

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: S. K. MOHANTY, WHOLE TIME MEMBER

ORDER

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

In respect of:

Noticee No.	Name of the Noticee	PAN
1.	Chetan Dogra	ABNPD1798C
2.	Chetan Dogra HUF	AACHC5554P
3.	Shraddha Entertainment Private Limited	AAKCS8199P

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

In the matter of trading in the scrips of Urja Global Limited and Sampada Chemicals Limited.

Background:

1. An Investigation was undertaken by Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") for the period of October 1, 2010 to March 21, 2011 (hereinafter referred to as "**Investigation Period**") into the scrips of Urja Global Limited (hereinafter referred to as "**Urja**") and Sampada Chemicals Limited (hereinafter referred to as "**Sampada**") for possible violation, if any, of the provisions of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act, 1992**") and rules and regulations made thereunder.
2. During the course of Investigation, the price volume data pertaining to the scrips of *Urja* and *Sampada* were analyzed. Price volume information pertaining to

the scrips of *Urja* and *Sampada* during pre-Investigation Period, Investigation Period & post-Investigation Period were found to be as under:

Table No. 1
In the scrip of *Urja*

Period	Date		Opening Price (Volume) on the first day of the period	Closing Price (Volume) on the last day of the period	Low Price (Volume) during the period	High Price (Volume) during the period	Avg. No of shares traded daily during the period (Total)
Before Investigation	01.07.2010 to 30.9.2010	Price	73.00	103.00	67.30 (19.07.2010)	108.85 (13.09.2010)	61503
		Volume	300	41914	300 (01.07.2010)	209568 (24.08.2010)	
Investigation Period	01.10.2010 to 21.03.2011	Price	104.00	29.45	26.75 (14.03.2011)	179.95 (16.11.2010)	88208
		Volume	44834	288096	2 (20.12.2010)	671025 (04.01.2011)	
After Investigation Period	22.03.2011 to 21.06.2011	Price	29.50	30.40	27.05 (24.03.2011)	39.95 (08.04.2011)	36668
		Volume	250895	2470	50 (09.06.2011)	262135 (08.04.2011)	

Table No. 2
In the scrip of *Sampada*

Period	Date		Opening Price (Volume) on the first day of the period	Closing Price (Volume) on the last day of the period	Low Price (Volume) during the period	High Price (Volume) during the period	Avg. No of shares traded daily during the period (Total)
Before Investigation		Price	240.75	296.65	217.35 (05.07.2010)	304.90 (29.09.2010)	5960

	01.07.2010 to 30.9.2010	Volume	500	3947	401 (18.08.2010)	17338 (28.09.2010)	
Investigation Period	01.10.2010 to 21.03.2011	Price	279.00	410.00	134.75 (31.12.2010)	498.00 (24.11.2010)	38898
		Volume	15668	98020	1 (07.12.2010)	476712 (31.12.2010)	
After Investigation Period	22.03.2011 to 21.06.2011	Price	412.05	28.05	453.25 (25.03.2011)	28.05 (21.06.2011)	33842
		Volume	102733	1540	62 (04.04.2011)	601473 (06.06.2011)	

3. As stated above, on account of the apparent abnormal price movements seen in the above mentioned two scrips, Investigation was undertaken to ascertain as to whether the price movement so observed was indeed a normal movement in course of the trading in the scrip or was there any deliberate and intentional efforts made by any market participants which caused the price to move artificially. The following facts, *inter alia*, came to the fore during the course of Investigation, which deserve to be summarized at this stage as they have significant implication on the outcome of the instant proceedings. They are highlighted as under:

In the scrip of Urja

- a) There was a substantial increase in price / volume during the period from October 1, 2010 to November 16, 2010 ("**Patch A**" for convenience) wherein the price of the scrip witnessed an increase from ₹104.00 to ₹176.45 through intra-day price movement. A group of suspected / connected entities including the *Notices* in the instant proceedings (hereinafter referred to as "**Chetan Dogra Group / CDG**") were found to have traded in the scrip and the manner and pattern in which they have traded were not viewed as normal trading practice but rather were observed to be manipulating the price/ volume of the scrip of *Urja* during the said *Patch A*.

- b) *Noticee no. 2* (Chetan Dogra HUF) and *Noticee no. 1* (Chetan Dogra) were the top 2 buyers and sellers in the scrip of *Urja* during the *Patch A* of the Investigation Period.
- c) The Investigation has also noticed that during the *Patch A*, the CDG had contributed to the buy volume to the extent of 66.03% and to the sell volume to the extent of 60.76%. It was further revealed that the suspected entities had purchased and sold 966318 shares amongst themselves which constituted 60.62% of the total buy volume of the suspected entities and 65.86% of the total sell volume of the suspected group entities which again, amounted to 40.03% of the total market volume during the *Patch A* in the scrip of *Urja* during the Investigation Period. It was also noticed that the above noted entities have indulged in execution of synchronized trades, reversal trades and self-trades.
- d) In this regard, it was further observed during the Investigation that the volume of the synchronized trades entered into by *Noticee no. 1 and 2* to the total market volume of the scrip during the said patch was 23.02%. Similarly, these two *Noticees* (*Noticee no. 1 and 2*) while entering into reversal trades have accounted for 9.77% of the total market volume of the scrip during this period. These two *Noticees* have entered into 79 reversal trades on 19 trading days out of 33 trading days (57.58 % of trading days during the period).
- e) Through various self-trades, *Noticee no. 1 and 2* have contributed to positive Last Traded Price (“**positive LTP**” for convenience) in the scrip of *Urja* during the *Patch A* of the Investigation Period.
- f) *Noticee no. 1* had received 8,20,000 shares of *Urja* from two related entities viz. Nandanvan Commercial Private Limited (a promoter entity of *Urja*) and Shree Sudarshan Castings Private Limited, in the off-market without payment of consideration.

- g) *Notices no. 1 and 2* have together bought 11.44 lac shares for ₹15.79 crores and sold 16.75 lac shares for ₹17.52 crores in the scrip of *Urja*. As 8,20,000 lac shares were received without consideration, these 2 *Notices* have made unlawful gains of ₹1.7349 crores in the scrip of *Urja*.

