

SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM: S.K.MOHANTY, WHOLE TIME MEMBER
ORDER

Under Section 11 (1), 11(4), 11B (1) of the Securities and Exchange Board of India Act, 1992 in the matter of Maa Jagdambe Tradelinks Ltd.

In respect of:

Noticee no.	Name of the Noticee	PAN
1.	Mr. Aniruddh Prashar	APQPP2807P
2.	Mr. Rakesh Ramsingh Saini	BOGPS9885G
3.	Mr. Akash Sukhdev Swami	BBHPS7069A
4.	Mr. Santoshkumar Satyanarayan Podar	AGOPP8524G
5.	Mr. Kamal M Tibrewala	ADLPT4699N
6.	Mr. Subash D Bhatiwada	AGJPB5949G
7.	Mr. Avinash Kumar Ardawatia	ALUPA9896M
8.	Mr. Surendra Kumar Tiwari	ACVPT4865H
9.	Mr. Sanjay Kumar Poddar HUF	AANHS4842P

The aforesaid entities are hereinafter individually referred to by their Noticee number/their respective names and collectively as “the Noticees”.

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) conducted an investigation into the dealing/trading in the scrip of Maa Jagdambe Tradelinks Limited (hereinafter referred to as “**MJTTL**” or “**the Company**”), for the period of May 01, 2013 to July 31, 2015 (hereinafter referred to as “**investigation period**”). For the sake of convenience and better appreciation of facts, the said investigation period was divided into

three patches, viz., Patch- 1: May 13, 2013 to January 08, 2014; Patch -2: January 09, 2014 to May 19, 2014; and Patch-3 : May 20, 2014 to July 31, 2015 out of which, the findings pertaining to the connections amongst the Noticees and their manipulative trades in the scrip of MJTL during the Patch-1 and Patch-2, and their as highlighted in the subsequent paragraphs have *prima facie* become the subject matter of the present proceedings.

2. The investigation conducted by SEBI revealed the following facts with respect to MJTL and the trading conducted in the scrip during different patches of the investigation period:

- i. The Company was incorporated in the year 1985 and was engaged in the business of manufacturing and trading in textiles.
- ii. There was no major corporate announcement made by the Company during the investigation period, except for announcement of split of shares and other statutory announcements such as declaration of financial results, meeting of Board of Directors etc. The shares of the Company were split in the ratio of 5:1 on January 09, 2014.
- iii. The Company had net profits of ₹59.00 Lakh, ₹ 76.00 Lakh and ₹13.00 Lakh in Financial Year 2013-14, Financial Year 2014-15 and Financial Year 2015-16, respectively and during the respective above noted Financial Years, the total sales of the Company were ₹ 27.87 Crore, ₹ 122.57 Crore and ₹ 23.30 Crore, respectively.
- iv. The price of the scrip of the Company witnessed abnormal rise in first two patches of the investigation period and in the third patch, the price of the scrip fell down.
- v. It is noticed that the price of the scrip opened at ₹8.40 on May 13, 2013 and reached a high of ₹162.80 on January 08, 2014 (Patch-1) and also closed at that price with a net Last Traded Price Variation (hereinafter referred to as “**LTP**”) as well as a market positive LTP of ₹154.40. The total traded volume in the scrip was 13525 shares during the said period.
- vi. Further, during Patch-2 of the investigation period which commenced after the spilt of shares on January 09, 2014, the scrip opened at ₹33.20 on January 09, 2014(unadjusted to split price ₹ 166) and its price reached a high of ₹99.00 (unadjusted to split price ₹495) on May19, 2014 and closed at price of

₹98.40(unadjusted to split price ₹ 492) with a net LTP of ₹65.25(unadjusted to split ₹326.25)and a market positive LTP of ₹168.40 (unadjusted to split ₹ 842). The total traded volume in the scrip was 4977939 (pre-split volume during Patch-1 was 13525 shares) shares during the said period.

- vii. The price of the scrip reached its highest level of ₹107.80 (unadjusted to split price ₹ 539.00) on March 02, 2015 which took the market capitalization value of the Company to ₹845.42 Crore. The said increase in the price of the scrip was viewed quite abnormal as such an increase was not supported by any corporate announcement (s) or by any noteworthy performance of the Company during the three relevant Financial Years referred to above.
- viii. The details of the price, volume etc., noticed in the scrip, across the three patches of the investigation period are depicted in the following table:

Table 1

Period	Dates		Open (₹)	Close (₹)	Low (Date) (₹)	High (Date) (₹)	Avg. no. of (shares) traded daily during the period.
During Investi gation	13/05/13-08/01/2014 (Patch-1) Price rise- Pre Split	Price	8.40	162.80	8.40(13/05/13)	162.80(08/01/14)	154
		Vol.	10	5	5(02/08/13)	12,505(12/08/13)	
	09/01/2014-19/05/2014 (Patch-2) Price Rise – Post Split	Price	33.20	98.40	33.20(09/01/14)	99.00(19/05/14)	57,883
		Vol.	10	76,025	10(09/01/14)	389,569(25/03/14)	
	20/05/14-31/07/15 (Patch -3) Price Fall – Post Split	Price	98.05	80.30	77.45(04/05/15)	107.80(05/03/15)	97,292
		Vol.	55,000	125	35(20/07/15)	380,246(23/02/15)	
		Vol.	136	1	1(26/08/15)	45,459(14/08/15)	

- ix. It was noticed in the investigation that Noticee nos. 1 to 9 executed sell transaction in small quantities of shares of the Company and such trades of the Noticees were at prices higher than the LTP. The Noticee nos. 1 to 6 were allegedly connected amongst themselves based on their employment, common directorship and fund transfers with certain entities. Some of the details/factors based on which the aforesaid entities were observed to be connected, are illustrated in the following points.
- x. With respect to the connection of Noticee no. 6 to the Company, it was noticed that on July 23, 2013, an amount of ₹1.85 Crore was transferred by the Company to A1 Century Trades Ltd. (earlier known as Goldmine Fintrade Ltd.) (hereinafter referred to as “**A1 Century**”). Noticee no. 6 was one of the Directors of the said company, i.e., A1 Century Ltd.
- xi. Further, on July 26, 2013, the Company had transferred an amount of ₹50.00 Lakh to Ridhi-Hi Fashion Private Limited (hereinafter referred to as “**Ridhi**”). It was also noted that the Company and Ridhi shared a common Director viz., Mr. Pawan Kumar Chaudhary, during the period of February 14, 2014 to October 01, 2014. Based on the findings in the investigation, it has been noticed that Ridhi was connected to the Company through a common Director viz., Mr. Pawan Kumar Chaudhary.
- xii. One company namely, Sumangal Commodity Private Limited (hereinafter referred to as “**Sumangal Commodity**”) and another company viz., Sumangal Shares and Securities Pvt. Ltd. (hereinafter referred to as “**Sumangal Shares**”) and also Ridhi had a common Director viz., Mr. Manoj Kumar More. Thus, all the four Companies, i.e., Maa Jagdambe Tradelinks Ltd., Ridhi-Hi Fashion Private Limited, Sumangal Commodities Pvt. Ltd. and Sumangal Shares and Securities Pvt. Ltd. “were viewed as connected amongst themselves through common Directors. It is further noted that Noticee no. 1 was Director of Sumangal. Investigation revealed that there were material connecting Noticee no. 1 to the Company (MJTL) through Sumangal and Ridhi.
- xiii. Further, Noticee no. 2 was also connected to the Company, through Sumangal Commodity and Ridhi, as he is a former employee of Sumangal Commodity. Similarly, Noticee no. 3 being a former employee of Sumangal Shares, is also connected to the Company.

- xiv. With respect to Noticee nos. 4 and 5, it is noted that both of them were directors of Ridhi, which, as described above, were noticed to have connection to the Company. Based on the above, it is unearthed that Noticee nos. 4 and 5 were also enjoying connection with the Company through Ridhi.
3. During the course of investigation, it has been noticed that the scrip of the Company was traded under Periodic Call Auction Session (hereinafter referred to as “PCAS”) during the period May 13, 2013 to January 10, 2014. During Patch-1, the Noticee nos. 1, 2, 3, 4 and 6 have executed a total number of 58 trades, out of which as many as 57 trades have contributed ₹ 107.56 to positive LTP in the scrip which constituted 69.66 % of the total contribution to the market positive LTP in the scrip during the period through the alleged manipulative trades. It has also been noticed that each of such 57 trades which contributed to positive market LTP variation was the first trade of the respective trading days.
4. It has further been noticed that the aforesaid Noticees were holding relatively sizeable number of shares of MJTL in their demat accounts, however in each of their sell trades, they have released very small number of shares by matching their sell price with the price of the already pending buy orders. As a result, besides contributing to the positive LTP in the scrip, the aforesaid Noticees have also allegedly created misleading appearance of trading in the scrip of the Company over a longer period.
5. The investigation has revealed that during the Patch-1, Noticee no. 7 has executed 10 trades in the scrip of MJTL over 10 different days and such trades have contributed ₹ 10.00 to the market positive LTP, which was 6.48% of the total market positive LTP in the scrip, while Noticee no. 8 has also executed 10 trades over 10 days thereby contributing ₹ 14.95 to the market positive LTP, which was 9.68% of the total market positive LTP in the scrip. Similarly, Noticee no. 9 has executed 8 trades during 8 different trading days and such trades have contributed ₹ 18.45 to the market positive LTP, which constituted 11.95% of the total market positive LTP.
6. The investigation has further revealed that Noticee nos. 7, 8 and 9 were having adequate number of shares with them, however, despite the fact that there was demand for large number of shares in the market, it is seen that these Noticees deliberately released very limited number of shares in each of their sell trades, allegedly to artificially increase the price of the scrip and to create an artificial appearance of trading in the scrip.

7. The same trend of trading with an alleged motive to create misleading appearance of trading and to artificially hike the price of the scrip was also noticed during Patch-2 of the investigation period in the trades executed by the Noticee nos. 1 to 5, who have executed a total of number of 40 trades on 39 different trading days during Patch-2. Out of such 40 trades, as many as 38 trades have contributed a sum of ₹ 40.30 to the positive LTP, which constituted 23.93% of the total market positive LTP noticed in the scrip through above allegedly manipulative trades. Further, all such trades which contributed to positive LTP were the first trades of the respective days. It was observed that these 5 Noticees were also holding adequate number of shares, and despite there being a demand for large number of shares in the pending buy orders in the trading system, only small quantities of shares were released by these Noticees in each of their trades.
8. In view of the aforestated findings in the investigation report and the facts narrated above, the above mentioned 9 Noticees have been called upon vide a common Show Cause Notice dated April 04, 2018 (hereinafter referred to as “**SCN**”) to respond as to why their acts of trading as narrated above and as alleged under the SCN should not be held to be violative 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**”) . Further, for the said alleged violations as pointed out above, the Noticees were also called upon to explain as to why suitable directions under Sections 11 (1), 11(4) and 11B of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**the SEBI Act**”) should not be issued against them.
9. The above SCN was duly served upon the Noticees in response to which vide different letters addressed to SEBI in the month of April, 2018, the Noticees had requested for time to file their replies and then, vide separate letters all dated May 23, 2018, issued by the Advocates on behalf of the Noticees, a request was received to provide them with the details pertaining to orders placed in the scrip. Accordingly the requisite details were provided to the Noticee vide SEBI’s letters dated June 06, 2018.
10. Since no reply to the SCN was forthcoming despite having been served with the SCN and despite providing the orders details as requested for, personal hearing of the Noticees was scheduled on April 09, 2019, which was intimated to the Noticees vide letters dated December 06, 2018. The said letters dated December 06, 2018 were served on all the Noticees through registered post, except for Noticee no. 8 on whom the hearing letter had to be served by way

of affixation at his last known address, on February 11, 2019. The said hearing was subsequently rescheduled to July 16, 2019, however, no one appeared on behalf of Noticees on the said date, i.e., July 16, 2019.

11. In the interest of justice, it was thought fit to grant a last and final opportunity of personal hearing to the Noticees. The hearing was then scheduled on February 13, 2020. On the said date, the authorized representatives on behalf of the Noticees appeared and made oral submissions. The authorized representatives have also filed separate yet identical written submissions on behalf of the Noticees, vide letter dated February 10, 2020.

