BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER

FINAL ORDER

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

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

In the matter of Sulabh Engineers & Services Limited

In respect of:

Sl. No.	Name	PAN
1.	Subodh Agarwal	ABNPA4910B
2.	Manoj Kumar Agarwal	ACFPA8077Q
3.	Deepa Mittal	AGZPM0492K
4.	Raj Kumar Agarwal	ADNPA5935E
5.	Anant Fin Consultancy Pvt Ltd	AAHCA6049D
6.	Surendra Kumar Agarwal	AEXPA7231G
7.	Renu Agarwal	ABTPA6753A
8.	Deepak Kumar Sarraf	BYVPS8100B
9.	Subodh Agarwal HUF	AARHS4396C
10.	Kavita Awasthi	AEFPA0316N
11.	Rishi Kant Awasthi	ABTPA6752B
12.	Rita Jain	ADLPJ0701D
13.	Akhilesh Kumar Agnihotri	AFXPA9503Q
14.	Jeetendra Kumar Agnihotri	ANAPA1509P
15.	Ankit Jain	AGAPJ8105H
16.	Sanjai Jain Huf	AARHS1381K
17.	Divya Agarwal	ACUPG5212E
18.	Pranveer Singh	AGIPS4486N
19.	Geeta Mishra	AICPM8816G
20.	Praveen Kumar Mishra	AFYPM1852K
21.	Shubhang Exports Ltd	AAJCS1526R
22.	Sanjay Kumar	AARPS2632K
23.	SKM Travels Pvt Ltd	AAICS0688K
24.	Sanklap Vincom Pvt Ltd	AAMCS1711P

Sl. No.	Name	PAN
25.	Shrishti E Systems Pvt Ltd	AANCS0940H
26.	KPK Fin Consultancy Pvt Ltd	AAECK1577D
27.	Shreya Stocks and Shares Pvt Ltd	AAHCS4970M
28.	Raghuvansh Agrofarms Ltd	AABCR8407N
29.	Signet Vinimay Pvt Ltd	AAMCS1712Q
30.	Apex Commotrade Pvt Ltd	AAJCA4459K
31.	Spice Merchants Pvt Ltd	AAPCS7492G
32.	Aviral Industries Ltd	AAJCA9165G
33.	Bakliwal Vyapaar Pvt Ltd	AADCB1238R
34.	Kamta Prasad Pandey	AIPPP5293B
35.	Runicha Merchants Pvt Ltd	AAECR0580M
36.	Manoj Kumar Misra	AWXPM8267C
37.	Jasmine Commodities Pvt Ltd	AABCJ9295Q
38.	Winall Vinimay Pvt Ltd	AAACW8004B
39.	Vasundhara Capital & Securities Ltd	AABCO6950F
40.	Arise Dealcom Pvt Ltd	AAJCA5108R
41.	Swapanloke Steels Pvt Ltd	AALCS7102D
42.	Scope Vyapar Pvt Ltd	AAICS6023N
43.	Lemon Vincom Pvt Ltd	AABCL7829A
44.	Lavender Exin Pvt Ltd	AABCL5955D
45.	Litmus Investments Ltd	AABCL0009J
46.	Lark Commercial Pvt Ltd	AABCL8354Q
47.	Lark Merchants Pvt Ltd	AKUPS4580M
48.	Sandhya Agarwal	ACVPA1791R
49.	Ruchi Agarwal	ADHPJ2647J
50.	Krishana Agarwal	ACFPA8079A
51.	Manish Agarwal	ABBPA2326D
52.	Santosh Kumar Agarwal	ABKPA7972Q
53.	Manoj Agarwal	ABBPA2306H
54.	Praveen Kurele	ADKPK9580A
55.	Vinay Kumar Agarwal	ACAPA3335N
56.	Som Prakash Goenka	AAQPG0238C
57.	Naveen Kurele	AGUPK5822A
58.	Mridula Agrawal	ACBPA5048D
59.	Narender Kumar	AARPS2630M
60.	Manisha Sharma	BATPS3099D
61.	Seema Kapoor	AERPK1243A
62.	Sanjeev Sanghi	ABTPS2464C
63.	Mahabir Pershad HUF	AAEHM5783L

Sl. No.	Name	PAN
64.	Deepak Kumar Agarwal	ABSPA2276K
65.	Sanjay Kapoor	AGCPK3754D
66.	Sapna Kapoor	ACQPK3632A
67.	Sunil Kapoor	AGCPK3755C
68.	Ashok Kumar Maheshwari	AARPM1903H
69.	Vivek Karwa	AJLPK0941J
70.	Roopchandra Kumar	AAFHR3866J
71.	Sabreen	APZPS5157G
72.	Sanjay Kumar HUF	AAQHS9987L
73.	Arun Kumar HUF	AAIHA4621B
74.	Raj Kumar	AHAPK7548Q
75.	Manish Maheshwari	AGRPM7399D
76.	Mahak Maheshwari	AKKPM2866N
77.	Sajan Kumar Agarwal	AAKPA5957G
78.	Narender Kumar HUF	AAEHN5960N
79.	Shubham Agarwal	AYXPA3158N
80.	Ashish Agarwal	AIBPA5454B
81.	Manish Kumar Garg	AFDPG9852J
82.	Gagandeep Construction Company Pvt Ltd	AABCO6949E
83.	Mahamani Tradelink Pvt Ltd	AAECK7329P
84.	Kapeeshwar Vintrade Pvt Ltd	AAACP8592R
85.	Arunavo Mukherjee	AASCS8936L
86.	Dhanrashi Promoters Pvt Ltd	AAFCG1334H
87.	Rajesh Bhiani	ABFPB2297Q
88.	Param Jeet Singh	ACOPS3609M
89.	Pragna Harshad Panchal	AACCL5027D
90.	Santosh Kumar Agarwal	ABHPA5568M
91.	Gunny Chem Tex India Ltd	AABCG2576M
92.	Jaideep Halwasiya	AAWPH1706L
93.	Dynamic Credit Finance Pvt Ltd	AACCA7919H
94.	Rishabh Agarwal	AHOPA7789B
95.	Susri Finance Pvt Ltd	AAECS0640K
96.	Abhay Jain Huf	AAGHA6530F
97.	Amit Jain	AADPJ4068Q
98.	Vijay Shree Bihani	AEPPB8476A
99.	Reena Jain	ADWPJ5808Q
100.	Usha Jain	AAFPJ9933J
101.	Renu Katiyar	AOKPK2000C
102.	Rita Jain	AAECG7847E

Sl. No.	Name	PAN
103.	BSR Finance & Constructions Ltd	AABCB0636K
104.	Surendra Kumar Gupta	AAQPG0240E
105.	Pawan Kumari Agarwal	ABOPA5019J
106.	Manu Vyapar Pvt. Ltd.	AABCM7561Q
107.	Gallant Commosales Pvt Ltd	AAECG1141K
108.	Snehlata Gautam	AJVPG3128P
109.	Girija Pandey	BEIPP7914K
110.	Devshyam Stock Broking Pvt Ltd	AADCD8900A
111.	Sanmati Goods Pvt Ltd	AAICS9154Q
112.	Mukesh Kumar Deepak	AGHPD9092J
113.	Memori Vinimay Pvt Ltd	AAECM4771B
114.	Cube Trafin Pvt Ltd	AABCC0768M
115.	Nand Kishore Baheti HUF	AACHN4625E
116.	Raj Vardhan Agarwal	AGHPD9092J
117.	Bhawri Devi Jain	ABRPJ0922E
118.	Ram Lubhaya Vohra	ACSPV9121F
119.	Ram Pher Dwivedi	AADHR9909N
120.	Abha Dwivedi	ACQPD3356G
121.	Goldensight Managemen Pvt Ltd	AAFCG0066N
122.	Littlestar Tradecom Pvt Ltd	AACCL4528R
123.	Swaraj Retails Pvt Ltd	AAPCS1057F
124.	Chaaya Reality Pvt Ltd	ACLPP0159Q
125.	Levia Trading Pvt Ltd	AAJCA9575A
126.	Ayodhya Vinimay Pvt Ltd	AAECD3021D
127.	Dream Infraproperties Pvt Ltd	AIPPP5293B
128.	Goodview Projects Pvt Ltd	AAECT6803D
129.	Templerun Marcom Pvt Ltd	AADCC6854G
130.	Coral Tradecom Pvt Ltd	AABCG8623K
131.	Overarching Dealers Pvt Ltd	AAHCM8752F
132.	Panem Steel Pvt Ltd	ATIPM7500N
133.	Saraswati Vintrade Pvt Ltd	AAACV4765G
134.	Overload Financial Advisory Pvt Ltd	AAECD5565G
135.	Groundzero Vincom Pvt Ltd	AABCJ9295Q
136.	Samudhita Dealers Pvt Ltd	AATCS6716P
137.	Bhima Agencies Pvt Ltd	AAECB5811F
138.	Manoj Agarwal (Huf)	AAFHM4548C

Sl. No.	Name	PAN
139.	Acme Pvt Ltd	AACCA1333M
140.	Vilohit Property Pvt Ltd	AAECV1283F
141.	Shreekant Phumbhra	AFSPP0429B
142.	Yamnotri Vinimay Pvt Ltd	AAACY1723D
143.	Nitish Jain Huf	AAEHN7729P
144.	Saroj Shah	AMBPS6805Q
145.	Gyandeep Khemka	AGBPK0640F
146.	Reachsmart Construction Pvt Ltd	AAGCR4662J
147.	Abha Sureka	AWAPS6859F
148.	Ritika Sureka	BAPPA3693D
149.	Anita Maurya	AMFPM0600F
150.	Nathu Lal Sharma	FOQPS9499J

BACKGROUND

1. Sulabh Engineers and Services Limited (hereinafter referred to as "**SESL / Sulabh / Company**") is a non-banking financial company. The company was listed on BSE Ltd. (hereinafter referred to as "**BSE**") i on October 16, 1984. The company is engaged in the investment of unquoted equity shares i.e., unlisted shares.

2. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") conducted an investigation in the scrip of SESL based on a reference received from the Principal Director of Income Tax (Investigation), Kolkata. The focus of the investigation was to ascertain whether there were any violations of the provisions of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act**") and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations**") by certain entities in the scrip of SESL during the period December 01, 2011 to January 07, 2015 (hereinafter referred to as "**Investigation Period**").

3. It is observed from the investigation report (herein after referred to as "**IR**") that during the investigation period, the total amount of profit made by the company was negligible for each of the financial year and the same is tabulated below:

Particulars – Year ended March	2009	2010	2011	2012	2013	2014	2015
Total Income	0.11	0.07	0.03	0.38	1.10	0.90	1.08
PBT	0.1	0.06	0.01	0.20	0.63	0.53	0.76
Net Profit (₹ in crore)	0.09	0.05	0.01	0.15	0.43	0.37	0.51

4. As per the Annual Report of the company for the year ended March 31, 2015, the total assets of the company were ₹ 21.57 crore and ₹ 22.17 crore (as on March 31, 2014 and March 31, 2015 respectively). Out of the above, unsecured loans and advances aggregated to ₹ 16.72 crore and ₹ 17.13 crore (as on March 31, 2014 and March 31, 2015 respectively). As on December 31, 2010, the company had a total outstanding paid-up share capital of ₹ 24,75,000 i.e., 2,47,500 shares of ₹ 10 each. Thereafter, the two preferential allotments made by the company resulted in an inflow of ₹ 5.60 crore in March 2011 (28 lakh shares of ₹ 10 each at a premium of ₹ 10) and ₹ 14.00 crore in March 2012 (70 lakh shares of ₹ 10 each at a premium of ₹ 10) respectively.
5. During the investigation period, between January 01, 2012 and February 01, 2013, the price of the scrip opened at ₹ 14.16 and closed at ₹ 494.00. Between February 04, 2013 and January 6, 2015, the price of the scrip opened at Rs. 50.00 (post split of face value from ₹ 10 to ₹ 1) and closed at ₹ 91.30. The settlement of trades in the scrip was carried out in physical mode untill June 20, 2012 with market lot of 50 equity share. From, June 21, 2012 the scrip was mandated for compulsory demat settlement in market lot of 1 share each. Trading in the scrip on BSE was suspended by BSE w.e.f. January 07, 2015 as a surveillance measure but as noted from the website of BSE Ltd., trading has resumeed in the scrip from March 7, 2017 onwards.

SHOW CAUSE NOTICE

6. Consequent to the investigation, a common show cause notice dated July 31, 2017 (hereinafter referred to as "**SCN"**) was served on all the Noticees in the extant matter. The details of service is mentioned in the table below:

No	Name of the Noticee	Delivery Status
1	Subodh Agarwal	Post

No	Name of the Noticee	Delivery Status
2	Divya Agarwal	Post
3	Geeta Mishra	Post
4	Manish Kumar Garg	Paper Publication on 12/1/18
5	Sanjay Kumar	Post
6	Pranveer Singh	Post
7	Praveen Kumar Mishra	Post
8	Surendra Kumar Gupta	Post
9	Manoj Kumar Agarwal	Post
10	Deepa Mittal	Post
11	Santosh Kumar Agarwal	Post
12	Manish Agarwal	Post
13	Krishana Agarwal	Post
14	Ruchi Agarwal	Post
15	Sandhya Agarwal	Post
16	Sulabh Engineers & Services Ltd	Post
17	Akhilesh Kumar Agnihotri	Post
18	Kavita Awasthi	Post
19	Raj Kumar Agarwal	Post
20	Renu Agarwal	Post
21	Rishi Kant Awasthi	Post
22	Rita Jain	Post
23	Anant Fin Consultancy Pvt Ltd	Post
24	Ankit Jain	Post
25	Deepak Kumar Sarraf	Post
26	Jeetendra Kumar Agnihotri	Paper Publication on 12/1/18

No	Name of the Noticee	Delivery Status
27	Sanjai Jain HUF	Post
28	Subodh Agarwal HUF	Post
29	Surendra Kumar Agarwal	Paper Publication on 12/1/18
30	Abha Dwivedi	Paper Publication on 12/1/18
31	Abhay Jain HUF	Post
32	Amit Jain	Post
33	Bhawri Devi Jain	Post
34	Rajesh Bihani	Post
35	Ram Lubhaya Vohra	Post
36	Ram Pher Dwivedi	Paper Publication on 12/1/18
37	Reena Jain	Post
38	Param Jeet Singh	Post
39	Shubhang Exports Ltd	Paper Publication on 12/1/18
40	Usha Jain	Post
41	Vijay Shree Bihani	Post
42	KPK Fin Consultancy Pvt Ltd	Post
43	Raghuvansh Agrofarms Ltd	Post
44	Renu Katiyar	Post
45	Sanklap Vincom P Ltd	Post
46	Shreya Stocks & Shares Pvt Ltd	Paper Publication on 12/1/18
47	Shrishti E Systems Pvt Ltd	Paper Publication on 12/1/18
48	Signet Vinimay Pvt Ltd	Post
49	SKM Travels Pvt Ltd	Post
50	Apex Commotrade Pvt Ltd	Post
51	Spice Merchants Pvt Ltd	Post
52	Littlestar Tradecom Pvt Ltd	Affixed

No	Name of the Noticee	Delivery Status
53	Aviral Industries Ltd	Paper Publication on 12/1/18
54	Goldensight Management Pvt Ltd	Affixed
55	Bakliwal Vyapaar Pvt Ltd	Paper Publication on 12/1/18
56	Kamta Prasad Pandey	Post
57	Runicha Merchants Pvt Ltd	Post
58	Manoj Kumar Misra	Paper Publication on 12/1/18
59	Swaraj Retails Pvt Ltd	Affixed
60	Chaaya Reality Pvt Ltd	Affixed
61	Pragna Harshad Panchal	Post
62	Levia Trading Pvt Ltd	Affixed
63	Ayodhya Vinimay Pvt Ltd	Paper Publication on 22/2/18
64	Dream Infraproperties Pvt Ltd	Post
65	Jasmine Commodities Pvt Ltd	Paper Publication on 12/1/18
66	Nathu Lal Sharma	Post
67	Winall Vinimay Pvt Ltd Ltd	Post
68	Goodview Projects Pvt Ltd	Post
69	Templerun Marcom Pvt Ltd	Affixed
70	Coral Tradecom Pvt Ltd	Affixed
71	Gagandeep Construction Company Pvt Ltd (currently known as Gagandeep Hotel & Restaurant Pvt. Ltd.)	Post
72	Overarching Dealers Pvt Ltd	Paper Publication on 22/2/18
73	Mahamani Tradelink Pvt Ltd	Affixed
74	Kapeeshwar Vintrade Pvt Ltd	Affixed
75	Panem Steel Pvt Ltd	Post
76	Arunavo Mukherjee	Post
77	Saraswati Vintrade Pvt Ltd	Affixed-ERO
78	Vasundhara Capital & Securities Ltd	Paper Publication on 12/1/18
79	Overload Financial Advisory Pvt Ltd	Affixed-ERO
80	Dhanrashi Promoters Pvt Ltd	Paper Publication on 22/2/18
81	Groundzero Vincom Pvt Ltd	Affixed-ERO
82	Arise Dealcom Pvt Ltd	Affixed-ERO
83	Santosh Kumar Agarwal	Paper Publication on 12/1/18

No	Name of the Noticee	Delivery Status
84	Gunny Chem Tex India Ltd	Post
85	Jaideep Halwasiya	Post
86	Dynamic Credit Finance Pvt Ltd	Post
87	Samudhita Dealers Pvt Ltd	Affixed-ERO
88	Rishabh Agarwal	Post
89	Anita Maurya	Paper Publication on 12/1/18
90	Bhima Agencies Pvt Ltd	Paper Publication on 22/2/18
91	Manoj Agarwal HUF	Paper Publication on 12/1/18
92	Acme Pvt Ltd (now known as Boast Traders Pvt Ltd)	Post
93	Susri Finance Pvt Ltd	Paper Publication on 22/2/18
94	Swapanloke Steels Pvt Ltd	Paper Publication on 12/1/18
95	Vilohit Property Pvt Ltd	Affixed-ERO
96	BSR Finance & Constructions Ltd	Post
97	Pawan Kumari Agarwal	Paper Publication on 12/1/18
98	Shreekant Phumbhra	Post
99	Yamnotri Vinimay Pvt Ltd	Post
100	Manu Vyapar Pvt	Post
101	Gallant Commosales Pvt Ltd	Affixed
102	Nitish Jain HUF	Affixed
103	Scope Vyapar Pvt Ltd	Paper Publication on 22/2/18
104	Snehlata Gautam	Paper Publication on 12/1/18
105	Lemon Vincom Pvt Ltd	Post
106	Lavender Exin Pvt Ltd	Affixed
107	Litmus Investments Ltd	Post
108	Lark Commercial Pvt Ltd	Affixed
109	Girija Pandey	Paper Publication on 12/1/18
110	Devshyam Stock Broking Pvt Ltd	Paper Publication on 22/2/18
111	Sanmati Goods Pvt Ltd	Affixed
112	Mukesh Kumar Deepak	Affixed
113	Memori Vinimay Pvt Ltd	Affixed
114	Saroj Shah	Post
115	Gyandeep Khemka	Post
116	Cube Trafin Pvt Ltd	Post

No	Name of the Noticee	Delivery Status
117	Nand Kishore Baheti HUF	Affixed
118	Reachsmart Construction Pvt Ltd	Affixed
119	Lark Merchants Pvt Ltd	Affixed
120	Abha Sureka	Post
121	Ritika Sureka	Post
122	Raj Vardhan Agarwal	Post
123	Manoj Agarwal	Paper Publication on 12/1/18
124	Praveen Kurele	Affixed
125	Vinay Kumar Agarwal	Post
126	Som Prakash Goenka	Post
127	Naveen Kurele	Post
128	Mridula Agrawal	Post
129	Narender Kumar	Post
130	Manisha Sharma	Paper Publication on 12/1/18
131	Seema Kapoor	Post
132	Sanjeev Sanghi	Paper Publication on 12/1/18
133	Mahabir Pershad Huf	Post
134	Deepak Kumar Agarwal	Paper Publication on 12/1/18
135	Sanjay Kapoor	Post
136	Sapna Kapoor	Post
137	Sunil Kapoor	Post
138	Ashok Kumar Maheshwari	Post
139	Vivek Karwa	Post
140	Roopchandra Kumar	Paper Publication on 12/1/18
141	Sabreen	Paper Publication on 12/1/18
142	Sanjay Kumar Huf	Post
143	Arun Kumar Huf	Post
144	Raj Kumar	Post

No	Name of the Noticee	Delivery Status
145	Manish Maheshwari	Post
146	Mahak Maheshwari	Post
147	Sajan Kumar Agarwal	Post
148	Narender Kumar Huf	Post
149	Shubham Agarwal	Post
150	Ashish Agarwal	Post

7. The SCN *inter alia* alleged as follows:

7.1. Investigation revealed the following modus operandi used by the Noticees:

- The new Promoters of the company i.e., Shri Manoj Kumar Agarwal and Ms. Deepa Mittal acquired 44.30% shares of SESL from the erstwhile Promoters vide a Share Purchase Agreement. Thereafter, the two Acquirers, on February 12, 2011 acquired another 15.83% of paid up capital by way of an Open Offer. In total, the two new Promoters acquired 1,48,850 shares (60.14%) of SESL. Moreover, they also acquired the entire outstanding shares of the company (except for 300 shares) through connected Noticees and made preferential allotment on March 21, 2011 prior to the start of execution of trades in the scrip on December 1, 2011. Further shares were allotted on a preferential basis to 46 Noticees in March, 2012.

- Further, large number of buy orders were observed in the market (period starting with the date of Public Announcement i.e., from July 09, 2010 to November 30, 2011) from wide set of entities due to positive sentiment created with the Share Purchase Agreement/ Open Offer by the new Promoters and the preferential allotment made by the company. Since the entire free float was held by the connected Noticees, no sellers came forward to sell despite huge buy orders in the scrip. No trade took place from July 09, 2010 until November 30, 2011.

- The connected Noticees traded and sold miniscule quantity on 116 trading days (out of 119 trading days during patch 1A) despite holding large number of shares. But for the sell orders of the connected Noticees, the trades would not have taken place and the price would not have increased as the entire free float was held by connected Noticees.
- Investigation found that the sell trades of miniscule quantities were carried out by connected Noticees with an intention of marking the price higher. Further, the investigation concluded that the connected Noticees wanted to increase the price without increasing the free float, through non-delivery of shares after selling the same on market. Thereafter, the connected Noticees continued to increase the price of the shares by selling shares during patch 1B.
- Investigation has therefore concluded that the company was taken over by the new Promoters with an orchestrated plan of carrying out a scheme of artificially increasing the price of shares of the company and that the company and three of its Directors (including the two new Promoters) were a part of the orchestrated plan since they benefitted by selling substantial value of shares at the manipulated price.

7.2. Investigation revealed that during the investigation period, trading took place on 708 days and the connected Noticees were observed to have traded on 684 days.

7.3. **Patch 1A- Price Rise (December 1, 2011-August 16, 2012)**

- During patch 1A, the connected Noticees entered in 116 trades and all trades except one trade were above LTP. Out of 4,560 shares sold by the 13 connected Noticees only 3,910 shares were delivered and the delivery of the rest 650 shares (13 trades) were closed out after unsuccessful auctioning.
- During the aforesaid period, investigation revealed that the price moved by ₹ 162.65 i.e., from ₹ 11.00 to ₹ 173.65. Of the said price rise, contribution of ₹ 154.2525 i.e., 94.84% of the total positive LTP out of the total rise of ₹ 162.65 was through trades where the connected Noticees were sellers. Investigation concluded that by controlling the supply in the market, selling shares in

minimum lot and also defaulting on delivery of shares on several instances, the price of the share of the company was artificially increased by the connected Noticees.

7.4. **Patch 1B – Price rise (August 17, 2012-February 1, 2013)**

- Investigation revealed that the price of the scrip increased from ₹ 173.65 to ₹ 494.00 i.e, the price increased by ₹ 320.35. Investigation found that during this patch, out of 115 days on which the scrip was traded, 21 connected Noticees sold shares on 89 days. The connected Noticees together contributed ₹ 189.45 to the net price rise of ₹ 320.35 (i.e., 59.14%) during this patch and ₹ 284.85 of the gross positive LTP variation of ₹ 662.05 (i.e., 43.03%). The contribution of the connected Noticees accounts for more than 50% of market net price movement and therefore it was concluded that the sell trades of the Noticees resulted in manipulation in the price of the scrip and misleading appearance of trading in the scrip.
- Investigation found that 13 connected Noticees contributed ₹ 83.80 to Net LTP on the buy side (out of total ₹ 189.45 contributed by the 21 connected Noticees on the sell side and ₹ 320.35 of market LTP) and ₹ 112.00 to gross positive LTP (out of total ₹ 208.75 contributed by the 21 connected Noticees on the sell side and a market net LTP of ₹ 662.05). The 13 noticees were found to have predominantly traded with the 21 connected Noticees and have contributed significantly to LTP (both Gross and Net).
- Further, based on the significant contribution to Net LTP through trades amongst themseleves (21 Sellers and 13 buyers) of ₹ 83.80, investigation concluded that these connected Noticees (21+13-1, common entity=33) artificially increased the price of the scrip.

7.5. **Patch 2 – Price rise period post-split in the ratio 10:1 (February 4, 2013-July 22, 2014)**

- During the period February 04, 2013 and July 22, 2014, the price of the scrip increased from ₹ 49.40 (494 adjusted for 10:1 split) to ₹ 243.00 i.e, the net price increase was ₹ 193.60.
- Investigation revealed that on account of trading during patches 1A and 1B, the connected Noticees sold a net of 1,39,958 shares and therefore 13,95,580 shares (i.e., factoring sub-division of shares) were available with other shareholders (other than the connected Noticees). In contrast to the trading pattern of the connected Noticees during patches 1A and 1B where the connected Noticees predominantly sold shares (on net basis), investigation found that they were net buyers during patch 2 and were observed to be increasing the price of the share by continuously buying shares at a higher price.
- During patch 2, the market Net LTP was ₹ 193.60 which can be divided into two parts i.e., contribution to net LTP by the 83 connected Noticees of ₹ 636.75 and the negative contribution of Rs. 443.15 by other entities. Investigation concluded that since the market price is a function of net sum of all price variations (both positive and negative), the 83 connected Noticees had contributed positively to net LTP significantly enough to not only negate the downward drag of ₹ 443.15 on the price of the scrip by the other entities in the market but also sufficient to increase the price of the scrip from ₹ 49.40 to ₹ 243.00. Investigation concluded that considering the fundamentals of SESL which were not supporting the price of the scrip and the trading pattern of trading at prices higher than the LTP, the 83 connected Noticees traded with an intend to increase the price of the scrip and also resulted in creation/ depiction of artificial demand and interest.

7.6. Investigation revealed that Promoters/ Directors of SESL along with other connected Noticees and the Noticees who indulged in manipulation in the scrip were also observed to have benefitted by selling the shares (net sale value was ₹ 50 lakh or more) between August 17, 2012 and January 06, 2015.

7.7. In addition to the above, a total of 28 Noticees were also observed to have benefitted by selling shares of significant value and were connected to Noticees that indulged in manipulation/ other connected entities. Their trading also resulted in false and misleading appearance of trading in the securities market and an act/ practice which operated as a fraud or deceit in the market.