In the scrip of *Sampada*

- h) Similarly, there was a huge increase in price / volume during the period from October 1, 2010 to November 24, 2010 in the scrip of *Sampada*, during which the price of the scrip increased from ₹279.00 to ₹498.00 mainly via intra-day movement wherein it was observed that CDG appeared in 65 instances out of total 131 instances of such price rise and have contributed ₹119.75 (54.68% of price rise) to total price rise of ₹219 (49.62% of total instances). During this period of price rise, trades executed at same price/price higher than the previous traded price were examined and it was observed that out of 4074 such trades, Chetan Dogra Group appeared in 2512 such trades i.e. 61.66% of such total trades.
- i) Investigation also revealed that subsequently the price in the scrip of *Sampada* fell from ₹489.90 to ₹134.75 during the period November 25, 2010 to December 31, 2010 and the same was mainly occasioned through first trades of the respective trading days. It was further found that CDG appeared in 12 instances out of 26 instances i.e. 46.15% of total instances of such first trades of the day, thereby causing negative contribution to the price of the scrip.
- j) Again, during the period January 03, 2011 to March 16, 2011, the price of *Sampada* increased from ₹155.40 to ₹427.65 mainly via intra-day movements. The Investigation unearthed that in all the trades which resulted into establishing a New High Price (hereinafter referred to as “NHP”) in the scrip during this period, CDG appeared in 73 instances out of total 220 such

instances (33.18% of total instances) and contributed ₹75.80 (27.84% of price rise) to total price rise of ₹272.25.

- k) *Noticee no. 1, 2 and 3* together have bought 1.58 lac shares at ₹142.61 per share and sold 0.50 lac shares at ₹269.76 per share and thereby have made unlawful gains of ₹63.58 lac ((0.50 lac shares * (₹269.76 - ₹142.61)) in the scrip of *Sampada*.

4. Thus, based on the afore stated facts unearthed in the course of the Investigation, it was *inter-alia* observed that the two entities viz. Chetan Dogra (*Noticee no. 1*) and Chetan Dogra HUF (*Noticee no. 2*) have indulged in execution of manipulative trades in the scrip of *Urja* and thereby have made unlawful gains of ₹1.7349 crores in the scrip of *Urja*. Similarly, *Noticee no. 1, 2 and 3* have indulged in manipulative trades in the scrip of *Sampada* thereby making an unlawful gain of ₹63.58 lac in the scrip of *Sampada*. Such acts of the *Noticees* have been alleged to be in breach of provisions of regulation 3(a), (b), (c), (d) and regulation 4(1), 4(2) (a) and (g) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations, 2003**"). Further, *Noticee no. 2* and *3* have also been alleged to have violated regulation 4(2) (b) of SEBI *PFUTP Regulations, 2003*.

5. In addition to the above, the act of the *Noticee no. 1* regarding receipt of 8,20,000 shares in the scrip of *Urja* in the off-market without payment of consideration has been alleged to be in breach of provisions of Section 16 of the Securities Contracts (Regulation) Act, 1956 (hereinafter referred to as "**SCR Act, 1956**") read with SEBI Notification G.S.R 219 (E) dated March 2, 2000, Sections 13 and Section 18 of *SCR Act, 1956* read with Section 2 (i) of *SCR Act, 1956*.

6. In view of the aforementioned allegations, a common Show Cause Notice dated September 05, 2017 and a common supplementary Show Cause Notice dated November 08, 2019 (for convenience both these Show Cause Notices are

interchangeably referred to as “SCN”) were issued to all the *Notices*, asking them to respond, as to why appropriate directions under Section 11, 11(4) & 11 (B) SEBI Act, including the directions to disgorge their alleged ill-gotten profit of ₹2.37crores (1.7349 crores + 0.6358 crores as discussed above) should not be issued against them in view of their alleged violations.

7. It is noted that the SCNs were sent through speed post. However, the same were returned undelivered and therefore, the SCN had to be served on the *Notices* through affixture. However, no reply has been received from any of the *Notices*. Subsequently, in compliance with the principle of natural justice, an opportunity of personal hearing was also accorded to the *Notices*, by scheduling the personal hearing on August 04, 2020. I note from the records the said hearing Notice was served through newspaper publication dated July 09, 2020. However, none of the *Notices* appeared on the scheduled date of hearing on August 04, 2020. Considering that no request has been received from any of the *Notices* seeking more time for filing written reply or for personal hearing, I find no useful purpose would be achieved by granting any more opportunity of personal hearing to the *Notices*, hence, I proceed to deal with matter *ex-parte*, based on materials available on record.

Consideration of Issues and Findings

8. Considering the findings of Investigation and the allegations leveled against the *Notices* in the SCN based on the findings as highlighted above, I find that the issues that require consideration are as under:

- (i) *Issue I: Whether the Noticee no. 1 has acted in violation of the provisions of Section 16 of SCR Act, 1956 read with SEBI Notification G.S.R 219 (E) dated March 2, 2000, Sections 13 and Section 18 of SCR Act, 1956 read with Section 2(i) of SCR Act, 1956, while dealing in off-market transactions in the shares of Urja?*

- (ii) *Issue II: Whether the Noticees are connected entities and whether they have acted in violations of the provisions of Section 12 A (a), (b), (c) of SEBI Act read with Regulation 3 (a), (b), (c), (d), 4 (1) 4 (2) (a), (b) and (g) of SEBI (PFUTP) Regulations, 2003 while dealing in the scrips of Urja and Sampada?*

Issue I: Whether the act of the Noticee no. 1 has resulted in violation of the provisions of Section 16 of SCR Act, 1956 read with SEBI Notification G.S.R 219 (E) dated March 2, 2000, Sections 13 and Section 18 of SCR Act, 1956 read with Section 2 (i) of SCR Act, 1956, while dealing in off-market transactions in the shares of Urja?

9. Before I proceed with the aforesaid issue, it is pertinent to reproduce the relevant provisions of SCR Act, 1956 for ready reference which are as under:

Section 2 (i) of SCR Act, 1956

“spot delivery contract” means a contract which provides for: -

(a) actual delivery of securities and the payment of a price therefor either on the same day as the date of the contract or on the next day, the actual period taken for the dispatch of the securities or the remittance of money therefor through the post being excluded from the computation of the period aforesaid if the parties to the contract do not reside in the same town or locality;

(b) transfer of the securities by the depository from the account of a beneficial owner to the account of another beneficial owner when such securities are dealt with by a depository;

.....