12. I note that all the Noticees have made identical written and also oral presentations, containing common legal and general arguments and the only variances in their submissions are with respect to their specific trading instances, connections with other Noticees etc. Therefore, to avoid repetition, it will be sufficient to list out the grounds taken and arguments advanced by the Noticee no. 1 in his submission which would be equally applicable to other Noticees as well and will take care of the submissions of all the other Noticees. The submissions of Noticee no.1 are as follows :

- i. The allegations made in the SCN are denied. The trades executed in the scrip of the Company are genuine and were not executed with any manipulative intent.
- ii. The Noticee has been a Director of Sumangal Commodity and Sumangal Shares, since March 02, 2009 and September 10, 2012, respectively.
- iii. One Mr. Manoj More has also been a Director of Sumangal Commodity and Sumangal Shares, since April 01, 2010 and August 25, 2006, respectively. Further, Mr. More was also an additional Director of Ridhi for the period of June 16, 2010 - October 01, 2014.
- iv. Further, Mr. Pawan Chaudhary was a Director in both the companies viz., Ridhi and MJTL. He was appointed on the Board of Ridhi on August 20, 2013, where on the board of MJTL, he was appointed as Director on February 14, 2014.
- v. Mr. Pawan has been alleged to be a common Director between MJTL and Ridhi and further, the SCN alleges the connection due to transfer of ₹ 50.00 Lakh from MJTL to Ridhi. The connection alleged in the SCN is not established as Mr. Pawan became Director of MJTL on February 14, 2014 whereas the alleged transfer of fund took place prior to that day, i.e., on July 26, 2013.

- vi. Mr. More is not connected to MJTL in any manner and Mr. Pawan was not the only Director of MJTL.
- vii. There is no connection of the Noticee with the Company or with any other Noticee. The allegation of connection as made in the SCN based on the common directorship and fund transfers cannot be sustained, as the link needs to be proved for each string. In the present case, the links that have been referred to pertain to different time periods.
- viii. The SCN has not shown any link with the sell transactions of shares of MJTL by the Noticee, with the aforesaid transfer of funds.
- ix. Mr. Pawan became Director of MJTL in the year 2014 only and the Noticee had started selling shares of MJTL in October, 2013 itself. The allegation of connection can be established only if Directors were common at the same time of selling of shares by the Noticee.
- x. Based on such farfetched connection, allegations of PFUTP Regulations cannot be made out, which requires strong and clear evidence. Reliance has been placed on the decision of Hon'ble SAT passed in the matter of *Babubhai Desai Vs. SEBI (Appeal no. 81 of 2014)* wherein it was held that clear and unambiguous evidence in respect of connection needs to be established to prove the charges against the delinquent. Further, Adjudication Order dated November 18, 2008, passed in the matter of *Nageshwar Investment Limited*, has also been relied upon to contend that connection on the basis of common directorship for making allegation of manipulative trading would be farfetched.
- xi. The trading executed by the Noticee needs to be examined independently and cannot be clubbed with trades executed by other entities without any justification.
- xii. There is no allegation in the SCN that buyers to his trades, while he was acting as a seller, are connected to him. Without any allegation/evidence of collusion with buyer side entities, the trades of the Noticee cannot be termed as manipulative, as held by Hon'ble SAT in the matter of *M/s Nishith M. Shah HUF Vs. SEBI (Appeal no. 97 of 2019)*, *Sapna Dilip Bombaywala Vs. WTM (Appeal no. 219 of 2019)* and *Bhagwat Singh Kitawat Vs. SEBI (Appeal no. 419 of 2018)*.
- xiii. In order to prove the allegation of increase in price of the scrip, it is necessary to show that the buyer was connected to the seller or both of them were sharing a common objective of increasing the price of the scrip. There is no evidence in the SCN to demonstrate prior meeting of minds with the counter party buyer(s), which is necessary to prove manipulation. It is undisputed fact that the buyer and seller are not aware of each other while trading on the screen based system. The Noticee has referred and relied upon the orders of Hon'ble SAT passed in the matters of *Jagruti Securities Ltd. Vs. SEBI (Appeal no. 102 of 2006)* and *Vikas Ganeshmal Bengani*

Vs. WTM, SEBI (Appeal no. 225 of 2009), wherein it was observed that collusion between buyer and seller is essential to prove charge of raising the price artificially.

- xiv. The Noticee has also referred to the definition of 'collusion' as given in the Black's Law Dictionary and has also referred to the observations of the Administrative Law Judge of US Securities Exchange Commission in the case of *Carole L. Haynes*, that to establish collusion, the factors like; existence of primary violation; knowledge requirement and assistance by colluding party to principal violator, are essential to be present. It has been contended that none of the afore-stated factors is available in present case.
- xv. The sell orders were placed by the Noticee as a response to the buy orders already available in the system, offering rates higher than the last traded price.
- xvi. There is no charge in the SCN against the Noticees having executed any synchronized trades, circular trades or reversal trades, in collusion with buyers to manipulate the price of the scrip.
- xvii. The scrip of the Company being illiquid, was trading in Periodic Call Auction Session (PCAS) during the period of May 13, 2013 to January 10, 2014. As trades are not executed in first 45 minutes of the auction session (comprising of 1 hour each), the chances of manipulating the price are rare, and at the time of placing the order, the parties do not know with whom their orders would match.
- xviii. During Patch-1 of the investigation period, the Noticee had executed only 9 sell trades which were only 4% of the total trades during that period. The said trades contributed only 12.76% increase in the LTP of the scrip. The said increase to the price was due to the price trend being faced in the scrip and not due to any manipulation.
- xix. The SCN has alleged contribution to the LTP made by the Noticee no. 1 with 4 other Noticees. The trades executed by the Noticee no. 1 cannot be clubbed with any other Noticee(s), as the same were independent trades executed by him. Other Noticees have also similarly asserted that their respective trades are independent of trades executed by other Noticees.
- xx. The trades executed by the Noticee no. 1 (by other Noticees also) were coincidentally first trades of the day. As the scrip was trading in PCAS, manipulation could not be done in its price.
- xxi. In the trades executed by the Noticee no.1 during Patch-1, the time difference with the buy order was in the range of 1 minute to 43 minutes. Other Noticees have also contended the same about their trades.
- xxii. The sell orders were placed by the Noticee in reaction to the already available buy orders and there is not allegation in the SCN of having any fraudulent understanding with the buyer(s).
- xxiii. The demand of the shares of MJTL was strong and the prices were rising.

- xxiv. During Patch-2, total 22126 trades were executed on 86 trading days, out of which 1026 trades had contributed to LTP. Out of such 1026 trades, the Noticee had executed only 6 trades contributing to positive LTP, which are only 0.58% of the total trades. Other Noticees have also argued in the same manner about their respective small percentages of trades.
- xxv. For all alleged manipulative sell trades executed by the Noticee, buy orders higher than the LTP were already available in the market platform. There was time gap between the buy orders and sell orders in the range of 1 hours 5 minutes to 3 hours 40 minutes, for the trades executed during Patch-2 of the investigation period. Therefore, it cannot be alleged that the sellers induced the buyers nor can it be said that any other person was induced by these alleged manipulative trades. Reference has been made to the findings of Hon'ble Supreme Court of India, in the matter of *SEBI Vs. Shri Kanaiyalal Baldevbhai Patel*, (2017) 15 SCC 1 in which the apex court observed that: "*A person can be said to have induced another person to act in a particular way or not to act in a particular way if on the basis of facts and statements made by the first person the second person commits an act or omits to perform any particular act.*"
- xxvi. The Noticees have acted on the principle of stock market that a buyer will aggressively buy a scrip when its price is going up and the seller will start selling when the prices start to fall. He anticipated that the prices will rise further, therefore, he sold small quantities of shares to make small and momentary profits.
- xxvii. He was holding only 450 shares of the Company which cannot be termed as sizeable to influence the price of the scrip.
- xxviii. In the present case, the buyers alone can be alleged to have contributed to LTP.
- xxix. In order to charge someone with commission of 'fraud' under PFUTP Regulations, inducement needs to be established, as held by Hon'ble SAT in *DLF Ltd. Vs. SEBI (Appeal no. 331 of 2014)*.
- xxx. Even when the price was at its peak, the shares were not sold by the Noticee. During Patch-2, the shares were sold by the Noticee even when the price had fallen down. The said trading shows that there was no manipulative intent behind the trades.
- xxxi. The selling of small no. of shares cannot be termed as fraudulent as the said decision was arising out of commercial wisdom exercised by the Noticee. In *Hanumna Prasad Bagri Vs. Bagrees Cereals (P) Ltd. [2009] 14 Comp Cas 353*, it was held that a civil court would not sit in judgment over the commercial wisdom of corporations. Similarly, SEBI in the order dated January 11, 2016 passed in the matter of *Taneja Aerospace and Aviation Limited*, had observed *inter alia* that SEBI cannot question business decisions taken by the board of directors. Hon'ble Supreme Court had, in the matter of *I.P. Holding Asia Singapore P. Ltd. Vs. SEBI (AIR 2015 SC 274)* had

observed that: “...We say this because it is imperative to give sufficient elbow room to commercial entities for entering into a business transaction....”

- xxxii. There is no allegation that the Noticee had sold the shares after increasing the prices by the alleged manipulation. The same shows that there is no *mens rea* on the part of the Noticee. In various adjudication orders like *MIC Electronics Ltd. (Order dated February 22, 2017)* etc., it has been held that the necessity of intent as an element of fraud should be examined as a pre-requisite in all the parts of Regulation 3 and 4 of the PFUTP Regulations.
- xxxiii. In order to prove the charges of price manipulation, higher degree of proof is required and the charges need to be proved beyond reasonable doubt as held by the Hon’ble Supreme Court in *Union of India Vs. Chaturbhai M. Patel (AIR 1976 SC 712)*. Further, Hon’ble SAT have held in the matters of *Parsoli Corporation Vs. SEBI (Appeal no. 146 of 2011)* and *Sterlite Industries Vs. SEBI (Appeal no. 20 of 2001)* that strong preponderance of probability is required to prove the charges of fraud and the same cannot be established on surmises and conjectures. Similarly, other judgments like *KSL & Industries Ltd. Vs. SEBI (SAT Appeal no. 9/2003)*, *L.D. Jaisinghani Vs. Naraindas N Punjabi (1976) 1 SCC 354*, *Razikram Vs. J.S. Chauhan (AIR 1975 SC 667)* etc., have also been relied upon.
- xxxiv. The transactions executed by other entities cannot be a ground to allege anything against the Noticee and the transactions are not conclusive evidence of the Noticee being part of any scheme.
- xxxv. There is no allegation of any loss caused to third person or any profit derived by the Noticee from the trades executed by the Noticee.
- xxxvi. The Noticee has not deployed any scheme or arrangement in the trading activities in MJTL.

13. As stated above, the other Noticees also have advanced almost identical arguments and explanations in the context of explaining their personal connection as alleged in the SCN and citing the details of the trades executed by them during the investigation period, they have also like Noticee no.1, vehemently denied having any connection or collusive nexus with the Company or other Noticees and have opposed to the clubbing of their respective trades with the trades of other Noticees stating that they have traded in the scrip independently of other Noticees. Therefore, to avoid unwarranted repetition, separate recording/reproduction of the written submissions of Noticee nos.2 to 9 at this point can be dispensed with, which will be in any case taken into account in following sections of this order while considering the allegations levelled against them in the SCN.

Consideration of the issues and findings:

14. After having perused the materials available on record, i.e., the SCN and its annexures and the submissions made by the Noticees, I find the only issue that arises for my consideration is:

Issue: Whether or not, based on the materials available on record, the conducts/acts of the Noticees of executing trades in the scrip of MJTL, as alleged in the SCN, can be held to be violative 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?