7.8. Based on the above observations, it is alleged that the entire scheme of acquiring SESL by the new Promoters, ensuring least free float of shares prior to the resumption of trading at BSE and using the same for manipulating the price such that the price of the scrip increases multifold and subsequent sale of shares to benefit out of the manipulated price was carried out by the new Promoters and the connected Noticees in connivance with each other. Further, it is alleged that the trading carried out by these connected Noticees on the exchange platform created false and misleading appearance of trading in the securities market and the same acted as an act/ practice or a course of business which operated as a fraud or deceit in the market.

7.9. Therefore, it is alleged that Noticees have violated the relevant provisions of PFUTP Regulations. The Noticees were, therefore, called upon to show cause as to why suitable directions under Sections 11(4)(b) and 11B of the SEBI Act should not be issued against them.

REPLY and HEARING

8. In response to the SCN, the following Noticees sought inspection:

Name of the Noticee	Inspection
SESL	Inspection carried out in October, 2017
Anant Fin Consultancy Pvt Ltd.	Inspection carried out in January, 2018
Ankit Jain	Inspection carried out in January, 2018
Param Jeet Singh	Inspection sought, no response even after sending two letters
KPK Fin Consultancy Pvt. Ltd.	Inspection carried out on February 2, 2018
Panem Steel Pvt. Ltd.	Inspection carried out on April 5, 2018

Shubham Agarwal	Inspection carried out in January, 2018
Ashish Agarwal	Inspection carried out in January, 2018

9. The following Noticees as tabulated below have replied to the SCN. Their submissions have been taken note of at the time of consideration of allegations levelled against them.

Sl. No.	Name of the Noticee	Date of Reply
1.	Vijay Shree Bihani	23/8/2017
2.	Rajesh Bihani	Email & Letter dated 23/8/2017
3.	Yamnotri Vinimay Pvt Ltd	23/8/2017
4.	Shreekant Phumbhra	23/8/2017
5.	SESL	25/8/2017
6.	Renu Katiyar	26/8/2017 & 18/8/2018
7.	Cube Trafin Pvt. Ltd.	28/8/2017 & 10/5/2018
8.	Lemon Vincom Pvt. Ltd.	28/8/2017 & 2/5/2018
9.	BSR Finance & Constructions Ltd.	1/9/2017 & 29/8/2017
10.	Dynamic Credit Finance Pvt Ltd	30/8/2017
11.	Saroj Shah	30/8/2017 & Email dated 18/9/2018
12.	Pragna Harshad Panchal	31/8/2017
13.	Gunny Chem Tex India Ltd	4/9/2017
14.	Gyandeep Khemka	21/8/2017 & 5/9/2017
15.	Manu Vyapar Pvt Ltd.	25/8/2017 & 10/9/2017
16.	Bhawri Devi Jain	15/9/2017 & 31/8/2018
17.	Acme Pvt Ltd (now known as Boast Traders Pvt Ltd.)	16/9/2017
18.	Deepak Kumar Sarraf	26/9/2017 & 12/9/2018
19.	Abha Sureka	12/10/2017
20.	Ritika Sureka	12/10/2017
21.	Jaideep Halwasiya	23/10/2017 & 30/10/2017
22.	Narender Kumar HUF	28/8/2017 & 5/11/2017

Sl. No.	Name of the Noticee	Date of Reply
23.	Sanjay Kumar	5/11/2017
24.	Arun Kumar HUF	5/11/2017
25.	Sanjay Kumar HUF	5/11/2017
26.	Mahabir Pershad HUF	5/11/2017
27.	Narender Kumar	5/11/2017
28.	Raj Kumar	16/1/2018
29.	Shreya Stocks & Shares Pvt. Ltd.	20/2/2018
30.	Ram Lubhaya Vohra	23/2/2018 & Email dated 19/1/2019
31.	Rishabh Agarwal	12/9/2107, 23/2/2018 & Email dated 10/1/2019
32.	Pawan Kumari Agarwal	23/2/2018 & Email dated 10/1/2019
33.	Raj Vardhan Agarwal	12/9/2017, 23/2/2018 & Email dated 10/1/2019
34.	Abha Dwivedi	Undated letter received by SEBI on 28/2/2018 & Email dated 19/1/2019
35.	Ram Pher Dwivedi HUF	Undated letter received by SEBI on 28/2/2018 & Email dated 19/1/2019
36.	Nitish Jain HUF	6/3/2018 & 16/11/2018
37.	Panem Steel Pvt Ltd	10/3/2018 & 6/4/2018
38.	Sanjeev Sanghi	23/1/2018 & 13/3/2018
39.	Surendra Kumar Gupta	21/4/2018
40.	Som Prakash Goenka	21/4/2018
41.	Memori Vinimay Pvt. Ltd.	30/4/2018 & 16/5/2018
42.	Praveen Kumar Mishra	24/5/2018
43.	Geeta Mishra	24/5/2018
44.	KPK Fin Consultancy Pvt. Ltd.	30/5/2018 & 12/9/2018
45.	Mahak Maheshwari	7/6/2018
46.	Manish Maheshwari	7/6/2018
47.	Ashok Kumar Maheshwari	7/6/2018
48.	Naveen Kurele	11/6/2018
49.	Praveen Kurele	11/6/2018

Sl. No.	Name of the Noticee	Date of Reply
50.	Sajan Kumar Agarwal	13/6/2018
51.	Divya Agarwal	20/8/2018
52.	Gagandeep Construction Company Pvt Ltd (currently known as Gagandeep Hotel & Restaurant Pvt. Ltd.)	10/9/2018
53.	Kamta Prasad Pandey	10/9/2018
54.	Santosh Kumar Agarwal (Noticee No. 83)	28/8/2017, 31/8/2018 & 11/9/2018
55.	Sanjai Jain HUF	11/9/2018
56.	Ankit Jain	11/9/2018
57.	Rita Jain	11/9/2018
58.	Anant Fin Consultancy Pvt. Ltd.	26/8/2017 & 11/9/2018
59.	Rishi Kant Awasthi	11/9/2018
60.	Kavita Awasthi	11/9/2018
61.	Akhilesh Kumar Agnihotri	11/9/2018
62.	Param Jeet Singh	12/9/2018
63.	Vasundhara Capital & Securities Ltd	14/9/2018
64.	Jasmine Commodities Pvt. Ltd.	14/9/2018
65.	Shrishti E-Systems Pvt. Ltd.	14/9/2018
66.	Nand Kishore Baheti HUF	Email dated 14/9/2018
67.	Ashish Agarwal	30/10/2017 & 15/9/2018
68.	Surendra Kumar Agarwal	21/4/2018 & 15/9/2018
69.	Bakliwal Vyapaar Pvt. Ltd.	25/01/2018 & 15/9/2018
70.	Aviral Industries Ltd.	15/9/2018
71.	Subham Agarwal	15/9/2018
72.	Jeetendra Kumar Agnihotri	15/9/2018
73.	Shubhang Exports Ltd.	18/06/2018 & 17/9/2018
74.	Geeta Mishra	1/10/2018
75.	Apex Commotrade Pvt. Ltd.	14/11/2018
76.	Runicha Merchants Pvt. Ltd.	14/11/2018
77.	Devshyam Stock Broking Pvt. Ltd.	14/11/2018

Sl. No.	Name of the Noticee	Date of Reply
78.	Spice Merchants Pvt. Ltd.	14/11/2018
79.	Sanklap Vincom Pvt. Ltd.	15/11/2018
80.	Signet Vinimay Pvt. Ltd.	15/11/2018
81.	SKM Travels Pvt. Ltd.	15/11/2018
82.	Scope Vyapar Pvt Ltd, Abhiset Basu	14/11/2018
83.	Winall Vinimay Pvt Ltd	14/11/2018
84.	Vivek Karwa	25/8/2017 & 17/8/2018
85.	Vinay Kumar Agarwal	16/11/2018
86.	Roopchandra Kumar	17/11/2018
87.	Manisha Sharma	14/9/2018 & 3/12/2018
88.	Mridula Agarwal	14/9/2018 & 4/12/2018
89.	Subodh Agarwal	26/8/2017, 5/1/2019 & 10/1/2019
90.	Renu Agarwal	26/8/2017 & 10/1/2019
91.	Subodh Agarwal HUF	26/8/2017 & 10/1/2019
92.	Raj Kumar Agarwal	26/8/2017 & 11/1/2019
93.	Raghuvansh Agrofarms Ltd.	11/1/2019
94.	Litmus Investments Ltd	5/1/2019 & 11/1/2019
95.	Cube Trafinn Pvt. Ltd.	28/8/2017 & 18/1/2019
96.	Lark Commercial Pvt. Ltd.	23/4/2018 & 18/1/2019
97.	Lark Merchants Pvt. Ltd.	23/4/2018 & 18/1/2019
98.	Lemon Vincom Pvt. Ltd.	2/5/2018 & 18/1/2019
99.	Pranveer Singh	26/2/2019
100.	Manish Kumar Garg	22/1/2018
101.	Manoj Kumar Agarwal	28/8/2017
102.	Sandhya Agarwal	28/8/2017
103.	Ruchi Agarwal	28/8/2017
104.	Krishana Agarwal	28/8/2017
105.	Manish Kumar Agarwal	28/8/2017

10. Subsequently Noticees were granted opportunity of hearing in the extant matter.

The particulars of the status of delivery of hearing notice and their respective attendance for the hearing is given hereunder:

Sl. No	Name of the Noticee	Delivery of HN	Attendance
1	Subodh Agarwal	Delivered	Yes on 23/1/2019
2	Divya Agarwal	Delivered	Yes on 23/1/2019
3	Geeta Mishra	Delivered	Yes on 4/9/2018
4	Manish Kumar Garg	Delivered	Yes on 19/9/2018
5	Sanjay Kumar	Delivered	Yes on 23/1/2019
6	Pranveer Singh	Delivered	Yes on 28/3/2019
7	Praveen Kumar Mishra	Delivered	Yes on 4/9/2018
8	Surendra Kumar Gupta	Delivered	Yes on 24/1/2019
9	Manoj Kumar Agarwal	Delivered	Yes on 28/3/2019
10	Deepa Mittal	Delivered	Yes on 28/3/2019
11	Santosh Kumar Agarwal	Delivered	Yes on 28/3/2019
12	Manish Agarwal	Delivered	Yes on 28/3/2019
13	Krishana Agarwal	Delivered	Yes on 28/3/2019
14	Ruchi Agarwal	Delivered	Yes on 28/3/2019
15	Sandhya Agarwal	Delivered	Yes on 28/3/2019
16	Sulabh Engineers & Services Ltd	Delivered	Yes on 28/3/2019
17	Akhilesh Kumar Agnihotri	Paper Publication -Kanpur - 21/8/2019	Yes on 19/9/2018
18	Kavita Awasthi	Paper Publication -Kanpur - 21/8/2019	Yes on 19/9/2018
19	Raj Kumar Agarwal	Delivered	Yes on 23/1/2019
20	Renu Agarwal	Delivered	Yes on 23/1/2019
21	Rishi Kant Awasthi	Paper Publication -Kanpur - 21/8/2019	Yes on 19/9/2018

Sl. No	Name of the Noticee	Delivery of HN	Attendance
22	Rita Jain	Paper Publication -Kanpur - 21/8/2019	Yes on 19/9/2018
23	Anant Fin Consultancy Pvt Ltd	Delivered	Yes on 19/9/2018
24	Ankit Jain	Delivered	Yes on 19/9/2018
25	Deepak Kumar Sarraf	Delivered	Yes on 19/9/2018
26	Jeetendra Kumar Agnihotri	Delivered	Yes on 19/9/2018
27	Sanjai Jain HUF	Paper Publication -Kanpur - 21/8/2019	Yes on 19/9/2018
28	Subodh Agarwal HUF	Delivered	Yes on 23/1/2019
29	Surendra Kumar Agarwal	Paper Publication -Kanpur - 21/8/2019	Yes on 19/9/2018
30	Abha Dwivedi	Delivered	Yes on 28/3/2019
31	Abhay Jain HUF	Delivered	-
32	Amit Jain	Delivered	-
33	Bhawri Devi Jain	Delivered	Yes on 24/1/2019
34	Rajesh Bihani	Delivered	Yes on 5/9/2018
35	Ram Lubhaya Vohra	Delivered	Yes on 28/3/2019
36	Ram Pher Dwivedi	Delivered	Yes on 28/3/2019
37	Reena Jain	Delivered	-
38	Param Jeet Singh	Delivered	Yes on 19/9/2018
39	Shubhang Exports Ltd	Paper Publication -Kanpur - 21/8/2019	Yes on 19/9/2018
40	Usha Jain	Delivered	-
41	Vijay Shree Bihani	Delivered	Yes on 5/9/2018
42	KPK Fin Consultancy Pvt Ltd	Delivered	Yes on 19/9/2018
43	Raghuvansh Agrofarms Ltd	Delivered	Yes on 23/1/2019

Sl. No	Name of the Noticee	Delivery of HN	Attendance
44	Renu Katiyar	Delivered	-
45	Sanklap Vincom P Ltd	Delivered by Email	Yes on 24/1/2019
46	Shreya Stocks & Shares Pvt Ltd	Paper Publication -Kanpur - 21/8/2019	-
47	Shrishti E Systems Pvt Ltd	Delivered	Yes on 19/9/2018
48	Signet Vinimay Pvt Ltd	Delivered by Email	Yes on 24/1/2019
49	SKM Travels Pvt Ltd	Delivered by Email	Yes on 24/1/2019
50	Apex Commotrade Pvt Ltd	Delivered by Email	Yes on 24/1/2019
51	Spice Merchants Pvt Ltd	Delivered by Email	Yes on 24/1/2019
52	Littlestar Tradecom Pvt Ltd	Delivered by Email	Yes on 12/9/2018 & 24/1/2019
53	Aviral Industries Ltd	Paper Publication -Kanpur - 21/8/2019	Yes on 19/9/2018
54	Goldensight Management Pvt Ltd	Paper Publication – Kolkata-4/12/2018	-
55	Bakliwal Vyapaar Pvt Ltd	Delivered	Yes on 19/9/2018
56	Kamta Prasad Pandey	Delivered	Yes on 19/9/2018
57	Runicha Merchants Pvt Ltd	Delivered by Email	Yes on 24/1/2019
58	Manoj Kumar Misra	Paper Publication -Kanpur - 21/8/2019	-
59	Swaraj Retails Pvt Ltd	Delivered by Email	Yes on 12/9/2018 & 24/1/2019
60	Chaaya Reality Pvt Ltd	Paper Publication– Kolkata-4/12/2018	-
61	Pragna Harshad Panchal	Delivered	Yes on 12/9/2018
62	Levia Trading Pvt Ltd	Paper Publication– Kolkata-4/12/2018	-
63	Ayodhya Vinimay Pvt Ltd	Paper Publication -Kolkata - 21/8/2019	-
64	Dream Infraproperties Pvt Ltd	Delivered by Email	Yes on 12/9/2018 & 24/1/2019
65	Jasmine Commodities Pvt Ltd	Delivered	Yes on 19/9/2018
66	Nathu Lal Sharma	Noticee is deceased	-
67	Winall Vinimay Pvt Ltd Ltd	Delivered by Email	Yes on 24/1/2019

Sl. No	Name of the Noticee	Delivery of HN	Attendance
68	Goodview Projects Pvt Ltd	Delivered by Email	Yes on 12/9/2018 & 24/1/2019
69	Templerun Marcom Pvt Ltd	Paper Publication– Kolkata-4/12/2018	-
70	Coral Tradecom Pvt Ltd	Paper Publication– Kolkata-4/12/2018	-
71	Gagandeep Construction Company Pvt Ltd (currently known as Gagandeep Hotel & Restaurant Pvt. Ltd.)	Delivered	Yes on 19/9/2018
72	Overarching Dealers Pvt Ltd	Paper Publication -Kolkata - 21/8/2019	-
73	Mahamani Tradelink Pvt Ltd	Paper Publication– Kolkata-4/12/2018	-
74	Kapeeshwar Vintrade Pvt Ltd	Paper Publication– Kolkata-4/12/2018	-
75	Panem Steel Pvt Ltd	Delivered	Yes on 24/1/2019
76	Arunavo Mukherjee	Delivered	-
77	Saraswati Vintrade Pvt Ltd	Delivered by Email	Yes on 12/9/2018 & 24/1/2019
78	Vasundhara Capital & Securities Ltd	Delivered	Yes on 19/9/2018
79	Overload Financial Advisory Pvt Ltd	Paper Publication– Kolkata-4/12/2018	-
80	Dhanrashi Promoters Pvt Ltd	Paper Publication -Kolkata - 21/8/2019	-
81	Groundzero Vincom Pvt Ltd	Delivered by Email	Yes on 12/9/2018 & 24/1/2019
82	Arise Dealcom Pvt Ltd	Paper Publication– Kolkata-4/12/2018	-
83	Santosh Kumar Agarwal	Paper Publication -Kanpur - 21/8/2019	Yes on 19/9/2018
84	Gunny Chem Tex India Ltd	Delivered	Yes on 12/9/2018
85	Jaideep Halwasiya	Delivered	Yes on 12/9/2018

Sl. No	Name of the Noticee	Delivery of HN	Attendance
86	Dynamic Credit Finance Pvt Ltd	Delivered	Yes on 17/1/2019
87	Samudhita Dealers Pvt Ltd	Paper Publication– Kolkata-4/12/2018	-
88	Rishabh Agarwal	Delivered	Yes on 28/3/2019
89	Anita Maurya	Delivered	Yes on 12/9/2018
90	Bhima Agencies Pvt Ltd (currently known as Sappers Infra Realtor Pvt. Ltd.)	Delivered by Email	Yes on 12/9/2018 & 24/1/2019
91	M/s Manoj Agarwal HUF	Delivered	Yes on 18/9/2018
92	Acme Pvt Ltd (now known as Boast Traders Pvt Ltd)	Delivered	Yes on 18/9/2018
93	Susri Finance Pvt Ltd	Paper Publication - Kolkata - 21/8/2019	-
94	Swapanloke Steels Pvt Ltd	Delivered	-
95	Vilohit Property Pvt Ltd	Paper Publication – Kolkata - 4/12/2018	-
96	BSR Finance & Constructions Ltd	Delivered	Yes on 18/9/2018
97	Pawan Kumari Agarwal	Delivered	Yes on 28/3/2019
98	Shreekant Phumbhra	Delivered	Yes on 17/1/2019
99	Yamnotri Vinimay Pvt Ltd	Delivered	Yes on 17/1/2019
100	Manu Vyapar Pvt	Delivered	Yes on 17/1/2019
101	Gallant Commosales Pvt Ltd	Paper Publication – Kolkata - 4/12/2018	-
102	Nitish Jain HUF	Delivered	Yes on 19/9/2018
103	Scope Vyapar Pvt Ltd	Delivered by Email	Yes on 24/1/2019
104	Snehlata Gautam	Delivered	-
105	Lemon Vincom Pvt Ltd	Delivered by Email	Yes on 24/1/2019
106	Lavender Exin Pvt Ltd	Paper Publication – Kolkata - 4/12/2018	-
107	Litmus Investments Ltd	Delivered	Yes on 23/1/2019
108	Lark Commercial Pvt Ltd	Delivered by Email	Yes on 24/1/2019

Sl. No	Name of the Noticee	Delivery of HN	Attendance
109	Girija Pandey	Paper Publication - Kanpur - 21/8/2019	-
110	Devshyam Stock Broking Pvt Ltd	Delivered by Email	Yes on 24/1/2019
111	Sanmati Goods Pvt Ltd	Paper Publication – Kolkata- 4/12/2018	-
112	Mukesh Kumar Deepak	Delivered by Email	-
113	Memori Vinimay Pvt Ltd	Paper Publication - Hyderabad- 4/12/2018	Yes on 24/1/2019
114	Saroj Shah	Delivered	-
115	Gyandeep Khemka	Delivered	Yes on 17/1/2019
116	Cube Trafin Pvt Ltd	Delivered by Email	Yes on 24/1/2019
117	Nand Kishore Baheti HUF	Delivered	-
118	Reachsmart Construction Pvt Ltd	Paper Publication – Kolkata- 4/12/2018	-
119	Lark Merchants Pvt Ltd	Delivered by Email	Yes on 24/1/2019
120	Abha Sureka	Delivered	Yes on 23/1/2019
121	Ritika Sureka	Delivered	Yes on 23/1/2019
122	Raj Vardhan Agarwal	Delivered	Yes on 28/3/2019
123	Manoj Agarwal	Delivered	Yes on 23/1/2019
124	Praveen Kurele	Affixed	Yes on 19/9/2018
125	Vinay Kumar Agarwal	Delivered	Yes on 19/9/2018
126	Som Prakash Goenka	Delivered	Yes on 17/1/2019
127	Naveen Kurele	Paper Publication -Kanpur - 21/8/2019	Yes on 19/9/2018
128	Mridula Agrawal	Delivered	Yes on 23/1/2019
129	Narender Kumar	Delivered	Yes on 23/1/2019
130	Manisha Sharma	Delivered	Yes on 23/1/2019
131	Seema Kapoor	Delivered	Yes on 19/9/2018
132	Sanjeev Sanghi	Delivered	Yes on 19/9/2018
133	Mahabir Pershad HUF	Delivered	Yes on 23/1/2019

Sl. No	Name of the Noticee	Delivery of HN	Attendance
134	Deepak Kumar Agarwal	Paper Publication –West Bengal - 21/8/2019	-
135	Sanjay Kapoor	Delivered	Yes on 19/9/2018
136	Sapna Kapoor	Delivered	Yes on 19/9/2018
137	Sunil Kapoor	Delivered	Yes on 19/9/2018
138	Ashok Kumar Maheshwari	Delivered	Yes on 19/9/2018
139	Vivek Karwa	Delivered	Yes on 19/9/2018
140	Roopchandra Kumar	Paper Publication -Kanpur - 21/8/2019	Yes on 19/9/2018
141	Sabreen	Paper Publication -Kanpur - 21/8/2019	-
142	Sanjay Kumar HUF	Delivered	Yes on 23/1/2019
143	Arun Kumar HUF	Delivered	Yes on 23/1/2019
144	Raj Kumar	Delivered	Yes on 17/1/2019
145	Manish Maheshwari	Delivered	Yes on 19/9/2018
146	Mahak Maheshwari	Delivered	Yes on 19/9/2018
147	Sajan Kumar Agarwal	Delivered	Yes on 19/9/2018
148	Narender Kumar HUF	Delivered	Yes on 23/1/2019
149	Shubham Agarwal	Delivered	Yes on 19/9/2018
150	Ashish Agarwal	Delivered	Yes on 19/9/2018

11. Dr. S.K. Jain and Shri Vikas Bengani appeared for the hearing on September 19, 2018 as authorized representatives of 34 entities namely, Manish Kumar Garg, Akhilesh Kumar Agnihotri, Kavita Awasthi, Rishi Kant Awasthi, Rita Jain, Anant Fin Consultancy Pvt Ltd., Ankit Jain, Deepak Kumar Sarraf, Jeetendra Kumar Agnihotri, Sanjai Jain HUF, Surendra Kumar Agarwal, Param Jeet Singh, Shubhang Exports Ltd., Kpk Fin Consultancy Pvt Ltd., Shrishti E Systems Pvt Ltd.,

Aviral Industries Ltd., Bakliwal Vyapaar Pvt Ltd., Kamta Prasad Pandey, Jasmine Commodities Pvt Ltd., Gagandeep Construction Company Pvt Ltd., Vasundhara Capital & Securities Ltd., Santosh Kumar Agarwal (Noticee No. 83), Praveen Kurele, Vinay Kumar Agarwal, Naveen Kurele, Sanjeev Sanghi, Ashok Kumar Maheshwari, Roopchandra Kumar, Manish Maheshwari, Mahak Maheshwari, Sajan Kumar Agarwal, Shubham Agarwal, Ashish Agarwal and Nitish Jain HUF. They submitted a common written representation on behalf of the aforesaid Noticees at the time of the hearing.

12. On conclusion of the hearing proceedings in the present matter, 114 Noticees attended the hearing and 36 Noticees (1 Noticee, Mr. Nathu Lal Sharma is deceased) failed to attend the hearing without providing any reason, inspite of service of hearing notice on them. At the time of hearing, Noticees were granted time to make submissions / additional submissions, if any and the following Noticees made the submissions / additional submissions:

Sl. No.	Name of the Noticee	Date of submissions / additional submissions
1.	Rajesh Bihani	Emails dated 10/9/2018 & 11/9/2018
2.	Jaideep Halwasiya	19/9/2018 & 4/9/2019
3.	Gunny Chem Tex India Ltd.	20/9/2018
4.	Seema Kapoor	24/9/2018
5.	Sanjay Kapoor	24/9/2018
6.	Sapna Kapoor	24/9/2018
7.	Sunil Kapoor	24/9/2018
8.	Manoj Agarwal HUF	29/9/2018
9.	Praveen Kumar Mishra	1/10/2018
10.	Vivek Karwa	1/10/2018
11.	BSR Finance & Constructions Ltd.	1/10/2018
12.	Acme Pvt Ltd (now known as Boast Traders Pvt Ltd.)	3/10/2018
13.	Manish Kumar Garg	10/10/2018
14.	Nitish Jain HUF	16/11/2018

Sl. No.	Name of the Noticee	Date of submissions / additional submissions
40.	Surendra Kumar Gupta	12/3/2019
41.	Manoj Kumar Agarwal	27/3/2019
42.	Santosh Kumar Agarwal (Noticee No. 11)	30/3/2019
43.	Sandhya Agarwal	3/4/2019
44.	Deepa Mittal	4/4/2019
45.	Ruchi Agarwal	4/4/2019
46.	Panem Steel Pvt. Ltd.	8/4/2019
47.	Krishana Agarwal	11/4/2019
48.	Manish Kumar Agarwal	12/4/2019
49.	SESL	22/4/2019
50.	Pranveer Singh	Email dated 27/4/2019

13. The submissions / additional submissions of the aforesaid Noticees have been dealt with at the time of considering the allegations levelled aginst them.