Section 13 of SCR Act, 1956: Contracts in notified areas illegal in certain circumstances

If the Central Government is satisfied, having regard to the nature or the volume of transactions in securities in any [State or States or area] that it is necessary so to do, it may, by notification in the Official Gazette, declared this section to apply to such [State or States or area], and thereupon every contract in such [State or States or area] which

is entered into after the date of the notification otherwise than [between members of a recognised stock exchange or recognised stock exchanges] in such [State or States or area] or through or with such member shall be illegal:

Provided that any contract entered into between members of two or more recognised stock exchanges in such State or States or area, shall-

- (i) be subject to such terms and conditions as may be stipulated by the respective stock exchanges with prior approval of Securities and Exchange Board of India;*
- (ii) require prior permission from the respective stock exchanges if so stipulated by the stock exchanges with prior approval of Securities and Exchange Board of India*

Section 16 of SCR Act, 1956 - Power to prohibit contracts in certain cases.

(1) If the Central Government is of opinion that it is necessary to prevent undesirable speculation in specified securities in any State or area, it may, by notification in the Official Gazette, declare that no person in the State or area specified in the notification shall, save with the permission of the Central Government, enter into any contract for the sale or purchase of any security specified in the notification except to the extent and in the manner, if any, specified therein. (2) All contracts in contravention of the provisions of sub-section (1) entered into after the date of notification issued thereunder shall be illegal.

Section 18 of SCR Act, 1956 - Exclusion of spot delivery contracts from sections 13, 14, 15 and 17.

(1) Nothing contained in sections 13, 14, 15 and 17 shall apply to spot delivery contracts. (2) Notwithstanding anything contained in sub-section (1), if the Central Government¹ is of opinion that in the interest of the trade or in the public interest it is expedient to regulate and control the business of dealing in spot delivery contracts also in any State or area (whether section 13 has been declared to apply to that State or area or not), it may, by notification in the Official Gazette, declare that the provisions of section 17 shall also apply to such State or area in respect of spot delivery contracts

generally or in respect of spot delivery contracts for the sale or purchase of such securities as may be specified in the notification, and may also specify the manner in which, and the extent to which, the provisions of that section shall so apply.

SEBI Notification G.S.R 219(E) dated March 2, 2000

"In exercise of the powers conferred by sub-section (1) of section 16 of the Securities Contracts (Regulation) Act,

1956 (42 of 1956), read with Government of India Notification No.S.O.573(E),dated 30th July, 1992, (See [1992] 75 Comp Cas (St.) 216.) and Notification No. 183(E), dated 1st March, 2000, (See page 53 supra.) issued under section 29A of the said Act, the Securities and Exchange Board of India (hereinafter referred to as "the Board") being of the opinion that it is necessary to prevent undesirable speculation in securities in the whole of India, hereby declare that no person in the territory to which the said Act extends, shall, save with the permission of the Board, enter into any contract for sale or purchase of securities other than such spot delivery contract or contract for cash or hand delivery or special delivery or contract in derivatives as is permissible under the said Act or the Securities and Exchange Board of India Act, 1992 (15 of 1992), and the rules and regulations made under such Acts and rules, regulations and bye-laws of a recognised stock exchange.....

10. I note that during the Investigation Period, it has been noticed that there were off-market transfers in the scrip of *Urja* wherein one of the promoters of *Urja* viz. Nandanvan Commercial Private Limited along with another entity, viz. Shree Sudarshan Castings Private Limited had transferred shares in off-market to *Noticee no. 1*. Investigation further revealed that cumulatively *Noticee no. 1* received 8,20,000 shares in the scrip of *Urja* from the aforementioned two entities which implies transfer of beneficial ownership of the shares to *Noticee no. 1*. The transfer of beneficial ownership comes along with the rights and liabilities attached to the ownership of those shares. As per the extant statutory provisions governing dealing in securities

which happens outside the market platform of a recognized stock exchange, the settlement relating to such transfer of securities and the payment of consideration required to be made against such transfer, shall have to be either on the same day or at the most next day. In this process, the actual time duration taken for the dispatch of the securities or the remittance of money would be excluded for the purpose computation of the period of settlement as stated above provided parties to the contract are located at geographically distant places.

11. As mentioned in the preceding paragraphs that there was transfer of 8,20,000 shares of *Urja* from two entities (wherein one was the promoter entities of *Urja*) to the *Noticee no. 1*. It has been noticed in the Investigation that there was no compliance by *Noticee no. 1* with the aforesaid statutory conditions, as far as payment of consideration *qua* the transfer of those 8,20,000 shares was concerned. It is pertinent to note that *Noticee no. 1* has neither submitted any reply nor has he availed the opportunity to appear before me to rebut the allegations or to bring on record any evidence regarding payments of consideration relating to 8,20,000 shares of *Urja* received by him through off-market transactions with those two entities. There is no explanation available on record justifying these off market transfers so as to clarify to me as to whether, the said off-market transfers were in the nature of spot sales/purchases done in ordinary course of transactions duly supported by exchange of consideration and transfer of shares within the stipulated time or alternatively, whether the said transfer of shares were effected for any other purpose or whether the said shares were received against any pending loan or other financial liabilities. Since, no reply is available on record rebutting the allegations made in the SCN relating to the off-market receipt of 8,20,000 shares without making any purchase consideration, given the gravity of finding in the Investigation that after indulging in manipulative trades, *Noticee no. 1* has allegedly sold the shares of *Urja* at artificially inflated prices, I am constrained to hold that the act of the *Noticee no. 1* of transacting in the shares of *Urja* through off market mechanism did not comply with the

provision under Section 16 of SCR Act, 1956. I further note that the Hon'ble Securities Appellate Tribunal in their order in the matter of *Alok Khetan vs. SEBI*, (Appeal No. 55 of 2007- DoD 17/07/2007), while dealing with the issue of implication of transacting outside the stock exchange mechanism have observed that:

".....it is clear that the appellant sold his unlisted shares on 25.08.1999 in an off market transaction and received the sale consideration of `22,50,000/-only in January, 2000 which is much beyond the time permitted by section 2(i) of the SCR Act. Since the transaction was off market, the contract for the sale of shares could only be by way of spot delivery in view of the restriction imposed by the Board under section 16 of SCR Act which mandates that the sale consideration ought to have been received either on the same day of the transaction or on the following day. It is, thus, clear that the sale of shares by the appellant on 25.08.1999 in the off market transaction is Adjudication Order in the matter of Pithampur Steels Ltd., Page 12 of 22 violative of the restriction imposed under section 16 read with section 2(i) of SCR Act."