15. Before examining the afore-stated issue on merits, it is deemed appropriate at this stage, to reproduce the relevant provisions of PFUTP Regulations, for ready reference:

Regulation 3. 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. Prohibition of manipulative, fraudulent and unfair trade practices

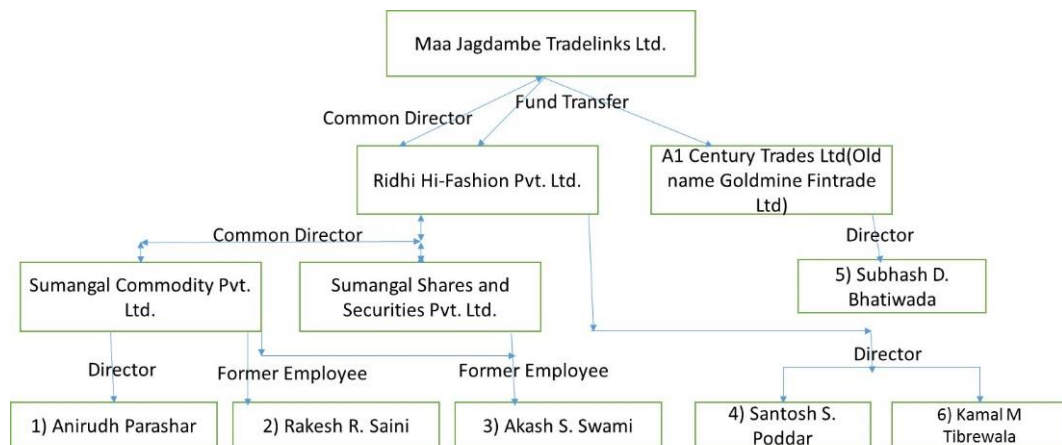
(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.

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

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

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

16. At the outset, it is noted from the contents of the SCN that the allegations in the SCN pertaining to the fraudulent trading in the scrip of MJTL are primarily premised upon the alleged *inter-se* connections amongst the Noticee nos. 1 to 6 who are alleged to be connected through their association with different companies including the Company, i.e., MJTL, read conjointly with the manner of their trading in the scrip of MJTL. Thus, the allegations of fraudulent trade practice have assumed more seriousness because of the profound interconnectedness of some of the Noticees with the Company, which did not possess any notable financial strength or performance to attract any unusual spike in demand for its shares in the market. Therefore, before dealing with the aspect of trades executed by Noticee nos. 1 to 6 in the scrip of MJTL, I find it appropriate to first evaluate the alleged connection shared by them as well as the arguments advanced by them in their defense to rebut the said allegation of connection. For this purpose, the alleged connections as narrated in the SCN, need to be depicted in the following chart for better understanding :



17. I note that the SCN only mentions about the directorship/employment that the concerned Noticees were having with companies like Ridhi, Sumangal Commodity, A1 Century Trades Ltd etc., but no allegations *per se*, have been made against the respective Noticees for holding the post of a Director or being in employment with the said Companies mentioned above. The Noticees have also not denied the fact of their directorship or being in the employment of those companies but have put forward the details of the period of their directorship/employment only to contend that they had either severed their association/connection with those Companies or were not connected with the affairs of such companies at the time when the alleged trades in the scrip of the Company were executed or at the time when the alleged financial transaction between two companies took place. However, Noticees have disputed the allegation of being treated as connected to each other or being alleged to have acted in concert in the context of their trades in the scrip of MJTL. For the sake of convenience, the details of the period of association of the Noticees with the respective companies are tabulated below:

Table 2

Sr. No	Noticee no. (Name)	Name of the company	Nature of relationship	Period of relationship
1.	Noticee no. 1 (Anirudh Prashar)	Sumangal Commodity Pvt. Ltd.	Director	Since March 02, 2009
		Sumangal Shares and Securities Pvt. Ltd.	Director	Since September 10, 2012
2.	Noticee no. 2 (Rakesh Ramsingh Saini)	Sumangal Commodity Pvt. Ltd.	Employee in junior capacity	April, 2010 to June, 2012

3.	Noticee no. 3 (Akash Sukhde Swami)	Sumangal Shares and Securities Pvt. Ltd.	Employee	June, 2010 to March, 2012
		Sumangal Commodity Pvt. Ltd.	Employee	April, 2012 to June, 2012
4.	Noticee no. 4 (Santoshkumar Satyanarayan Podar)	Ridhi Hi-Fashion	Director	August 20, 2013 to September 30, 2013
5.	Noticee no. 5 (Kamal M. Tibrewala)	Ridhi Hi-Fashion	Director	June 16, 2010 to August 08, 2013 & October 01, 2014
6.	Noticee no. 6 (Subhash D. Bhatiwada)	A1 Century Trades Ltd. (old name Goldmine Fintrade Ltd.)	Director	August 27, 2007 - Continuing

18. It is relevant to mention here that the SCN has alleged that an amount of ₹ 50.00 Lakh was transferred from MJTL to Ridhi on July 26, 2013 and an amount of ₹ 1.85 Crore was also transferred from MJTL to A1 Century (old name Goldmine Fintrade Ltd.) on July 23, 2013. The alleged connection between the Noticees have been linked on the basis of common directorship of Mr. Manoj More with Sumangal Commodity, Sumangal Shares and Ridhi; Mr. Pawan Chaudhary being common Director of Ridhi as well as MJTL and further common directorship of one Mr. Jai Prakash Matadin on MJTL and Bhupen Electricals Ltd., on which (Bhupen Electricals Limited), Noticee no. 6 is also a Director.
19. From their written submissions, I find that the Noticees have attempted to deny/dilute the charges against them for being connected with the Company, mainly based on their tenure of directorship or employment with the respective companies and on the basis of certain fund transfers by MJTL to some of those companies with whom they were associated as a Director or employee.
20. It has been strongly contended that the Mr. Pawan Chaudhary became a Director of MJTL only on February 14, 2014 while the fund transaction between MJTL and Ridhi took place on July 26, 2013, hence, the alleged connection between two companies and consequently between the Noticees would not sustain. Similarly, Noticee no. 6 has claimed that the common Director between Bhupen Electricals and MJTL, i.e. Mr. Jai Prakash Matadin, had resigned from the Board of Bhupen Electricals on November 21, 2012 and consequently ceased to be a common Director, while the fund transfer took place on July 23, 2013.

21. I have carefully deliberated on the contentions made by the various Noticees however, in my considerate opinion, the said contentions do not merit any favorable consideration for the following reasons:

- i. I note that except Noticee no. 5 (Kamal M. Tibrewala), none of the other concerned Noticees (Noticee nos. 1, 2, 3 and 4) has been able to offer any plausible explanation on the nature of transfer of funds from MJTL to Ridhi. These Noticees have merely stated that such a transfer was made out of commercial transaction. As regards Noticee no. 5, he has tried to explain the said fund transfer by making a bald statement that the transfer of ₹ 50.00 Lakh to Ridhi was for the purpose of purchase of textiles from Ridhi by MJTL. However Noticee no. 5 has not supported his claim by any independent verifiable documentary evidence like invoice/bills, account confirmation, ledger balance, receipts of taxes paid on such transactions, balance sheets, income-tax return or any other extracts from the books of accounts either of MJTL or Ridhi to indicate any kind of commercial association/relationship between the said two companies.
- ii. None of the Noticees has been able to furnish any justifiable explanation for the payment of ₹ 50.00 Lakh and all of them have only attempted to play around the dates of their association with the respective companies seeking discharge from the allegation of their connectedness with the Company which are of no help to them.
- iii. Insofar as the connection arising out of fund transfer to A1 Century by MJTL is concerned, I note that the Noticee no. 6, who is a Director on the Board of A1 Century has claimed that the transfer of ₹ 1.85 Crore from MJTL to A1 Century was towards repayment of outstanding loan. In this regard, I find that no details regarding the loan itself viz; date of advancing such loan, terms of loan, interest rate, period of loan, security given for such loan etc., have been furnished in support of the said claim. Noticee no.6 has not made any attempt to produce before me any verifiable document like loan agreement, repayment schedule, TDS certificate, income-tax return etc., to lend credibility to the claim that the amount was indeed remitted towards 'loan repayment'. As he has failed to furnish any document to justify the alleged transactions as genuine, fair and executed in the normal course of commercial transaction, I find that the Noticee no. 6 has not been able to explain out his case to deserve exoneration from the charges of connection made in the SCN.

22. It is relevant to observe here that the afore stated transfers of funds between MJTL and Ridhi and between MJTL and A1 Century have been relied upon in the SCN as an illustration only to point out the connection that these entities were enjoying with the Company, and the SCN has not assailed the end utilization or purpose of transfer of the above said amounts or has not made any adverse observations about the posts held by the Noticees in those companies as has been highlighted above in the Table no. 2 at para 17. Therefore, the transactions *per se* of those companies with MJTL and the fact of directorship/employment of the above noted six Noticees with those companies are themselves self- explanatory enough to demonstrate the connection amongst the Noticees and between the Noticees with the Company, as has been alleged in the SCN.
23. Notwithstanding the aforesaid, the factors narrated in the SCN to allege that Noticees were connected with the Company based on the common directorship, employment, funds movement etc., remain undisputed and not denied by any Noticee. Further none of the Noticees related to Ridhi and A1 Century has been able to explain the nature & purpose of those funds received from the Company with any supporting material which further casts serious suspicion on the genuineness of those transactions and reflects on the close relationship that existed between those companies, their Directors/employees and MJTL. Hence, the mere submission that some of these Noticees had resigned before trading in the scrip of MJTL or had severed their ties before the fund transfers took place, would not erase their connections with the Company which they enjoyed by virtue of their sheer association with those companies with whom, MJTL had connections in terms of common directorship or otherwise. It is observed that the SCN has clearly stated that Mr. Pawan Kumar Chaudhary was a common Director between Ridhi and MJTL during the period of February 14, 2014 to October 01, 2014. The SCN has not alleged that Mr. Pawan Kumar was present when the funds transfer occurred. Therefore, the argument with respect to difference in dates of fund transfer between Ridhi and MJTL on one hand and the directorship of Mr. Pawan Kumar on the other hand holds no water and is liable to be rejected being *ex-facie* baseless. Under the circumstances, taking into account the fund transfer as well common directorship as pointed out above, it can be safely held that there existed close connection between Ridhi and MJTL as well as between A1 Century and MJTL.
24. As noted from the table above, Sumangal Shares and Sumangal Commodity are connected to each other as Noticee no. 1 viz., Aniruddh Prashar was a common Director between the said

two companies. Further, Mr. Manoj More was a common Director between Sumangal Shares, Sumangal Commodity and Ridhi and a submission has been made that the said Mr. More was not having any connection with MJTL. In this respect, I find that the said argument is completely baseless as Mr. More was a Director on the Boards of Sumangal Commodity and Sumangal Shares since April 01, 2010 and August 25, 2006, respectively and was also an additional Director of Ridhi for the period of June 16, 2010 to October 01, 2014. As Ridhi has already been found to be connected to MJTL based on the unexplained fund transfer as well common directorship of Mr. Pawan as discussed in the foregoing paragraph, I concur with the charges made in the SCN that the two companies, viz., Sumangal Commodity and Sumangal Shares were also connected to MJTL.

25. To sum it up, it is noted that the Noticee nos. 4 and 5 were Directors of Ridhi; Noticee no. 2 was an employee of Sumangal Commodity; Noticee no. 3 was employee of Sumangal Commodity and Sumangal Shares during different period of times and Noticee no.1, as noted above was Director on both the companies viz., Sumangal Commodity and Sumangal Shares. As Sumangal Commodity and Sumangal Shares have been found to be connected to Ridhi, and Ridhi has been found to be connected to MJTL, the circle of inter-connectedness gets completed hence, I have no hesitation to hold that the Noticee nos. 1 to 5 were having *inter se* connection amongst themselves. As regards Noticee no. 6, the issue of his connection has already been dealt with in the previous paragraphs and requires no further consideration. The aforesaid conclusion about the connections enjoyed by these 6 Noticees amongst themselves and with the Company as well, would further get pronounced while analyzing the allegedly manipulative trading pattern followed by them in their trades in the scrip of MJTL as discussed in succeeding paras.
26. I note from the contents of the SCN that during Patch-1 of the investigation period, the scrip of the Company witnessed a price increase of ₹ 154.40 through repeated contributions to its LTP. It has been seen that the scrip opened at ₹ 8.40 on May 13, 2013 and reached a high price of ₹ 162.80 on January 08, 2014 and also closed at that price, i.e., ₹ 162.80. The total market volume in the scrip was of 13525 shares during Patch-1. Further, the scrip of MJTL was trading in PCAS from May 13, 2013 to January 10, 2014 under which, six auction sessions of one hour each, were being conducted every day.
27. It is noted that Noticee nos. 1,2,3,4 and 6 have cumulatively executed as many as 58 sell trades in the scrip of MJTL on 58 different trading days during Patch-1. Out of the said 58 trades, 57

trades were executed above LTP which means, those 57 trades had contributed to the market positive LTP thereby helping in raising the market price of the scrip.