FINDINGS & CONSIDERATIONS

14. Before delving into the merits of the case, I note that some of the Noticees have neither replied to the SCN nor have availed the opportunity of hearing granted to them. Service of SCN and hearing notices have been done on the Noticees via post/affixture/newspaper publication. In this regard, the observations of Hon'ble Securities Appellate Tribunal (hereinafter referred to as '**SAT**') in the matter of *Sanjay Kumar Tayal & Others* Vs. *SEBI* decided on February 11, 2014 is pertinent here. The Hon'ble Tribunal observed as follows:

"…As rightly contended by Mr. Rustomjee, learned senior counsel for respondents, appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges leveled against them in the show cause notices…"

15. Without prejudice to the above observation, I proceed to examine the matter on

merits. To that effect, I have perused the SCN, oral submissions, written submissions and other materials available on record. On perusal of the same, the following issues arise for consideration:

15.1. *Whether 150 Noticees in the present matter can be held to be connected / part of a group for the purpose of their respective impugned trades in the scrip during the investigation period?*

15.2. *Whether total number of shares, except 300 shares of Sulabh outstanding prior to the first preferential allotment in March, 2011, were acquired by the Promoter Directors and the Connected Noticees / Entities?*

15.3. *Whether the Connected Noticees including the PDs have manipulated the price of the scrip during the investigation period?*

15.4. *Who are the Connected Noticees who have benefitted from the manipulation in the price of the scrip during the investigation period?*

15.5. *Whether company and its Directors were part of the scheme to manipulate the price of the scrip to benefit the preferential allottees?*

15.6. *Whether the Connected Noticees including the company and its Directors have violated the provisions of PFUTP Regulations?*

15.7. *If answer to issue No. (6) is in affirmative, what directions, if any should be issued against the Connected Noticees?*

16. Before proceeding to consider the allegations on merit, I shall first deal with the preliminary objections of some of the Noticees namely Mr. Manoj Kumar Agarwal, Mr. Pranveer Singh, Mr. Deepak Kumar Sarraf, Mr. Manish Kumar Garg and Mr. Ankit Jain. They have submitted that there has been delay in the initiation of the proceedings. In this regard, I note from the records that the involvement of the Noticees in the scrip of Sulabh came to the attention of SEBI by an alert generated by SEBI's market surveillance system. Moreover, SEBI also received a reference from Income Tax Department in April 27, 2015 regarding certain entities misusing Stock Exchange mechanism. In view of the aforesaid, matter

was taken up for investigation by SEBI. I also note that investigation in the extant matter involved examination of basis of connection amongst at least 471 entities, which in itself is a time consuming process. Subsequent to the said examination, the list of suspected entities was narrowed down to 150 entities and their respective role was analysed in the entire alleged scheme. Further, the period of investigation in the matter spans covers a period of 3 years. To ascertain whether 150 entities have violated any provisions of securities laws by playing any part in the alleged scheme over a period of 3 years, is an intensive exercise and requires deliberations at various stages of investigating process, necessitating considerable time in concluding a detailed investigation. Therefore questioning the merits of the proceedings on the sole criteria of the time it took to crystallise the extent of the violations, would defeat the ends of justice. It is noted from the records that the matter was approved for enforcement action in March, 2017 and the SCN was issued within 4 months of approval by July, 2017.

17. It is also noted that there is neither any specific provision contained in PFUTP Regulations to issue the SCN nor there is any provision in PFUTP Regulations which lays down any limitation period for initiating any action under them. Hon'ble SAT in the matter of *Vaman Madhav Apte & Ors.* vs. *SEBI* has vide Order dated March 4, 2016 observed as follows –

"Argument of the appellants that the proceedings initiated against the appellants suffer from gross delay and laches and, therefore, the impugned order is liable to be quashed and set aside is without any merit, because firstly, neither the SEBI Act nor the regulations framed thereunder prescribe any time limit for initiating proceedings against the persons who have violated the securities laws. Secondly, neither the SEBI Act nor the regulations framed thereunder provide that if there is delay in initiating proceedings, no action can be taken against the person who has committed violations of the securities laws."

18. Moreover, the Hon'ble Supreme Court of India recently in the case of Adjudicating Officer, SEBI vs. Bhavesh Pabari (2019) SCC Online SC 294 has held as follows:

"*There are judgments which hold that when the period of limitation is not prescribed, such power must be exercised within a reasonable time. What would be reasonable time, would depend upon the facts and circumstances of the case, nature of the default/statute, prejudice caused, whether the third-party rights had been created etc*."

19. The facts and circumstances of the case shows that it involves multiple layers of transactions executed by numerous entities which required comprehensive examination. This will invariably consume substantial time. Therefore, based on the facts and circumstances of the matter, the lapse of time cannot be said to be detrimental in the instant matter. Further, in the light of aforesaid Hon'ble Supreme Court of India's Order, it is noted that based on the nature of allegation in the extant matter which is of devising a scheme to manipulate the price of the scrip and providing an opportunity to connected entities to sell their shares at the manipulated price, if proven, is a grave offence and it is in the interest of investors and orderly development of securities market that instant proceedings should be continued to be adjudicated on merits of the allegation so as to keep unscrupulous Noticees, if any, away from the securities market. In other words, more harm would be caused by dropping the instant proceedings solely on the ground of delay. Thus, the submission of the aforesaid Noticees of dropping the SCNs on the ground of delay cannot be accepted.

20. The other preliminary objection raised is by the company that the SCN does not put to notice about what is the specific measure intended to be adopted by SEBI against the Noticee. Reliance has been placed by the Noticees on the order of the Hon'ble Supreme Court of India dated August 4, 2014 in the matter of *Gorkha Security Services* v. *Government (NCT of Delhi),* (2014) 9 SCC 105. In this regard, I note that the matter of *Gorkha Security Services* is factually distinguishable from the extant matter. The matter of *Gorkha Security Services* dealt with the liability arising out of the breach of contractual terms which was penal in nature and resulted in the entity being blacklisted from entering into future public contracts

floated by the government. In the current matter, the issue at hand is breach, if any, of the provisions of securities laws deaing with fraud and deceit and subsequently any directions, if issued, will be for the orderly growth of the securities market and protection of the interests of the investors. The very approach and principles based on which the questions raised in the matter of *Gorkha Security Services* were settled was in relation to fundamental right of the entity emanating from Article 14 of the Constitution of India, 1950 which speaks of equality before the law and equal protection of the laws and consequential deprivation of entity's equality of opportunity in the matter of public contract. Whereas, the extant matter deals with the provisions of a comprehensive regulation framed under SEBI Act with the object of ensuring investors' protection and the orderly and healthy growth of the securities market. Directions, if any, issued would be preventive in nature and, therefore, the current matter cannot be compared, in my considered opinion with the matters relating to a person's fundamental rights. Furthermore, the SCN issued to the Noticee unequivocally states provisions under which preventive measures, if any would be issued. One such provision mentioned in the SCN is Section 11(4) (b) of SEBI Act which states that upon completion of an inquiry, a person can be restrained from accessing the securities market and can also be prohibited from being associated with the securities market. Thus, it is incorrect to contend that the Noticee was unaware of the directions that may be issued against it. In light of the aforesaid discussion, the submission of the Noticee that SCN does not put to notice about what is the specific measure intended to be adopted by SEBI against the Noticee, is not acceptable.

21. Now, I proceed to deal with the merits of the case.

Issue No. 1 - *Whether 150 Noticees in the present matter can be held to be connected / part of a group for the purpose of their respective impugned trades in the scrip during the investigation period?*

22. It is observed from the IR that Mr. Manoj Kumar Agarwal and Ms. Deepa Mittal

are the Promoter Directors (hereinafter referred to as "**PDs**") of the company whereas Mr. Santosh Kumar Agarwal is the Promoter and a Non-Executive Director of the company. The rest of the members of the Promoter Group *inter alia* are Mr. Manish Agarwal, Ms. Krishana Agarwal, Ms. Ruchi Agarwal, Ms. Sandhya Agarwal and Govind Mercantile Pvt. Ltd.

23. It has been alleged in the SCN that the PDs of the company namely, Mr. Manoj Kumar Agarwal and Ms. Deepa Mittal and Mr. Santosh Kumar Agarwal, Promoter and a Non-Executive Director, devised a scheme which involved:

23.1. Acquiring almost entire free float of the shares of the company;

23.2. Selling minimal number of shares (through connected entities) at maximum possible price on a regular basis;

23.3. Entering into singular trades on each day;

23.4. Defaulting on the delivery of the shares.

By carrying out the above alleged scheme, the aforesaid entities marked the price higher and higher and also maintained the level of free float at minimum possible. Thereafter, when the free float of shares of Sulabh in the market increased due to lock-in of preferential allotment being released and also due to trading done by connected entities, the connected entities allegedly created a momentum by buying shares at higher prices and thereby allegedly artificially increased the price of the scrip. In the entire aforesaid process, the connected entities benefitted by selling shares at the manipulated price for a substantial value.

24. In order to assess the above allegations, the part played by the connected entities has to be examined. The first step towards the said examination is to determine the adequacy of the alleged basis of connection. Before proceeding further, I would like to note that where the connection between the entities is on the basis of off market transfer, the said off market transfer being carried out directly between the parties without going through the anonymous trading platform of the Exchanges, shows that the entities involved in the said transfer are known to

each other. However, in the facts and circumstances of the case, what is also more impotant is the fact whether the off market transfer has taken place prior to execution of the trades of the entity in Sulabh (impugned trades). In other words, any off market transfer which is the basis of connection between entities, if has taken place subsequent to the execution of trades of the entity in the scrip of Sulabh, unless existence of other circumstances indicate otherwise, will not be considered relevant in the given matter. The particulars and the findings with respect to the basis of connection is given in the table below:

Name of the Entity	Basis of Connection
1. Subodh Agarwal	Subodh Agarwal has been associated with Manoj Kumar Agarwal and Deepa Mittal, PDs of Sulabh since February 27, 2007 as they were subscribers to the Memorandum of Association of M/s. Samtal Financial Systems Pvt. Ltd. Further, Subodh Agarwal was also associated with Niranjan Swaroop Goel (who became a Director of Sulabh from September 28, 2012) since June 17, 2004 as both of them along with Renu Agarwal (wife of Subodh Agarwal) signed as subscribers to the memorandum of association of M/s. Litmus Investments Ltd. **Finding:** In view of the above, Subodh Agarwal apart from being connected with the aforesaid entities is also connected with the company and PDs.
2. Divya Agarwal	She has received 1, 35,000 shares in the first preferential allotment done by the company in March, 2011. The Noticee had a direct bilateral off market transaction without going through the Exchange platform with Vasundhara Capital and Securities Ltd., in the scrip of Nikki Global Finance Ltd. for 50,000 shares (received) on 9/6/2010. Subodh Agarwal is the Director of Vasundhara Capital and Securities Ltd. who in turn is connected to the company and its PDs. **Finding:** In view of the above, she is connected with the company, Subodh Agarwal and PDs.
3. Geeta Mishra	She has received 70,000 shares in the first preferential allotment done by the company in March, 2011. The Noticee had a direct bilateral off market transaction without going through the Exchange platform with Big Broker House Stock Limited in the scrip of Mefcom Capital Markets Ltd. on 28/8/2010, 4/9/2010 &

Name of the Entity	Basis of Connection
	8/10/2010. Subodh Agarwal, is the Director of Big Broker House Stock Limited. **Finding**: In view of the above, Geeta Mishra is connected with the company, Subodh Agarwal and PDs.
4. Manish Kumar Garg	He has received 70,000 shares in the first preferential allotment done by the company in March, 2011. **Finding:** In view of the above, he is connected to the company.
5. Sanjay Kumar	He has received 70,000 shares in the first preferential allotment done by the company in March, 2011. **Finding:** In view of the above, he is connected to the company.
6. Pranveer Singh	He is one of the preferential allottees in the first preferential allotment which happened in March, 2011 and was allotted 70,000 shares. **Finding:** In view of the above, he is connected to the company.
7. Praveen Kumar Mishra	He is one of the preferential allottees in the first preferential allotment which happened in March, 2011 and was allotted 70,000 shares. He has received in off market 2,00,000 shares of Mefcom Capital Markets Ltd. on 21/8/2010 from Big Broker House stock Limited. Subodh Agarwal is the Director of Big Broker House Stock Limited. **Finding**: In view of the above, Praveen Kumar Mishra is connected with ccompany, Subodh Agarwal and PDs.
8. Surendra Kumar Gupta	He is one of the preferential allottees in the first preferential allotment which happened in March, 2011 and was allotted 70,000 shares. He also shares common Mobile number (9935555552) with that of Manoj Kumar Agarwal who is the new Promoter of Sulabh. **Finding**: In view of the above, Surendra Kumar Gupta is connected to the company and with PD.
9. Manoj Kumar Agarwal	New Promoter and Executive Director of Sulabh from 17/1/2011 till date. **Finding:** He is the PD and connected to the company.

Name of the Entity	Basis of Connection
10. Deepa Mittal	New Promoter and Executive Director of Sulabh from 17/0/2011 till 14/2/2013. **Finding:** She is the PD and connected to the company.
11. Santosh Kumar Agarwal	He was allotted 2,00,000 shares in the first preferential allotment and 3,00,000 shares in the second preferential allotment. Further, he is the Promoter of the company and shares common mobile number (9935555552) with his son, Manoj Kumar Agarwal who is the PD of the company. **Finding:** In view of the above, he is connected to the company.
12. Manish Agarwal	He was allotted 2,00,000 shares in the first preferential allotment. Further, he is the Promoter of Sulabh and Director of Rodic Coffee Estates Private Limited, a subsidiary company of Sulabh. **Finding:** In view of the above, he is connected to the company.
13. Krishana Agarwal	She was allotted 2,00,000 shares each in the first preferential allotment and in the second preferential allotment. Further, she is the Promoter of Sulabh **Finding:** In view of the above, she is connected to the company.
14. Ruchi Agarwal	She was allotted 2,00,000 shares in the first preferential allotment and 4,00,000 shares in the second preferential allotment Promoter of Sulabh. Further, she is the Promoter of Sulabh **Finding:** In view of the above, she is connected to the company.
15. Sandhya Agarwal	She was allotted 2,00,000 shares in the first preferential allotment and 4,00,000 shares in the second preferential allotment. Further, she is the Promoter of Sulabh and wife of Manoj Kumar Agarwal. **Finding:** In view of the above, she is connected to the company.
16. Sulabh Engineers & Services Ltd	Company.
17. Akhilesh Kumar Agnihotri	Akhilesh Kumar Agnihotri has received 300 shares of Sulabh on 25/6/2011 in physical form (direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy

Name of the Entity	Basis of Connection
	Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal). **Finding**: In view of the above, Akhilesh Kumar Agnihotri is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.
18. Kavita Awasthi	Kavita Awasthi has received 200 shares of Sulabh on 25/6/2011 in physical form (direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal). **Finding**: In view of the above, Kavita Awasthi is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.
19. Raj Kumar Agarwal	Raj Kumar Agarwal has received 300 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal). **Finding**: In view of the above, Raj Kumar Agarwal is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.
20. Renu Agarwal	Renu Agarwal has received 400 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal).

Name of the Entity	Basis of Connection
	Finding: In view of the above, Renu Agarwal is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.
21. Rishi Kant Awasthi	Rishi Kant Awasthi has received 400 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal). **Finding**: In view of the above, Rishi Kant Awasthi is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.
22. Rita Jain	Rita Jain has received 400 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal). **Finding**: In view of the above, Rita Jain is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.
23.Anant Fin Consultancy Pvt Ltd	Anant Fin Consultancy Pvt Limited has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal). **Finding:** In view of the above, Anant Fin Consultancy Pvt Limited is connected with Subodh Agarwal and the company.
24. Ankit Jain	Ankit Jain has received 300 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a

Name of the Entity	Basis of Connection
	common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal). **Finding**: In view of the above, Ankit Jain is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.
25. Deepak Kumar Sarraf	Deepak Kumar Sarraf has received 300 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal). **Finding**: In view of the above, Deepak Kumar Sarraf is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.
26. Jeetendra Kumar Agnihotri	He has received 300 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal). **Finding**: In view of the above, he is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.
27. Sanjai Jain HUF	Sanjai Jain HUF has received 200 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a

Name of the Entity	Basis of Connection
	common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal). **Finding**: In view of the above, Sanjai Jain HUF is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.
28. Subodh Agarwal HUF	The Noticee has received 200 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal). **Finding**: In view of the above, the Noticee is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company
29. Surendra Kumar Agarwal	He has received 200 shares of Sulabh on 25/6/2011 in physical form (had a direct bilateral off market transaction without going through the Exchange platform) from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal). **Finding**: In view of the above, the Noticee is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.
30. Abha Dwivedi	She has received in off market 5,000 shares of Raghuvansh Agrofarms Ltd. on 9/4/2014 from Vasundhara Capital and Securities Ltd. **Finding**: It is observed from the IR that apart from the aforesaid off market transfer, she has no other basis of connection either with the company or with the other Noticees. It is noted that she has traded in the scrip during the period 17/8/2012 to 1/2/2013. Considering that her off market transaction is subsequent to her trading, a benefit of doubt can be given to her and the said off market transaction cannot be an adequate basis for her connection with the Group / other Noticees in the scrip.

Name of the Entity	Basis of Connection
31. Abhay Jain HUF	The Noticee has received in off market (direct bilateral off market transaction without going through the Exchange platform) 2,300 shares of Nikki Global Finance Ltd. from Samtal Financial System Limited on 30/03/2011. PDs of Sulabh are the subscribers to the memorandum of association of Samtal Financial Systems Pvt Ltd. **Finding:** In view of the above, the Noticee is connected to the company.
32. Amit Jain	He has received 1,500 shares of Sulabh in physical form (direct bilateral off market transaction without going through the Exchange platform) from Samtal Financial System Limited on 25/6/2011. PDs of Sulabh are the subscribers to the memorandum of association of Samtal Financial Systems Pvt Ltd. **Finding:** In view of the above, the Noticee is connected to the company.
33. Bhawri Devi Jain	She has transferred 2,000 shares of G R Industries & Finance Ltd. in off market to Signet Vinimay Private Limited on 10/3/2014. **Finding**: It is observed from the IR that apart from the aforesaid off market transfer, she has no other basis of connection either with the company or with the other Noticees. It is noted that she has traded in the scrip during the period 17/8/2012 to 1/2/2013. Considering that her off market transaction is subsequent to her trading, a benefit of doubt can be given to her and the said off market transaction cannot be an adequate basis for her connection with the Group / other Noticees in the scrip.
34. Rajesh Bhiani	He shares same contact number 9314494290 and email id rbihani@ymail.com with Deepak Kumar Saraf who has received shares of Sulabh in physical form from Anant Fin Consultancy Private Limited. He also shares common email id i.e., deepak_aryan@yahoo.com with Raj Kumar Agarwal, who is a co-director in Litmus Investments Limited with Niranjan Swaroop Goel (Director of Sulabh). **Finding**: The Noticee in its submissions has admitted to having the email id rbihani@ymail.com but has denied knowing Deepak Kumar Saraf or under what circumstances his phone number and email came to be used by Deepak Kumar Saraf. He has submitted that he has discontinued the use of mobile no. 9314494290 in the financial year 2011-12. He has submitted copy of his KYC document to substantiate the same. Further, he has denied having email id deepak_aryan@yahoo.com. In light of the submissions of the Noticee, I note as follows from the

Name of the Entity	Basis of Connection
	available records: • With respect to mobile number, it is observed from the KYC documents of Prabhat Financial Services Ltd. dated 13/12/2012 and Bonanza Portfolio Ltd. dated 14/2/2013 that a different mobile no. was given by him while opening the accounts with them. Considering, the Noticee has started trading in the scrip post August, 2012, a benefit of doubt can be given to the Noticee and his submission limited to this point is acceptable. • With respect to the email id, deepak_aryan@yahoo.com, it is observed from the available records that the said email id does not belong to him / the email id does not reflect in the available records against Rajesh Bihani's name. • With respect to the email id, rbihani@ymail.com it is observed that the Noticee and Deepak Kumar Saraf share the same email id. Deepak Kumar Saraf KYC records with Sushil Financial Services Private Ltd. reflects the aforesaid email id. Further, it is observed from the document titled "Authoristaion for Electronic Contract Notes / Statements" dated 10/9/2012 that the Noticee has given his consent to receive contract notes, account statements / statement of securities in electronic form for which he has given the aforesaid email id. Since the Noticee and Deepak Kumar Saraf share the same email id, contract notes and account statements of each others trades would be accessible by both of them. Moreover, the Noticee has not submitted any documentary evidence for the steps taken by him against Deepak Kumar Saraf for using his email id The aforesaid factors, on a preponderance of probability shows that the Noticee is connected with Deepak Kumar Saraf. Thus, from the above, it can be said that the Noticee is connected with Deepak Kumar Saraf who is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.
35. Ram Lubhaya Vohra	He has received 16,000 shares of Sulabh in off market from Vikas Yadav on 17/5/2013. **Finding**: It is observed from the IR that apart from the aforesaid off market transfer, he has no other basis of connection either with the company or with the other Noticees. It is noted that he has traded in the scrip during the period 17/8/2012 to 1/2/2013. Considering that his off market transaction is subsequent to his trading, a benefit of doubt can be given to him and the said off market transaction cannot be an adequate basis for his connection with the Group / other Noticees in the scrip.
36. Ram Pher Dwivedi	He has received in off market 5,000 shares of Raghuvansh Agrofarms Ltd.

Name of the Entity	Basis of Connection
	on 9/4/2014 from Vasundhara Capital and Securities Ltd. **Finding**: It is observed from the IR that apart from the aforesaid off market transfer, he has no other basis of connection either with the company or with the other Noticees. It is noted that he has traded in the scrip during the period 17/8/2012 to 1/2/2013. Considering that his off market transaction is subsequent to his trading, a benefit of doubt can be given to him and the said off market transaction cannot be an adequate basis for his connection with the Group / other Noticees in the scrip.
37. Reena Jain	She has received 1,500 shares of Sulabh in physical form (direct bilateral off market transaction without going through the Exchange platform) on 25/6/2011 from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal). **Finding**: In view of the above, the Noticee is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.
38. Param Jeet Singh	The Noticee has received in off market (direct bilateral off market transaction without going through the Exchange platform) 5,000 shares of Rich Universe Network Ltd. on 14/7/2009 from Vasundhara Capital and Securities Ltd. Subodh Agarwal, is the Director of Vasundhara Capital and Securities Ltd. who is connected to the company and PDs. He has received from Rishi Kant Awasthi, in off market, 4,000 shares of Nikki Global Finance Ltd. on 19/5/2011. Rishi Kant Awasthi is the Director of Anant Fin Consultancy Pvt Limited and Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal who is connected to the company and PDs. **Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.
39. Shubhang Exports Ltd	Shubhang Kaushik is the Director of Litmus Investments and Shubhang Exports Ltd. Shubhang Exports Ltd. is a shareholder of Vasundhara Capital and Securities Limited. Subodh Agarwal, is the Director of Vasundhara Capital and Securities Ltd.

Name of the Entity	Basis of Connection
	Director of Sulabh, Niranjan Swaroop, his wife, Usha Goel and Subodh Agarwal are the subscribers to the memorandum of Litmus Investments. Subodh Agarwal, is the Director of Litmus Investments. **Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.
40. Usha Jain	She has received 1,500 shares of Sulabh in physical form (direct bilateral off market transaction without going through the Exchange platform) on 25/6/2011 from Anant Fin Consultancy Pvt Limited which has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal). **Finding**: In view of the above, the Noticee is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company.
41. Vijay Shree Bihani	She shares same contact number 9314494290 and email id rbihani@ymail.com with Deepak Kumar Saraf who has received shares of Sulabh in physical form from Anant Fin Consultancy Private Limited. She also shares common email id i.e., deepak_aryan@yahoo.com with Raj Kumar Agarwal, who is a co-director in Litmus Investments Limited with Niranjan Swaroop Goel (Director of Sulabh). **Finding**: As noted above for Sl. No. 34, the findings with respect to mobile no. is same. Her KYC records with Prabhat Financial Services Ltd. and Bonanza Portfolio Ltd shows a different mobile no. Thus, a benefit of doubt can be given to the Noticee and her submission to this limited point is acceptable. Further, based on KYC records, it is observed that the Noticee does not have an email id, deepak_aryan@yahoo.com / the email id does not reflect in the available records against Vijay Shree Bihani's name. With respect to the email id, rbihani@ymail.com it is observed that the Noticee and Deepak Kumar Saraf share the same email id. Deepak Kumar Saraf KYC records with Sushil Financial Services Private Ltd. reflects the aforesaid email id. Since the Noticee and Deepak Kumar Saraf share the same email id, contract notes and account statements of each others trades would be accessible by both of them. Moreover, the Noticee has not submitted any documentary evidence for the steps taken by her against Deepak Kumar Saraf for using her email id. The aforesaid factors, on a preponderance of probability shows that the Noticee is connected with

Name of the Entity	Basis of Connection
	Deepak Kumar Saraf. Thus, from the above, it can be said that the Noticee is connected with Deepak Kumar Saraf who is connected to Anant Fin Consultancy Pvt Limited which in turn is connected to Subodh Agarwal and the company
42. KPK Fin Consultancy Pvt Ltd.	The list of shareholders includes Rita Jain, Kavita Awasthi, Sanjay Jain (Karta of Sanjay Jain HUF) amongst others. Rita Jain, Kavita Awasthi and Sanjay Jain HUF have received shares of Sulabh in physical form on 25/6/2011 from Anant Fin Consultancy Pvt. Ltd. Anant Fin Consultancy Pvt. Ltd. has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd. Director is Subodh Agarwal, who is connected to the company and PDs. Further, Anant Fin Consultancy Pvt Limited has a common Director with a Promoter of Sulabh namely, Govind Mercantile Private Limited (Dheeraj Agarwal). Further, Rita Jain and Sanjay Jain are the shareholders of Samtal Financial Systems Private Limited whose subscribers are the new Promoters of Sulabh. **Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.
43. Raghuvansh Agrofarms Ltd.	Subodh Agarwal is the Director of the company who is connected to the PDs of the company as discuused at sl. no. 1 of this table. **Finding**: In view of the above, the Noticee is connected to the company.
44. Renu Katiyar	Rishi Awasthi and Renu Katiyar share mobile number viz. 9336077444. Rishi Kant Awasthi is the Director of Anant Fin Consultancy Pvt Limited and Raghuvansh Agrofarms Ltd. Raghuvansh Agrofarms Ltd's. Director is Subodh Agarwal, who is connected to the company. She shares common address "13/386-D, Civil Lines, Kanpur-01" with Vivek Karwa and Manish Kumar Garg. **Finding**: It is noted from the available KYC records that she does not share a common mobile number, as stated above, with Rishi Awasthi. The available records show that she has a different mobile no. then the one stated above. Further, she also does not share a common address with Vivek Karwa and Manish Kumar Garg. The available records show that she has a different address then the one stated above. Considering, her connections to the Group / other Noticees is through the said 3 entities, it

Name of the Entity	Basis of Connection
	can be held that she is not connected with the rest of the Noticees.
45. Sanklap Vincom Pvt. Ltd.	Shareholders of the Noticee amongst others includes Abhiset Basu and Pradip Dey who are connected to Anil Khemka. Further, the Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) shares of JMD Telefilms (2,000 shares; 26/3/2010), Twenty First Century (25/10/2013-08/11/2013; 9,90,000 shares), Mindvision Capital Ltd. (1000 shares; 25/03/2010), Nikki Global Finance Ltd. (46 shares; 6/3/2014), Rich Universe Network Ltd. (60,000 shares; 30/3/2010) and Sulabh (14,000 shares; 17/10/2013) to Signet Vinimay Pvt. Ltd., another company connected with Anil Khemka. **Finding**: In view of the above, the Noticee is connected to Anil Khemka.
46. Shreya Stocks & Shares Pvt Ltd.	The Noticee has transferred in off Market (direct bilateral off market transaction without going through the Exchange platform) 4,700 shares of Shree Ashtavinayak Cine Vision Limited to Adinath Shares and Commodities Pvt Ltd. between May, 2009 to July, 2009. Adinath Shares and Commodities Pvt Ltd has received in off market 16,500 shares of Nikki Global Finance Limited from the Director of Anant Fin Consultancy Pvt. Limited, Rishi Kant Awasthi. Adinath Shares and Commodities Pvt Ltd. has also transferred in off market 19,907 shares (cummulative) of Rich Universe Network Ltd. to Raghuvansh Agrofarms Ltd. on 24/2/2011 and 28/2/2011. Further, Director of the Noticee namely, Aditya Kumar Sinha - is a co-director with Pankaj Mittal in Priyanshi Securities Ltd. Priyanshi Securities Ltd. has off market transaction (direct bilateral off market transaction without going through the Exchange platform) with Raghuvansh Agrofarms Ltd. (received 2,000 shares in Capri Global Capital Ltd. on 10/5/2010) and Vasundhara Capital and Securities Ltd. (transferred 22,000 shares of Satyam Computers Ltd., 975 shares of JVL Agro Industries Ltd., & 60,000 shares of Nikki Global Finance Ltd. during February- March, 2010). Raghuvansh Agrofarms Ltd. and Vasundhara Capital and Securities Ltd. are connected to Subodh Agarwal who is connected to the company. **Finding**: It is noted from Noticee's submission and records that Aditya Kumar Sinha was not the Director of the Noticee when the Noticee traded in the scrip. His directorship in the Noticee was from 13/1/2014 to 3/7/2019 and the Noticee has traded in the scrip during the period 17/8/2012 to 1/2/2013.