12. Considering the above observation of Hon'ble SAT and the undisputed fact that the Noticee no. 1 has failed to adduce any evidence justifying the payment of consideration amount within the stipulated time prescribed under SCRA, I am of the view that based on the materials on record, the act of the Noticee no. 1 is found to be in violation of the provisions of section 16 of SCR Act, 1956 read with SEBI Notification G.S.R 219 (E) dated March 2, 2000, Sections 13 and Section 18 of Securities Contracts (Regulation) Act, 1956 read with Section 2(i) of Securities Contracts (Regulation) Act, 1956.

Issue II: Whether the Noticees are connected entities and whether they have acted in violations of the provisions of Section 12 A (a), (b), (c) of SEBI Act read with Regulation 3 (a), (b), (c), (d), 4 (1) 4 (2) (a), (b) and (g) of SEBI (PFUTP) Regulations, 2003 while dealing in the scrips of Urja and Sampada?

13. It is observed during the Investigation that certain entities including the Noticees in the present proceedings, were allegedly sharing *inter se* connections

amongst themselves based on their common addresses, KYC documents, common directorship and off-market transfers of shares amongst them. From the materials on record, it is noted that the *Noticee no. 1* (Chetan Dogra) is the Karta of the *Noticee no. 2* (Chetan Dogra HUF). Further, as per the KYC documents of all the three *Noticees* viz. *Noticee no. 1, 2 and 3*, they all shared common address located at 903, 9th Floor, Tower-1, Seawoods, NRI Complex, Palm Beach, Sector-54 56 58, Seawoods, Navi Mumbai- 400706. Further, the *Noticee no. 1* is one of the Directors in the *Noticee no. 3*. I also note from the Annexure to the SCN that there were off-market transfers among the *Noticee no. 1* and 3 in scrips other than the scrip of *Urja*. Considering the aforesaid facts and particularly, considering that the *Noticee no. 1* is the Karta of the *Noticee no. 2*, and that the *Noticee no. 1* is one of the Directors in the *Noticee no. 3* with whom *Noticee no. 1* had off-market shares transfers during the period, I find that on the basis of the above noted facts of inter-relationships, it can be reasonably concluded that the *Noticees* are connected entities more particularly when, nothing contrary to disprove/deny the above noted facts and allegations built up thereon, has been brought before me for my consideration.

14. I note that in the SCN, the *Noticees* have been alleged to have violated various provisions of *PFUTP Regulations, 2003*. Therefore, before moving forward on this issue, it would be proper to visit the afore-stated provisions as alleged to have been violated in the SCN. The said provisions are produced hereunder for ready reference:

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

3. No person shall directly or indirectly –

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

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive

device or contrivance in contravention of the provisions of the Act or the rules or the regulations made thereunder;

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

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

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

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

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

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

(b) Dealing in a security not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of such security for wrongful gain or avoidance of loss;

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

15. It has been alleged that the Noticee no. 1 and the Noticee no. 2 have executed artificial and manipulative trades in the scrip of Urja by way of synchronized trades. The analysis of trade and order logs revealed that Noticee no. 1 and 2 indulged in synchronized trades (where the buy and sell order quantities and rates were

identical) and the said orders were placed in synchronization by *Noticee no. 1* and 2 with each other, for 555372 shares in 77 trades on several trading days in a repeated manner. These trades constituted 23.02% of the total market volume during *Patch A* of the Investigation Period. The details of such synchronized trades executed by the *Noticee no. 1* and 2 in the scrip of *Urja* are as under:

Table No. 3
Synchronized trades by the *Noticee no. 1* and 2 in *Urja*

S. No	Name of Buyer	Name of Seller	No. of days on which sync trades done (Total Trading Days-33)	Synchronized quantity	No of Trades	% of sync trades to mkt volume during the <i>Patch A</i> (2413770 shares)
1	Chetan Dogra	Chetan Dogra HUF	22	275094	33	11.40
2	Chetan Dogra	Chetan Dogra	6	25048	8	1.04
3	Chetan Dogra HUF	Chetan Dogra	21	250019	33	10.36
4	Chetan Dogra HUF	Chetan Dogra HUF	3	5211	3	0.22
Total				555372	77	23.02

16. It is observed from the table no. 3 above that out of 33 trading days in the *Patch A* of the Investigation Period, *Noticee no. 1* on 28 days has acted as a buyer and such trades were matched by *Noticee no. 2* by acting as a counterparty seller. Similarly, on 26 trading days, *Noticee no. 2* placed buy orders and such buy orders were matched by *Noticee no. 1* who placed sell orders in synchronization with the buy orders placed by *Noticee no. 2*. A synchronized trade is one wherein buy and sell orders are placed simultaneously for the same amount and at the same price. I note from trade and order logs (copies provided to all *Noticees* along with the SCN) that *Noticee no. 1* and 2 by forming a trading-pair, have indulged in synchronized trades wherein, they placed their buy and sell orders simultaneously for identical quantities and for

identical rates. In this manner, these two Noticees have traded in 555372 shares over 77 trades in the scrip of *Urja* and through the above mentioned trades, the two Noticees have contributed 23.02% of the total market volume during the *Patch A* of the Investigation Period.

17. It is further observed from the trade and order log that the pattern of synchronized trades and the synchronized manner of order placement between Noticee no. 1 and 2 who are inter-related entities, clearly point out that the said transactions were carried out by the two connected Noticees only with a motive to match each other's buy/sell orders thereby executing those synchronized trades with a prior meeting of minds to manipulate the price of the scrip and consequently to create artificial volume and misleading appearance of trading in the scrip of *Urja* via these transactions.

18. With regard to synchronized trades executed by Noticee no. 1 and 2, I would like to rely on the following observations of Hon'ble SAT in the matter of *Magnum Equity broking Ltd. vs. SEBI*, (DoD: 28/11/2016):

Synchronized trades in the history of the securities market have always been shunned for the simple reason that they create a misleading appearance of artificial volume in a particular scrip by giving the public the impression that a lot of trading activity is being conducted with respect to that scrip, making it seem like a good investment opportunity. Such artifices, if allowed to grow in number in the market, hurt the sanctity of market mechanism and hinder the ongoing constant process of the market righting and restoring itself.