28. Thus, it was observed that out of total increase in price of ₹ 154.40 during the Patch-1, the 57 trades executed by the aforesaid 5 Noticees together, were responsible for contribution of ₹ 107.56 towards the positive LTP in the scrip which constituted 69.67% of the total market positive LTP in the scrip.

29. The details of number of trades executed by each of the aforementioned 5 Noticees, their respective sell orders, quantities of orders placed, positive LTP contributed etc., are tabulated herein below:

Table 3

Sl. no	Seller Name	Total No. of trades	Total No. of trades (LTP >0)	Total no. of orders	Sell order qty range	Trade Quantity	Positive LTP contribution (₹)	% of positive LTP to Total Market positive LTP	No. of shares held before these trades	Balance no. of shares held after LTP trades in Patch 1
1	Aniruddh Parashar (Noticee no.1)	9	9	9	5-10	65	19.70	12.76%	450	385
2	RakeshRamsingh Saini (Noticee no.2)	8	8	8	5-15	75	17.00	11.01%	300	225
3	AkashSukhdev Swami (Noticee no.3)	12	12	12	5-20	105	26.90	17.42%	150	45
4	SantoshkumarSatyanarayanPodar (Noticee no.4)	19	19	19	5-20	190	39.15	25.36%	400	200

5	Subhash D Bhatiwada (Noticee no.6)	10	9	10	10-10	100	4.81	3.12%	150	50
		58	57				107.56	69.67%		

30. I note that only one trade executed by Noticee no. 6 has not contributed to the positive LTP while rest of the trades executed by Noticee no. 6 as well as all of the trades executed by Noticee nos. 1, 2, 3 and 4 have contributed to positive LTP in the scrip. It is also observed that Noticee no. 1 has contributed ₹ 19.70 positive LTP in 9 trades; Noticee no. 2 has contributed ₹ 17.00 in 8 trades; Noticee no. 3 has contributed ₹ 26.90 in 12 trades; Noticee no. 4 has contributed ₹ 39.15 in 19 trades and Noticee no. 6 has contributed ₹ 4.81 through 10 trades. Collectively, 69.67% of the total market positive LTP was caused by the trades executed by the aforesaid 5 Noticees.

31. It can be argued that mere selling of shares of MJTL at positive LTP cannot be the only basis to impute allegation of manipulation of the share price to those trades executed by the aforesaid Noticees. It is however noted from the SCN that all the LTP contributing 57 trades executed by the aforesaid 5 Noticees happened to be the first trades of their respective trading days and further, despite the fact that each of the Noticees was relatively holding adequate no. of shares of the Company, and despite there being buying demands for large no. of shares already pending in the trading system, the above noted Noticees have sold only very limited no. of shares ranging from 5 shares to 20 shares in each of their trades. This pattern of releasing small number of shares in each trade, helped Noticees to indulge in larger no. of trades in the scrip spanning over a longer period of 57 days that caused sharp increase in the price of the scrip through repeated contribution to market positive LTP in the scrip.

32. The details of all such 57 trades including sell orders rates and LTP impact are highlighted in the table below:

Table 4

Sr. No.	TRADE DATE	Seller Name	Buy Order Time	Sell Order Time	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	Buy Order Disclosed Volume	Sell Order Disclosed Volume
1	14/05/2013	Subhash D. Bhatiwada(Noticee no.6)	12:47:28	12:46:45	8.82	8.82	8.82	0.42	15	10
2	17/05/2013	Subhash D.Bhatiwada(Noticee no.6)	13:30:00	13:52:07	9.72	9.72	9.72	0.46	1000	10
3	21/05/2013	Subhash D.Bhatiwada(Noticee no.6)	14:30:00	14:47:41	10.20	10.20	10.20	0.48	1000	10
4	23/05/2013	Subhash D.Bhatiwada(Noticee no.6)	13:30:00	13:40:02	10.71	10.71	10.71	0.51	1000	10
5	27/05/2013	Subhash D.Bhatiwada(Noticee no.6)	13:30:00	14:07:17	11.24	11.24	11.24	0.53	1000	10
6	29/05/2013	Subhash D.Bhatiwada(Noticee no.6)	14:30:00	14:42:57	11.80	11.80	11.80	0.56	1000	10
7	04/06/2013	Subhash D.Bhatiwada(Noticee no.6)	12:30:00	12:36:29	12.39	12.39	12.39	0.59	250	10
8	06/06/2013	Subhash D.Bhatiwada(Noticee no.6)	13:30:00	14:10:06	13.00	13.00	13.00	0.61	200	10
9	10/06/2013	Subhash D.Bhatiwada(Noticee no.6)	14:30:01	15:02:11	13.65	13.65	13.65	0.65	500	10
10	13/09/2013	SantoshKumar SatyanarayanP odar(Noticee no.4)	10:30:00	10:53:12	28.10	28.10	28.10	1.30	250	20
11	19/09/2013	SantoshKumar SatyanarayanP odar(Noticee no.4)	10:30:00	10:46:38	32.45	32.45	32.45	1.50	250	15
12	23/09/2013	SantoshKumar SatyanarayanP odar(Noticee no.4)	11:30:00	11:46:13	34.05	34.05	34.05	1.60	1000	10

Sr. No.	TRADE DATE	Seller Name	Buy Order Time	Sell Order Time	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	Buy Order Disclosed Volume	Sell Order Disclosed Volume
		no.4)								
13	26/09/2013	SantoshKumar SatyanarayanP odar(Noticee no.4)	11:30:00	11:55:53	37.50	37.50	37.50	1.75	1000	5
14	30/09/2013	SantoshKumar SatyanarayanP odar(Noticee no.4)	9:30:00	9:56:24	39.35	39.35	39.35	1.85	250	10
15	01/10/2013	SantoshKumar SatyanarayanP odar(Noticee no.4)	10:30:00	11:02:07	41.30	41.30	41.30	1.95	1000	15
16	07/10/2013	RakeshRamsin gh Saini(Noticee no.2)	10:30:00	10:42:24	45.50	45.50	45.50	2.15	1000	10
17	08/10/2013	SantoshKumar SatyanarayanP odar(Noticee no.4)	10:30:00	10:44:04	47.75	47.75	47.75	2.25	250	20
18	10/10/2013	AkashSukhdev Swami(Noticee no.3)	10:30:00	10:33:49	50.10	50.10	50.10	2.35	900	15
19	11/10/2013	SantoshKumar SatyanarayanP odar(Noticee no.4)	10:30:00	11:00:37	52.60	52.60	52.60	2.50	500	5
20	15/10/2013	RakeshRamsin gh Saini(Noticee no.2)	10:30:00	10:33:24	55.20	55.20	55.20	2.60	1000	10
21	17/10/2013	AkashSukhdev Swami(Noticee no.3)	10:30:00	10:37:02	57.95	0.00	57.95	2.75	500	20
22	21/10/2013	AniruddhParas har(Noticee no.1)	10:30:00	10:44:04	60.80	60.80	60.80	2.85	2500	10
23	25/10/2013	SantoshKumar SatyanarayanP	9:30:00	10:03:13	66.95	66.95	66.95	3.15	5000	20

Sr. No.	TRADE DATE	Seller Name	Buy Order Time	Sell Order Time	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	Buy Order Disclosed Volume	Sell Order Disclosed Volume
		odar(Noticee no.4)								
24	28/10/2013	RakeshRamsingh Saini(Noticee no.2)	10:30:00	11:03:26	70.25	70.25	70.25	3.30	1000	10
25	30/10/2013	SantoshKumar SatyanarayanP odar(Noticee no.4)	11:30:00	11:38:15	71.65	71.65	71.65	1.40	5000	5
26	31/10/2013	AkashSukhdev Swami(Noticee no.3)	11:30:00	12:04:59	73.05	73.00	73.00	1.35	5000	10
27	05/11/2013	SantoshKumar SatyanarayanP odar(Noticee no.4)	12:30:00	13:00:06	74.45	74.45	74.45	1.45	5000	10
28	06/11/2013	AniruddhParas har(Noticee no.1)	11:30:00	11:57:40	75.90	75.90	75.90	1.45	5000	5
29	08/11/2013	SantoshKumar SatyanarayanP odar(Noticee no.4)	12:30:00	13:13:03	77.40	77.40	77.40	1.50	500	10
30	11/11/2013	RakeshRamsingh Saini(Noticee no.2)	11:30:00	12:03:40	78.90	78.90	78.90	1.50	5000	5
31	13/11/2013	AniruddhParas har(Noticee no.1)	11:30:00	12:02:16	80.45	80.45	80.45	1.55	5000	5
32	18/11/2013	AkashSukhdev Swami(Noticee no.3)	10:30:00	11:11:31	82.05	82.05	82.05	1.60	5000	10
33	19/11/2013	RakeshRamsingh Saini(Noticee no.2)	10:30:00	11:12:20	83.65	83.65	83.65	1.60	5000	15
34	22/11/2013	RakeshRamsingh	10:30:00	10:34:16	87.00	87.00	87.00	1.70	5000	5

Sr. No.	TRADE DATE	Seller Name	Buy Order Time	Sell Order Time	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	Buy Order Disclosed Volume	Sell Order Disclosed Volume
		Saini(Noticee no.2)								
35	25/11/2013	AkashSukhdev Swami(Noticee no.3)	10:30:00	10:40:15	88.70	88.70	88.70	1.70	5000	5
36	26/11/2013	AniruddhParas har(Noticee no.1)	10:30:00	11:13:32	90.45	90.45	90.45	1.75	5000	10
37	27/11/2013	AkashSukhdev Swami(Noticee no.3)	10:30:00	10:44:35	92.25	92.25	92.25	1.80	5000	5
38	29/11/2013	SantoshKumar SatyanarayanP odar(Noticee no.4)	9:30:00	10:10:30	95.90	95.90	95.90	1.85	5000	5
39	02/12/2013	AniruddhParas har(Noticee no.1)	11:30:00	11:33:02	97.80	97.80	97.80	1.90	2000	10
40	04/12/2013	RakeshRamsin gh Saini(Noticee no.2)	10:30:00	10:58:56	101.70	101.70	101.70	1.95	5000	10
41	05/12/2013	AkashSukhdev Swami(Noticee no.3)	9:30:00	10:05:39	103.70	101.70	103.70	2.00	100	5
42	06/12/2013	SantoshKumar SatyanarayanP odar(Noticee no.4)	9:30:00	9:59:29	105.75	105.75	105.75	2.05	2000	5
43	09/12/2013	AniruddhParas har(Noticee no.2)	10:30:00	11:08:22	107.85	107.85	107.85	2.10	50	5
44	10/12/2013	SantoshKumar SatyanarayanP odar(Noticee no.4)	9:30:00	10:06:01	110.00	110.00	110.00	2.15	2000	10
45	11/12/2013	RakeshRamsin gh Saini(Noticee no.2)	10:30:00	11:11:52	112.20	112.20	112.20	2.20	2000	10