Name of the Entity	Basis of Connection
	However, Anant Fin Consultancy Pvt Limited and Raghuvansh Agrofarms Ltd. are connected to Subodh Agarwal who is connected to the company. Thus, the Noticee is connected to Subodh Agarwal and the company.
47. Shrishti E Systems Pvt Ltd.	Anurag Khandelwal, the Director of the Noticee is a shareholder of Anant Fin Consultancy Pvt. Limited and Vasundhara Capital and Securities Limited. Anant Fin Consultancy Pvt Limited and Vasundhara Capital and Securities Limited are connected to Subodh Agarwal who is connected to the company. **Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.
48. Signet Vinimay Pvt Ltd.	The Director of the Noticee is Abhiset Basu who is connected with Anil Khemka. Further, the shareholders of the company includes SKM Travels Pvt. Ltd., Apex Commotrade Pvt. Ltd., apart from other connected entities of Anil Khemkha (Abhiset basu and Pradip Dey). **Finding**: In view of the above, the Noticee is connected to Anil Khemka.
49. SKM Travels Pvt Ltd	The Director of the Noticee is Abhiset Basu who is connected with Anil Khemka. Further, the shareholders of the company includes Apex Commotrade Pvt. Ltd., apart from connected entities of Anil Khemkha (Abhiset basu and Pradip Dey). **Finding**: In view of the above, the Noticee is connected to Anil Khemka.
50. Apex Commotrade Pvt Ltd	The Noticee is a shareholder in Anil Khemka related companies namely, Signet Vinimay Pvt. Ltd. and SKM Travels Pvt. Ltd. The Noticee has off market transaction (direct bilateral off market transaction without going through the Exchange platform) with Anil Khemka related entities. The Noticee has transferred 1,000 shares of Nikki Global Finance Ltd. in off market to Spice Merchants Ltd. on 31/1/2014, 20 shares of Nikki Global Finance Ltd. in off market to Signet Vinimay Pvt. Ltd. on 6/3/2014, 4,100 shares of Kappac Pharma Ltd. in off market to Signet Vinimay Pvt. Ltd. on 24/2/2014 & 19/3/2014 and 2,500 shares of Access Global Ltd. in off market to Sanklap Vinicom on 17/4/2012. **Finding**: In view of the above, the Noticee is connected to Anil Khemka.
51. Spice Merchants Pvt Ltd	The Noticee shareholder includes Apex Commotrade Pvt. Ltd., which is a

Name of the Entity	Basis of Connection
	Anil Khemka related company. The Noticee has off market transaction (direct bilateral off market transaction without going through the Exchange platform) with Anil Khemka related entities. The Noticee has transferred shares of Mishka Finance and Trading Ltd. (5,00,000 shares; 17-31/7/2014) and Kailash Auto Finance Ltd. (3,48,000 shares; August 19- September 4, 2014) in off market to Apex Commotrade Pvt. Ltd. The Noticee has also transferred shares of Kailash Auto Finance Ltd. (1,45,000 shares; 10-20/9/2014), Kappac Pharma (1550 shares; 15/3/2014), Ecowave Infotech Ltd. (25,000 shares; 29/3/2014) and Radford Global (1,25,000 shares; 24/3/2014) in off market to Signet Vinimay Pvt. Ltd. **Finding**: In view of the above, the Noticee is connected to Anil Khemka.
52. Littlestar Tradecom Pvt Ltd	The Noticee has received and transferred in off market transaction (direct bilateral off market transaction without going through the Exchange platform) 41,500 shares (28/8 - 24/9-2014) to and from Ranbhumi Merchandise Pvt. Ltd. shares of Linkson Intl Ltd. Further, the Noticee has common Director, namely Sonu Dehlia with Groundzero Vincom Private Limited, Bhima Agencies Private Limited, Dream Infraproperties Private Limtied, Tripurari Dealtrade Private Limited, Saraswati Vintrade Private Limtied, and Goodview Projects Private Limited. **Finding**: It is observed from the IR that Noticee has traded in the scrip during 4/2/2013 to 22/7/2014. Considering that the off market transaction is subsequent to its trading, a benefit of doubt can be given to the Noticee and the said off market transaction cannot be an adequate basis for its connection with the Group / other Noticees in the scrip.
53. Aviral Industries Ltd	Director of the company, Amit Agarwal is also a Director in Bigtime E-Solutions Private Limited and Shrishti E-Systems Private Limited. Bigtime E-Solutions Private Limited and Shrishti E-Systems Private Limited have another Director in common, Anurag Khandelwal who is a shareholder of Anant Fin Consultancy Pvt Limited and Vasundhara Capital and Securities Limited. Anant Fin Consultancy Pvt Limited and Vasundhara Capital and Securities Limited are connected to Subodh Agarwal who is connected to the company. **Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.

Name of the Entity	Basis of Connection
54.Goldensight Management Pvt Ltd	The Noticee had transferred in off-market (direct bilateral off market transaction without going through the Exchange platform) 1,56,552 shares of Lifeline Drugs & Pharma Limited on 12/4/2014 and 21,522 shares of NCL Research & Financial Services Limited to Cheroot Vanijya Private Limited. Cheroot Vanijya Private Limited has off market transaction with Helot Properties Private Limited. Helot Properties Private Limited has off market transactions with Camellia Vinimay Pvt Ltd, Kapeeshwar Vintrade Pvt Ltd and Vilohit Property Private Limited. The aforesaid off market transfers took place post 14/7/2014. Camellia Vinimay Pvt Ltd, Kapeeshwar Vintrade Pvt Ltd, and Vilohit Property Private Limited have off market transactions with Spice, Apex and Signet respectively. Noticee's, Director Rajesh Singh was also a Director of Vilohit Property Private Limited, Overload Financial Advisory Private Limited and Overarching Dealers Private Limited. Another Director of the Noticee, Samir Mondal was also a Director of Vilohit Property Private Limited, Overload Financial Advisory Private Limited, Reachsmart Construction Private Limited and Overarching Dealers Private Limited. **Finding:** The connection of the Noticee to Anil Khemka is made through Helot Properties Pvt. Ltd. As noted frpm the order log trade log, the Noticee has last traded in the scrip on 3/7/2014. Considering the connection of Helot Properties Pvt. Ltd to Anil Khemka is subsequent to the trading of Noticee, a benefit of doubt can be given to the Noticee for its trades which were executed in the scrip of Sulabh during the investigation period and the said off market transaction cannot be an adequate basis for its connection with the Group / other Noticees in the scrip.
55. Bakliwal Vyapaar Pvt Ltd	The Noticee has a common Director, namely Vinod Kumar Maheshwari (Directorship in Raghuvansh from 13/1/2014 to 1/7/2014) with Raghuvansh Agrofarms. Raghuvansh Agrofarms, Director is Subodh Agarwal, who is connected to the company. Further, the Noticee is also a shareholder in Success Vyapar Ltd. which amongst others includes Subodh Agarwal's Brother, Raj Kumar Agarwal, and companies of Anil Kumar Khemka i.e., Apex Commotrade Private Limited, Alps Vyapar Private Limited (Anil Khemka, Pradip Dey, Rabindra Nath Bera and Rakesh Bajaj were Directors). Further, Directors of Success Vyapar Ltd. are Abhiset Basu, Pradip Dey (connectd entities of Anil Kumar Khemka) and other Director, Rishi Kant Awasthi is also a Director of

Name of the Entity	Basis of Connection
	Subodh's Companies i.e., Raghuvansh Agrofarms Limited and Anant Fin Consultancy Private Limited. Annual reports of Success Vyapar Ltd. revealed that Lohagar Developers Pvt. Ltd. (Anil Khemka was a Director) transferred shares of Success Vyapar Ltd on 30/6/2009 to Rajkumar Agarwal - brother of Subodh Agarwal. **Finding**: In view of the above, the Noticee is connected to Anil Khemka and Subodh Agarwal. Further, Anil Khemka and Subodh Agarwal are also connected to each other as well as with the company, Sulabh.
56. Kamta Prasad Pandey	The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) shares of JSW Ispat Steel Ltd (5,000 shares; 19/6/2012) and Heidelberg Cement India Ltd (4,000 shares; 19/6/2012) to Vasundhara Capital. Subodh Agarwal, is the Director of Vasundhara Capital and Securities Ltd. and is connected with the company. The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) shares of Capri Global Capital Limited (2,000 shares; 10/5/2010) and Nikki Global (12,437 shares; 4/2/2010) to Raghuvansh Agrofarms Limited. Subodh Agarwal, is the Director of Raghuvansh Agrofarms Limited and is connected with the company. The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) 16,000 shares of Nikki Global to Adinath Shares and Commodities Pvt. Ltd. on 18/5/2011. Adinath Shares and Commodities Pvt. Ltd. has a common Director with Anant Fin Consultancy Pvt. Ltd. which is a related entity of Subodh Agarawl. **Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.
57. Runicha Merchants Pvt Ltd	The Noticee has off market transaction (direct bilateral off market transaction without going through the Exchange platform) with Sanklap Vincom Private Limited (Twenty First Century [received 2,00,000 shares, 7/11/2013], Ecowave Infotech [received 35,000 shares; 2/7/2013]), Signet Vinimay Private Limited (Kappac Pharma [received 8,000 shares; 19/2-7/3-2014], Rich Universe [received 28,500 shares; 23/3/2010]) and Spice Merchants Private Limited (received Mishka Finance & Trading Ltd

Name of the Entity	Basis of Connection
	[20,000 shares; 23/9/2014], Kailash Auto Finance [received 20,000 shares; 22/8/2014], Kappac Pharma [received 25,000 shares; 4-26/3/2014], Ecowave Infotech [received 25,000 shares; 29/3/2014]). All the aforesaid entities are company related to Anil Khemka. **Finding**: In view of the above, the Noticee is connected to Anil Khemka.
58. Manoj Kumar Misra	The Noticee has receieved in off market (direct bilateral off market transaction without going through the Exchange platform) 10 shares of Neil Industries Ltd. from Astha Departmental Stores Private Limited on 21/11/2013 in which Subodh Agarwal is a Director and also a shareholder. **Finding**: It is noted from the order log trade log that the Noticee has traded in the scrip till September, 2013. Therefore, a benefit of doubt can be given for the off market transaction with Astha Departmental Stores Private Limited which took place subsequent to Noticee's trading and the same is an inadequate basis for Noticee's further connection with the Group / other Noticee's in the scrip.
59. Swaraj Retails Pvt Ltd	The Noticee has common Director, namely Amit Kumar Bagri with Littlestar Tradecom Private Limited, Saraswati Vintrade Private Limited, Groundzero Vincom Private Limited, Dream Infraproperties Private Limited, Tripurari Dealtrade Private Limited. **Finding**: In view of the above, the Noticee is not connected with the company.
60. Chaaya Reality Pvt Ltd	The Noticee has receieved in off market (direct bilateral off market transaction without going through the Exchange platform) shares of Linkson Intl Ltd. (41,500 shares; 28/08- 24/09-2014) from Ranbhumi Merchandise Pvt. Ltd. Ranbhumi Merchandise Pvt. Ltd. transferred in off market transaction (direct bilateral off market transaction without going through the Exchange platform) shares of Linkson Intl Ltd. (41,500 shares; 28/08- 24/09-2014) to Gallant Commosales Pvt. Ltd. Gallant Commosales Gallant Commosales Pvt. Ltd. has off market transaction with Runicha Merchants Pvt. Ltd. on 5/12/2014 which is a Anil Khemka entity. The Noticee has common Director, namely Prasanta Patra with Templerun Marcom Private Limtied, Ayodhya Vinimay Private Limited and Levia Trading Pvt. Ltd. **Finding**: It is observed from the order log rade log that the Noticee had last traded in the scrip on 9/10/2014 and the off market transfer that Gallant Commosales Pvt. Ltd. had with Anil Khemka entity was on 5/12/2014.

Name of the Entity	Basis of Connection
	Considering the said off market transfer took place subsequent to the impugned trades of the Noticee in the scrip, a benefit of doubt can be given to the Noticee and the said off market transaction cannot be an adequate basis for its connection with the Group / other Noticees in the scrip..
61. Pragna Harshad Panchal	The Noticee has off market transactions (direct bilateral off market transaction without going through the Exchange platform) with Dipesh Manoharlal Kanjani on 19/3/2015 for 7,300 shares (recieved) of Shree Bhavya Fabrics Limited and for 33,000 shares (recieved) of Global Securities Limited. Dipesh Manoharlal Kanjani has off Market with Big Brokers House Stocks Ltd. Subodh Agarwal, the operator is the Director of Big Brokers House Stocks Ltd. **Finding**: It is noted from the order log trade log that the Noticee has traded in the scrip till June, 2014. Therefore, a benefit of doubt can be given for the off market transaction with Dipesh Manoharlal Kanjani which took place subsequent to Noticee's trading and the same cannot be an adequate basis for Noticee's further connection with the Group / other Noticee's in the scrip.
62. Levia Trading Pvt. Ltd.	The Noticee has common Director, namely Prasanta Patra for Templerun Marcom Private Limtied, Ayodhya Vinimay Private Limited, Chaaya Realty Private Limited. **Finding**: In view of the above, the Noticee is not connected with the company.
63. Ayodhya Vinimay Pvt Ltd.	The Noticee has off market transaction (direct bilateral off market transaction without going through the Exchange platform) with Cheroot Vanijya Private Limited (transferred 18,900 shares of Khoobsurat Ltd. on 8/5/2014 & transferred on 15/4/2014, 2,57,294 shares of Lifeline Drugs & Pharma Ltd.) The Noticee has off market transaction (direct bilateral off market transaction without going through the Exchange platform) with Helot Properties Pvt Ltd (20,000 shares of Jackson Investments Limited transferred on 10/2/2014) and Levia Trading Pvt Ltd. Helot Properties Private Limited has off market transactions with Camellia Vinimay Pvt Ltd, Kapeeshwar Vintrade Pvt Ltd and Vilohit Property Private Limited. The aforesaid off market transfers took place post 14/7/2014. Camellia Vinimay Pvt Ltd, Kapeeshwar Vintrade Pvt Ltd, and Vilohit Property Private Limited have off market transactions with Spice, Apex

Name of the Entity	Basis of Connection
	and Signet respectively. The Noticee has a common Director, namely Prasanta Patra for Templerun Marcom Private Limtied, Chaaya Realty Private Limited and Levia Trading Private Limited. **Finding**: It is noted from the order log trade log that the Noticee has traded in the scrip till March, 2014. Therefore, a benefit of doubt can be given for the off market transaction with Cheroot Vanijya Private Limited which took place subsequent to its trading and the same cannot be an adequate basis for Noticee's further connection with the Group / other Noticee's in the scrip. Similarly, a benefit of doubt can also be given for Noicee's connection with Anil Khemka through Helot Properties Pvt Ltd. as any connection / transaction that Helot Properties Pvt Ltd. had with Anil Khemka was subsequent to the Noticee's trading in the scrip during the investigation period.
64. Dream Infraproperties Pvt Ltd	The Noticee has a common Director, namely Amit Kumar Bagri with Littlestar Tradecom Private Limited, Saraswati Vintrade Private Limited, Groundzero Vincom Private Limited, Tripurari Dealtrade Private Limited and Swaraj Retails Private Limited. The Noticee has a common Director, namely Sonu Dehlia with Littlestar Tradecom Private Limited, Groundzero Vincom Private Limited, Bhima Agencies Private Limited, Tripurari Dealtrade Private Limited, Saraswati Vintrade Private Limtied, Gurukul Enclave Private Limited, Panchratan Enclave Private Limited and Goodview Projects Private Limited. **Finding**: In view of the above, the Noticee is not connected with the company.
65. Jasmine Commodities Pvt Ltd	The Noticee has a common Director, namely Vinod Kumar Maheshwari (Directorship in Raghuvansh from 13/1/2014 to 1/7/2014) with Raghuvansh Agrofarms. Raghuvansh Agrofarms, Director is Subodh Agarwal. Further, shares of Bakliwal Vyapaar Private Limited are held by the Noticee. **Finding**: In view of the above, the Noticee is connected with Subodh Agarwal and Bakliwal Vyapaar Private Limited.
66. Nathu Lal Sharma	The Noticee is deceased.
67. Winall Vinimay Pvt Ltd Ltd	Abhiset Basu who is connected with Anil Khemka is the Director of the Noticee. The Noticee has transferred in off-market (direct bilateral off

Name of the Entity	Basis of Connection
	market transaction without going through the Exchange platform) 30,000 shares of Cressanda Solutions Ltd. on 1/10/2013 to Scope Vyapar Private Limited/ Class Commercial Private Limited (same PAN). Scope Vyapar shares common address with Anil Khemka companies, Signet Vinimay Private Limited, Sanklap Vincom Private Limited. Scope Vyapar Private Limtied, Apex Commotrade Private Limited, Aman Sah and Shakuntala Sah are shareholders of Spice Merchants Private Limited. The Noticee is also a shareholder of Sanklap Vincom Private Limited, which is connected to Anil Khemka. Shareholder of the Noticee includes Apex Commotrade Private Limited which is connected to Anil Khemka. **Finding**: In view of the above, the Noticee is connected with Anil Khemka.
68. Goodview Projects Pvt Ltd	The Noticee has a common Director, namely Sonu Dehlia with Littlestar Tradecom Private Limited, Groundzero Vincom Private Limited, Bhima Agencies Private Limited, Dream Infraproperties Private Limtied, Tripurari Dealtrade Private Limited, Saraswati Vintrade Private Limtied, Gurukul Enclave Private Limited and Panchratan Enclave Private Limited. **Finding**: In view of the above, the Noticee is not connected with the company.
69. Templerun Marcom Pvt Ltd	The Noticee has a common Director, namely Prasanta Patra with Ayodhya Vinimay Private Limited, Chaaya Realty Private Limited and Levia Trading Private Limited. **Finding**: In view of the above, the Noticee is not connected with the company.
70. Coral Tradecom Pvt Ltd	The Noticee had transferred in off market transaction 1,17,500 shares of Sulabh to Overarching Dealers Private Limited on 6/5/2014 **Finding:** It is observed from the IR that apart from the aforesaid off market transfer, the Noticee has no other basis of connection either with the company or with the other Noticees. It is noted from the order log trade log that the Noticee has traded in the scrip till January, 2014. Considering that Noticee's off market transaction is subsequent to its trading, a benefit of doubt can be given to the Noticee and the said off market transaction cannot be an adequate basis for Noticee's further connection with the Group / other Noticee's in the scrip.
71.Gagandeep Construction	The Noticee has transferred in off market (direct bilateral off market

Name of the Entity	Basis of Connection
Company Pvt Ltd	transaction without going through the Exchange platform) 1,00,000 shares of Rich Universe Network Ltd. on 24/3/2012 to Raghuvansh Agrofarms Limited. Subodh Agarwal, the operator is the director of Raghuvansh Agrofarms Limited. **Finding:** In view of the above, the Noticee is connected with Raghuvansh Agrofarms Limited including Subodh Agarwal and the company.
72. Overarching Dealers Pvt Ltd	The Noticee has a common Director namely Samir Mondal with Overload Financial Advisory Pvt Ltd, Cheroot Vanijya Private Limited, Vilohit Property Private Limited and Helot Properties Private Limited. Further, it also has a common Director namely Rajesh Singh with Overload Financial Advisory Pvt Ltd, Cheroot Vanijya Private Limited and Vilohit Property Private Limited. Vilohit Property Private Limited has off market transactions with Sanklap Vincom Pvt. Ltd, Bitter Commercial Pvt. Ltd., Signet Vinimay Pvt. Ltd, Spice Merchants Pvt. Ltd. and Lower Vyapar Pvt. Ltd. The aforesaid off market transfers took place between 20/8/2014 to 23/8/2014. Helot Properties Private Limited has off market transactions with Camellia Vinimay Pvt Ltd, Kapeeshwar Vintrade Pvt Ltd and Vilohit Property Private Limited. The aforesaid off market transfers took place post 14/7/2014. **Finding**; It is noted from the order log trade log that the Noticee had last traded in the scrip during the investigation period on 20/5/2014. Therefore, considering the off market transfers took place subsequent to Noticee's trades, a benefit of doubt can be given for the aforesaid off market transfers and the same cannot be taken as an adequate basis of connection for the impugned trades.
73. Kapeeshwar Vintrade Pvt Ltd	The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) on 16/5/2014, 55,450 shares of Sulabh, 28,578 shares of Ashika Credit Capital Ltd, 1,27,983 shares of Rander Corporation Ltd. 1,43,000 shares of SRK Industries Ltd. and 1,29,340 shares of Cressanda Solutions Ltd. on 14/5/2014 to Sawaria Trading Pvt. Ltd. Sawaria Trading Pvt. Ltd. shares common address with Anil Khemka company, Signet Vinimay Pvt. Ltd. Further, Sawaria Trading Pvt. Ltd. has several off market transaction with Anil Khemka company, Sanklap Vincom Pvt. Ltd., Scope Vyapar Private Limited, Spice Merchants Private Limited. The Noticee has a common Director namely Biplab Guha with Mahamani

Name of the Entity	Basis of Connection
	Tradelink Pvt. Ltd. and Entact Equities Private Limited. **Finding**; It is noted from the order log trade log that the Noticee had last traded in the scrip during the investigation period on 28/5/2014. Therefore, considering the off market transfers took place while the Noticee was trading in the scrip, it can be held that the Noticee is connected with Anil Khemka.
74. Mahamani Tradelink Pvt. Ltd.	The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) 14,624 shares of Ashika Credit Capital Ltd. to Bitter Commercial Pvt. Ltd. on 13/5/2014. Abhiset Basu, who was acting on behalf of Anil Khemka is the Director of Bitter Commercial Pvt. Ltd. The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) on 16/5/2014, 77,100 shares of Sulabh and 1,01,300 shares of Rander Corporation Ltd. to Sawaria Trading Pvt. Ltd. Sawaria Trading Pvt. Ltd. shares common address with Anil Khemka company, Signet Vinimay Pvt. Ltd. Further, Sawaria Trading Pvt. Ltd. has several off market transaction with Anil Khemka company, Sanklap Vincom Pvt. Ltd., Scope Vyapar Private Limited, Spice Merchants Private Limited. The Noticee has a common Director namely Biplab Guha with Kapeeshwar Vintrade Private Limited and Entact Equities Private Limited. **Finding**: In view of the above, the Noticee is related to Anil Khemka.
75. Panem Steel Pvt Ltd	The Noticee had transactions in off market for 52,500 shares on 28/3/2015 with Gyandeep Khemka and 2,35,500 shares of Sulabh with Nathu Lal Sharma on 31/3/2015. **Finding**: It is observed from the IR that the aforesaid off market transfers are the only basis of Noticee's connection to other Noticees. It is noted from the order log trade log that the Noticee last traded in the scrip during the investigation period on 22/4/2014. Considering the off market transfers took place almost after a year and that too when the trading in the scrip was suspended (w.e.f. 7/1/2015), a benefit of doubt can be given to the Noticee and the said off market transactions cannot be an adequate basis for Noticee's further connection with the Group / other Noticee's in the scrip for its impugned trades.
76. Arunavo Mukherjee	The Noticee has transferred in off market (direct bilateral off market

Name of the Entity	Basis of Connection
	transaction without going through the Exchange platform) 63,600 shares of Sulabh on 10/5/2014 & 15/5/2014, 2,35,000 shares of Unno Industries Ltd. on 24/11/2014 & 10/5/2014, 17,577 shares of Cressanda Solutions Ltd. on 10/5/2014 and 75,000 shares of Rander Corporation Ltd. on 10/5/2014 to Camellia Vinimay Pvt. Ltd. Camellia Vinimay Pvt. Ltd. has off market transactions (direct bilateral off market transaction without going through the Exchange platform) with Anil Khemka related companies, Bitter Commercial (3,000 shares of Ashika Credit Capital on 13/5/2014) and Spice Merchants Pvt. Ltd., (80,253 shares of Sulabh on 5/12/2014). **Finding:** In view of the above, the Noticee is related to Camellia Vinimay Pvt. Ltd. and Anil Khemka.
77. Saraswati Vintrade Pvt Ltd	The Noticee has a common Director, namely Amit Kumar Bagri with Littlestar Tradecom Private Limited, Saraswati Vintrade Private Limited, Groundzero Vincom Private Limited, Tripurari Dealtrade Private Limited Dream Infraproperties Private Limited and Swaraj Retails Private Limited. The Noticee has a common Director, namely Sonu Dehlia with Littlestar Tradecom Private Limited, Groundzero Vincom Private Limited, Bhima Agencies Private Limited, Tripurari Dealtrade Private Limited, Dream Infraproperties Private Limtied, Gurukul Enclave Private Limited, Panchratan Enclave Private Limited and Goodview Projects Private Limited. **Finding**: In view of the above, the Noticee is not connected with the company.
78.Vasundhara Capital & Securities Ltd	Subodh Agarwal is the Director of the Noticee who is connected with the company as discussed at sl.no.1 of this table. **Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.
79.Overload Financial Advisory Pvt. Ltd.	The Noticee has a common Director namely Samir Mondal with Overarching Dealers Pvt Ltd, Cheroot Vanijya Private Limited, Vilohit Property Private Limited and Helot Properties Private Limited. Further, it also has a common Director namely Rajesh Singh with Overarching Dealers Pvt Ltd, Cheroot Vanijya Private Limited and Vilohit Property Private Limited. Vilohit Property Private Limited has off market transactions with Sanklap Vincom Pvt. Ltd, Bitter Commercial Pvt. Ltd., Signet Vinimay Pvt. Ltd, Spice

Name of the Entity	Basis of Connection
	Merchants Pvt. Ltd. and Lower Vyapar Pvt. Ltd. The aforesaid off market transfers took place between 20/8/2014 to 23/8/2014. Helot Properties Private Limited has off market transactions with Camellia Vinimay Pvt Ltd, Kapeeshwar Vintrade Pvt Ltd and Vilohit Property Private Limited. The aforesaid off market transfers took place post 14/7/2014. **Finding**: It is noted from the order log trade log that the Noticee had last traded in the scrip during the investigation period on 3/2/2014. Therefore, considering the off market transfers took place subsequent to Noticee's trades, the same cannot be taken as an adequate basis of connection for the impugned trades.
80. Dhanrashi Promoters Pvt Ltd	The Noticee had transferred in off market transaction 2,00,000 shares of Kailash Auto Finance Limited to Arise Dealcomm Private Limited on 28/8/2015. **Finding:** It is observed from the IR that apart from the aforesaid off market transfer, the Noticee has no other basis of connection either with the company or with the other Noticees. It is noted from the order log trade log that the Noticee has traded in the scrip till January, 2014. Considering that Noticee's off market transaction is subsequent to its trading, a benefit of doubt can be given to the Noticee and the said off market transaction cannot be an adequate basis for Noticee's further connection with the Group / other Noticee's in the scrip for its impugned trades.
81. Groundzero Vincom Pvt Ltd	The Noticee has a common Director namely Shiw Prakash Rajbhans with Littlestar Tradecom Private Limited, Gurukul Enclave Private Limited, Saraswati Vintrade Private Limited, Groundzero Vincom Private Limited, Panchratan Enclave Private Limited and Vista Enclave. The Noticee has another common Director namely Amit Kumar Bagri with Littlestar Tradecom Private Limited, Saraswati Vintrade Private Limited, Groundzero Vincom Private Limited, Dream Infraproperties Private Limited, Tripurari Dealtrade Private Limited, Swaraj Retails Private Limited. Further, Sonu Dehlia is the common Director for Littlestar Tradecom Private Limited, Groundzero Vincom Private Limited, Bhima Agencies Private Limited, Dream Infraproperties Private Limited, Tripurari Dealtrade Private Limited, Saraswati Vintrade Private Limited, Gurukul Enclave Private Limited, Panchratan Enclave Private Limited and Goodview Projects Private Limited.