19. I note that Synchronized trades are the instruments/tools employed by unscrupulous elements in the securities market to manipulate and distort the market mechanism. If such trading transactions were carried out repeatedly in a particular scrip between the same set of connected persons over a period of time, it can be reasonably concluded that there was a concerted effort by the said connected entities

to indulge in synchronized trades only with a view to create large volumes of fictitious trades causing artificial movement in the price/value of the scrip(s). Such a trading pattern displayed by the *Notices no. 1* and *2*, further proves their manipulative intent to engage in fraudulent trade practices in the scrip of the said company.

20. The SCN has further alleged that the *Noticee no. 1* and *Noticee no. 2* have indulged in reversal trades and have created a market volume in the scrip of *Urja* through such trades that constituted 9.77% of the total market volume of the scrip during *Patch A* of the Investigation Period. Details of such reversal trades are placed below:

Table No. 4
Reversal trades by the *Noticee no. 1* and *2* in *Urja*

<i>Noticee No. 2</i> (A)	<i>Noticee no. 1</i> (B)	Qty sold by B to A	Qty sold by A to B	Sum of Reversal Qty	% of Reversal Qty. to mkt vol.	No. of Reversal trades	No. of days of Reversal trades
Chetan Dogra HUF	Chetan Dogra	250826	244777	235704	9.77	79	19

21. I note from the table no. 4 above, that *Noticee no. 1* and *2* have entered into 79 reversal trades involving 235704 shares of *Urja* equivalent to 9.77% of total market volume during the *Patch A* of the Investigation Period. I further note that these 77 reversal trades were executed on 19 trading days out of 33 trading days i.e. 57.58 % of the total no. of trading days during the *Patch A* of the Investigation Period. It is noted that both the *Notices* have reversed their trades on same day with each other in two legs of respective reversal trades. Such a trading behavior exhibited by the two *Notices* do not reflect an intention on their part to execute any genuine trades in the scrip of *Urja*. As a consequence, volumes of trades generated by the aforesaid trades

were nothing but artificial volumes directed at creating misleading appearance of trading before the unsuspecting investors.

22. One can very easily observe that the aforesaid reversal trades undertaken by the two *Notices* (*Notice no. 1 and 2*) can hardly be called normal trades executed in due course between buyers and sellers, as those trades were consistently reversed. It cannot be a mere coincidence that both the *Notices* could keep on matching their orders with each other consistently without any change in counterparties and have successfully executed both the first leg and second leg of their respective reversal trades by remaining counterparties to each other. Since no credible basis has been provided by the *Notices* to justify their acts of quick reversal of their trades, I am left with no option but to observe that such trades were executed by the two *Notices* deliberately with a dishonest motive. Such acts of reversal of trades do not follow any acceptable commercial rationale normally followed by investors while trading in securities, hence, cannot be considered as genuine trades executed by the *Notices* by any yardstick. In this regard, I seek to place my reliance on the judgment of Hon'ble Supreme Court in the matter of *SEBI vs. Rakhi Trading Pvt. Ltd in Civil Appeal Nos. 1969, 3174-3177 and 3180 of 2011 (DoD- 08/02/2018)*, in which the Apex Court *inter-alia* have held that:

"35.....The platform of the stock exchange has been used for a non-genuine trade. Trading is always with the aim to make profits. But if one party consistently makes loss and that too in pre-planned and rapid reverse trades, it is not genuine; it is an unfair trade practice..."

23. Further, Hon'ble SAT in the matter of *V. G. Capital Market Pvt. Ltd. vs. SEBI (Appeal No. 135 of 2009, DoD: 01/12/2009)* have also noted the following:

The trading system on the exchanges is based on the principle of anonymity. The buyer does not know who the seller is and seller cannot know who the buyer is. In other words, the buyer should buy the shares without being concerned as to who the seller is and

similarly the seller should sell the shares in the market without being concerned about the buyer and it is the system which determines the buyer and the seller by matching the buy and sell orders. On a screen based trading, the best buy order will match the best sell order subject to price time priority. The buyer and seller cannot keep matching their trades and if they do, they are obviously manipulating the system which is the case before us. Reverse trades are a clear instance of manipulative trading. It is true that before any buy and sell order can result in a trade they must match but this matching must take place through the system without the intervention of any human element. Knowing how the system works, reverse trades are not possible unless the trades are manipulated particularly when the scrip is liquid.

24. Moving on to the allegation of contribution to the LTP by executing self-trades by the Noticee no. 1 and 2 in the scrip of *Urja*, it is pertinent to have a look at the number of such trades and their impact on trading in the said scrip. Details of self-trades executed by Notice no. 1 and Noticee no. 2 in scrip of *Urja* are tabulated below:

Table no. 5
Details of self-trades by Noticee no. 1 and 2 in *Urja*

Noticee Name	Total Self Trade Volume	Total Self Trade Count	No of days on which self-trades done	% Of Self Traded Qty. To Market Vol.	Net LTP contribution by self-trades
Chetan Dogra (Total)	25259	10	8	1.05	1.15
Chetan Dogra HUF (Total)	14147	38	17	0.59	5.20

25. From the details presented in the table no. 5 above, it is noted that the Noticee no. 1 has executed 10 self-trades involving in execution of trades of 25259 shares of *Urja*. I note that by such self-trades, Noticee no. 1 has contributed to 1.15% to the total

market volume during the Investigation Period. From the details as presented in the table no. 5 above, it can be noted that the *Noticee no. 1* has executed self-trades quite frequently and almost as a matter of habit. During the period of 8 trading days, *Noticee no. 1* has indulged in executing more than 1 self-trades per day in the scrip of *Urja*. Similarly, *Noticee no. 2* has indulged in execution of 38 self-trades involving 14147 shares that constituted 0.59% of the total market volume during the Investigation Period. It has been noted that during 17 trading days, on an average *Noticee no. 2* has indulged in executing more than 2 self-trades per day in the scrip of *Urja*. It is a trite law that self-trades can't be considered as genuine trades as no beneficial interest changes out of such trades. However, while analyzing the allegations of market manipulations pertaining to the above noted self-trades, the quantum and frequency of the afore-cited self-trades will have a bearing for assessing the adverse impact, if any, on the volume of the total trades in the scrip so as to decipher as to whether the alleged self-trades were accidental or were placed intentionally to manipulate the volume and price of the scrip. While examining the alleged self-trades executed by the two *Noticees* as alleged in the scrip of *Urja* coupled with the conduct of these two *Noticees* as evident from their fraudulent trades in the said scrip, it can be easily concluded that the element of accidental self-trade is completely missing out and these self-trades are clearly indicative of their intentional execution with a view to create artificial volumes of trading in the scrip of *Urja*.