Sr. No.	TRADE DATE	Seller Name	Buy Order Time	Sell Order Time	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	Buy Order Disclosed Volume	Sell Order Disclosed Volume
46	13/12/2013	AkashSukhdev Swami(Noticee no.3)	10:30:00	11:04:28	116.65	116.65	116.65	2.25	2000	15
47	16/12/2013	AniruddhParas har(Noticee no.2)	10:30:00	10:32:36	118.95	118.95	118.95	2.30	400	5
48	17/12/2013	SantoshKumar SatyanarayanP odar(Noticee no.4)	10:30:00	10:43:05	121.30	121.30	121.30	2.35	2000	10
49	18/12/2013	AkashSukhdev Swami(Noticee no.3)	11:30:00	11:51:25	123.70	123.70	123.70	2.40	395	5
50	23/12/2013	SantoshKumar SatyanarayanP odar(Noticee no.4)	10:30:00	11:05:46	131.20	131.20	131.20	2.55	2000	5
51	24/12/2013	AkashSukhdev Swami(Noticee no.3)	10:30:00	10:38:48	133.80	133.80	133.80	2.60	2000	5
52	30/12/2013	AniruddhParas har(Noticee no.2)	9:30:00	10:02:31	141.90	141.90	141.90	2.75	2000	5
53	01/01/2014	SantoshKumar SatyanarayanP odar(Noticee no.4)	10:30:00	10:56:19	147.55	147.55	147.55	2.85	2000	5
54	03/01/2014	AkashSukhdev Swami(Noticee no.3)	10:30:00	11:10:31	153.50	153.50	153.50	3.00	40	5
55	06/01/2014	AniruddhParas har(Noticee no.2)	11:30:00	11:31:47	156.55	156.55	156.55	3.05	2000	10
56	07/01/2014	AkashSukhdev Swami(Noticee no.3)	10:30:00	11:05:38	159.65	159.65	159.65	3.10	5000	5
57	08/01/2014	SantoshKumar SatyanarayanP odar(Noticee no.4)	10:30:00	11:00:39	162.80	162.80	162.80	3.15	5000	5

Sr. No.	TRADE DATE	Seller Name	Buy Order Time	Sell Order Time	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	Buy Order Disclosed Volume	Sell Order Disclosed Volume
		Total						107.56		

33. Apart from the afore-discussed allegations of manipulations committed by the Noticee nos. 1 to 6, (except for Noticee no. 5), the SCN also makes similar allegation of price manipulation of the scrip during Patch-1 against Noticee nos. 7, 8 and 9 as well. I note that the SCN provides the details of trades of the Noticee nos. 7, 8 and 9 and the impact thereof on the LTP of the scrip, under separate tables which are reproduced hereunder Noticee wise, for the ease of understanding.

34. It is noted that Noticee no. 7 by way of his 10 trades executed over a period of 10 days, had contributed ₹ 10.00 to the market positive LTP of the scrip, which constituted 6.48% of the total market positive LTP contributed to the price of scrip during the Patch-1. Noticee no. 7 was also holding adequate number of shares but was placing his sell orders for very small quantities of shares which led to the above noted contribution to market positive LTP by him. Again, all such trades executed by him happened to be the first trades of the respective trading days. The details of the said trades are tabulated as under:

Table 5

TRADE DATE	Seller Name	Buy Order Time	Sell Order Time	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	Buy Order Disclosed Volume	Sell Order Disclosed Volume
25/07/2013	Avinash Kumar Ardawatia	14:30:00	14:43:20	14.33	14.33	14.33	0.68	150	15
31/07/2013	Avinash Kumar Ardawatia	14:30:00	14:52:56	15.04	15.04	15.04	0.71	2000	10
02/08/2013	Avinash Kumar Ardawatia	14:30:00	15:09:19	15.8	15.8	15.8	0.76	90	5
08/08/2013	Avinash Kumar Ardawatia	12:30:00	13:00:33	17.35	17.35	17.35	0.8	200	15
21/08/2013	Avinash Kumar	11:30:00	12:06:47	19.1	19.1	19.1	0.9	900	20

	Ardawatia								
26/08/2013	Avinash Kumar Ardawatia	13:30:00	13:52:56	21.05	21.05	21.05	1	5000	5
30/08/2013	Avinash Kumar Ardawatia	14:30:00	15:02:28	23.2	23.2	23.2	1.1	250	10
05/09/2013	Avinash Kumar Ardawatia	13:30:00	14:03:20	25.55	25.55	25.55	1.2	250	5
16/09/2013	Avinash Kumar Ardawatia	12:30:00	13:00:45	29.5	29.5	29.5	1.4	700	5
18/09/2013	Avinash Kumar Ardawatia	10:30:00	10:58:35	30.95	30.95	30.95	1.45	1000	10

35. Similar to the trading pattern followed by Noticee no. 7, the other two Noticees viz., Noticee nos. 8 and 9 have also followed same style of trading behavior while executing trades in the scrip of MJTL and also like Noticee no. 7, they have contributed ₹ 14.95 (9.68% of the total market positive LTP) and ₹ 18.45. (11.95% of the total market positive LTP) by executing 10 and 8 trades respectively, to the total market positive LTP of the scrip during the above said period. Likewise, all the aforesaid trades of Noticee nos. 8 & 9 were also the first trades of the respective trading days and again, despite holding adequate no. of shares of MJTL, both the Noticees placed sell orders for and released negligible number of shares in each of their trades in the scrip of MJTL. The details of trades of Noticee no. 8 are enumerated in Table 6 hereunder and the trades of Noticee no. 9 are presented in Table 7 thereafter :

Table 6

TRADE DATE	Seller Name	Buy Order Time	Sell Order Time	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	Buy Order Disclosed Volume	Sell Order Disclosed Volume
06/08/2013	Surendra Kumar Tiwari	14:30:00	14:51:54	16.55	16.55	16.55	0.75	100	10
12/08/2013	Surendra Kumar Tiwari	12:30:00	13:06:47	18.2	18.2	18.2	0.85	150	5
23/08/2013	Surendra Kumar Tiwari	13:30:00	14:09:09	20.05	20.05	20.05	0.95	700	10
28/08/2013	Surendra Kumar Tiwari	14:30:00	14:45:54	22.1	22.1	22.1	1.05	5000	20
04/09/2013	Surendra Kumar	12:30:00	12:34:45	24.35	24.35	24.35	1.15	700	5

	Tiwari								
10/09/2013	Surendra Kumar Tiwari	14:30:00	15:10:01	26.8	26.8	26.8	1.25	1000	10
24/09/2013	Surendra Kumar Tiwari	11:30:00	12:12:18	35.75	35.75	35.75	1.7	1000	15
03/10/2013	Surendra Kumar Tiwari	11:30:00	12:00:41	43.35	43.35	43.35	2.05	250	10
20/12/2013	Surendra Kumar Tiwari	9:30:00	9:43:32	128.65	128.65	128.65	2.5	2000	10
27/12/2013	Surendra Kumar Tiwari	12:30:00	12:47:23	139.15	139.15	139.15	2.7	5000	5

Table 7

TRADE DATE	Seller Name	Buy Order Time	Sell Order Time	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	Buy Order Disclose d Volume	Sell Order Disclosed Volume
20/11/2013	Sanjay Kumar PoddarHUF	12:30:00	12:35:32	85.3	85.3	85.3	1.65	5000	10
28/11/2013	Sanjay Kumar PoddarHUF	9:30:00	9:59:00	94.05	94.05	94.05	1.8	5000	10
03/12/2013	Sanjay Kumar PoddarHUF	10:30:00	11:01:40	99.75	99.75	99.75	1.95	5000	10
12/12/2013	Sanjay Kumar PoddarHUF	11:30:00	11:37:51	114.4	114.4	114.4	2.2	2000	10
19/12/2013	Sanjay Kumar PoddarHUF	10:30:00	11:10:23	126.15	126.15	126.15	2.45	5000	15
26/12/2013	Sanjay Kumar PoddarHUF	10:30:00	10:39:02	136.45	136.45	136.45	2.65	40	10
31/12/2013	Sanjay Kumar PoddarHUF	9:30:00	9:58:15	144.7	144.7	144.7	2.8	2000	10
02/01/2014	Sanjay Kumar PoddarHUF	10:30:00	10:58:29	150.5	150.5	150.5	2.95	5000	5

36. The foregoing discussions and the details of trades presented in the tables above would reveal that the allegations about LTP contribution and price manipulation made in the SCN against Noticee no. 1, 2, 3, 4, and 6 and also against Noticee no. 7, 8 and 9 both individually and

collectively, are identical, i.e., manipulation of the price of the scrip of MJTL by resorting to unfair and fraudulent trades during Patch-1 of the investigation period. I note from the replies and submissions of the Noticees that the main ground of defense taken by them is that all of them have sold the shares of the Company only as a response to the buy orders already available in the trading system. It has also been contended that small number of shares were sold in tranches with a view to maximize their profits and it is the buyer who can only be alleged to have induced the seller to trade in the scrip at those prices and not vice versa.

37. The Noticees have also relied upon various decisions of Hon'ble SAT like *M/s Nisbith Shah HUF* and other similar orders where Hon'ble SAT has laid down the ratio that a seller alone cannot be charged for manipulating the price of shares of a company, unless connection of such seller with buyer is shown in order to prove manipulation in the share prices.

38. On the face of it, the aforesaid arguments of the Noticees may sound quite reasonable and practical. On the face of it, individually each Noticee can claim that he has acted in a prudent manner and has tried to maximize his profits by selling his shares in small quantities at the prices offered by buyers. However given the fact that Noticees were connected to each other, one has to look beneath those defenses taken the Noticees, since the facts of the case defy and contradict the simplicity with which the Noticees have advanced the above stated argument in their favour. The background of the Noticees and the interconnectedness that existed amongst them as well as between them on one side and the Company on the other as have been noticed, acknowledged and established in the earlier parts of this order, does not permit me entertaining such claims of the Noticees that they have acted individually as prudent sellers. The facts of the case when looked at collectively, rather suggest that the Noticees have acted in concert, while trading by taking turns on different trading days over a long period and by matching their trades with the pending LTP contributing buy orders in small quantities and thereby have successfully pushed the market price of the scrip upwards during Patch-1 of the investigation period. Therefore, in order to ascertain the culpability or innocence of the aforesaid Noticees, as the case may be, all the facts and the circumstances of the case need to be examined holistically, treating the Noticees as a connected group and not as unconnected disparate individuals trading in the scrip in the normal course of their business as is being advocated by them.

39. As stated earlier, the scrip of MJTL was trading in the Pre-Call Auction Sessions (PCAS) of the Stock Exchange. It may be noted that a scrip is placed in PCAS trading when such scrip is

illiquid, in terms of the definition of illiquid scrip specified in the Circular dated February 14, 2013, as amended from time to time. In terms of the said Circular, if the average daily trading volume of a scrip in a quarter is less than 10,000 shares; and the average daily number of trades is less than 50 in a quarter; the said scrip can be termed as illiquid and would therefore be traded in PCAS. Under the scheme of PCAS, on every trading day, 6 trading sessions of 1 hour each are conducted, and during first 45 minutes of each trading session orders can be placed and the next 8 minutes are used for matching of the orders. The last 7 minutes are used as a buffer period for closing of the ongoing session and commencement of the next session. Further, with respect to the scrips trading in PCAS, the applicable price band that is applicable through the day is 20%. Thus, as it appears from the scheme of PCAS, the idea/objective behind introducing trading of illiquid scrips in PCAS was mainly to control and monitor volatility that a scrip not having sufficient liquidity, may witness.

40. It is noted that the hourly sessions of PCAS are so demarcated that if any order (buy or sell) is not matched with any corresponding counter order (sell or buy), the said order (s) gets automatically purged. I find that this particular feature of PCAS sharply distinguishes it from the normal trading platform of the stock exchange wherein, unless cancelled, an order can remain active and pending for matching till the closure of the market.
41. Coming back to the facts of the present case, as imputed in the SCN, the 57 trades that were executed by the Noticee nos. 1, 2, 3, 4 and 6 which resulted in raising the LTP in the scrip, were the first trades of the respective 57 trading days. Similarly, Noticee nos. 7 and 8 had executed 10 trades each and Noticee no. 9 had executed 8 trades, which led to contribution to the LTP and all those trades were also the first trades of the respective trading days. As highlighted earlier and also from the details of trades presented in the tables above, all the aforementioned Noticees who have traded in the scrip during the Patch-1 of the investigation period, apart from enjoying connections amongst them by virtue of their associations with different companies which had link to MJTL, also shared a very unique but common trading pattern while executing their trades in the scrip, as elaborated further in the following points :

- i. All the buy orders were already available in system seeking purchase of shares in large quantities like 2000, 5000 etc. Except for one trading day, all the buy orders were placed in the system exactly at the opening of the each hourly auction session like 9.30 a.m., 10.30 a.m., 11.30 a.m. etc.