Name of the Entity	Basis of Connection
	Finding: In view of the above, the Noticee is not connected with the company.
82. Arise Dealcom Pvt Ltd	Arise Dealcomm Private Limited has off market transactions (direct bilateral off market transaction without going through the Exchange platform) with Signet Vinimay Private Limited in Concrete Credit Ltd. for 11,600 shares on 24/12/2012 & 15/1/2013. The Noticee has off market transaction (direct bilateral off market transaction without going through the Exchange platform) with Apex Commotrade Private Limited in Concrete Credit Ltd. for 1,600 shares on 16/1/2013. Signet Vinimay Private Limited and Apex Commotrade Private Limited are Anil Khemka related companies. **Finding**: In view of the above, the Noticee is connected with Anil Khemka.
83. Santosh Kumar Agarwal	He is the Director of Bigtime E-Solutions Private Limited, Shrishti E-Systems Private Limited and Vasundhara Capital and Securities Limited. All the companies are related to Subodh Agarwal. Subodh Agarwal is connected to the company as found at sl.no. 1 of this table. **Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.
84. Gunny Chem Tex India Ltd	The Noticee has off market transactions (direct bilateral off market transaction without going through the Exchange platform) with Jaideep Halwasiya in Balrampur Chini Mills Ltd. for 20,00,000 shares on 16-19/4/2012, 26/4/2012 & 27/7/2012. Jaideep Halwasiya has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) 83,230 shares of Sulabh to Vinod Singhania on 19/3/2015. Finding: It is noted from the IR that the Noticee is connected to the Group / other Noticees in the scrip through Jaideep Halwasiya and Jaideep Halwasiya is connected to the Group / other Noticees in the scrip through Vinod Singhania. As noted above, the off market transaction that Jaideep Halwasiya had with Vinod Singhania is subsequent to the investigation period, a benefit of doubt can be given for the aforesaid off market transfer and the said off market transaction cannot be an adequate basis for Noticee's further connection with the Group / other Noticee's in the scrip for its impugned trades

Name of the Entity	Basis of Connection
85. Jaideep Halwasiya	Jaideep Halwasiya has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) 83,230 shares of Sulabh to Vinod Singhania on 19/3/2015. **Finding:** It is noted from the IR that the Noticee is connected to the Group / other Noticees in the scrip through Vinod Singhania. As noted above, the off market transaction that Jaideep Halwasiya had with Vinod Singhania is subsequent to the investigation period, a benefit of doubt can be given for the aforesaid off market transfer and the said off market transaction cannot be an adequate basis for Noticee's further connection with the Group / other Noticee's in the scrip for its impugned trades.
86. Dynamic Credit Finance Pvt Ltd	The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) 4,500 shares of Shree Tulsi Online to Vinod Singhania on 28/3/2009. Vinod Singhania has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) shares of G R Industries & Finance Ltd. (1,900 shares on 2/1/2014), Nageshwar Investment (1,19,835 shares on 23/12/2013) and Rander Corporation Ltd. (40,000 shares on 23/12/2013 & 3,60,000 shares on 2/1/2014) to Sanklap Vincom Pvt. Ltd which is a Anil Khemka related company. **Finding**: In view of the above, the Noticee is connected with Anil Khemka.
87. Samudhita Dealers Pvt. Ltd.	The Noticee shares a common Director namely Saikut Dutta with Helot Properties Private Limited. Helot Properties Private Limited has off market transactions with Camellia Vinimay Pvt Ltd, Kapeeshwar Vintrade Pvt Ltd and Vilohit Property Private Limited. The aforesaid off market transfers took place post Noticee's trading on 3/2/2014. Helot Properties Private Limited has a common Director namely Samir Mondal with Overload Financial Advisory Pvt Ltd, Cheroot Vanijya Private Limited and Vilohit Property Private Limited. **Finding:** In view of the above, the Noticee is not related to the company.
88. Rishabh Agarwal	The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) 4,400 shares of Nikki Global on 22/2/2013 and 10 shares of Neil Industries Ltd. on 22/8/2013 to Adinath Shares And Commodities Pvt Ltd. Adinath Shares

Name of the Entity	Basis of Connection
	has common Director with Anant Fin Consultancy Pvt Ltd which is a related entity of Subodh Agarawl. **Finding:** In view of the above, the Noticee is connected with Subodh Agarwal and the company.
89. Anita Maurya	The Noticee has received in off market transaction (direct bilateral off market transaction without going through the Exchange platform) from Spice Merchants Private Limited, 1,800 shares of Cressanda Solutions Ltd. on 12/11/2013. Spice Merchants Private Limited is Anil Khemka related company. **Finding:** From the order log trade log, it is noted that the impugned trades which has been alleged to have been executed by the Noticee along with connected entities is on 5/2/2013. As seen from above, the off market transfer is subsequent to her buy trades and the said off market transfer being her only basis of connection, a benefit of doubt can be given to her and the said off market transaction cannot be an adequate basis for Noticee's further connection with the Group / other Noticee's in the scrip for its impugned trades.
90. Bhima Agencies Pvt. Ltd.	The Noticee has a common Director namely Sonu Dehlia with Littlestar Tradecom Private Limited, Groundzero Vincom Private Limited, Dream Infraproperties Private Limited, Tripurari Dealtrade Private Limited, Saraswati Vintrade Private Limited, Gurukul Enclave Private Limited, Panchratan Enclave Private Limited and Goodview Projects Private Limited. **Finding:** In view of the above, the Noticee is not connected with the company.
91. M/s Manoj Agarwal HUF	The Noticee has received in off market, 1,000 shares of JLA Infraville Shoppers Ltd. on 26/6/2014 from Shreya Stocks & Shares Broking (P) Ltd. **Finding:** It is observed from the order log trade log that the Noticee has traded in the scrip till 24/10/2013. However, it's off market transaction which is the only basis for its connection with the other Noticees, took place subsequent to its trading. Therefore, a benefit of doubt can be given to the Noticee and the said off market transaction cannot be an adequate basis for Noticee's further connection with the Group / other Noticee's in the scrip for its impugned trades
92. Acme Pvt. Ltd.	The Noticee has received in off market transaction (direct bilateral off market transaction without going through the Exchange platform) 38,500

Name of the Entity	Basis of Connection
	shares of Authum Investment & Infrastructure Limited from Ramesh Kumar Kedia on 18/8/2011. Ramesh Kumar Kedia has off market (direct bilateral off market transaction without going through the Exchange platform) with Sanklap Vincom for 5,000 shares in Shyama Infosys Ltd. on 15/7/2011. Sanklap Vincom is a Anil Khemka related company. **Finding**: In view of the above, the Noticee is connected with with Anil Khemka through Sanklap Vincom.
93. Susri Finance Pvt. Ltd.	The Noticee has transferred in off market transaction (direct bilateral off market transaction without going through the Exchange platform) 500 shares of Century Textiles and Industries Limited to Shri Mahasati Investments Ltd. on 8/6/2011. Shri Mahasati Investments Ltd. has off market transaction with Gunny Chem Tex India Limited. Gunny Chem Tex India Limited transferred in off market transaction with Jaideep Halwasiya in Balrampur Chini Mills Ltd. for 20,00,000 shares on 16-19/4/2012, 26/4/2012 & 27/7/2012. Jaideep Halwasiya has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) 83,230 shares of Sulabh to Vinod Singhania on 19/3/2015. **Finding:** It is noted from the IR that the Noticee is connected to the Group / other Noticees in the scrip through Vinod Singhania. As noted above, the off market transaction that Jaideep Halwasiya had with Vinod Singhania is subsequent to the investigation period, a benefit of doubt can be given for the aforesaid off market transfers and the said off market transaction cannot be an adequate basis for Noticee's further connection with the Group / other Noticee's in the scrip for its impugned trades.
94. Swapanloke Steels Pvt. Ltd.	Anil Khemka related entity.
95. Vilohit Property Pvt. Ltd.	The Noticee has received in off market (direct bilateral off market transaction without going through the Exchange platform) 1,62,169 shares of Risorgimento Industrial Company Ltd. on 20, 21, 22 & 23 of August, 2014 from Sanklap Vincom Pvt. Ltd, Bitter Commercial Pvt. Ltd., Signet Vinimay Pvt. Ltd, Spice Merchants Pvt. Ltd. & Lower Vyapar Pvt. Ltd . All are Anil Khemka related companies. The Noticee has a common Director, Rajesh Singh with Goldensight Management Pvt Ltd, Overload Financial Advisory Private Limited and Overarching Dealers Private Limited. Another Director of Noticee, Samir Mondal is common with Goldensight Management Pvt Ltd, Overload Financial Advisory Private Limited, Reachsmart Construction Private

Name of the Entity	Basis of Connection
	Limited and Overarching Dealers Private Limited. **Finding:** It is observed from the order log trade log that the Noticee has traded in the scrip till 8/3/2013. However, it's off market transaction which is the only basis for its connection with the other Noticees, took place subsequent to its trading. Therefore, a benefit of doubt can be given to the Noticee that it is not connected to Anil Khemka related entities for its impugned trades in the scrip.
96. BSR Finance & Constructions Ltd.	The Noticee has transferred in off market transaction (direct bilateral off market transaction without going through the Exchange platform) 30,000 shares of Authum Investment & Infrastructure Limited to Gunny Chem Tex India Limited on 10/9/2012. Gunny Chem Tex India Limited has transferred in off market 20,00,000 shares of Balrampur Chini Mills Ltd to Jaideep Halwasiya on 16-19/4/2012, 26/4/2012 & 27/7/2012. Jaideep Halwasiya has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) 83,230 shares of Sulabh to Vinod Singhania on 19/3/2015. **Finding:** It is noted from the IR that the Noticee is connected to the Group / other Noticees in the scrip through Vinod Singhania. As noted above, the off market transaction that Jaideep Halwasiya had with Vinod Singhania is subsequent to the investigation period, a benefit of doubt can be given for the aforesaid off market transfers and the same cannot be an adequate basis of connection for the impugned trades of the Noticee.
97. Pawan Kumari Agarwal	The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) 4,400 shares of Nikki Global on 22/2/2013 & 10 shares of Neil Industries Ltd. on 22/8/2013 to Adinath Shares And Commodities Pvt Ltd. Adinath Shares has common Director with Anant Fin Consultancy Pvt. Ltd. which is a related entity of Subodh Agarawl. **Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.
98. Shreekant Phumbhra	The Noticee has transferred in off market shares of HDFC Bank (860 shares; 19/7/2011, 22/7/2011), ABB India Ltd. (1,105 shares; 31/3/2009), Greenply Industries Ltd. (1,200 shares; 18/7/2011) & JB Chemicals & Pharmaceuticals Ltd. (18/7/2011) to Sunita Phumbhra. He shares the same address with Sunita Phumbhra.

Name of the Entity	Basis of Connection
	Sunita Phumbhra had transferred 4,000 shares of Sulabh in off market to Vinod Singhania on 25/3/2015. Vinod Singhania has off market transaction with Scope Vyapar Private Limited/ Class Commercial Private Limited, Bitter Commercial Pvt. Ltd, Sanklap Vincom Pvt. Ltd & Signet Vinimay Private Limited, Anil Khemka related companies. **Finding**: It is noted from the order log trade log that the Noticee last traded in the scrip during the investigation period on 16/6/2014. Considering the off market transfers, which as per the IR is the only basis of his connection to other Noticess except Sunita Phumbhra, took place almost after 9 months and that too when the trading in the scrip was suspended (w.e.f. 7/1/2015), a benefit of doubt can be given to the Noticee that it was not related to any of the entities mentioned above except Sunita Phumbhra or with any other Noticees for the impugned trades.
99. Yamnotri Vinimay Pvt. Ltd.	The Noticee has received in off market from Shreekant Phumbhra shares of Ramakrishna Forgings Ltd. (15,000 shares; 16/3/2009), Taneja Aerospace & Aviation Ltd. (10,000 shares; 16/3/2009), The Ramco Cements Ltd. (2,000 shares; 16/3/2009), Aptech Ltd. (200 shares; 27/9/2016) and Sundaram Fasteners Ltd. (6/1/2017). **Finding**: As per the IR, the only basis of Noticee's connection with the other Noticees is through Shreekant Phumbhra As noted above, Shreekant Phumbhra is not connected to any other Noticees except Sunita Phumbhra. Therefore, Yamnotri Vinimay Pvt. Ltd. also cannot be said to be connected to other Noticees for its impugned trades in the scrip.
100. Manu Vyapar Pvt. Ltd.	The Noticee had transferred in off market 15,000 shares of Rajshree Sugars & Chemicals Ltd. to Gunny Chem Tex India Limited on 3/4/2010. Gunny Chem Tex India Limited transferred in off market transaction with Jaideep Halwasiya in Balrampur Chini Mills Ltd. for 20,00,000 shares on 16-19/4/2012, 26/4/2012 & 27/7/2012. Jaideep Halwasiya has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) 83,230 shares of Sulabh to Vinod Singhania on 19/3/2015. Vinod Singhania has off market transaction with Scope Vyapar Private Limited/ Class Commercial Private Limited, Bitter Commercial Pvt. Ltd, Sanklap Vincom Pvt. Ltd & Signet Vinimay Private Limited, Anil Khemka related companies. **Finding:** It is noted from the IR that the Noticee is connected to the Group

Name of the Entity	Basis of Connection
	/ other Noticees in the scrip through Vinod Singhania. As noted above, the off market transaction that Jaideep Halwasiya had with Vinod Singhania is subsequent to the investigation period, a benefit of doubt can be given for the aforesaid off market transfers and the same cannot be an adequate basis of connection for the impugned trades of the Noticee.
101. Gallant Commosales Pvt Ltd	The Noticee had off market transaction with Runicha Merchants Private Limited on 5/12/2014. **Finding**: As per the material available on record, it is noted that the Noticee's connection with the other Noticees is through the aforesaid off market transfer. Considering the said transaction took place subsequent to the impugned trades (last trade was on 26/9/2014), a benefit of doubt can be given to the Noticee and the said off market transaction cannot be an adequate basis for Noticee's further connection with the Group / other Noticee's in the scrip for its impugned trades.
102. Nitish Jain HUF	The Noticee has transferred in off market 50,000 shares of Neil Industries Ltd. to Vasundhara Capital and Securities Ltd. on 22/9/2014. Subodh Agarwal is the Director of Vasundhara Capital and Securities Ltd. **Finding**: As per the IR, the only basis of Noticee's connection with the other Noticees is through the aforesaid off market transfer. Considering the said transaction took place subsequent to the impugned trades (last trade was on 22/7/2014), a benefit of doubt can be given to the Noticee and the said off market transaction cannot be an adequate basis for Noticee's further connection with the Group / other Noticee's in the scrip for its impugned trades.
103. Scope Vyapar Pvt. Ltd. / Class Commercial Pvt.	The Noticee shares common address in which Mr. Anil Khemka is/ was a Director (Gentle Tradecomm Pvt Ltd, Pewee Infrastructure Ltd, Flower Merchants Pvt Ltd, Lower Vyapar Pvt Ltd). It is observed from the Depositories data that the Noticee has several off market transactions with Lower Vyapar Pvt Ltd., Sanklap Vincom Pvt. Ltd., Spice Merchants Private Limited., Signet Vinimay Pvt. Ltd., and Apex Commotrade Pvt. Ltd. which are Anil Khemka related companies. **Finding**: In view of the above, the Noticee is connected with Anil Khemka.
104. Snehlata Gautam	She has has received in off market transaction (direct bilateral off market transaction without going through the Exchange platform) 2,900 shares of Nikki Global Finance Ltd. from Sanklap Vincom on 21/8/2013 and 60,000 shares of Mishka Finance and Trading Limited from Spice Merchants Private Limited on 26/5/2014 and 28/5/2014.

Name of the Entity	Basis of Connection
	Finding: It is noted from the IR that the Noticee is connected to the Group / other Noticees in the scrip through Sanklap Vincom and Spice Merchants Private Limited. It is noted from the order log trade log that the Noticee has traded in the scrip on 18/7/2013. Considering that Noticee's off market transaction is subsequent to her trading, a benefit of doubt can be given to the Noticee and the said off market transactions cannot be an adequate basis for Noticee's further connection with the Group / other Noticee's in the scrip for its impugned trades.
105. Lemon Vincom Pvt Ltd	The Noticee has a common Director namely Niranjan Kumar Jain with Blow Agency Pvt. Ltd. Blow Agency Pvt. Ltd. has a common Director, Rup Chand Jain with Bakliwal Vyapaar Pvt. Ltd. Bakliwal Vyapaar Pvt. Ltd has a common Director - Vinod Kumar Maheshwari (Directorship in Raghuvansh from 13/1/2014 to 1/7/2014) with Raghuvansh Agrofarms. Raghuvansh Agrofarms, Director is Subodh Agarwal. The Noticee has a common Director namely Niranjan Kumar Jain with Lark Commercial Private Limited. Lark Commercial Private Limited has a common Director, Rup Chand Jain with Bakliwal Vyapaar Pvt. Ltd. Bakliwal Vyapaar Pvt. Ltd has a common director - Vinod Kumar Maheshwari (Directorship in Raghuvansh from 13/1/2014 to 1/7/2014) with Raghuvansh Agrofarms. Raghuvansh Agrofarms, director is Subodh Agarwal. **Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.
106. Lavender Exim Pvt Ltd	The Noticee has transferred in off market (direct bilateral off market transaction without going through the Exchange platform) shares of Ashika Credit Capital Limited, Sun and Shine Worldwide Limited, Radford Global Limited, Sulabh and Rander Corporation Limited on 14/5/2014 to Lower Vyapar Pvt. Ltd. **Finding:** It is noted from the IR that the Noticee is connected to the Group / other Noticees in the scrip through Lower Vyapar Pvt. Ltd. It is observed from the order log trade log that the Noticee has last traded in the scrip of Sulabh during the investigation period on 6/2/2014 which is prior to the off market transaction with Lower Vyapar Pvt. Ltd. Thus, a benefit of doubt can be given for the aforesaid off market transfer and the same cannot be an adequate basis of connection for the impugned trades of the Noticee.
107. Litmus Investments Ltd	The Directors of Sulabh namely Niranjan Swaroop Goel and his wife Usha

Name of the Entity	Basis of Connection
	Goel and Subodh Agarwal were the subscribers to the memorandum. Subodh Agarwal is the Director of the company. **Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.
108. Lark Commercial Pvt Ltd	The Noticee has a common Director namely Rup Chand Jain with Bakliwal Vyapaar Pvt. Ltd. Bakliwal Vyapaar Pvt. Ltd has a common Director - Vinod Kumar Maheshwari (Directorship in Raghuvansh from 13/1/2014 to 1/7/2014) with Raghuvansh Agrofarms. Raghuvansh Agrofarms, Director is Subodh Agarwal. **Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.
109. Girija Pandey	The Noticee has transferred 25,000 shares of Nikki Global Finance Ltd. in off market (direct bilateral off market transaction without going through the Exchange platform) to Success Vyapar Limited on 31/3/2011. **Finding**: As already noted Success Vyapar Limited is related to Subodh Agarwal. Therefore, in view of the above, it can be held that the Noticee is also connected to Subodh Agarwal.
110.Devshyam Stock Broking Pvt Ltd	The Noticee has received in off market (direct bilateral off market transaction without going through the Exchange platform) shares of Ecowave Infotech Ltd. from Class Commercial Private Limited (1,000 shares; 12/11/2012), Apex Commotrade Pvt. Ltd. (7,900 shares; 3/5/2013 & 16/4/2014) and Spice Merchants Pvt. Ltd. (7,400 shares; 12/7/2013 & 6/6/2014). **Finding**: As already noted the off market transferors are related to Anil Khemka. Therefore, in view of the above, it can be held that the Noticee is also connected to Anil Khemka.
111. Sanmati Goods Pvt Ltd	The Noticee has a common Director namely Ajay Kumar Thakur with Camellia Vinimay Pvt. Ltd. Camellia Vinimay Pvt. Ltd. has off market transactions with Anil Khemka related companies, Bitter Commercial (3,000 shares of Ashika Credit Capital on 13/5/2014) and Spice Merchants Pvt. Ltd., (80,253 shares of Sulabh on 5/12/2014). **Finding**: In view of the above, the Noticee is connected to Anil Khemka.
112. Mukesh Kumar Deepak	The Noticee has recieved in off market (direct bilateral off market transaction without going through the Exchange platform) 1,800 shares of

Name of the Entity	Basis of Connection
	Cressanda Solutions Ltd. from Signet Vinimay Private Limited on 30/12/2013 and 37,000 shares of Mishka Finance and Trading Limited from Sanklap Vincom Pvt. Ltd on 26/6/2014. **Finding:** It is noted from the IR that the Noticee is connected to the Group / other Noticees in the scrip through Signet Vinimay Private Limited and Sanklap Vincom Pvt. Ltd. It is observed from the order log trade log that the Noticee has traded in the scrip of Sulabh during the investigation period on 23/7/2013 which is prior to the off market transactions with the aforesaid entities. Thus, a benefit of doubt can be given for the aforesaid off market transfers and the same cannot be an adequate basis of connection for the impugned trades of the Noticee.
113. Memori Vinimay Pvt Ltd	The Noticee has a common Director namely Rup Chand Jain with Bakliwal Vyapaar Pvt. Ltd. Bakliwal Vyapaar Pvt. Ltd has a common Director - Vinod Kumar Maheshwari (Directorship in Raghuvansh from 13/1/2014 to 1/7/2014) with Raghuvansh Agrofarms. Raghuvansh Agrofarms, Director is Subodh Agarwal. **Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.
114. Saroj Shah	The Noticee has transferred 33,000 shares of Sulabh in off market to Vinod Kumar Singhania on 20/3/2015. **Finding**: As per the IR, the aforesaid off market ransfer is the only basis of Noticee's connection with other Noticees. It is noted from the order log trade log that the Noticee last traded in the scrip during the investigation period on 18/7/2014. Considering the off market transfers took place almost after 8 months and that too when the trading in the scrip was suspended (w.e.f. 7/1/2015), a benefit of doubt can be given to the Noticee and the said off market transaction cannot be an adequate basis of connection for the impugned trades of the Noticee.
115. Gyandeep Khemka	The Noticee had transaction in off market for 52,500 shares of Sulabh on 28/3/2015 with Panem Steels Private Limited. **Finding**: As per the IR, the aforesaid off market transfer is the only basis of connection of the Noticee with the rest of the Noticees. It is observed from the order log trade log that the Noticee last traded in the scrip during the investigation period on 27/6/2014. The said off market transfer has taken place almost after 9 months and that too when the trading in the scrip was suspended (w.e.f. 7/1/2015). Therefore, a benefit of doubt can

Name of the Entity	Basis of Connection
	be given to the Noticee and the said off market transaction cannot be an adequate basis of connection for the impugned trades of the Noticee.
116. Cube Trafin Pvt Ltd	Rajesh Kumar Jain is the common Director of the Noticee and Iris Commercial Pvt Ltd. Iris Commercial Pvt Ltd. has a common Director namely Kali Kant Choudhary with Lark Merchants Private Limited. Lark Merchants Private Limited has a common Director namely Niranjan Kumar Jain with Lark Commercial Private Limited. Lark Commercial Private Limited has a common Director, Rup Chand Jain with Bakliwal Vyapaar Pvt. Ltd. Bakliwal Vyapaar Pvt. Ltd has a common Director - Vinod Kumar Maheshwari (Directorship in Raghuvansh from 13/1/2014 to 1/7/2014) with Raghuvansh Agrofarms. Raghuvansh Agrofarms, Director is Subodh Agarwal. **Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.
117. Nand Kishore Baheti HUF	The Noticee has recieved in off market (direct bilateral off market transaction without going through the Exchange platform) 18,000 shares of Mishka Finance and Trading Limited from Signet Vinimay Private Limited on 28/6/2014. **Finding:** It is noted from the IR that the Noticee is connected to the Group / other Noticees in the scrip through Signet Vinimay Private Limited. It is observed from the order log trade log that the Noticee has last traded in the scrip of Sulabh during the investigation period in February, 2013 which is prior to the off market transaction with Signet Vinimay Private Limited. Thus, a benefit of doubt can be given for the aforesaid off market transfer and the same cannot be taken an adequate basis of connection for the impugned trades of the Noticee.
118.Reachsmart Construction Pvt Ltd	The Noticee has a common Director namely Bimal Dutta with Helot Properties Private Limited and Overload Financial Advisory Pvt Ltd. **Finding:** In view of the above, the Noticee is not connected with the company.
119. Lark Merchants Pvt Ltd	Lark Merchants Private Limited has a common Director namely Niranjan Kumar Jain with Lark Commercial Private Limited. Lark Commercial Private Limited has a common Director, Rup Chand Jain with Bakliwal Vyapaar Pvt. Ltd. Bakliwal Vyapaar Pvt. Ltd has a common Director - Vinod Kumar Maheshwari (Directorship in Raghuvansh from 13/1/2014 to 1/7/2014) with Raghuvansh Agrofarms. Raghuvansh Agrofarms, Director

Name of the Entity	Basis of Connection
	is Subodh Agarwal. **Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.
120. Abha Sureka	The Noticee has transferred 1,700 shares of G R Industries & Finance Ltd. in off market to Signet Vinimay Private Limited on 10/3/2014. **Finding**: As per the IR, the aforesaid off market transfer is the only basis of connection of the Noticee with the rest of the Noticees. It is observed from the order log trade log that the Noticee last traded in the scrip during the investigation period on 11/3/2013 and 20/3/2013. The said off market transfer has taken place almost after a year. Therefore, a benefit of doubt can be given to the Noticee and the same cannot be taken an adequate basis of connection for the impugned trades of the Noticee.
121. Ritika Sureka	The Noticee has transferred 1,700 shares of G R Industries & Finance Ltd. in off market to Signet Vinimay Private Limited on 21/2/2014. **Finding**: As per the IR, the aforesaid off market transfer is the only basis of connection of the Noticee with the rest of the Noticees. It is observed from the order log trade log that the Noticee last traded in the scrip during the investigation period on 11/3/2013 and 20/3/2013. The said off market transfer has taken place almost after 11 months. Therefore, a benefit of doubt can be given to the Noticee and the same cannot be taken an adequate basis of connection for the impugned trades of the Noticee.
122. Raj Vardhan Agarwal	The Noticee has transferred in off market shares of Nikki Global Finance Ltd. (4,400 shares, 23/2/2013) and Neil Industries Ltd. (10 shares, 22/8/2013) to Adinath Shares and Commodities Pvt. Ltd. Adinath Shares and Commodities Pvt. Ltd. has a common Director with Anant Fin Consultancy Pvt. Ltd. which is a related entity of Subodh Agarawl. **Finding**: In view of the above, the Noticee is connected to Subodh Agarwal and the company.
123. Manoj Agarwal	He has received 1,50,000 shares in the second preferential allotment done by the company in March, 2012. **Finding:** In view of the above, the Noticee is connected to the company.
124. Praveen Kurele	He has received 1,50,000 shares in the second preferential allotment done by the company in March, 2012.