26. Just to reiterate here, self-trades are classified as those trades executed in the stock market in which, both the buyer and the seller remains the same entity meaning thereby, the entity in such trades remains the same on both the sides i.e. buy and sell side. Consequently, self-trades do not result in change in beneficial ownership of the security. I have already dealt in detail, on the frequency and number of self-trades executed by the *Noticee no. 1* and the *Noticee no. 2* in the scrip of *Urja* in the preceding paragraphs. As self-trades do not result in change in the beneficial ownership, consequently, no effective transfer of shares takes place in self-trades. In such a

scenario, self-trades are used as a tool for generating artificial volume and in creating misleading appearance of trading in a scrip. While dealing with cost and consequences of self-trades, the Hon'ble Securities Appellate Tribunal (hereinafter referred to as "SAT") in the matter of *Balwinder Singh vs. SEBI* (DoD- 11/02/2014) have observed that self-trades (or wash-trades) are per se, not allowed under SEBI Act and regulations made thereunder. The Hon'ble SAT further in the matter of *Chirag Tanna vs. The Adjudicating Officer* (DoD-16/06/2011), while dealing with the consequences of self-trades or trades which do not result in transfer of beneficial ownership, have observed that such trades are admittedly fictitious and are executed merely to create artificial volume in the traded scrip. Normally, such trades are found to be fictitious and not genuine for the reason that in such trades buyer and seller remains the same. Therefore, even though there may not be an abnormal movement in the price of a scrip, entities who are alleged to have indulged in such trades, which don't result in change of beneficial ownership and where entities fail to explain the circumstances for resorting to execution of self-trades, it would not be proper to permit self-trades without any imputation merely on the ground that such trades had not caused any movement in the price of the scrip or the entities had no *malafide* intention to manipulate the scrip. In any case, the self-trades executed by the Noticees as depicted in the above table suggest that the Noticees have, through their self-trades contributed to the net LTP of the scrip thereby causing unwarranted movement in the price of the scrip. Additionally, I also note that the Hon'ble SAT in the case of *HJ Securities Pvt. Ltd vs. SEBI* (DOD-11/05/2012), have made the observation, that simply because the number of such self-trades is not large by itself cannot justify execution of self-trades.

27. I note that despite service of the SCN and affording opportunity of personal hearing, the *Noticees* failed to submit any reply in the matter and did not appear for the personal hearing on various dates to explain the rationale behind executing such trades. The Hon'ble SAT, in the matter of *Classic Credit Ltd. vs. SEBI* (Appeal No. 68 of

2003, DoD-08/12/2006) has *inter alia*, observed that ".....the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show-cause notice were admitted by them".

28. The manner in which the *Notices no. 1* and *2* have executed synchronized trades, reversal trades and self-trades as mentioned in the preceding paragraphs, shows that both the *Notices* had the intention of creating artificial volumes in the trading of the scrip of *Urja*. From the aforesaid findings, I find that the trading volumes generated by such manipulative trades (synchronized, reversal and self-trades) executed by the two *Notices* cannot have any commercial purpose other than to create artificial volumes and misleading appearances of trading in the scrip thereby adversely impacting the market. Therefore, I find that such manipulative trades (synchronized, reversal and self-trades) executed by the *Notices* are fraudulent and unfair trades executed with a manipulative intent. If the *Notices* were genuine investors and were not having any manipulative intent, then the *Notices* could not have adopted such mechanism of selling/purchasing shares of the same scrip repeatedly as they have done in the scrip of *Urja*.

29. Considering the aforesaid judicial observations and the nature and the trading pattern adopted by the two *Notices* i.e. the *Notice no. 1* & the *Notice no. 2* in the scrip of *Urja* alongwith the frequency with which such trades were executed as well as the percentage of volume of such trades to the total trades executed in the scrip during the said period, it leaves no doubt in my mind that the trades (synchronized, reversal and self-trades) executed by the two *Notices* satisfy all the ingredients to be held as trades executed with a fraudulent intention to create artificial volumes in the scrip.

30. Moving on to the allegations pertaining to trades executed in the scrip of *Sampada* by the *Notices*, the SCN has alleged that CDG have purchased a total no. of 24,66,629 shares @ ₹375.12 per share which constituted 53.75 % of the total buy volume and sold 11,96,118 shares @ ₹307.40 per share representing 26.06% of the total

sell volume in BSE during the Investigation Period. I further note from the material available on record that CDG entities have traded amongst themselves for 6,80,791 shares i.e. 14.83% of total market volume in the said scrip. The Investigation further noticed that out of the above noted trades executed amongst the suspected group of CDG, orders placed for 3,66,150 shares in the scrip of *Sampada* were synchronized that constituted 53.78% of the total trades executed amongst the said entities of CDG. SCN has alleged that during the Investigation Period, price of the scrip of *Sampada* witnessed sharp rise and fall and the *Noticees* belonging to the CDG have primarily played a crucial role in contributing to such price rise and price fall in the scrip which have further been elaborated in the following paragraphs.

31. It has been noticed that during the period from October 01, 2010 to November 24, 2010, the price of the scrip of *Sampada* moved from ₹279.00 to ₹498.00 mainly through *intra-day* price movement thereby marking a sharp increase by ₹219 per share during the said period. I also note that out of the total no. of 131 trading instances which had a cumulative impact of price rise of ₹219, the Chetan Dogra Group have executed trades in 65 instances (49.62% of total instances) and have contributed ₹119.75 to the total price rise, i.e. 54.68% of total price rise of ₹219. It has further been noted that during this period of price rise i.e. from October 01, 2010 to November 24, 2010, there were 4074 such trades wherein the trades were executed either at LTP or at higher LTP. Data available on record further indicates that Chetan Dogra Group appeared in 2512 such trades which constituted 61.66% of those 4074 trades.

32. It was found in Investigation that the price of the scrip of *Sampada* experienced a fall during November 25, 2010 to December 31, 2010, wherein the price fell from ₹489.90 to ₹134.75. It is alleged that the above noted price fall was primarily caused by the first trades executed in the scrip and CDG *Noticees* appeared in 12 instances (46.15%) of such first trades out of a total no. of 26 such instances and were also the top contributors to the negative LTP in the scrip of *Sampada* during this period. The

Noticees were observed to have executed first trades at a price lower than previous day's closing price on various trading days.