- ii. All the buy orders were available at prices above LTP.
- iii. The Noticees were holding relatively sizeable quantities of shares in the range of 150-450.
- iv. It is observed that in some cases, the time gap between placing of buy and sell orders was around 44 minutes. The trading details further reveal that the sell order in many instances were placed in a calculative manner just before the end of 45th minute of the session so that the time gap between the buy order and sell order does not exceed 45 minutes and the buy order is not purged out of the system. As noted earlier, the time allotted under PCAS for placing orders in each hourly auction session was upto 45 minutes.
- v. Even in the instances where the Noticees have executed their trades in the last call auction session of the day, i.e., 02:30 p.m. to 03:30 p.m., those trade(s) were the first trades of the day. It is noted from the Table 4 above that, 3 trades were executed by the Noticee no. 6 in the auction session held between 02:30 p.m. to 03:30 p.m. on three trading days, i.e. May 21, 2013, May 29, 2013 and June 10, 2013 respectively. Similarly, Noticee no. 6 had executed 4 trades on 4 different trading days in the auction sessions held between 01:30 p.m. to 02:30 p.m. Further, on May 27, 2013 Noticee no. 6 has placed his sell order after 37 minutes of placement of the buy order during the auction session of 13:30 p.m. to 14:30 p.m. and sold only 10 shares in a trade when there was a buy demand for 1000 shares.
- vi. Insofar as other Noticees viz., Noticee no. 1, 2, 3 and 4 are concerned, it is observed that many of their trades have been executed on different trading days in the auction sessions held between 11:30 a.m. to 12:30 p.m. and all such trades were also the first trades of the respective trading days.
- vii. Similar trend can also be seen from the details of trades executed by Noticee nos. 7, 8 and 9, which were also the first trades of the respective trading days. Noticee no. 7, in his trade executed on August 21, 2013, had matched his sell order with the price of the buyer after 37 minutes (approx.) in the session of 11:30 a.m. to 12:30 p.m. His sell order in fact saved the buy order from being purged from the system which was pending in the system since 11.30 am and thus by placing his matching sell order, Noticee no. 7 helped the said pending buy order get executed into a trade of 20 shares with a LTP contribution of ₹ 0.90.

- viii. Exactly similar pattern is noticed in the trade executed on September 24, 2013 by Noticee no. 8 when he placed a sell order in the auction session of 11:30 a.m. to 12:30 p.m. after 42 minutes of the session only to match the price of a buy order placed at 11:30 a.m. that too only for 15 shares as against a buy demand pending in the system for 1000 shares.
- ix. Noticee no. 9 placed a sell order during the auction session of 10:30 a.m. to 11:30 a.m. on December 19, 2013, after a gap of 40 minutes and matched the price of the pending buy order but sold only 15 shares as against a buy demand for 5000 shares awaiting in the system.

42. From the afore stated trade details it is easily discernible that on many instances of trades, the buy orders were pending in the trading system for a long period and most of the times were on the verge of getting lapsed due to the prescribed mechanism under call auction session as highlighted above. It is seen that in those instances, had the buy orders not been matched by the Noticees by placing their counter sell orders for small quantities of shares in the last minutes of those trading sessions, those pending buy orders would have got purged from the system at the end of 45 minutes of those sessions and resultantly no LTP could have been contributed to the market price of the shares of MJTL. It is pertinent to mention here that the aforesaid Noticees have placed their last minute miniscule sell orders to match the long pending buy orders for large quantities, and in some cases their orders were placed just before the closure of the ongoing auction session.

43. It is also seen from the trade log (details of which will be discussed later on), that apart from the Noticees, there were only a few other sellers of the scrip of MJTL during the relevant period of time and majority of the trades have been executed during Patch-1 because of the matching orders placed by the aforesaid Noticees only. The said trades took place only because these Noticees chased the price of the buyers. Had the Noticees not placed their orders in the last minutes of those ongoing hourly sessions, the buy orders would have been deleted from the system, by virtue of the applicable guidelines of PCAS session. The foregoing analysis of the trading pattern of the Noticees drives home one point very clearly, that the aforesaid Noticees deliberately came into the system with their sell orders for a few number of shares every time, only to ensure that their orders match with the prices of the long pending buy orders so as to contribute to the positive LTP of the scrip. Such a deliberate act of trading

behavior only aimed at raising the market price of the scrip on a prolonged basis coupled with the fact that the Noticees were connected to each other, can only fall in the domain of fraudulent and unfair trade practice.

44. The manipulative intent of the Noticees (Noticee nos.1, 2, 3, 4 and 6) get further amplified by another peculiar observation from Table 4 above, that each of the 57 LTP contributing trades of Patch-1 has been executed in different call auction sessions and on different trading days. In fact not even on a single trading day, more than one trade has been executed. Similarly, with respect to the trades executed by the Noticee nos. 7, 8 and 9 which have been presented under Table 5, 6 and 7 above, it can be observed that all the trades by these three Noticees have been executed on different trading days and there is no single day when more than one trades has been executed by these Noticees.

45. Further, a careful scrutiny of the materials on record particularly the trade details, which were annexed with the SCN draw my attention to the following :

- i. In the month of May, 2013, the scrip of the MJTL witnessed trading only on 8 trading days viz., 13th, 14th, 16th, 17th, 21st, 23rd, 27th and 29th of May, 2013. Out of aforesaid dates, except for trading of 10 shares on May 16, 2013, on all other days it was only Noticee no. 6 who has chased the buy orders and has executed the trades, as have been captured in the Table 4 above.
- ii. In the month of June, 2013, the trading took place in the scrip of MJTL only on 04th, 06th and 10th of the said month. Here also, only Noticee no. 6 is seen as the only seller of the shares of MJTL.
- iii. Similarly, in the month of July, 2013, the scrip had seen trades on the exchange platform only on 25th and 31st, and Noticee no. 7 was the only counterparty to the pending buy orders for both the trades.
- iv. In the month of August, 2013, trading in the scrip happened on 9 different trading days in which Notice nos. 7 and 8 sold their shares in small numbers by chasing the pending buy orders except for the day on August 12, 2013 when another seller was also seen selling the shares of MJTL.
- v. In the month of September, 2013 also, there were 11 trades on 11 different trading days. Similar to the pattern seen for previous months, only Noticee nos. 4, 7 and 8 were found to be selling in turns, by executing one trade per day. No

other seller apart from these three Noticees was selling the shares in the month of September, 2013.

- vi. In the next month, i.e., October, 2013, the scrip witnessed 16 trades on 14 different trading days. Out of those 16 trades, 8 trades were executed by the Noticee nos. 1, 2, 3 and 8, and each of them traded on different trading days executing only one trade per day. Only on one day, i.e., on October 21, 2013, an additional seller was noticed in the same scrip while on all other days, trades executed by the Noticees were the only trades of the respective trading day.
- vii. In the month of November, 2013, the scrip saw one trade per day for 14 different trading days in which Noticee nos. 1, 2, 3, 4 and 9 were the only sellers on different trading days and no other person was noticed as a seller during the said month.
- viii. The scrip witnessed further progress in trading during December, 2013 during which, it traded on 21 different trading days, *albeit* one trade per day and Noticee nos. 1, 2, 3, 4, 8 and 9 were the selling counterparties who chased those pending buy orders to match their sell orders so as to raise the LTP of the scrip.
- ix. In the month of January 2014, till the end date of Patch-1, i.e., January 08, 2014, the scrip was traded on 6 different trading days with one trade per day. On those trading days, Noticee nos. 1, 3, 4 and 9 became the selling counterparties separately on different days and matched their orders with the pending buy orders. No other seller is found to have traded in the scrip on those days.

46. The aforesaid observations from the details of the trades executed during Patch-1 explains how the Noticee nos. 1 to 6 (except Noticee no. 5), 7, 8 and 9, were pre-dominantly trading in the scrip of MJTL as sellers and on many trading days one of these Noticees was found to be the only seller chasing the pending buy orders of the shares of MJTL.

47. The aforesaid analysis shows that these Noticees were seemingly taking turns on different trading days to execute trades in the scrip of MJTL. I note that in the SCN, unlike the Noticees nos.1 to 6, the Noticee nos. 7, 8 and 9 have not been explicitly alleged to have connection either with each other or with other Noticees, nonetheless, the trades have been executed by them in identically structured fashion like the trades of other five Noticees, viz: 1,2,3, 4 and 6. It is observed that on any given trading day when any of the Noticees from the

group of Noticee nos.1 to 6 (except Noticee no. 5) or other three Noticees like Noticee nos. 7 or 8 or 9, has placed his sell order to match the price of the pending buy order, all other Noticees have conspicuously abstained from the market. Such an unique trading pattern repeatedly displayed by all the Noticees together over a long period of 58 days in the Patch-1 whereby not more than one Noticee has ever come to place sell order on any given trading day, strongly indicates that the Noticees have apparently acted under a preconceived/pre-arranged scheme and there was a prior meeting of minds amongst them to execute trades in the scrip in smaller quantities by taking turns on different days. Such a dubious trading pattern uniformly followed by each of the above noted Noticees provides a robust piece of evidence to controvert the argument advanced by the Noticees that they were not trading under any device and rather reduces them to a bunch of well- connected individuals who acted cohesively to manipulate the market price of the scrip of MJTL.

48. I find it beyond acceptance of any reasonable prudent person that such a trading pattern that have emerged from the trade log, which is evidently unique, can be termed only as result of *bonafide* trading with no ill intention on the part of the Noticees, either individually or collectively. This type of trading behavior collectively exhibited by the Noticees as exposed in the preceding paragraphs, can emanate only from a fraudulent and unfair trade practice which not only compromised the price discovery process of the market but also created artificial trading volume as well as a contrived price rise of the scrip.
49. As pointed out earlier, the Noticees have always matched the buy orders with their sell orders for a very small quantities of shares as against demand for large quantities of shares by the buyers pending in the system, despite the fact that the Noticees were holding relatively sizeable quantities of shares at the relevant time. Instead of seizing the opportunity to sell all or most of their shares at increased prices available before them, the aforesaid Noticees were releasing shares in miniscule installments every time they came to the market with their sell orders in an obvious display of their intention to split their respective holdings into many small quantities of sell orders so that they can utilize their stock to raise the LTP of the scrip over a prolonged period, and that is what the Noticees seem to have achieved as can be seen from their trading pattern during the Patch-1. It all goes on to suggest that the Noticees were not at all acting as *bonafide* prudent sellers to make profit out of their shareholdings and rather, the preponderance of probabilities in the case bares open their malicious conduct while trading in the scrip of MJTL.

50. The Noticees on the one hand submitted that price of the scrip was rising on a continuous basis and as a normal sellers, they also intended to make profit by selling their shares in tranches, whereas the very same contention of the Noticees goes against them when one examines their trading behavior holistically. Given the fact that during the entire period of Patch-1 period when the price started rising, these Noticees were mostly engaged in selling their shares turn by turn, when hardly any other seller was coming forward to sell his shares in the market. The Noticees on the one hand have admittedly sold the shares in small tranches, which disproves that they had any such belief or anticipation that the price of the scrip would increase further. Had this been the actual scenario, as prudent traders none of the Noticees would have sold any shares and would have waited for positive consolidation of the price of the scrip, which indeed happened subsequently but only due to the manipulative trades executed by the Noticees themselves. These Noticees were the ones who were chasing the buy orders pending in the system for as long as 44 minutes and were releasing their shares in negligible lots only to match the price of buy orders, thereby clearly indicating their motive that they were trading only to raise the market price of the scrip for which they were acting in tandem under a pre-conceived fraudulent scheme. Thus, the aforesaid ground taken by the Noticees to justify their selling of the shares of the Company is only an afterthought exercise and is completely contradicted by the actual conduct of the Noticees since they were the reason behind the increase in the price of the scrip of MJTL.