Name of the Entity	Basis of Connection
	Finding: In view of the above, the Noticee is connected to the company.
125. Vinay Kumar Agarwal	He has received 70,000 shares in the first preferential allotment done by the company in March, 2011. **Finding:** In view of the above, the Noticee is connected to the company.
126. Som Prakash Goenka	He has received 70,000 shares in the first preferential allotment done by the company in March, 2011 and 4,00,000 shares in the second preferential allotment. **Finding:** In view of the above, the Noticee is connected to the company.
127. Naveen Kurele	He has received 1,50,000 shares in the second preferential allotment done by the company in March, 2012. **Finding:** In view of the above, the Noticee is connected to the company.
128. Mridula Agrawal	The Noticee, as per her submission dated 4/12/2018, has purchased off market transaction for 35,000 shares of Sulabh at ₹ 20 per share with Success Vyapar Limited on 9/4/2012. Success Vyapar Limited is a related entity of Subodh Agarwal. **Finding:** In view of the above, the Noticee is connected with Subodh Agarwal.
129. Narender Kumar	He has received 70,000 shares in the first preferential allotment done by the company in March, 2011. **Finding:** In view of the above, the Noticee is connected to the company.
130. Manisha Sharma	The Noticee, as per her submission dated 3/12/2018, has purchased off market transaction for 35,000 shares of Sulabh at ₹ 20 per share with Success Vyapar Limited on 9/4/2012. Success Vyapar Limited is a related entity of Subodh Agarwal. **Finding:** In view of the above, the Noticee is connected with Subodh Agarwal.
131. Seema Kapoor	She has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012. **Finding:** In view of the above, the Noticee is connected to the company.

Name of the Entity	Basis of Connection
132. Sanjeev Sanghi	He has received 65,000 shares in the second preferential allotment done by the company in March, 2012. **Finding:** In view of the above, the Noticee is connected to the company.
133. Mahabir Pershad HUF	It has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012. **Finding:** In view of the above, the Noticee is connected to the company.
134. Deepak Kumar Agarwal	He has received 70,000 shares in the first preferential allotment done by the company in March, 2011. **Finding:** In view of the above, the Noticee is connected to the company.
135. Sanjay Kapoor	He has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012. **Finding:** In view of the above, the Noticee is connected to the company.
136. Sapna Kapoor	She has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012. **Finding:** In view of the above, the Noticee is connected to the company.
137. Sunil Kapoor	He has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012. **Finding:** In view of the above, the Noticee is connected to the company.
138. Ashok Kumar Maheshwari	He has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012. **Finding:** In view of the above, the Noticee is connected to the company.
139. Vivek Karwa	He has received 70,000 shares in the first preferential allotment done by the company in March, 2011. **Finding:** In view of the above, the Noticee is connected to the company.
140. Roopchandra Kumar	The Noticee has recieved in off market (direct bilateral off market transaction without going through the Exchange platform) 13,000 shares of Sulabh from Anant Fin Consultancy Pvt. Ltd on 9/10/2012.

Name of the Entity	Basis of Connection
	Finding: As a noted earlier, Anant Fin Consultancy Pvt Limited is connected with Subodh Agarwal and the company. Noticee's submission that he has purchased the shares does not take away the fact that the shares were bought in off-market without going through the anonymous trading platform of the Exchange. Thus, the Noticee is connected with Anant Fin Consultancy Pvt Limited and Subodh Agarwal.
141. Sabreen	Noticee has recieved in off market (direct bilateral off market transaction without going through the Exchange platform) 15,000 shares of Sulabh from Anant Fin Consultancy Pvt. Ltd on 7/9/2012. **Finding:** As a noted earlier, Anant Fin Consultancy Pvt Limited is connected with Subodh Agarwal and the company. Thus, the Noticee is connected with Anant Fin Consultancy Pvt Limited and Subodh Agarwal.
142. Sanjay Kumar HUF	It has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012. **Finding:** In view of the above, the Noticee is connected to the company.
143. Arun Kumar HUF	It has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012. **Finding:** In view of the above, the Noticee is connected to the company.
144. Raj Kumar	He has received 70,000 shares in the first preferential allotment done by the company in March, 2011 and 1,30,000 shares in the second preferential allotment. **Finding:** In view of the above, the Noticee is connected to the company.
145. Manish Maheshwari	He has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012. **Finding:** In view of the above, the Noticee is connected to the company.
146. Mahak Maheshwari	She has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012. **Finding:** In view of the above, the Noticee is connected to the company.
147. Sajan Kumar Agarwal	He has received 75,000 shares in the second preferential allotment done

Name of the Entity	Basis of Connection
	by the company in March, 2012. **Finding:** In view of the above, the Noticee is connected to the company.
148. Narender Kumar HUF	It has received 1,25,000 shares in the second preferential allotment done by the company in March, 2012. **Finding:** In view of the above, the Noticee is connected to the company.
149. Shubham Agarwal	The Noticee has recieved in off market (direct bilateral off market transaction without going through the Exchange platform) 20,000 shares of Sulabh from Anant Fin Consultancy Pvt. Ltd on 23/7/2012. **Finding:** As a noted earlier, Anant Fin Consultancy Pvt Limited is connected with Subodh Agarwal and the company. Thus, the Noticee is connected with Anant Fin Consultancy Pvt Limited and Subodh Agarwal.
150. Ashish Agarwal	The Noticee has received shares of Sulabh in physical form from Samtal Financial System Limited which was incorporated by Subodh Agarwal. **Finding:** In view of the above, the Noticee is connected to the Subodh Agarwal.

25. Before proceeding further, I would deal with the common contentions of the Noticees raised with respect to off market transfers, which are as follows:

25.1. They did not have off market transfer with the alleged connected entity in the scrip of Sulabh.

25.2. The off market transactions that the Noticees had was in the scrip which was thinly traded / hardly traded on the Stock Exchange and in their ordinary course of business.

25.3. The basis of allegations is tenuous as it is multi-layered. Further, all the entities in the said multi-layer have not been made a party to the SCN.

26. With repect to the aforesaid submissions of the Noticees, I note that the off market transfer based on which a connection is established between the Noticees, need not be the scrip which is under investigaton. It can be any scrip in

which the Noticees have transacted in off line mode, irrespective of its volume on the Exchange on which it is traded. The rationale on the basis of which, it is said that the Noticees who have transacted in off market are said to be connected with each other is that since no stock broker is involved and there is no platform like Stock Exchange which brings various invetsors at one place, the entities involved in off market transfer have to know each other to enter into the off market transaction. The contention of the Noticees that there are multiple layers between them and the final entity with which they are alleged to be connected and hence the connection is erroneous, is without any merit. In a matter which involves manipulation of price of a scrip pursuant to a scheme, as alleged in the instant matter, where various entities are involved, it is not necessary that everyone has to be directly linked with each other or with the price manipulator. Since it's a scheme, a device to manipulate the price, various Noticees play their own part in the overall scheme. Whether or not their part in the scheme resulted in the manipulation, will depend on various other factors like particulars of the trade, trading pattern etc. But that does not take away the fact that the initial connection that was established based on off market transfer is erroneous. The submission of the Noticees that some of the entities through which their connection is established have not been charged, is also without any merit. Before levelling an allegation of price manipulation, host of factors have to be examined by the Competent Authority and unearthing of evidence of contribution of the said entity to the entire scheme on preponderance of probability basis. There may be cases when the interlinking entities have no evidence of acts of contribution to the original scheme. At times these interlinking entities only establishes the passive fact of relationship with the ultimate entity which plays its role as a contributory in the group for a PFUTP violation. The same does not prevent SEBI from proceeding against the Noticees who are connected through the said entities, as in the given facts and circumstances of the case, SEBI has found that the Noticee have palyed a significant part in the scheme which is grave in nature and no evidence of act or omission for the contribution of larger scheme

by interlinking entities emerged in investigation.

27. It is observed from the aforesaid table that following pattern / sub-groups emerge amongst the Noticees:

27.1. Group A of Noticees who are connected to the company through its PDs and being a preferential allotee– Noticee Nos. 1, 2, 4 – 16, 31, 32, 83, 123 – 127, 129, 131 – 139, 142 – 148.

27.2. Group B of Noticees who are connected to Subodh Agarwal and hence connected to the company – Noticee Nos. 3, 17 - 29, 34, 37- 40, 41, 42, 43, 46, 47, 53, 55, 56, 65, 71, 78, 88, 97, 105, 107, 108, 109, 113, 116, 119, 122, 128, 130, 140, 141, 149, 150.

27.3. Group C of Noticees who are connected with Anil Khemka and hence connected to the company through Subodh Agarwal – 45, 48 – 51, 57, 67, 73, 74, 76, 82, 86, 92, 94, 103, 110, 111.

27.4. Group D of Noticees who are connected with other Noticees mentioned herein but are not connected with either company or PDs or Subodh Agarwal or Anil Khemka – 52, 54, 59, 60, 62, 63, 64, 68, 69, 70, 72, 79, 81, 84, 87, 90, 93, 95, 96, 100, 101, 118.

27.5. Group E of Noticees who have no connection with either company or PDs or Subodh Agarwal or Anil Khemka - Noticee Nos. 30, 33, 35, 36, 44, 58, 61, 75, 77, 80, 85, 89, 91, 98, 99, 102, 104, 106, 112, 114, 115, 117, 120, 121.

27.6. Noticee No. 66, Mr. Nathu Lal Sharma is deceased.

28. In view of the above finding, the Noticees, who are directly or indirectly connected to the company viz., Noticee Nos. mentioned as Group A, Group B and Group C, needs to be adjudicated for their part played in the allged scheme and are collectively referred to as "**Connected Noticees / Entities**". The rationale for adjudicating Noticees connected with the company through Mr. Subodh Agarwal and Mr. Anil Khemka is stated herein below:

28.1. Subodh Agarwal related Noticees – These are the Noticees in which Mr. Subodh Agarwal is a Director or the Noticee has a common Director with Mr. Subodh Agarwal's connected entity or the Noticee had an off market transfer with Mr. Subodh Agarwal's connected entity. The aforesaid connection when seen in light with the alleged part that the aforesaid Noticees played in the scheme, is significant and had an impact on the price of the scrip. As per the SCN, Subodh Agarwal's connected Noticees had alongwith PDs, had cornered majority of shares before starting of Patch 1A of the investigation period and subsequently by trading in a particular manner, sometimes with other Connected Noticees, had a significant impact on the price of the scrip. Considering, Mr. Subodh Agarwal is directly known to the PDs of the company who have been alleged to orchestrate a plan to artificially inflate the price of the scrip, it is therefore, required to scrutinise judiciously the part played by Mr. Subodh Agarwal and Subodh Agarwal's connected Noticees in the entire scheme of manipulation.

28.2. Mr. Anil Khemka related entities – As per IR, Mr. Anil Khemka, in his statement dated March 30, 2015 before the DDIT (Inv), Kolkata, has submitted that he is controlling and managing certain companies and also named them. Mr. Anil Khemka also stated that the main function of such companies was to provide the accommodation entries in the guise of Long Term Capital Gains (apart from Share Capital and Unsecured Loans). Several entities connected to Mr. Anil Khemka, entities named by Mr. Anil Khemka or entities connected to the entities named by him have traded in the scrip of Sulabh. In light of the above background, the fact that certain connected entities of Anil Khemka traded persistently in a particular manner in the scrip and the finding arrived at above (please refer row no. 55 of the table of basis of connection) that Mr. Anil Khemka is connected to Mr. Subodh Agarwal, provides sufficient cause to scrutinise judiciously the part played by the Anil Khemka related entities in the scheme.

28.3. With respect to Group D Noticees, I note that though they are connected

with other Noticees who have traded in the scrip during the investigation period, there is no material available on record on the basis of which their connection can be traced to either the company, PDs, Mr. Subodh Agarwal or Mr. Anil Khemka. Considering that the allegation in the matter is based on being part of a scheme which involved company, PDs and entities connected to the company, directly and indirectly and pursuant to the said alleged scheme, the price in the scrip was manipulated during the investigation period. Therefore, if the connection of the Noticees with the company cannot be established either directly or indirectly, then it cannot be held that Noticees were part of the alleged scheme. In other words mere trading in the scrip during the investigation period, devoid of any connection with the company, is not adequate to sustain the allegation. It may be noted that it is not the case in the current SCN that these entities independently without any connection to the company directly or indirectly manipulated the price of the security. Thus, the conduct of Group D Noticees viz., Noticee Nos. 52, 54, 59, 60, 62, 63, 64, 68, 69, 70, 72, 79, 81, 84, 87, 90, 93, 95, 96, 100, 101 and 118 does not require further examination in the current quasi – judicial proceedings.

28.4. The aforesaid rationale is also applicable to Group E Noticees Viz., the Noticee Nos. 30, 33, 35, 36, 44, 58, 61, 75, 77, 80, 85, 89, 91, 92, 98, 99, 102, 104, 106, 112, 114, 115, 117, 120 and 121. With repect to Noticee No. 66, Mr. Nathu Lal Sharma, I note from the records that his son, Mr. Chandra Prakash Sharma has submitted his father's death certificate. Considering the SCN has been issued to Mr. Nathu Lal Sharma, who has passed away and not to his Legal Representatives, SEBI may initiate action, if any, against his Legal Representatives as per applicable provisions of law as no direction involving monetary liability is envisaged in the SCN which would have warranted determination in the current proceedings itself with post facto hearing.

Issue No. 2 *– Whether total number of shares, except 300 shares of Sulabh outstanding prior to the first preferential allotment in March, 2011, were acquired by the PDs and*

the Connected Noticees / Entities?

29. It is observed from the shareholding pattern of the company for the quarter ending December, 2010 that the company's share capital was 2,47,500 shares. The said shares were in physical form. As per the information furnished by the Registrar and Transfer Agent of the company, there were no transfers between January 1, 2010 and February 6, 2011. On February 7, 2011, Mr. Manoj Kumar Agarwal and Ms. Deepa Mittal acquired 1,09,650 shares (44.30%) by virtue of a Share Purchase Agreement with the erstwhile Promoters. Thereafter, the two Acquirers, on February 12, 2011 acquired another 15.83% of paid up capital i.e., 39,200 shares by way of an Open Offer. In total, the two PDs acquired 1,48,850 shares (60.14%) of Sulabh for ₹ 53.09 lakh. The aforesaid facts and figures have been admitted by the PDs in their replies.

30. It is observed from the SCN that on March 21, 2011, 14 entities bought 54,800 (22.14%) shares from 7 entities (including 38,650 shares from 3 entities forming part of erstwhile Promoter family). Of the 14 buyers, 11 buyers who bought 45,150 shares were part of the Connected Entities. The other three buyers who bought 9,650 shares from an erstwhile Promoter entity i.e., Mr. Avyav Jhunjhunwala, have a common address. Thereafter, on May 31, 2011, two connected entities i.e., Samtal Financial System Limited and Anant Fin Consultancy Pvt. Ltd., bought a total of 43,550 (17.64% of the original 2,47,500 shares) shares from 16 entities.

31. Based on the above, the SCN observes that considering that all the physical share transfer took place on select dates i.e., transfers were not spread across the period, it appears to be carried out with a common intent. Further, of the total number of shares of the company outstanding prior to the preferential allotment i.e., 2,47,500 shares, ownership of only 300 shares did not change and ownership of all other shares had changed on March 21, 2011/ May 31, 2011 and June 25, 2011 (apart from those acquired through the open offer/ share purchase agreement). The same as per SCN leads towards an inference that the shares

acquired by the 14 entities and by Samtal Financial System Limited and Anant Fin Consultancy Pvt. Ltd. were acquired with common intention of consolidating the shareholding and ensuring that there is no free-float in the market.

32. In view of the aforesaid observation, I note that as per SCN, two PDs, 14 entities, Samtal Financial System Limited and Anant Fin Consultancy Pvt. Ltd. have been alleged to be in control of 2,47,200 shares of Sulabh.

33. Mr. Manoj Kumar Agarwal, one of the PDs of the company has made the submission that the allegation that the entire free float was held by the connected Noticees is factually incorrect and erroneous. However, he has failed to demonstrate with documentary evidence as to how the said allegation is erroneous. He has failed to offer any explantion on the connectedness of the entities, the coincidence of transfer of shares on the same / specific date or the series of subsequent events after the allged consolidation. Hence, his submission is devoid of any merit. Ms. Deepa Mittal, the other PD of Sulabh has submitted that the shares of the company had split in the ratio of 1:10 and therefore the allegation that the entire free float was held by the connected Noticees is factually incorrect. The said submission of Ms. Deepa Mittal is not acceptable as the allegation in the IR of controlling almost the entire free float of shares is prior to the split period. The shares of Sulabh were split on February 4, 2013 while the allegation of controlling the free float is during the period, March, 2011 – June, 2011.

34. Anant Fin Consultancy Pvt. Ltd. has submitted that 60.14% was acquired by the new Promoters and thus, 39.86% was held by the public. In the absence of any allegation of wrong disclosure filed by Sulabh, it is incorrect to state that the free float was controlled by purported connected entities. Further, it has also submitted that it is not connected with the Promoters of the company. I note that the allegation in the SCN is that the shares which were not directly owned by the PDs were indirectly controlled by them though connected entities. The fact of whether or not the charge of wrong disclosure is there against the company,

cannot be used as a valid defence by the Noticee as it does not contradict the allegation that the shares were cornered by the Connected Noticees. Thus, the submission of the Noticee has no merit. Moreover, it has already been held in preceding paragraphs that Anant Fin Consultancy Pvt. Ltd. is connected with the company through Mr. Subodh Agarwal. The Noticee has not contended that it has a common Director, Rishi Kant Awasthi with Raghuvansh Agrofarms Ltd., which is a company connected with Mr. Subodh Agarwal who is connected to the company and the new Promoters.

35. Anant Fin Consultancy Pvt. Ltd. has further submitted that since certain entities including Samtal Financial System Ltd. who have been alleged to have cornered the free float of shares, have not made been made a party to extant proceedings, therefore, the entire allegation is false and misleading. The submission of the Noticee is not acceptable. A host of factors are involved in determining whether or not an enforcement proceeding has to be initiated or not including the connection between the entities, the role played by the entity in manipulation etc. The Competent Authority after considering all the factors and their applicability to the facts and circumstances of the case and in light of the applicable provisions of securities laws, has decided to proceed with enforcement action against certain entities. Moreover, the allegation against the Noticee is independent of the findings against other entities (who are not part of the SCN) and have to be adjudicated on their own merit without considering whether or not any action has been taken against certain other entities. Here, I would refer to the observations of Hon'ble SAT in the matter of *Systematix Shares & Stocks (India) Ltd.* vs. *SEBI* decided on April 23, 2012, wherein the Hon'ble SAT observed as follows:

"*…It is true that the Board has taken action selectively against a few entities involved in the alleged wrong doing. According to the appellant the Board should have proceeded against all wrong doers and the action against the appellant and a few entities alone is also discriminatory. 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…"

36. Anant Fin Consultancy Pvt. Ltd. has contended that since Samtal Financial System Ltd. has not been made a party to the present proceedings, therefore, it is inccorect to say that Anant Fin Consultancy Pvt. Ltd. and Samtal Financial System Ltd. have bought 43,550 (17.64% of the original 2,47,500 shares) shares from 16 entities on May 31, 2011. The contention of the Noticee is not on merit and further, the Noticee is also not denying that it had bought shares on May 31, 2011. Moreover, the contention of the Noticee is liable to be rejected based on the reasoning given in the immediate preceding paragraph.

37. I note from the details of share transfer during the period January 1, 2011 to December 31, 2011 that shares have been transferred on March 21, 2011 to 14 entities namely, Rakesh Kumar Verma, Rakesh Kumar Verma (HUF), Renu Verma, Abha Dwevedi, Ram Pher Dwevedi HUF, Rajendra Kaur, Ram Lubhaiya Vohra, Paramjeet Singh, Durga Prasad, Randeep Singh, Sandeep Singh, Trilok Singh, Dilip Kumar Agarwal and Sapna Agarwal. The SCN has alleged that the aforesaid entities have bought the shares with a common intent as the physical share transfer took place on a select date and 11 of the said entities were part of the connected entities.

38. I find that in the given facts and circumstances of the case to establish that the aforesaid 14 entities had a common intent to corner the free float of shares, it has to be established that they were either directly or indirectly connected with the company or its Promoters or Directors. From the details of the basis of connection, I find as follows:

38.1. Rakesh Kumar Verma – The entity has been alleged to be connected with company through off market transactions with Adinath Shares and Commodities Private Ltd., Vasundhara Capital and Securities Ltd. and Raghuvansh Agrofarms Ltd. It is noted that the said off market transfers took place in Nikki Global Finance Ltd. (20/12/2013 & 26/12/2013) and Neil Industries Ltd. (19/1/2015).

The said transfers are subsequent to purchase of shares of Sulabh on 21/3/2011. Hence, a benefit of doubt can be given to the entity that he is not connected to the company in any manner.

38.2. Rakesh Kumar Verma (HUF) – The connection of the entity is same as that of Rakesh Kumar Verma. Hence, a benefit of doubt can be given to the entity that it is not connected to the company in any manner.

38.3. Renu Verma - The connection of the entity is same as that of Rakesh Kumar Verma. Hence, a benefit of doubt can be given to the entity that she is not connected to the company in any manner.

38.4. Abha Dwevedi, Ram Pher Dwevedi HUF and Ram Lubhaiya Vohra – It has already been held in preceding paragraphs that the said 3 Noticees are not connected to the company in any manner.

38.5. Rajendra Kaur – The entity had off market transfer with Vasundhara Capital and Securities Ltd. in the scrip of Rich Universe Network Limited on 16/7/2009 and 20/7/2009 and Vasundhara Capital and Securities Ltd. which in turn is connected to the company through Subodh Agarwal. Hence, it can be held that the entity is also connected with the company.

38.6. Paramjeet Singh - The entity had off market transfer with Vasundhara Capital and Securities Ltd. in the scrip of Rich Universe Network Limited on 14/7/2009 and Vasundhara Capital and Securities Ltd. which in turn is connected to the company through Subodh Agarwal. Hence, it can be held that the entity is also connected with the company.

38.7. Durga Prasad – The entity is alleged to have been connected to the company as he had received shares in off market from Jai Chandra Yadav which had in turn received shares from M/s. Samtal Financial Systems Pvt. Ltd., a Subodh Agarwal entity. However, I note that the off market transfer between the entity and Jai Chandra Yadav took place on 17/5/2013, which is subsequent to

entity's purchase of physical shares of Sulabh. Hence, a benefit of doubt can be given to the entity that he is not connected to the company in any manner.

38.8. Randeep Singh, Sandeep Singh, Trilok Singh – Their basis of connection is that they share a common address and have bought shares from an erstwhile Promoter. I find that in the given facts and circumstances of the case and given the nature of allegation in the present matter, without any link with the company or its related entities, a benefit of doubt can be given to the entities that the said 3 entities are not part of Connected Entities.

38.9. Dilip Kumar Agarwal – The entity had off market transfer with Adinath Shares and Commodities Private Limited in the scrip of Shree Ashtavinayak Cine Vision Limited during the period 26-31/3/2009. Adinath Shares and Commodities Private Limited is a related entity of Subodh Agarawl. Hence, it can be held that the entity is also connected with the company.

38.10. Sapna Agarwal – The entity has been alleged to be connected with company through off market transactions with Adinath Shares and Commodities Private Limited, Vasundhara Capital and Securities Ltd. and Rishi Kant Awasthi. It is noted that the said off market transfer took place in Nikki Global Finance Ltd. (19/5/2011). The said transfer is subsequent to purchase of shares of Sulabh. Hence, a benefit of doubt can be given to the entity that she is not connected to the company in any manner.

39. In view of the aforesaid discussion, I note that Mr. Rakesh Kumar Verma, Rakesh Kumar Verma (HUF), Ms. Renu Verma, Ms. Abha Dwevedi, Mr. Ram Pher Dwevedi HUF, Mr. Ram Lubhaiya Vohra, Mr. Durga Prasad, Mr. Randeep Singh, Mr. Sandeep Singh, Mr. Trilok Singh and Ms. Sapna Agarwal have been given a benefit of doubt that they are not connected with the company and the new Promoters in any manner. Hence, it cannot be said that the aforesaid 11 entities out of 14 entities were buying shares with a common intention of consolidating the shareholding and ensuring that there is no free-float in the market.

40. I observe from the material available on record that the PDs had acquired 1,48,850 shares (60.14%) of Sulabh. Further, the connected entities to the PDs, namely, Samtal Financial System Limited, Anant Fin Consultancy Pvt. Ltd., Rajendra Kaur, Paramjeet Singh and Dilip Kumar Agarwal have together acquired in physical form 61,600 shares (24.97%). Thus, the PDs along with the aforesaid Conneceted Entities had acquired 85.11% of the total share capital of Sulabh. It is therefore, held that 2,10,450 shares out of total 2,47,500 shares outstanding apart from the shares allotted on a preferential basis, were controlled by the aforesaid connected entities. Thus, it can be held that significant number of shares (85%) were under the control of the PDs and its related entities.

Issue No. 3– *Whether the Connected Noticees including the PDs have manipulated the price of the scrip during the investigation period?*

41. The entire investigation period i.e., December 1, 2011 to January 7, 2015, has been divided into 4 patches out of which in 3 patches the allegation of price manipulation has been levelled against the Connected Noticees. The said 3 patches are as follows:

41.1. Patch 1A – 1/12/2011 – 16/8/2012 – Price Rise period

41.2. Patch 1B- 17/8/2012 – 1/2/2013 - Price Rise period

41.3. Patch 2 – 4/2/2013 – 22/7/2014 – Price rise post split of shares

Patch 1A – 1/12/2011 – 16/8/2012 – Price Rise period

42. During this Patch, the price of the scrip moved from ₹ 11 to ₹ 173.65 i.e. an increase by ₹ 162.35. It is noted from the material made available on record that there are 13 Connected Noticees who were trading during the patch as Sellers. Out of 181 trading days during the patch, trading in the scrip of Sulabh took place only on 119 trading days. Out of the 119 days on which Sulabh was traded, the Connected Noticees traded on 116 trading days and executed 116 trades. The gross sell percentage of Connected Noticees to the market volume was 95.28%. There were only 4 other Sellers in the market apart from the Connected Noticees.