33. It has been further noted that CDG *Noticees* appeared in 73 instances out of total 220 instances of trades which resulted in creation of NHP during the period of January 03, 2011 to March 16, 2011. During the said period, the price of the scrip increased from ₹155.40 to ₹427.65 and material available on record shows that CDG *Noticees* contributed ₹75.80 (27.84% of price rise) to the total price rise of ₹272.25 during the said period mainly via *intra-day* price movement. I note that after analyzing the creation of those NHP in the scrip, the Investigation noticed that the CDG *Noticees* have played an instrumental role in the price rise in the scrip of *Sampada* during the period of January 03, 2011 to March 16, 2011 and have participated in 33.18% of total such trading instances that led to the above noted price rise in the scrip.

34. As stated earlier, the *Noticees* have preferred not to file any reply putting forth their rebuttal to the allegations made against them in the SCN and have also chosen not to appear before me to advance any justification behind their indulgence in the alleged manipulative trades. In this respect, I find it apt to refer and rely on the observation of the Hon'ble SAT in the case of *Sanjay Kumar Tayal & Others v SEBI* (Appeal No. 68 of 2013- DoD- 11.02.2014), wherein the Hon'ble SAT have observed that-“.....As rightly contended by Mr. Rustomjee, learned senior counsel for respondents, appellants have neither filed reply to show cause notices issued to them nor have availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges levelled against them in the show cause notices.....”.

35. On the basis of the judicial observations and the trading pattern exhibited by the *Noticees* of Chetan Dogra Group as narrated in the foregoing paragraphs, I am of the view that the *Noticees* were not acting as genuine investors while executing those spurious trades in the scrip of *Sampada* and rather, by indulging in those

fraudulent trading in the scrip of *Sampada* have contribute to the LTP of the scrip of apart from creating misleading appearance of trading in the said scrip through their manipulative trades.

36. I also note the observation of the Hon'ble SAT in case of *Ketan Parekh vs. SEBI* (DoD- 14.07.2006 in Appeal No. 2 of 2004), wherein the Hon'ble SAT have observed that in the absence of direct evidence, the intention could be gathered from the attending circumstances so as to find out whether a transaction has been executed with the intention to manipulate the market or to defeat its mechanism or not.

37. Thus, having considered the materials available on record to support the allegations made in the SCN and looking at the frequency, manner of trading and contribution to the price rise in the scrips by the *Noticees* through their trades, I have no hesitation in holding that the *Noticees* are guilty of executing manipulative, fraudulent and unfair trades in the scrip of *Urja* and *Sampada*. In my view *Noticees* did not conduct their trades as genuine investors of securities market and rather were motivated by certain extra-commercial illicit intentions while trading in the shares of these two companies. The Hon'ble Supreme Court in the case of *SEBI vs. Rakhi Trading Pvt. Ltd.*, (2018) 13 SCC 753 have observed that Regulation 4(1) of *PFUTP Regulations, 2003* in clear and unmistakable terms has provided that "*no person shall indulge in a fraudulent or an unfair trade practice in securities*" and have further 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 have 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.*"

38. In view of the foregoing, I am strongly inclined to conclude that the *Noticees* have executed manipulative trades in the scrip of *Urja* and *Sampada* with the intention to manipulate the market or to defeat its mechanism and thereby have violated the provisions of Regulation 3 (a) (b) (c) (d) read with Regulation 4 (1) 4 (2) (a) and (g) of

SEBI PFUTP Regulations, 2003. Additionally, I am also inclined to conclude that *Noticee no. 2* and *3* have also violated Regulation 4 (2) (b) of SEBI PFUTP Regulations, 2003.

39. Having concluded that *Noticee no. 1* and *2* have traded in scrip of *Urja* and *Noticee no. 1* to *3* have traded in the shares of *Sampada* in violation of the provisions of the PFUTP Regulations, 2003, I have to now turn to the allegation that the *Noticees* have also made unlawful gains while trading in the scrips of *Urja* and *Sampada*. Now, it falls upon me to examine and determine the quantum of amount gained unlawfully by these *Noticees* through their manipulative, fraudulent and unfair trades in the above scrips. In this regard, it has been noted that *Noticee no. 1* and *Noticee no. 2*, have bought 11.44 lac shares of *Urja* for ₹15.79 crores and have sold 16.75 lac shares of *Urja* for ₹17.52 crores. As, already mentioned earlier in this order, *Noticee no. 1* had received 8,20,000 shares of *Urja* from 2 entities in the off-market transaction for which, no consideration was paid. Therefore, it remains undisputed that out of 16.75 lac shares sold by *Noticee no. 1* & *2* in the scrip of *Urja*, purchase consideration was paid only for 11.44 lac shares and hence, effectively no consideration was paid for acquisition of 5.31 lac shares (16.75 lac less 11.44 lac shares) which were sold by the *Noticees* during the above said period. I have also observed in the preceding paragraphs that there is no document to even indicate about any purchase consideration having been paid for the acquisition of 8,20,000 shares. Therefore, I am constrained to consider the cost of acquisition of those 5.31 lac shares sold, as zero for the reasons stated above, since nothing has been brought to my notice pertaining to the price paid for the acquisition of those 8,20,000 lac shares acquired through off market mechanism. It is also not in dispute in this proceedings that 16.75 lac shares were sold for a total consideration of ₹17.52 crores.

40. I have noted above that the SCN alleges that no consideration was paid for the acquisition of 8,20,000 shares and *Noticees* by preferring to remain absent have not submitted any documents rebutting the allegations made in the SCN or to

substantiate the price paid, if any, for the acquisition of shares in *Urja* through an off market mechanism. The records available before me in this proceedings and the allegations made against *Notices* no. 1 & 2 in the scrip of *Urja* suggest that the two *Notices* have in total, bought 19.64 lac shares (11.44 lac shares from the stock exchange platform plus 8,20,000 shares through off market transactions) for a total consideration of ₹15.79 crores only as no consideration was paid for 8,20,000 shares acquired through off market transactions. Further, out of the 19.64 lac shares so acquired, the aforesaid two *Notices* have sold 16.75 shares on stock exchange platform for a consideration of ₹17.52 crores thereby making a gain of ₹1.73 crore in the scrip of *Urja* through their manipulative and unfair trades hence, are liable to disgorge the said amount earned by them by way of unlawful gains.