51. I observe that Hon'ble SAT in the matter of *Kalpna Dharmesh Chheda and Ors. Vs. SEBI and Ors. (DoD: February 25, 2020)*, has given due weightage to the trading pattern of a delinquent to ascertain the culpability. It has been observed *inter alia* by the Hon'ble Tribunal 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 the aforesaid contention of the Noticees being *ex-facie* baseless.

52. I note that the Noticees have contended that they were holding small quantities of shares and such small quantities of shares are not capable to cause any kind of manipulation in the

trading in the scrip. Contrary to this claim, it has been already seen as to how the aforesaid Noticees were selling small quantities of shares of MJTL, despite witnessing demand for large quantities for purchase by the buyers, thereby creating more and more positive LTPs through large number of successive trades involving small lots of shares, which again led to creation of artificial market volumes for the scrip to induce the public to trade in the scrip. The fact remains that the trades executed by the afore noted Noticees also happened to be the first trades of those respective trading days, because Noticees always chased and matched their sell orders with the prices of the buy orders already pending in the system for quite some time. Thus, but for the matching sell orders for small quantities of shares placed by Noticees, neither those LTP enhancing trades could have been executed nor the market price of the scrip would have seen such an unusual rise bereft of any kind of market fundamental of the Company. Keeping the aforesaid into account and the fact that Noticees no. 1 to 6 were connected with each other, I have already held above that the trades executed by the Noticees were nothing but a result of a pre-conceived scheme. Therefore, the arguments of the Noticees taking pleas that small quantities of shares can't cause manipulation is devoid of merit, hence, not tenable. Instead, by executing manipulative trades, these aforesaid Noticees have distorted the price discovery mechanism which is the backbone of a fair market and have also caused inducement to the investors by portraying a rosy and misleading picture in the scrip of MJTL.

53. It may be reiterated here that while the Noticee nos. 1, 2, 3, 4 and 6 have caused positive LTP of ₹ 107.56 (69.67% of the total market positive LTP) in 57 trades; Noticee no. 7 has caused ₹ 18.45 (11.95% of the total market positive LTP); Noticee no. 8 has caused ₹ 14.95 (9.68% of total market positive LTP); and the Noticee no. 9 has created ₹ 10 (96.48% of the total market positive LTP) through their respective trades during Patch-1 of the investigation period. As stated earlier, the scrip of MJTL had witnessed LTP variation of ₹ 154.40 during Patch-1 of the investigation period. Out of the said variation of ₹ 154.40, the aforesaid Noticees have cumulatively contributed ₹ 150.96. It shows how the aforesaid Noticees played a decisive role to jack up the price of the scrip of MJTL from ₹ 8.40 to ₹ 162.80 during the investigation period. It is obvious that the trades executed by the Noticees were responsible for the huge increase in the price of the scrip and also served as a strong tool of inducement for the gullible investors.

54. The Noticees have further submitted that since no buyer corresponding to their trades has been issued any notice by SEBI, they deserve exoneration from the charges as meeting of minds between buyers and sellers is not alleged in the present case. In this regards as discussed at length above, the facts and circumstances and the pattern in which the Noticees have traded and the overwhelming preponderance of probabilities that have emerged out of those trades, clearly establish that the trades executed by the aforesaid Noticees were manipulative in nature and have artificially increased the price of the scrip of MJTL. Moreover the mandate vested in me in the instant proceedings is to evaluate as to whether the allegations made in the SCN against the Noticees of having committed manipulative and unfair trades in the scrip of MJTL would stand established or not based on the material available on record. Therefore, based on the unimpeachable facts and evidence adduced in the investigation report, I have already held above that the manner in which these Noticees have traded in the scrip of MJTL is not only unfair but also fraudulent and manipulative. Hence, I do not deem it proper to go beyond the allegations made in the SCN to comment anything on the trades of the counterparty buyers who are not subjected to adjudication before me, more so when the trades executed by the above noted Noticees are independently self-evident of the manipulative trading practice followed by them during the said Patch-1 of the investigation period. I note that the issue as raised above has been dealt with by Hon'ble SAT in the matter of *Systematix Shares & Stocks India Limited v. SEBI* (2012), wherein 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*". In view of the above, I observe that the onus is on the Noticees to prove their innocence independently which they have failed to do so and therefore, the above noted argument of the Noticees is *sans* any merit and strength, hence deserves to be rejected.

55. I further note that the judicial decisions cited by the Noticees to emphasize on the degree of evidence required to establish the charge of fraudulent acts have been settled by the Hon'ble Supreme Court of India, in the matter of *SEBI Vs. Kishore R. Ajmera* [(2016) 6 SCC 368]. The Hon'ble Supreme Court in the said matter has laid to rest, the controversy with respect to the requirement of degree of proof in securities law violation by observing *inter alia* 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.”

56. I note that the reference made by the Noticees to the case of *Carole L. Haynes* is not at all applicable to the present case, as explicit evidence of knowledge of each party to the fraud is not required to be proved in the light of the principles laid down in *Kishore R. Ajmera (supra)*. Nevertheless, the trading pattern of all the individual Noticees whether considered separately or collectively, has been clearly found to be manipulative and fraudulent in nature which has caused significant artificial increase in the price of the scrip. The Noticees have also relied upon a number of judgments so as to buttress their arguments in their defense. However, after perusing all such judgments, it is observed that all those judicial decisions are distinguishable in facts from the instant proceedings against the Noticees, hence cannot be relied upon. Moreover, the Noticees have not been able to show as to how the strange trading pattern followed by them would justify their trades and render them as *bonafide* commercial transactions. In light of the detailed discussions and analysis of the trades executed by the Noticees in the preceding paragraphs, I hold on to my finding that the intention behind the trades executed by the Noticees, as alleged in the SCN was to manipulate the price of the scrip of MJTL.

57. As the price of the scrip was manipulated by each trade executed by the aforesaid Noticees (Noticee nos. 1, 2, 3, 4, 6, 7, 8 and 9) during Patch-1, it was bound to induce the general public investors to buy the shares of MJTL by assuming that the spectacular price rise of a penny stock like that of MJTL from ₹ 8.00 to ₹ 162 could be a genuine rise, not being aware that the said price rise was the handiwork of the manipulative trades executed by Noticees. In this context, I refer to the judgment of Hon'ble Supreme Court of India in the matter of *SEBI Vs. Kanaiyalal Baldev Bhai Patel (supra)*, in which the Hon'ble apex court, while discussing the import and scope of Regulation 2(c) of PFUTP Regulations, have observed that if an act or omission has an effect of inducing another person to act in a manner, in which he would not have acted had such inducement not been there, such act will constitute a fraudulent act, irrespective of the fact that such an act is done in a deceitful manner or not. Therefore, I am of the view that

in the present case, the trades exhibited by the aforesaid Noticees on the market platform being manipulative and fraudulent was creating a misleading picture of trading of the scrip of MJTL at higher rates and thus was bound to cause inducement to the investors.

58. In view of my discussions in the foregoing paragraphs, it is established that the Noticee nos. 1, 2, 3, 4 and 6 (who were enjoying connection) while trading in the scrip of MJTL during Patch-1 of the investigation period have contributed ₹ 107.56 to the LTP of the scrip of MJTL by resorting to manipulative and fraudulent trades as alleged in the SCN. Similarly, Noticee nos. 7, 8 and 9 have also through their manipulative trades, have contributed ₹ 10.00, ₹14.95 and ₹ 18.45, respectively to the positive LTP of the scrip. I therefore hold that the acts of trading in the scrip of MJTL by the Noticee nos. 1, 2,3, 4, 6, 7, 8 and 9 during the Patch-1 are in violation of regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2), (a) and (e) of PFUTP Regulations.
59. The SCN further alleges that Noticee nos. 1 to 5 have resorted to similar and identical trading pattern in the **Patch-2** as alleged in the Patch-1 of the investigation period.
60. As noted in the beginning, there was a stock split of MJTL w.e.f. January 09, 2014 in the ratio of 1:5. The price of the scrip opened on the first day of the **Patch-2**, i.e., on January 09, 2014 at ₹ 33.20 (unadjusted split price ₹ 166) and it reached a high of ₹ 99.00 (unadjusted split price ₹ 495) on May 19, 2014 before closing at the rate of ₹ 98.40 (unadjusted split price ₹ 492) on the said day. The total contribution of market positive LTP during Patch-2 was ₹ 168.40 (unadjusted to split ₹ 842) and the net LTP was ₹ 65.25 (unadjusted to split ₹326.25) with a volume of 4977939 shares.
61. The SCN alleges that the Noticee nos. 1 to 5 have executed 40 trades in the scrip of MJTL on 39 trading days and out of such 40 trades, market positive LTP of ₹ 40.30 was contributed by them in 38 trades. The said amount of positive LTP constituted 23.93% of the total market positive LTP. The details of the said 38 trades are depicted in the Table 8 below:

Table 8

TRADE DATE	Seller Name	Buy Order Time	Sell Order Time	Buy Order Rate	Sell Order Rate	Trade Rate	LTP Diff	Buy Order Disclosed Volume	Sell Order Disclosed Volume
13/01/2014	AniruddhParashar (Noticee no. 1)	09:15:57	12:56:24	34.5	34.5	34.5	0.65	200	20
14/01/2014	Kamal M Tibrewala (Noticee no. 5)	09:15:00	11:13:18	35.15	35.15	35.15	0.65	800	50
15/01/2014	Santosh Kumar SatyanarayanPodar (Noticee no. 4)	09:00:01	12:02:46	35.85	35.85	35.85	0.7	200	25
16/01/2014	Kamal M Tibrewala (Noticee no. 5)	09:00:01	12:19:27	36.55	36.55	36.55	0.7	200	25
21/01/2014	Kamal M Tibrewala (Noticee no. 5)	09:00:01	09:53:39	37.95	37.95	37.95	0.7	100	25
24/01/2014	AkashSukhdev Swami (Noticee no. 3)	09:00:01	09:55:30	40.2	40.2	40.2	0.75	200	50
27/01/2014	AniruddhParashar (Noticee no. 1)	09:00:01	10:18:00	41	41	41	0.8	500	25
28/01/2014	Santosh Kumar SatyanarayanPodar (Noticee no. 4)	09:00:01	10:12:35	41.8	41.8	41.8	0.8	700	50
29/01/2014	Kamal M Tibrewala (Noticee no. 5)	09:00:01	11:06:35	42.6	42.6	42.6	0.8	3000	50
30/01/2014	AkashSukhdev Swami (Noticee no. 3)	09:00:01	11:36:54	43.45	43.45	43.45	0.85	5000	25
31/01/2014	Kamal M Tibrewala (Noticee no. 5)	09:00:01	10:22:20	44.3	44.3	44.3	0.85	250	25
03/02/2014	AkashSukhdev Swami (Noticee no. 3)	09:00:00	11:22:20	45.15	45.15	45.15	0.85	500	50
05/02/2014	Kamal M Tibrewala (Noticee no. 5)	09:00:01	11:52:04	46.95	46.95	46.95	0.9	500	50
06/02/2014	Santosh Kumar SatyanarayanPodar (Noticee no. 4)	09:00:01	10:49:42	47.85	47.85	47.85	0.9	500	25
07/02/2014	Kamal M Tibrewala (Noticee no. 5)	09:00:00	10:47:44	48.8	48.8	48.8	0.95	2000	25
10/02/2014	AniruddhParashar (Noticee no. 1)	09:00:01	10:44:11	49.75	49.75	49.75	0.95	2000	25
11/02/2014	Santosh Kumar SatyanarayanPodar (Noticee no. 4)	09:00:01	11:02:44	50.7	50.7	50.7	0.95	500	25
12/02/2014	Kamal M Tibrewala (Noticee no. 5)	09:00:01	11:36:46	51.7	51.7	51.7	1	500	25
14/02/2014	AkashSukhdev Swami (Noticee no. 3)	09:00:01	11:57:52	53.75	53.75	53.75	1.05	500	5
17/02/2014	Santosh Kumar SatyanarayanPodar (Noticee no. 4)	09:00:00	10:31:34	54.8	54.8	54.8	1.05	100	25
19/02/2014	Rakesh Saini (Noticee no. 2)	09:00:00	10:45:14	56.95	56.95	56.95	1.1	100	5
20/02/2014	Kamal M Tibrewala (Noticee no. 5)	09:00:01	09:57:02	58.05	58.05	58.05	1.1	100	30
21/02/2014	AniruddhParashar (Noticee no. 1)	09:00:01	10:05:30	59.2	59.2	59.2	1.15	100	25
24/02/2014	AkashSukhdev Swami (Noticee no. 3)	09:00:00	11:47:22	60.35	60.35	60.35	1.15	100	25
25/02/2014	Kamal M Tibrewala (Noticee no. 5)	09:00:01	09:51:37	61.55	61.55	61.55	1.2	200	10

