the instant case. In the matter of *Ashlesh Shah (supra)* the allegations were transfer of fund to a group of entities for creating artificial trading interest to enable another group of entities to exit, whereas no such charges have been made in the instant matter. Similarly, in *Smitaben N. Shah*, the allegation made was against cornering of shares in collusions with the counter party by way of a structured and synchronized trading while in the case of *Rajendra G. Parikh*, there was no charge of price manipulation and the appeal was allowed *inter alia* on the ground that documents relied upon to establish the charges were not made available to the Noticees therein. Further, in *Vikas Bengani*, the allegations were made that large quantities of shares were purchased at higher price and thereby became instrumental

in creating artificial volume in the scrip which was illiquid. Hon'ble SAT while allowing the appeal in the facts of the matter have observed that the SCN does not mention any facts about the poor performance of the Company and in the absence of the same, there could be several reason for an investor to buy the scrip at higher price.

37. Keeping in view the trading pattern exhibited and unfair trade practices adopted by the all Noticees (Noticee no. 1 to 29), it may be relevant to note that Hon'ble SAT, in the matter of *Ketan Parekh v. SEBI* (Appeal No. 2 of 2004 decided on 14.07.2006) had an occasion to deal with the propriety of non-genuine trades and have made the following observations:

".....Any transaction executed with the intention to defeat the market mechanism whether negotiated or not would be illegal. Whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism will depend upon the intention of the parties which could be inferred from the attending circumstances because direct evidence in such cases may not be available. The nature of the transaction executed, the frequency with which such transactions are undertaken, the value of the transactions, whether they involve circular trading and whether there is real change of beneficial ownership, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn.

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

39. I would also like to rely on the judgement of Hon'ble Supreme Court in the matter of Kishore R. Ajmera case wherein it was held that *"In the quasi-judicial proceeding before SEBI, the standard of proof is preponderance of probability. It is a fundamental principle of law that proof of an allegation levelled against a person may be in the form of direct substantive evidence or, as in many cases, such proof may have to be inferred by a logical process of reasoning from the totality of the attending facts and circumstances surrounding the allegations/charges made and levelled. While direct evidence is a more certain basis to come to a conclusion, yet, in the absence thereof the Courts cannot be helpless. It is the judicial duty to take note of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a reasonable conclusion therefrom. The test would always be that what inferential process that are as on able/prudent man would adopt to arrive at a conclusion."*

40. In the light of the aforesaid observations of the Hon'ble SAT and Hon'ble Supreme Court of India, and after considering the trading pattern, and the manner and frequency with which such trades were executed by the 27 Noticees, it constrains me to hold that the Noticee no. 1 to 27 were not acting as genuine sellers and had no bona fide intention to sell the shares of Dhanleela. I therefore hold that the trading behavior of Noticee no. 1 to 27 vis-à-vis the scrip of Dhanleela has been glaringly ill motivated, fraudulent and was intended towards manipulating the price of the shares of Dhanleela is in violation of Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a), (e) of SEBI (PFUTP) Regulations, 2003.

41. Further, I have no hesitation to conclude that the Noticee no. 28 had created the scheme for manipulation of the price of the scrip of the Dhanleela, wherein the Noticee no. 29 acted as conduit for the Noticee no. 28 and the Noticees no. 1 to 27 were all acting as part of a common plan as scripted by Noticee no. 28 & 29 and accordingly indulged in those manipulative trades as alleged in the SCN. The unique but unusual trading pattern that has been exhibited by all the Noticees in this case demonstrates their active involvement in the entire plan about which they cannot

feign ignorance as sought to be done by them. Therefore, the conduct of Noticee no, 28 and 29 in the manner they have transferred the shares of Dhanleela in the off market shows that those off-market transfers were executed with a glaring intention to manipulate the market or to defeat its mechanism in a fraudulent manner, hence I hold that all the Noticees have grossly violated the provisions of Regulation 3 (a) (b) (c) (d) read with Regulation 4 (1) 4 (2) (d) of SEBI (PFUTP) Regulations, 2003.

Directions:

42. In view of the above, having found that the charges levelled against Noticees in the SCN stand established, I, in exercise of the powers conferred upon me under Sections 11(1), 11(4) and 11B(1) read with Section 19 of the Securities and Exchange Board of India Act, 1992, hereby hold that considering the volume of trades executed and percentage of contribution to the LTP by the Noticees and their impact on the price of the scrip of Dhanleela, it would be proper and in the interest of Securities Market that such entities should be restrained from being associated with the Securities Market and accordingly, I restrain all the Noticees from accessing the securities market and further prohibit them from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, for a period of 02 (two) years from the date of this order. During the period of restraint, the existing holding of securities including the holding of units of mutual funds of the Noticees shall remain frozen.

43. The Order shall come into force with the immediate effect.

44. A copy of this order shall be forwarded to the Noticees, all the recognized stock exchange, depositories and registrar and transfer agents for ensuring compliance with the above directions.

Date: March 18, 2020

Place: Mumbai

-Sd-

S. K. MOHANTY

WHOLE TIME MEMBER