41. Similarly, in the scrip of *Sampada*, as mentioned in the SCN, *Noticee* no. 1, 2 and 3 together have bought 1.58 lac shares at an average price of ₹142.61 per share, out of which they have sold 0.50 lac shares at an average price of ₹269.76 per share. Since, nothing is available on record contradicting the said allegations, I am restricted to consider the materials available on records along with SCN to take a final view in the matter, to issue directions for disgorgement from the *Notices*.

42. It is an undisputed fact that *Noticee* no. 1 is the *karta* of *Noticee* no. 2 and therefore while calculating the disgorgement amount, I have to consider the trades of the above noted two *Notices* as trades executed by one entity. I note from the trade details available on record that in the scrip of *Sampada*, the *Noticee* no. 1 and 2 have together bought 68012 shares for ₹1.04 crores (average buying price of ₹153.00 per share) and have sold 44359 shares of *Sampada* for ₹1.09 crores (average selling price of ₹246.23 per share) during the alleged period. As regards the *Noticee* no. 3, which is a company wherein *Noticee* no. 1 was a Director, it has bought 90000 shares of *Sampada* at an average price of ₹134.75 per share and has sold 5647 shares in the scrip of *Sampada* at an average price of ₹454.50. Considering the fact that *Noticee* no. 3 is a separate legal entity, I am considering the trades of *Noticee* no. 3 in the hands of the said company

itself while calculating disgorgement amount. Therefore, based on the consideration of materials before me, the methodology adopted to quantify the unlawful gains earned by the *Noticees* in the two scrips for the purpose of disgorgement are stated below:

Table no. 6
Disgorgement Calculations

Notice e no.	Scrip	Qty Sold	Total Selling Price (in ₹)	Quantity Purchased in market	Total Purchase Price (in ₹)	Difference in Number of shares sold and purchased	Acquisition Price per share at column (E)	Total acquisition price of shares at column E	Unlawful Gains (in ₹)
		A	B	C	D	E	F	E*F	B- (D+F)
1 and 2	Urja	16.75 lac	17,52,61,157/-	11.44 lac	15,79,00,000/-	5.31 lac	0	0	1,73,49,525/-
	Sampada	44359	1,09,22,860 (@153 per share)	44359	67,87,295/- (246.23 per share)	-	-	-	41,35,590/-
								Total	2,14,85,115
3	Sampada	5647	0.2566 (@454.50 per share)	5647	0.076 (@134.75 per share)	-	-	-	18,05,667

43. To sum up the foregoing discussions on the issue of manipulative and unfair trades indulged in by the *Noticees* as well as the issue of disgorgement of unlawful gains earned by the *Noticees* by indulging in those manipulative trades, in my considerate view, the SCN has rightly taken the cost of acquisition of certain shares acquired by the *Noticees no. 1 & 2* to be zero. Further, in the absence of any explanation offered by the three *Noticees* who have chosen to remain silent on the allegations levelled against them, I have to conclude that the allegations of indulging in manipulative and unfair trades in the scrip of *Urja* and *Sampada* against the three *Noticees* have been found established. Based on the material available on record, it is observed that these *Noticees* have made unlawful gain through their manipulative and unfair trades in the scrips of *Urja* and *Sampada* and the said unlawful gains made by these three *Noticees* in the aforesaid two scrips have been quantified and summarized in the table no. 6 above for the purpose of disgorgement.

Directions:

44. In view of my foregoing discussions and findings with respect to the violations of provisions of *PFUTP Regulations, 2003* committed by *Noticees* as alleged in the SCN, the factual evidence and absence of any rebuttal to the allegations made in the SCN, I, while exercising powers conferred upon me under Sections 11(1), 11(4) and 11B read with Section 19 of the Securities and Exchange Board of India Act, 1992, find it appropriate that issuance of following measures would meet the end of justice and accordingly, I direct that;

- (a) *Noticees no. 1 and 2* shall be restrained from accessing the securities market and further prohibited 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 01 (one) year from the date of this order.
- (b) *Noticee no. 3* shall be restrained from accessing the securities market and further prohibited 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 06 (six) months from the date of this order.

- (c) During the period of restraint, the existing holding of securities including the holding of units of mutual funds of all the *Notices* shall remain frozen.
- (d) Obligation of the aforesaid *Notices*, 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, only in respect of pending unsettled transactions, if any. Further, all open positions, if any, of the aforesaid *Notices* in the F&O segment of the stock exchange, are permitted to be squared off, irrespective of the restraint/prohibition imposed by this Order
- (e) *Notice no. 1* and *2* shall jointly and severally disgorge the amount of ₹2,14,85,115 of wrongful gains, as detailed in table no. 6 of this order.
- (f) *Notice no. 3* shall disgorge the amount of ₹18,05,667 of wrongful gains, as mentioned in table no. 6 of this order.
- (g) *Notices no. 1, 2* and *3* are directed to disgorge the afore stated amounts along with simple interest @ 12% per annum from 21.03.2011 till the date of payment. They shall pay the said amounts within 45 (forty-five) days from the date of this order by way of demand draft drawn in favor of "Securities and Exchange Board of India", payable at Mumbai or by way of e-payment.
- (h) The particulars of SEBI Account for making e-payment are as under:

Name of the Bank	Branch Name		RTGS Code	Beneficiary Name	Beneficiary Account No.
Bank of India	Bandra Kurla Branch		BKID 0000122	Securities and Exchange Board of India	012210210000008

Noticees who are making e-payment are advised to forward the details and confirmation of the payments so made to the Enforcement department of SEBI for their records as per the format provided in Annexure A of Press Release No. 131/2016 dated August 09, 2016 which is reproduced as under:

1. Case Name:	
2. Name of the payee:	
3. Date of payment:	
4. Amount paid:	
5. Transaction No:	
6. Bank Details in which payment is made:	
7. Payment is made for (disgorgement amount and along with order details)	

- (i) The Order shall come into force with the immediate effect.
- (j) A copy of this order shall be forwarded to the *Noticees*, all the recognized stock exchange, depositories and registrar and transfer agents for ensuring compliance with the above directions.

Date: August 31, 2020
Place: Mumbai

Sd/-
S.K.MOHANTY
WHOLE TIME MEMBER