26/02/2014	Santosh Kumar SatyanarayanPodar (Noticee no. 4)	09:00:00	10:04:52	62.75	62.75	62.75	1.2	10	15
28/02/2014	Rakesh Saini (Noticee no. 2)	09:00:02	10:03:00	64	64	64	1.25	100	20
03/03/2014	Kamal M Tibrewala (Noticee no. 5)	09:00:01	09:59:57	65.25	65.25	65.25	1.25	100	15
04/03/2014	AniruddhParashar (Noticee no. 1)	09:00:02	11:33:17	66.55	66.55	66.55	1.3	100	10
05/03/2014	Rakesh Saini (Noticee no. 2)	09:00:01	11:40:32	67.85	67.85	67.85	1.3	10	10
06/03/2014	Kamal M Tibrewala (Noticee no. 5)	09:00:01	10:46:58	69.2	69.2	69.2	1.35	100	15
07/03/2014	SantoshKumarSatyanarayanPodar (Noticee no. 4)	09:00:01	10:18:25	70.55	70.55	70.55	1.35	100	25
10/03/2014	Kamal M Tibrewala (Noticee no. 5)	09:00:01	09:49:01	71.95	71.95	71.95	1.4	100	15
11/03/2014	Rakesh Saini (Noticee no. 2)	09:00:01	10:12:06	73.35	73.35	73.35	1.4	25	25
12/03/2014	AniruddhParashar (Noticee no. 1)	09:00:01	10:20:13	74.8	74.8	74.8	1.45	100	20
13/03/2014	AkashSukhdev Swami (Noticee no. 3)	09:00:01	11:46:18	76.25	76.25	76.25	1.45	25	25
14/03/2014	Kamal M Tibrewala (Noticee no. 5)	09:00:01	09:41:13	77.75	77.75	77.75	1.5	100	25
18/03/2014	Rakesh Saini (Noticee no. 2)	09:00:01	10:32:00	79.3	79.3	79.3	1.55	500	25
	Total						40.3 0		

62. As noted in the earlier part of the order, the scrip of MJTL was trading in PCAS during the period of May 13, 2013 to January 10, 2014 and subsequently, it came out of PCAS and traded in normal segment of the exchange. Therefore, after January 10, 2013, an order once placed was not purged from the system as there were no hourly auction sessions any more, as was happening during PCAS.

63. Apart from the details available in the above table, a combined reference made to the integrated trade log and order log with respect to the trades executed on the days as mentioned in the table above, indicates the following:

- I. On various specific trading days of January, 2014 as mentioned in the Table 8 above, only Noticee nos. 1, 3, 4 and 5 have executed sell trades, except on January 13, 2014, when one trade at Nil LTP was traded by Noticee no. 9.
- II. On various trading days of February, 2014, as mentioned in the Table 8 above, only Noticee nos. 1, 2, 3, 4 and 5 have executed sell trades, except for February 24, 2014, when another person was also noticed to have sold the shares of MJTL along with Notice no.3. Further, except for the trading day of February 24, 2014 (as stated above) and February 26, 2014, when more than one trade was executed in the scrip of MJTL, on all other trading days of February, 2014 not more than one trade was executed by the aforesaid Noticees on any single day.

III. Similar is the status of the trades executed on the trading days of March, 2014, during which 11 trades have been executed on 11 different trading days by the Noticees and these 11 trades were the only trades executed in the scrip of MJTL on those respective 11 days and no one else except for the above noted Noticees were selling the shares of MJTL.

64. As can be observed from the aforesaid details and the Table 8 above, the sell orders placed by the Noticee nos. 1 to 5 always chased and matched the price of the already available buy orders and on the days where any one of the Noticee nos. 1 to 5 was selling the shares of MJTL, it was rarely seen that any other seller was present in the market. Further, all the aforesaid Noticees, viz., Noticee nos. 1 to 5 were holding adequate number of shares and despite the demand of the shares from buyer side being always for larger quantities, (up to 5000) only small quantities of shares have been offered by these five Noticees in each of their trades.
65. Thus, the facts surrounding the trading activity in the scrip as well as the overall conduct of the Noticee nos. 1 to 5 during Patch-2 were identical, as during Patch-1 of the investigation period. Although the Noticee no. 5 has executed trades only during Patch-2 of the investigation period, he has been found to be connected to all other Noticees and also to the Company based on the directorship with Ridhi, which had unexplained financial transactions with MJTL during relevant time. I have already dealt with this subject in detail in the beginning of this order and have held that Noticee nos.1 to 6 were connected entities.
66. I further note that the allegations against the Noticees who have traded during Patch-2 and the submissions made and arguments advanced by these Noticees in response to the said allegations are almost identical to those pertaining to the trades executed by the Noticees during Patch-1 of the investigation period which have been already dealt with at length while examining the trades executed during Patch-1. Further, it is pertinent to mention here that the Noticee nos. 1, 2, 3 and 4 who have been alleged to have executed manipulative trades in Patch-2 have also been alleged for their trades during Patch-1 of the investigation period. As it happened during the Patch-1, in Patch-2 also, the Noticee nos. 1 to 5, who were holding sufficient number of shares, sold smaller quantities of shares, executed the first trades of the respective trading days by chasing with their sell orders only to match the prices of the buy orders which were pending in the system for long, sometime even for more than 3 hours, and

all such trades executed by them were instrumental in taking the price of the scrip to higher levels. It is noted that through their 38 LTP contributing trades, the Noticee nos. 1 to 5 were able to contribute ₹ 40.30 to the positive LTP of the scrip of MJTL which was 23.93% of the total market positive LTP contributed to the scrip during Patch-2.

67. In view of the aforesaid almost identical resemblance between the facts & circumstances of Patch-1 vis-a-vis Patch-2, and in order to avoid repetition, I would like to reiterate and rely on my findings as articulated above while dealing with the manipulative trades executed by Noticee nos. 1, 2, 3, 4, 6, 7, 8, and 9 during Patch-1, with respect to the trades executed during Patch-2 as well. Moreover, the Noticees who have traded during both Patch-1 and Patch-2 were connected with each other and have neither been able to prove that they had executed those trades purely acting as *bonafide* sellers nor can the abnormal pattern of trading adopted by them to push up the price of the scrip, stand on its feet to support such claims.
68. Under the circumstances, I observe that the trades executed by the Noticee nos. 1 to 5 during Patch-2 of the investigation period were manipulative and fraudulent and due to such manipulation, the trades executed by them have caused to increase the price of the scrip of MJTL by ₹ 40.30. Therefore, as rightly alleged in the SCN, I hold that the acts of manipulative trades executed by Noticee nos. 1, 2, 3, 4 and 5 have resulted in violation of regulation 3(a), (b), (c) & (d), and regulation 4(1), 4(2)(a) & (e) of PFUTP Regulations.
69. From the details of the trades executed by all the 9 Noticees during the two patches, one can clearly notice that all of them have adopted almost identical strategy in trading in the scrip of MJTL. Even if the investigation has highlighted the explicit inter-se connections amongst the Noticee nos. 1 to 6 and does not alleges any nexus/connectedness shared by Noticee nos. 7, 8, and 9 with the first 6 Noticees, the unusual but identical trading pattern followed by all the 9 Noticees while trading in the scrip of MJTL during the investigation period, create a very strong impression that all of them belonged to one connected group. The uncanny uniqueness with which these 9 Noticees traded in the scrip, such as taking turns on different trading days while placing their sell orders in the scrip so that on no single trading day not more than one Noticee comes to the market with sell order, placing sell orders in small quantities to chase and match the higher prices of long pending buy orders for larger quantities thereby executing the first order of the day and a LTP contributing order too, and even the way Noticee nos. 7, 8 and 9 took charge by becoming active sellers during the time when rest of the 6 Noticees were not active and trading in the scrip; further strengthen my impression that all the 9

Noticees were working like a team, traded cohesively in tune with each other ostensibly to execute a pre-designed scheme with a common aim to inflate artificially the market price of the scrip through manipulative trades. Such an exceptional coincidence of trading in the scrip of MJTL in a strange but unique way on a continuous basis over a long period clearly establishes that the trades executed by the 9 Noticees were not fair and were designed only to create a misleading appearance of trade in the scrip and at the same time to trigger an upward movement in the price of the scrip over a long period of time.

70. The aforesaid findings further find strength from the fact that during the course of hearing, Noticees were requested to provide the details pertaining to the source, mode and manner of acquiring/buying the shares of MJTL, which they subsequently sold fraudulently to artificially inflate the price. However, all of them chose to avoid my request and failed to provide any details as called for during their personal hearing. The fraudulent motive of the Noticees has not only been reflected in their unfair trade practice as discussed in this order but is also manifest in the overall conduct of the Noticees.
71. 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-1 and Patch-2 needs to be seen holistically, more particularly, when all of them have followed a common, uniform but unique trading strategy to sell their shares only to manipulate the market price of the scrip which they did accomplish by cumulatively contributing to the LTP of the scrip during the Patch-1 and Patch-2 of the investigation period. This kind of trading behavior seriously affects the normal price discovery mechanism in the securities market. People who indulge in manipulative, fraudulent and deceptive transactions, or abet in carrying out such transactions which are fraudulent and deceptive in nature, should be strongly dealt with for having committed such acts of omissions amounting to disruption of market equilibrium and market integrity.
72. In the context of the detailed discussions and observations recorded by me in the foregoing paragraphs about the fraudulent trades and price manipulations indulged in by the Noticees apparently under a pre-conceived plan, it may be relevant here 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.”

73. I also find that the 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.”*
74. In the light of the aforesaid observations of the Hon’ble Supreme Court of India, and Hon’ble SAT,I have carefully considered the abnormal, unusual and blatantly unfair trading pattern exhibited by all the Noticees whereby, they have been found to have contributed both individually and collectively, to the price rise in the scrip by repeatedly placing sell orders only to match the pending buy orders at a price higher than LTP thereby executing the first trades of the day so as to create a fresh LTP at higher price compared to the previous LTP. Under the circumstances, I conclude that the Noticee nos. 1 to 9 were not acting as genuine sellers and had no *bonafide* intention to sell the shares of MJTL and instead, the orders placed by them are laden with all the ingredients to be held as unfair, misleading and thereby fraudulent and manipulative. I therefore hold that the trading behavior of Noticee nos. 1 to 9 in the scrip of MJTL has been glaringly ill motivated, fraudulent and was intended towards manipulating the price of the shares of MJTL and therefore is in violation of regulation 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a), (e) of SEBI (PFUTP) Regulations.

DIRECTIONS:

75. 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 in the interest of securities market, it would be proper 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 1 year 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.
76. Obligation of the aforesaid Noticees, in respect of settlement of securities , if any, purchased or sold in the cash segment of the recognized stock exchange(s), as existing on the date of this Order, can take place irrespective of the restraint/prohibition imposed by this Order, in respect of pending transactions, if any. Further, all open positions, if any, of the aforesaid Noticees in the F&O segment of the stock exchange, are permitted to be squared off, irrespective of the restraint/prohibition imposed by this Order
77. The Order shall come into force with the immediate effect.
78. 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.

-Sd-

S.K. MOHANTY

WHOLE TIME MEMBER

DATE: July 29th , 2020

PLACE: MUMBAI

SECURITIES AND EXCHANGE BOARD OF INDIA