Thus, considering the Connected Noticees were the only Sellers on most of the days and but for the sell orders placed by the Connected Noticees, mostly in miminum lot, no trades would have been excuted which would have further led to non-creation of LTP. Monthly summary of trades and Sellers during Patch 1A is tabulated below:

Period	Number of Trades				Number of Sellers			
	Connected		Others		Connected		Other	
	Trades	Cum.	Trades	Cumulative	Sellers	Cum.*	Sellers	Cumulative*
December 2011	12	12	0	0	**1**	**1**	0	0
January 2012	10	22	0	0	3	3	0	0
February 2012	1	23	0	0	1	3	0	0
March 2012	3	26	1	1	2	3	1	1
April 2012	17	43	0	1	3	6	0	1
May 2012	22	65	0	1	4	9	0	1
June 2012	20	85	1	2	2	10	1	2
July 2012	22	107	3	5	3	12	3	4
August 01-16, 2012	9	116	2	7	3	13	2	4
Total	**116**		**7**		**13**		**4**	
No. of Trades above LTP	**115**		**4**		**NA**			
* Represents cumulative count of unique sellers across the period								

43. It is observed from the above table that the Connected Noticees, on a regular basis, were placing orders across months during Patch 1A and all the trades by the Connected Noticees except 1 trade was executed over LTP. Further, buy orders for large quantity of shares were available before placing of sell order but the Connected Noticees were repeatedly placing sell orders for minscule quantity (majority of times in minimum lot) of shares despite having sufficient number of shares with them. A summary of order log during Patch 1A is tabulated below:

Particulars	Buy	Sell
Total number of valid orders entered	4,216	127
Total original order quantity	24,17,137	5,486
Average original order quantity per valid order	573	43
No. of entities placing orders	196	19
No. of orders that converted into trades	119	123
Average order quantity in orders that converted into trades	744	39

44. The above table demonstrates that though there was huge demand for the shares,

still the Connected Noticees were trading in minscule quantity / minimum lot. It is noted that before the beginning of Patch 1A, there was only 1 day when the shares of the company were traded. A single trade was executed on October 9, 2009. This coupled with the fact that the even when the Connected Noticees were traded, the scrip was traded infrequently. The order log trade log reflects that out of 181 trading days during the patch, the scrip traded on 119 trading days and in the said 119 trading days, single trade was executed on 116 trading days. In the given situation, there were considerable buy order quantity pending in the system which considering the history of trading in the scrip and that too over LTP, would make a prudent investor to sell the shares at the very first opportunity that he/she is coming across.

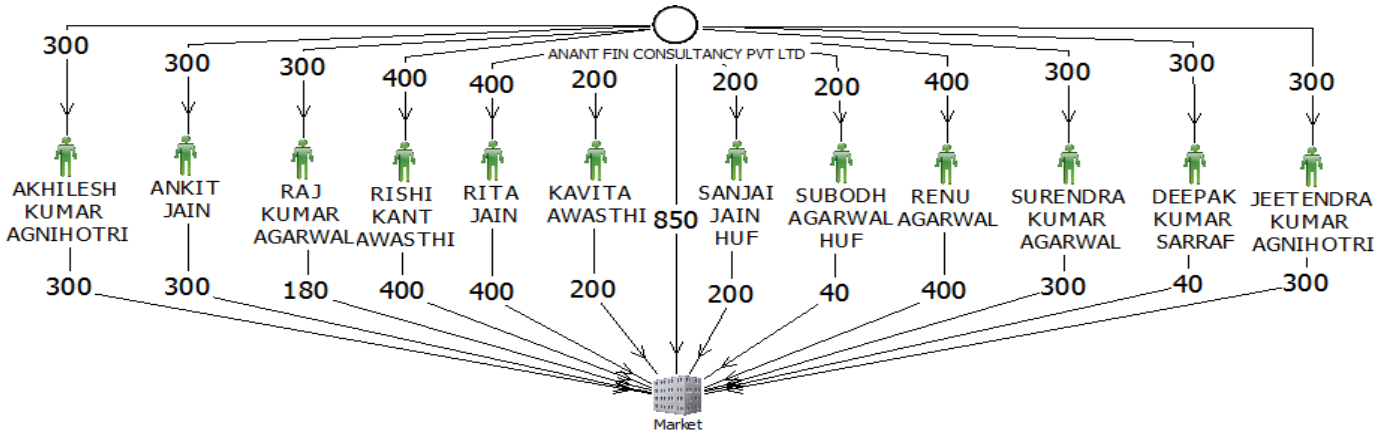
45. Moreover, it is noted from the IR that out of 4,560 shares sold by the 13 Connected Noticees only 3,910 shares were delivered and the delivery of the rest 650 shares (13 trades) were closed out after unsuccessful auctioning. Of the 15 instances, 13 such instances were by 5 Connected Noticees. Noticee wise summary of number of instances is tabulated below:

Name of the seller	No. of Instances
Rita Jain	8
Akhilesh Agnihotri	2
Rishi Kant Awasthi	1
Kavita Awasthi	1
Surendra Kumar Agarwal	1

46. The fact of non-delivery of shares when seen in light of the trading pattern of the Connected Noticees i.e., that of trading in miniscule quantity / minimum lot, trading over LTP for all their trades except 1 trade and placing orders at frequent interval, demonstrates that the Connected Noticees were not only trying the increase the price of the scrip but were also trying to control the supply of shares in the market.

47. Furthermore, the source for the all the 3,910 shares delivered by the Connected Noticees was traced back to Anant Fin Consultancy Private Limited who had

acquired 14,400 shares from one of the erstwhile Promoters of the company i.e., Mr. Avyav Jhunjhunwala on May 31, 2011. Thereafter, on June 25, 2011, Anant Fin Consultancy Private Limited had transferred shares to the Connected Noticees including the 12 Connected Noticees (the 13th Noticee is Anant Fin Consultancy Private Limited) who had traded in the scrip during patch 1A. Further, the number of shares so received by each of the 12 Connected Noticees was equal to or less than the number of shares delivered by the respective Connected Noticees. Therefore, during Patch 1A, the source of shares sold and delivered by all the 13 Connected Noticees was Anant Fin Consultancy Private Limited i.e., a Noticee connected to Mr. Subodh Agarwal and hence to the company and its PDs. The flow of shares from Anant Fin Consultancy Private Limited to 12 Connected Noticees by way of physical share transfer and delivery of shares on account of on-market sale by the 13 Sellers is depicted below:



48. Total LTP contribution by the Connected Noticees is ₹ 154.25 out of ₹ 162.65 (94.84% of the total market positive LTP). The table below depicts the respective LTP contribution by the Connected Noticees:

S. No	Seller Name	All Trades				Trades above LTP			
		LTP	QTY Sold	No. of trading days	No of trades	LTP	QTY sold	No. of trading days	No of Trades
1	Raj Kumar Agarwal	43.30	180	18	18	43.30	180	18	18
2	Anant Fin Consultancy Pvt Ltd	32.30	850	21	21	32.30	800	20	20

S. No	Seller Name	All Trades				Trades above LTP			
		LTP	QTY Sold	No. of trading days	No of trades	LTP	QTY sold	No. of trading days	No of Trades
3	Surendra Kumar Agarwal	15.45	350	7	7	15.45	350	7	7
4	Renu Agarwal	12.80	400	8	8	12.80	400	8	8
5	Deepak Kumar Sarraf	12.10	40	4	4	12.10	40	4	4
6	Subodh Agarwal Huf	11.30	40	4	4	11.30	40	4	4
7	Kavita Awasthi	8.20	250	5	5	8.20	250	5	5
8	Rishi Kant Awasthi	6.10	450	9	9	6.10	450	9	9
9	Rita Jain	4.11	800	16	16	4.11	800	16	16
10	Akhilesh Kumar Agnihotri	3.35	400	8	8	3.35	400	8	8
11	Jeetendra Kumar Agnihotri	2.15	300	6	6	2.15	300	6	6
12	Ankit Jain	1.79	300	6	6	1.79	300	6	6
13	Sanjai Jain Huf	1.30	200	4	4	1.30	200	4	4
Sub-total Connected entities		**154.25**	**4,560**	**116**	**116**	**154.25**	**4,510**	**115**	**115**
Other 4 entities		8.40	226	6	7	8.40	145	4	4
Grand Total		**162.65**	**4,786**	**119**	**123**	**162.65**	**4,655**	**119**	**119**

49. I note that trades at higher than LTP, undoubtedly have a potential of raising the price of the scrip which may influence innocent investors. In cases of market manipulation, admittedly, no direct evidence would be forthcoming / available. Manipulative transactions are to be tested on the conduct of parties and abnormality of practices which defy normal logic and laid down procedures. What is needed, is to prove that in a factual matrix, preponderance of probabilities indicate a fraud. In this regard, the observations of Hon'ble Supreme Court of India in *SEBI* vs. *Kishore R Ajmera et.al.* decided on February 23, 2016 wherein the Hon'ble Court while deciding the matter under SEBI Act and PFUTP Regulations where there was no direct evidence forthcoming, observed as follows:

"*…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 a reasonable/prudent man would adopt to arrive at a conclusion…"

50. In view of the above, the findings that have been gathered from various circumstances for instance connection amogst the Noticees, mode of acquisition of shares, source of delivery of shares, failure to deliver shares post trading, volume of the trade effected, the period of persistence in trading in the scrip, frequency of trading by the Connected Noticees, trading history of the scrip, the particulars of the buy and sell orders, the totality of the picture that emerges based on preponderance of probabilities leads to the conclusion that the Connected Noticees by executing the aforesaid sell trades have manipulated the price of the scrip and have created a misleading appearance of trading in the scrip.

51. Mr. Raj Kumar Agarwal in his reply has made same submissions as that of Anant Fin Consultancy Ltd. of certain entities not being made part of extant proceedings and no allegation of wrong disclosure filed by Sulabh. The said submissions have been considered in the preceding paragraphs and have been rejected for reasons recorded therein. The Noticee has submitted that he has bought shares in off market on the advice of his acquantaince and off market transfers are not per se illegal. The Noticee has further submitted that he has executed very few sell trades with negligible volume which cannot influence the price of the scrip and when he started executing trades, the price of the scrip had already increased.

52. With respect to Noticee's submission of buying shares in off market, I note that there was no trading in the scrip till December 1, 2011 except on 1 day and even

that said trading was post Noticee's off market purchase in the scrip. The financials of the company were weak rather the net profit of the company was falling prior to Noticee's acquisition which was on June 25, 2011 (in the financial year 2008- 2009, the profit was ₹ 9 lakh which fell to ₹ 1 lakh in the financial year 2010-2011). Given the aforesaid facts, a shadow of doubt would be cast on the rationale for investing in such a scrip which the Noticee has failed to justify. In the given facts and circumstances of the case, where the Noticee was part of a Connected Group and the price of the scrip increased by ₹ 162.65 with single trades, shows that off market acquisition of the Noticee was not genuine.

53. The submission of the Noticee that it has executed very few sell trades with negligible volume which cannot influence the price of the scrip and when he started executing trades, the price of the scrip had already increased, is also not acceptable. I find that the allegation against the Noticee is that he, being part of a Connected Group has executed trades in a specific pattern which has influenced the price of the scrip. Thus, Noticee's trades have to be seen together with the trades of other Connected Noticees and not separately or individually. It is the sum total of the combined effect which the Connected Noticees had on the price of the scrip which is in question and not the individual role played by the Noticee. Being part of a group, it is but obvious that each Connected Noticees will play their respective part in the scheme, which, when seen on a stand alone basis, may or may not be significant. However, the said fact will not distort the larger picture of manipulation of the price of the scrip pursuant to a scheme. Here, it would be apt to refer to the order of Hon'ble SAT in the matter of *Hemant Sheth and Ors.* Vs. *SEBI* decided on March 4, 2020 wherein the Hon'ble SAT has observed as follows: "*…all these entities were found to be connected and manipulating the market by various means. In a scheme of manipulative and unfair trading it is not necessary that every participant should be indulging in every type of trading violation or even in the same / similar magnitude. Once they are found to be part of a group trying to manipulate the volume or price of the scrip they became party to the violation. Hair splitting arguments that some traded more than others or on more days or*

some indulged in synchronized reversal and self trade while others did only one of those types do not cast away their violations…"

54. Anant Fin Consultancy Pvt. Ltd. has submitted that acquisition of 14,400 shares from an erstwhile Promoter cannot be construed as a device or a scheme. In this regard, I note that when seen on a stand alone basis the said acquisition cannot be said to be part of a device or scheme but when seen in the context of the facts and circumstances of the case, where, the shares, after being acquired were transferred in off market within a month to various entities including 12 Connected Noticees who along with Anant Fin Consultancy Pvt. Ltd. have then traded in minimum lot size consistently over a period of months while contributing positively to LTP and also used the said shares to meet their delivery obligation, demonstrates that the acquisition from the erstwhile Promoter was part of a device or a scheme. Anant Fin Consultancy Pvt. Ltd. has also made the same submissions as made by Mr. Raj Kumar Agarwal regarding off market transfer and that of price of the scrip was on an upward curve. The said submissions have already been considered above.

55. Anant Fin Consultancy Pvt. Ltd. has contended that it is totally erroneous to say that mere placing orders at higher price than LTP per se can be construed as giving rise to manipulation in the price of the scrip. Here, I would like to refer to the observation of Hon'ble SAT in the matter of *Mrs. Kalpana Dharmesh Chheda and Ors.* Vs *SEBI and Ors.* decided on February 25, 2020, wherein the Hon'ble SAT observed as follows:

"*…We do not find much merit in the submissions made by the learned counsel for the appellants 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. The pattern of trade clearly establishes this as it is on occasions that the appellants sold 1 to 5 shares, mostly one share, when in fact the buy orders available in the system was much higher. This behavior cannot be justified in terms of normal were among the top two net sellers during the relevant period. Therefore, when the appellants were holding a large number of shares (Appellant No. 1 – 15045 shares and Appellant No. 2 – 1009 shares), their selling miniscule quantity of one share each on more than four dozen occasions is nothing but a strategy of manipulation and unfairly benefiting by off-loading the entire shareholding after raising the price to considerable levels..."

56. Further, Hon'ble SAT in the matter of *Systematix Shares & Stocks (India) Ltd.* vs. *SEBI* decided on April 23, 2012, has observed as follows:

"*…It is true that trading at a price above the last traded price is no offence. However, the pattern of trading in the present case proves that there was a well thought out plan behind the placing of orders by the clients through the appellant. As observed above, the scrip was illiquid and low profile. The financial results of the company had nothing great to be spoken about. The paid up capital of the company was only ₹96 lacs consisting of 9,60,000 shares of ₹10 each. The highest net profit registered by the company was ₹ 6.5 lacs in March 2009. The value of the scrip at ₹ 874 achieved in June 2009 is to be gauged against the above background. Obviously, an attempt was made to inflate the share price by trading in single shares above the last traded price over a period of time. The adjudicating officer found that during the investigation period there was more buying interest in the scrip than that of selling which is revealed through the quantum of buy and sell orders. He has established that the trading in minimum number of shares per day was for the purpose of setting a new high price so that it would serve as the opening price in the next day and the process continued over a period of time. Considered in the background of the facts available in the case, the conduct of the appellant cannot be brushed aside as a normal and lawful market practice…*"

57. In light of the aforesaid observations of Hon'ble SAT, I note that it has already been held in the preceding paragraph that the trading pattern of the Connected Noticees in the given facts and circumstances of the case is manipulative in nature. The factors mentioned by Hon'ble SAT in the aforesaid 2 orders namely, trading in minimum lot at regular interval when in fact the buy orders available in the system was much higher and weak fundamentals of the company, are also present in the extant matter and have been considered in preceding paragraph. Thus, the submission of the Noticee that it is erroneous to say that placing orders over LTP can lead to price manipulation, is not tenable.

58. The remaining Connected Noticees namely, Mr. Surendra Kumar Agarwal, Ms. Renu Agarwal, Mr. Deepak Kumar Sarraf, Subodh Agarwal HUF, Ms. Kavita Awasthi, Mr. Rishi Kant Awasthi, Ms. Rita Jain, Mr. Akhilesh Kumar Agnihotri, Mr. Jeetendra Kumar Agnihotri, Mr. Ankit Jain and Sanjai Jain HUF have made same / similar submissions as made by Mr. Raj Kumar Agarwal and Anant Fin Consultancy Pvt Ltd. The same have already been considered in preceding paragraphs.

59. The Connected Noticees who have failed to deliver shares after selling the same in the market namely, Ms. Kavita Awasthi, Mr. Akhilesh Kumar Agnihotri, Ms. Rita Jain, Ms. Renu Agarwal, Mr. Raj Kumar Agarwal and Mr. Rishi Kant Awasthi have submiited that the lapse was due to inadvertent mistake in filling delivery instructions slip. I note that even if the submission of the Connected Noticees is taken on face value, it is noted from the IR that shares could not be bought in the auction as well. If the mistake of the aforesaid Noticees was genuine, they could have given their shares in the auction. However, they failed to do so. Moreover, as discussed in the preceding paragraphs, the fact of non-delivery of shares when seen in light of the trading pattern of the Connected Noticees shows that the Connected Noticees were not only trying the increase the price of the scrip but were also trying to control the supply of shares in the market.

60. In view of the aforesaid discussions, it is held that the aforesaid 13 Connected

Noticees have manipulated the price of the scrip in patch 1A and have also created a false and misleading appearance of trading in the scrip. Further, considering Ms. Kavita Awasthi, Mr. Akhilesh Kumar Agnihotri, Ms. Rita Jain, Ms. Renu Agarwal, Mr. Raj Kumar Agarwal and Mr. Rishi Kant Awasthi have failed to deliver shares after selling the same on market, it is held that entered into transaction in securities without intention of performing it/ without intention of change in ownership of such security.

Patch 1B- 17/8/2012 – 1/2/2013 - Price Rise period

61. It is noted from the SCN that 21 Noticees who are Connected Noticees have been alleged to have manipulated the price of the scrip by selling shares over the LTP. However, I note from the table of basis of connection in the preceding paragraphs that out of the alleged 21 Connected Noticees, Noticees namely, Ms. Bhawri Devi Jain, Mr. Ram Lubhaya Vohra, Mr. Ram Pher Dwivedi and Ms. Abha Dwivedi are found to be not connected with the company or its Promoters / Directors in any manner. Considering that the allegations against the said 4 Noticees is that, being part of a group, they have manipulated the price of the scrip and since it has been found that they are not part of the group, there is no requirement to proceed further against them in the extant matter.

62. In view of the aforesaid finding, what needs to be adjudged is whether the 17 Connected Noticees have manipulated the price of the scrip by placing orders over the LTP and contributed ₹ 246.2 to the gross positive LTP contribution of ₹ 662.05 i.e., 37.18%. During the period August 17, 2012 and February 3, 2013, the price of the scrip increased from ₹ 173.65 to ₹ 494 i.e, the price increased by ₹ 320.35.

63. I note from the material made available on record that out of 115 days during the patch when the scrip was traded, the 17 Connected Noticees traded over the LTP on 58 trading days. Thus, the Connected Noticees were trading every other day over the LTP and had executed total 95 trades over the LTP. It is noted that a total of 224 trades were executed over the LTP during the patch. The same highlights

that Connected Noticees were predominat contributors to the LTP by executing approximately 42.4% of total market trades over LTP. This when seen in light of the previous patch where the Connected Noticees were trying to increase the price of the scrip, a similar device is carried out by the Connected Noticees in this patch wherein they have, by executing trades over the LTP have contributed for approximately 48% of market net price movement i.e., their net LTP contribution is for ₹ 152.6. Furthermore, the particulars of the trade executed by the Connected Noticees reveals that the counter parties to the orders were also 12 other Connected Noticees (One Connected Noticee was common). It is observed from the order log trade log that out of 95 trades that were executed by Seller Connected Noticees over the LTP, 52 trades over the LTP, were with Buyer Connected Noticees, contributring ₹ 93.7 to gross positive LTP and ₹ 66.5 to the net positive LTP. In other words, the Connected Noticees by trading amongst themeseleves have contributed to approximately 21% to the market net price movement. Moreover, considering the average no. of trades during this patch was around 16 trades, approximately 55% Connected Noticees trades that too over the LTP have matched with each other. The same indicates that the same cannot be a coincidence. Hon'ble SAT in the matter of *Mr. Bhavesh Pabari* vs. *SEBI* decided on July 3, 2012, has observed as follows:

"…We agree with the adjudicating officer that matching of a large number of trades between the selected set of persons/entities for a considerable period of time in illiquid scrip cannot be a coincidence. Therefore, the adjudicating officer has rightly concluded that on the basis of the material on record, it is established that the appellant acted in collusion with others and created artificial volumes in the market and also influenced price of the scrip by placing and executing a large number of buy orders at a price higher than the last traded price and indulged in unfair trade practices. Therefore, we have no hesitation in upholding his findings that the appellant violated the provisions of regulation 4(1), 4(2)(a), (b), (e) and (g) of the FUTP regulations…"

64. The tables below depicts the LTP contribution by the Connected Noticees as Sellers and LTP contribution by Connected Noticees by trading amongst themseleves:

Seller Name	All Trades			Trades above LTP			
	Net LTP	Qty sold	No of trades	LTP	Qty sold	No. of trading days	No of Trades
Divya Agarwal	32.35	26,500	76	34.50	5,011	10	16
Pranveer Singh	28.25	70,000	267	35.15	2,343	11	14
Abhay Jain HUF	20.40	1,500	8	20.55	700	1	1
Geeta Mishra	12.95	48,209	186	44.10	6,518	15	19
Deepak Kumar Sarraf	11.30	30	3	11.30	30	3	3
Amit Jain	10.00	1,500	5	10.00	10	1	1
Subodh Agarwal HUF	7.20	20	2	7.20	20	2	2
Vijay Shree Bihani	7.10	2,058	21	13.10	304	3	3
Manish Kumar Garg	6.00	21,500	59	10.00	443	2	6
Praveen Kumar Mishra	5.10	30,444	96	26.55	576	6	8
Shubhang Exports Ltd	4.55	7,115	18	4.55	25	1	1
Raj Kumar Agarwal	3.65	10	1	3.65	10	1	1
Sanjay Kumar	1.90	50,544	135	16.30	3,342	10	13
Rajesh Bhiani	0.85	4,228	24	8.25	502	4	4
Param Jeet Singh	0.50	5,500	23	0.50	495	1	1
Reena Jain	0.25	1,500	10	0.25	500	1	1
Usha Jain	0.25	1,500	4	0.25	500	1	1
Sub Total	**152.6**	**2,72,158**	**938**	**246.2**	**21,329**	**58**	**95**
Grand Total	**320.35**	**4,92,596**	**1,870**	**662.05**	**52,139**	**100**	**224**

S.No.	Connected buyers to the sell trades of entities at above	Trades with 13* out of 17 entities tabulated above		
		Trades with +ve LTP		
		+ve LTP	No. of Trades	Trade Qty
1	Subodh Agarwal	26.00	7	2,397
2	Rajesh Bhiani	33.05	4	40
3	Skm Travels Pvt Ltd	5.25	15	8,005
4	Sanklap Vincom Pvt Ltd	0.50	1	500
5	Shrishti E Systems Pvt Ltd	8.20	6	1,800
6	KPK Fin Consultancy Pvt Ltd	6.80	4	1,050
7	Shreya Stocks and Shares Pvt Ltd	5.85	6	1,530
8	Akhilesh Kumar Agnihotri	6.2	4	740
9	Anant Fin Consultancy Pvt Ltd	0.75	2	700

10	Raghuvansh Agrofarms Ltd	0.50	1	250
11	Jeetendra Kumar Agnihotri	0.50	1	300
12	Signet Vinimay Pvt Ltd	0.10	1	200
	Total	**93.7**	**52**	**17,512**

*4 entities namely Subodh Agarwal HUF, Manish Kumar Garg, Shubhang Exports Ltd and Raj Kumar Agarwal were not the counter part sellers to the buyers in the aforesaid table.

65. Here, I would like to revisit the submission of Mr. Rajesh Bihani that he does not know Mr. Deepak Kumar Saraf. It has already been held in the preceding paragraph that having a common email id gives access to the trading statements and contract note of the trades executed by them. Further, as noted from the trading pattern of Mr. Rajesh Bihani, he has not only sold shares above the LTP, approximately 31% of his buy trades (4 out of 13) has matched with group entities. Thus, matching of one-third of buy trades with connected entities in a scrip like Sulabh which has almost negligible trading history before the investigation period coupled with declining financial results, on a preponderance of probabilities shows that the matching of the trades of Mr. Rajesh Bihani with other group entities, was more than a coincidence.

66. The weak financials of the company has already been noted in preceding paragraphs (the profits of the company for six financial years from 2008-09 to 2014-15 was miniscule). I further note from the Annual Report of the company for the year ended March 31, 2015, the total assets of the company were ₹ 21.57 crore and ₹ 22.17 crore (as on 31.03.14 and 31.03.15 respectively). Out of the above, unsecured loans and advances aggregated to ₹ 16.72 crore and ₹ 17.13 crore (as on 31.03.14 and 31.03.15 respectively). Considering the total value of assets which is miniscule compared to the market cap of the company, the quality of assets held by the company (cash generation ability) and the financial performance/ assets of the company, the exponential increase in share price is not supported on any fundamental basis.

67. In view of the aforesaid discussion, the findings that have been gathered from various circumstances for instance the particulars of the sell orders, the period of persistence in trading in the scrip, trading amongst the Connected Noticees,

frequency of trading, contribution to the net price movement coupled with the weak fundamentals of the company, the totality of the picture that emerges based on preponderance of probabilities leads to the conclusion that the Connected Noticees by executing the aforesaid sell trades and by trading amongst themseleves have manipulated the price of the scrip and have created a misleading appearance of trading in the scrip. The aforesaid 28 Connected Noticees are Ms. Divya Agarwal, Mr. Pranveer Singh, Abhay Jain HUF, Ms. Geeta Mishra, Mr. Deepak Kumar Sarraf, Mr. Amit Jain, Subodh Agarwal HUF, Ms. Vijay Shree Bihani, Mr. Manish Kumar Garg, Mr. Praveen Kumar Mishra, Shubhang Exports Ltd., Mr. Raj Kumar Agarwal, Mr. Sanjay Kumar, Mr. Rajesh Bhiani, Mr. Param Jeet Singh, Ms. Reena Jain, Ms. Usha Jain, Mr. Subodh Agarwal, SKM Travels Pvt Ltd, Sanklap Vincom Pvt Ltd, Shrishti E Systems Pvt Ltd, KPK Fin Consultancy Pvt Ltd, Shreya Stocks and Shares Pvt Ltd, Mr. Akhilesh Kumar Agnihotri, Anant Fin Consultancy Pvt Ltd, Raghuvansh Agrofarms Ltd, Mr. Jeetendra Kumar Agnihotri and Signet Vinimay Pvt Ltd.

68. It is observed that prefrential allottees namely Ms. Divya Agarwal, Ms. Geeta Mishra, Mr. Pranveer Singh, Mr. Manish Kumar Garg, Mr. Praveen Kumar Mishra and Mr. Sanjay Kumar have sold their shares during this patch. Their submissions have been perused and following is their common submissions:

68.1. Based on the information and feedback received from various professionals, friends and other persons in the industry, who have adequate knowledge of securities market, they had subscribed in the preferential issue of the company. Some have also submitted that their decision to invest was based on company's strong financials and consistent dividend paying record.

68.2. The issuance of shares by way of preferential allotment was done in consonance with applicable provisions of SEBI Regulations and Listing Agreement.

68.3. After the expiry of the lock in period, since there were no fetters in selling the shares and the price had also increased so they decided to sell the shares.

68.4. On the basis of executing few stray trades over the LTP, a serious charge of LTP manipulation cannot be levelled against the Noticees. As a seller, endeavor will be to sell shares at a higher price. Further, the total trading in the scrip has to be viewed holistically.

68.5. Pranveer Singh has submitted that his trades do not match with the counter parties who are Connected Noticees.

69. It is pertinent to mention here that shares were allotted by the company in a preferential allotment unlike a public issue where funds are raised by inviting subscriptions from the public in general. Preferential issues can only be made by pre-negotiation. This signifies that the allottees agreed with the company on one-to-one basis to subscribe to its shares. Though Sulabh is a listed company, its shares were almost never traded. After a single trade on October 9, 2009, trading in the scrip was observed only from December 1, 2011 and even after that the scrip was infrequently traded. The profits of the company had reduced significantly from ₹ 9 lakh to ₹ 1 lakh from the financial year 2008 -2009 to financial year 2010-2011 and there is nothing on record to show that the fundamentals of the company changed substantially at the time of the preferential allotments which will inspire confidence in the company. It is noted that, even in such circumstances, the company was able to raise approximately ₹ 19.60 crore from 73 persons by selling its shares at a premium at a price of ₹ 20/- per share. This is only possible if there was a prior tacit understanding between the company and the preferential allottees to benefit subsequent to the allotment i.e., after the lock-in period ends. Paying a dividend of ₹ 0.6 does not mean that the company had strong financials. The aforesaid Connected Noticees are unable to demonstrate or provide any plausible reasons as to why any rational investor would like to invest in such a company that has neither any trading history nor have any financial or business presence/recognition in the market. I, further note that the Connected Noticees have failed to provide any material such as any communication between them and the company, Information Memorandum, etc.

in order to substantiate their contention. The aforesaid demonstrates a nexus between the allottees and company and its PDs. The same is also substantiated by their conduct as they started selling shares within a short span of time when the lock-in period was over and when the price of the scrip had increased significantly. The pefrential allottees did not sell the shares immediately after the lock-in period as the Connected Noticees, as discussed in preceding paragraphs, in Patch 1A were in the process of manipulating the price of the scrip and the preferential allottees were waiting for the price to increase substantially. In view of the aforesaid, I do not find any merit in the contention of the Connected Noticees that their decision was based on the fundamentals of the company.

70. The Connected Noticees have contended that after giving permission to make preferential allotment, granting listing and trading permission for the shares issued in preferential allotment, the issuance of shares by way of preferential allotment cannot be questioned. In this regard, it is noted that preferential allotment is like any other corporate action / instrument which is allowed as per the extant regulations for raising funds by corporate bodies for the purpose of business requirements. However, the same becomes questionable / doubtful when it is used as tool for implementation of any dubious plan or mala fide intention as done in the instant case. I, therefore, find no merit in the submission of the Connected Noticees.

71. With respect to the contention of Connected Noticees that few stray trades over the LTP cannot lead to a charge of manipulation and that their entire trade in the scrip has to be seen holistically, I find that in the given matter, the charge of price manipulation is based on the Connected Noticees acting as a group pursuant to a device / scheme and that by trading in a specific pattern at regular interval have artificially increased the price of the scrip. Therefore, few trades over LTP executed by Connected Noticees when seen along with other trades executed by other Connected Noticees, will definetly have a significant impact on the price of the scrip. As discussed in preceding paragraphs, in matters of manipulation, each

Connected Noticee, plays his / her part in the entire scheme. The submission of the Noticees that their trades have to be seen holistically, I note that the allegation against them is that they have contributed significantly to the positive LTP. Therefore, their trades over the LTP have to be analysed based on various parameters like volume, frequency, LTP variation etc. to arrive at a conclusion whether or not the said trades are manipulative in nature. Moreover, it is naïve to think that a person who is trying to manipulate the price of the scrip will only trade over LTP i.e., unidirectional. Some of his trades will be at LTP or below LTP but that does not mean that his LTP contribution cannot be examined independently of his other trades, else all manipulation can be "covered" by "other trades". One of the factors that attracts an investor to a scrip is the continuous increase in the price of the scrip. In light of the same, contribution to the price by trading over LTP assumes significance.

72. Mr. Pranveer Singh has submitted that his trades do not match with the counter parties who are Connected Noticees. Even, if the counter party to his trades are not Connected Noticees, I find that the charge against him is also of executing trades as a Connected Noticee, over the LTP along with other Connected Noticees in Patch 1B which has contributed significantly to the price of the scrip. Therefore, the submission of the Noticee is not tenable.

73. Anant Fin Consultancy Ltd. has submitted for its Patch 1B trades that the figure for no. of trades executed by it and the volume of shares, is incorrect. The said submission of the Noticee is correct. The total trades executed by the Noticee is 11 trades for 3,800 shares. However, the Noticee was given the correct figure for its gross LTP contribution, which as discussed in preceding paragraph is relevant for the charge of price manipulation. Further, the submission of the Noticee that its contribution is miniscule does not have merit, as Noticee was part of the group and as a result his individual contribution has to be seen along with the contribution of the entire group.

74. Some of the Connected Noticees namely Anant Fin Consultancy Ltd., Jeetendra

Kumar Agnihotri, Raghuvansh Agrofarms Ltd, and Deepak Sarraf have submitted that there was a time difference between placing of the orders and trades were delivery based with change of beneficial ownership, hence the allegation of LTP manipulation is baseless. In this regard, as discussed in preceding paragraphs, to establish a charge of price manipulation by contributing to LTP, host of factors and attending circumstances has to be seen in the absence of direct evidence as held by Hon'ble Supreme Court of India in *SEBI* vs. *Kishore R Ajmera et.al.* The attending facts and circumstances surrounding the allegation of price manipulation by contributing to LTP can be volume of the trade effected, the period of persistence in trading in the scrip, the particulars of the buy and sell orders, time difference in placement of orders etc. The aforesaid is just an indicative list of factors and not an exhaustive one. Therefore, even if one of the factors is not present but others are applicable to the facts and circumstances of the case, which in the given matter, they are, it will not make the allegation baseless, as contended by some of the Connected Noticees.

75. Raghuvansh Agrofarms Ltd. has also submitted that there is no rule that one cannot trade over LTP. The said submission has been considered in preceding paragraphs in the light of observations made by Hon'ble SAT in the matter of *Systematix Shares & Stocks (India) Ltd.* vs. *SEBI* decided on April 23, 2012 and has been found to be untenable.

76. Deepak Kumar Sarraf, Shubhang Exports Ltd., Raj Kumar Agarwal, Param Jeet Singh, Akhilesh Kumar Agnihotri, Jeetendra Kumar Agnihotri, SKM Travels Pvt. Ltd., Sanklap Vincom Pvt. Ltd., Signet Vinimay Pvt. Ltd., Shrishti E-Systems Pvt. Ltd., have made same submissions as that of Mr. Raj Kumar Agarwal and Anant Fin Consultancy Ltd. made for their Patch 1A trades. Deepak Kumar Sarraf and KPK Fin Consultancy Pvt. Ltd. have made same submissions as that of Mr. Raj Kumar Agarwal (Patch- 1A) and the preferential allottees which have already been dealt with.

77. In view of the aforesaid discussions, it is held that the aforesaid 28 Connected Noticees (17 Sellers + 12 Buyers – 1 Common Noticee = 28) have manipulated the price of the scrip by contributing to the LTP in Patch 1B and have also created a false and misleading appearance of trading in the scrip.

Patch 2 – 4/2/2013 – 22/7/2014 – Price rise post split of shares

78. In this Patch, the face value of the shares of the company was divided from ₹ 10 to ₹ 1 and the shares were traded on ex-split basis from February 4, 2013. The LTP before the start of the trade on February 4, 2013 was ₹ 494.00. The ex-split price with which the trading started on February 4, 2013 was ₹ 50 (with an LTP contribution of ₹ 0.60 i.e., ₹ 50 - ₹ 49.40). During this period the price of the scrip increased from ₹ 49.40 (₹ 494 adjusted for 10:1 split) to ₹ 243. i.e, the net price increase was ₹ 193.60.

79. It has been alleged in the SCN that 83 Connected Noticees by repeatedly buying shares over the LTP have manipulated the price of the scrip. However, I note from the table of basis of connection in the preceding paragraphs that out of the alleged 83 Connected Noticees, Noticees No. 52, 54, 58, 59, 60, 61, 62, 63, 64, 68, 69, 70, 72, 75, 77, 79, 80, 81, 84, 85, 87, 89, 90, 91, 93, 95, 96, 98, 99, 100, 101, 102, 104, 106, 112, 114, 115, 117, 118, 120 and 121 are found to be not connected with the company or its Promoters / Directors in any manner. Considering the allegations against the said 41 Noticees is that, being part of a group, they have manipulated the price of the scrip and since it has been found that they are not part of the group, adjudging further allegations on that basis does not arise. Therefore, there is no requirement to proceed further against them in the extant matter.

80. Moreover, Mr. Nathu Lal Sharma is deceased and considering SCN has not been issued to his Legal Representatives, his trades are not considered in the extant proceedings.

81. Acme Pvt. Ltd. (currently known as Boast Traders Pvt. Ltd.) has submitted that it has bought shares of Authum Investment & Infrastructure Ltd. in the year 2011-

12 from four distinct entities in off-market based on the audited financial statement of the company which showed that its book value is about 140 per share as per the audited financial statement for the year ended 31/3/2010 and the shares were available at 10 per share. Further, the shares were not traded on the Calcutta Stock Exchange and that the Noticee is still holding the said shares as they have genuine interest in the company. It is observed from the Annual Report for the financial year 2011-12 of Authum Investment & Infrastructure Ltd. that for the year ended 31/3/2011 its profit after depreciation & tax was ₹ 41,77,833/- which increased to ₹ 3,18,59,426/. Thus, at the time when Acme Pvt. Ltd. had invested in the company, it was a growing concern and was a profitable company. In this regard, reference may be made to the observations of Hon'ble SAT in the matter of *Giriraj Kumar Gupta HUF and Ors.* vs. *SEBI* decided on February 25, 2020, wherein the Hon'ble SAT was dealing with the allegation that a particular entity was connected to the group by way of off market transfer and was alleged to have manipulated the price of the scrip along with the group, observed as follows:

"…The appellants have not given the details of their off-market transactions with an entity which is also found to be part of the group which manipulated the scrip of RMCL.The unwillingness of the appellants in giving the details of those off-market transactions and in turn placing buy orders above LTP in the market subsequently cannot be viewed in isolation…"

82. From the above observation of the Hon'ble SAT, it can be inferred that if the Noticee is able to give a reasonable explanation for his off-market transfer, then his alleged trades would be seen in a different light. In the given matter, the explanation given by Acme Pvt. Ltd. shows that Acme Pvt. Ltd. has bought shares of Authum Investment & Infrastructure Ltd from other entities. Given facts and circumstances of the case, its case as substantiated dilutes the adequacy of its connection with other Connected Noticees involved in the matter and hence a benefit of doubt can be given to the Noticee that it was not part of the Connected

Noticees.

83. In view of the aforesaid finding, what needs to be adjudged is whether the 40 Connected Noticees have manipulated the price of the scrip by placing orders over the LTP and contributed ₹ 605.85 to the gross positive LTP contribution of ₹ 3,385.45 i.e., approximately 18%.

84. I note from the material made available on record that out of 365 trading days during the patch, the 40 Connected Noticees traded over the LTP on 223 trading days. Thus, the Connected Noticees had traded on 61% of days over the LTP and had executed total 1,208 trades over the LTP. It is noted that a total of 5,260 trades were executed over the LTP during the patch. The same highlights that Connected Noticees were significant contributors to the LTP by executing approximately 23% of total market trades over LTP. In terms of volume for the trades executed over the LTP, the Connected Noticees have executed approximately 26% of the total market volume. The aforesaid facts and figures shows that the Connected Noticees were reapetedly buying shares over the LTP and that too in a considerable quantity.

85. It is noted from the particulars of trade in the scrip of Sulabh that during this period a total of 2,39,31,293 shares were traded with an average volume of 65,565 shares. The same indicates that there was substantial liquidity in the scrip. It is further noted from the trading details in the scrip that a total of 16,10,873 shares were bought below LTP and a total of 1,98,96,614 shares were bought at LTP. In light of the aforesaid, it can be said that the Connected Noticees instead of executing 23% of their trades over the LTP, had the opportunity to buy shares at LTP or lower than LTP. This shows that the Connected Noticees were not behaving like a reasonable buyer who tries to buy shares at a low price. As discussed in preceding paragraphs, trading over the LTP is not a violation of securities laws *per se*, but in the facts and circimstances of the matter where the Noticees are connected with each other, are on a regular basis trading over the LTP that too in significant volume coupled with the fact that the fundamentals

and financials of the company are weak, casts a shadow of doubt on the trades of the Connected Noticees. Here, I would like to refer to the order of Hon'ble SAT in the matter of *Shri Lakhi Prasad Kheradi* vs. *SEBI* decided on June 21, 2018, wherein the Hon'ble SAT has observed as follows;

"*…Very fact that the appellant had indulged in self trades/ LTP/ NHP without giving any justifiable reason, clearly justifies the inference drawn by the AO that the trades executed by the appellant were manipulative trades…*"

86. The table below depicts the LTP contribution by the Connected Noticees as buyers:

Buyer Name	All Trades				Trades above LTP			
	Net LTP	**Qty** bought	**No. of trade days**	**No of trades**	**LTP**	**Qty bought**	**No. of trade days**	**No of trades**
Apex Commotrade Pvt Ltd	52.55	8,60,696	105	2,866	62.4	77,784	71	160
Spice Merchants Pvt Ltd	48.45	11,30,691	103	2,783	79.15	1,63,628	64	166
Ankit Jain	32.6	9,100	2	3	32.6	7,770	2	2
Aviral Industries Ltd	28.45	3,92,354	30	3,010	50.05	15,100	24	79
Signet Vinimay Pvt Ltd	28.15	5,83,589	73	1,905	35.45	51,543	52	111
Bakliwal Vyapaar Pvt Ltd	27.1	2,73,342	14	1,291	32.1	19,000	14	61
Kamta Prasad Pandey	25.65	40,367	48	341	121.2	14,692	36	101
Runicha Merchants Pvt Ltd	25.4	5,38,902	84	2,396	38.1	26,065	44	95
Sanklap Vincom P Ltd	21.8	6,81,578	83	2,704	30.7	51,462	53	136
Vijay Shree Bihani	10.4	11,600	7	64	10.5	2,806	6	8
Jasmine Commodities Pvt Ltd	10.05	3,17,571	45	2,527	25.8	13,842	31	75
Winall Vinimay Pvt Ltd	9.6	4,25,731	62	1,234	15.6	34,240	30	59
Rita Jain	8.9	2,150	4	13	8.9	675	3	3
Gagandeep Construction Company Pvt Ltd	6.55	21,421	11	218	11.15	3,219	6	13

Buyer Name	All Trades				Trades above LTP			
	Net LTP	Qty bought	No. of trade days	No of trades	LTP	Qty bought	No. of trade days	No of trades
Mahamani Tradelink Pvt Ltd	5.9	78,350	7	215	7.6	10,600	5	15
Kapeeshwar Vintrade Pvt Ltd	5.85	90,350	9	120	7.65	10,376	6	10
Arunavo Mukherjee	5.75	1,60,600	15	269	7.3	33,088	9	26
Vasundhara Capital & Securities Ltd	4.15	1,99,709	13	1,505	10	2,549	10	15
Arise Dealcom Pvt Ltd	3	40,244	6	155	3.45	2,718	4	12
Santosh Kumar Agarwal	2.7	23,500	2	27	2.7	4,235	2	5
Dynamic Credit Finance Pvt Ltd	1.9	1,30,000	5	66	1.9	8,803	4	6
Rishabh Agarwal	1.6	8,480	2	66	1.6	910	1	4
Swapanloke Steels Pvt Ltd	1	16,000	2	3	1	16,000	2	3
Pranveer Singh	1	16,700	2	36	1	1,500	2	4
SKM Travels Pvt Ltd	0.8	90,000	2	54	0.8	5,863	2	3
Surendra Kumar Gupta	0.8	14,000	2	13	1.9	6,200	1	5
Pawan Kumari Agarwal	0.8	7,600	1	28	1.55	135	1	6
Scope Vyapar Pvt Ltd	0.5	20,500	3	43	0.5	18	1	1
Lemon Vincom Pvt Ltd	0.35	18,300	2	11	0.4	11,600	2	3
Litmus Investments Ltd	0.25	4,600	1	6	0.25	1,000	1	1
Lark Commercial Pvt Ltd	0.25	32,000	3	45	0.25	5,516	2	2
Girija Pandey	0.25	57,100	1	109	0.25	3,670	1	5
Devshyam Stock Broking Pvt Ltd	0.2	700	1	7	0.2	110	1	1
Sanmati Goods Pvt Ltd	0.2	35,550	5	28	0.65	4,600	3	4
Jeetendra Kumar Agnihotri	0.2	350	1	4	0.2	100	1	1

Buyer Name	All Trades				Trades above LTP			
	Net LTP	**Qty** bought	**No. of trade days**	**No of trades**	**LTP**	**Qty bought**	**No. of trade days**	**No of trades**
Memori Vinimay Pvt Ltd	0.15	10,000	3	10	0.65	1,600	2	2
Cube Trafin Pvt Ltd	0.1	8,000	1	2	0.1	4,000	1	1
Subodh Agarwal	0.1	8,500	2	7	0.1	1,000	1	1
Lark Merchants Pvt Ltd	0.05	10,000	1	9	0.1	2,794	1	2
Raj Vardhan Agarwal	0.05	7,300	1	24	0.05	300	1	1
Total (40 connected entities)	**373.55**	**63,77,525**	**253**	**24,217**	**605.85**	**6,21,111**	**223**	**1,208**
Grand Total	**1079.9**	**2,39,31,290**	**365**	**80,395**	**3,385.45**	**24,23,803**	**354**	**5,260**

87. In view of the aforesaid discussion, the findings that have been gathered from various circumstances for instance the connection amongst the Noticees, the period of persistence in trading in the scrip, frequency of trading, contribution to the LTP, the totality of the picture that emerges based on preponderance of probabilities leads to the conclusion that the aforesaid 40 Connected Noticees by repeatedly trading over the LTP as a group, have manipulated the price of the scrip and have created a misleading appearance of trading in the scrip.

88. The Connected Noticees have made the following common submissions:

88.1. SCN is contradictory as some of the entities who traded in the scrip are not part of the extant proceedings.

88.2. There is no allegation of disclosure violation against the company, hence it is incorrect to say that the entire free float of shares was with the PDs.

88.3. All the trades of Noticees should be seen together / only buy side trade data has been considered and not the sell side data.

88.4. Counter party to the trades are not part of the present proceedings.

88.5. Trading over LTP is not a violation.

88.6. Few trades over the LTP cannot manipulate the price.

88.7. All trade were delivery based and there was change in beneficial ownership.

88.8. When the Noticees started trading, the price was already on the upward curve / rate was already established.

89. The aforesaid common submissions have been considered in the preceding paragraphs and have been found to untenable. Additionally, Dynamic Credit Finance Pvt. Ltd. vide its letter dated July 11, 2020 has submitted that "*SEBI through its Information Memorandum No. 04/2017, Item No. 5 (Copy enclosed) had approved an enforcement action policy in respect Long Term Capital Gain cases. However it appears that the decision to issue SCN to us is at variance with the approved enforcement action policy of SEBI in respect of LTCG cases."* In this regard, I note that the Noticee has not demonstrated how the SCN served on the Noticee has been issued in variance with the Information Memorandum. It is observed from Item No. 5 of the Information Memorandum that it deals with action taken by SEBI in 12 scrips during 2014-2016. The same does not lay down SEBI's enforcement policy with respect to LTCG Cases. The framework for initiating Enforcement Actions in respect of LTCG cases has been provided at Item No. 7 of the Information Memorandum wherein it is unequivocally stated that SEBI will initiate enforcement proceedings under 11B against entities involved in price manipulation i.e., LTP contributors. In the extant matter it has already been held that the Noticee is connected with Anil Khemka and being part of the group has contributed to the LTP as a buyer. Moreover, as observed by Hon'ble SAT in the matter of *Mayank Dhanuka* vs. *SEBI* and other connected appeals decided on December 15, 2017 that *"... Fact that Clause 7.1 of the Information Memorandum dated 29.12.2016 records that SEBI would proceed against the entities involved in price manipulation i.e. LTP contributors and the listed companies and its Whole Time Directors (if connection between them is established) cannot be construed to mean that other entities who are also found to be connected with the entities committing fraud are liable to be exonerated…*

… The show cause notice issued to the appellants on 06.12.2017 specifically records on the basis of the facts set out therein that the appellants along with others were part of a fraudulent scheme under which the price of the scrip was manipulated by the company related entities and entities that received the shares from the promoters. Thus, in the facts of these cases, where the appellants are prima facie found to be connected with the fraud committed by misusing the stock exchange platform, it is impossible to accept the argument of the appellants that the proceedings initiated against them are liable to be quashed on the basis of the Information Memorandum dated 29.12.2016...". In light of the above, the submission of Dynamic Credit Finance Pvt. Ltd. is not acceptable.

90. In view of the aforesaid discussions, it is held that the aforesaid 40 Connected Noticees have manipulated the price of the scrip by contributing to the LTP in patch 2 by their repeated buy trades and have also created a false and misleading appearance of trading in the scrip.

91. The aforesaid discussions and findings of 3 Patches, brings out the following picture:

91.1. There is a listed company with low share capital whose shares are almost never traded. In other words, the company is a dormant listed company.

91.2. PDs came in and acquired 60% of the shares through Share Purchase Agreement and Open Offer. Further, through their connected entities, they cornered significant number of outstanding shares so as to control the supply of the shares in the market.

91.3. Then the company goes for preferential allotment.

91.4. Subsequently, connected entities release miniscule / minimum lot of shares at frequent interval at prices far away from the LTP to increase the price. Further, the connected entities by trading amongst themselves try to show considerable activity in the scrip and also continue to increase the price of the scrip. Later on, to sustain the price in the scrip, the connected entities repeatedly

buy shares at higher LTP to absorb the available sell orders.

91.5. Finally providing an opportunity to the connected entities to sell substantial shares at the manipulated price.

92. From the totality of the picture there is no ambiguity in my mind that a scheme of fraud has been conceived and implemented by the Connected Noticees. The price paid under the share purchase agreement and in the open offer was ₹ 32. Subsequent to the first preferential allotment, the price of the scrip increased from ₹ 11 to ₹ 173.65, an increase of 1479%. Afterwards, a second preferential allotment was done. In the mean time the price had reached till ₹ 494, an increase by 4390%. The share was split in the ratio of 1:10 while the price increased from ₹ 49 (₹ 494 adjusted for 10:1 split) to ₹ 243. The post split price of ₹ 243 is tantamount to ₹ 2430 pre-split, which is 220 times price at which the scrip first traded after a long hiatus. The increase by 220 times in the price of the scrip cannot be ignored. For a company which was inactive at the time of taking over in February, 2011 and which made a nominal profit of ₹ 1 lakh in the financial year 2010-2011, appreciation of the share price by 220 times and reaching the level of ₹ 2430 per share (243, post split) cannot be treated as a normal development by any yardstick. In that context, finding in the preceding paragraphs that several of the Connected Noticess, by placing sell and buy orders above the LTP during various phases of the investigation period, have caused a dramatical increase in the price of the scrip, leading to an inevitable conclusion that the same was a result of a fraudulent scheme hoisted by the Connected Noticees.

93. In view of the *modus operandi* brought out above, it is held that the aforesaid Connected Noticees as mentioned in the respective tables, across 3 Patches of the investigation period have manipulated the price of the scrip by artificially inflating it and have also created a false and misleading appearance of trading in the scrip.

Issue No. 4 – *Who are the Connected Noticees who have benefitted from the*

manipulation in the price of the scrip during the investigation period?

94. It is observed from the IR that there are 3 sets of Connected Noticees who have benefitted by selling the shares between August 17, 2012 and January 6, 2015 (trading in the scrip was suspended with effect from January 7, 2015). They are as follows:

94.1. PDs, Promoter and Non-Executive Director and other Promoters (7 in nos. from sl. no. 1 to 7).

94.2. Price Manipulators (8 in nos. from sl. no. 8 to 15).

94.3. Connected Noticees including preferential allottees who were connected to the company and some with price manipulators.

95. It is observed from the SCN that the first 2 set of Connected Noticees had a net sale value of ₹ 50 lakh or more during the aforesaid period and the said Connected Noticees are tabulated below:

Name of the Entity
1. Manoj Kumar Agarwal (PD)
2. Santosh Kumar Agarwal (P + D)
3. Manish Agarwal (P)
4. Krishana Agarwal (P)
5. Ruchi Agarwal (P)
6. Sandhya Agarwal (P)
7. Deepa Mittal (PD)
8. Surendra Kumar Gupta
9. Divya Agarwal
10. Praveen Kumar Mishra
11. Geeta Mishra
12. Sanjay Kumar
13. Manish Kumar Garg
14. Subodh Agarwal
15. Pranveer Singh

96. Further, the 3rd set of Connected Noticees who benefitted substantially by selling shares during the aforesaid period, are tabulated below:

Name of the Entity

1. Manoj Agarwal
2. Praveen Kurele
3. Vinay Kumar Agarwal
4. Som Prakash Goenka
5. Naveen Kurele
6. Mridula Agrawal
7. Narender Kumar
8. Manisha Sharma
9. Seema Kapoor
10. Sanjeev Sanghi
11. Mahabir Pershad Huf
12. Deepak Kumar Agarwal
13. Sanjay Kapoor
14. Sapna Kapoor
15. Sunil Kapoor
16. Ashok Kumar Maheshwari
17. Vivek Karwa
18. Roopchandra Kumar
19. Sabreen
20. Sanjay Kumar Huf
21. Arun Kumar Huf
22. Raj Kumar
23. Manish Maheshwari
24. Mahak Maheshwari
25. Sajan Kumar Agarwal
26. Narender Kumar Huf
27. Shubham Agarwal
28. Ashish Agarwal

97. The PDs and Promoters of the company have submitted as follows:

97.1. SEBI has overlooked the growth of the business activity of the company since new Promoters took over the management and control of the company.

97.2. The funds raised from public was used for the purpose to make SESL fundamentally strong.

97.3. No evidence that their trading had an impact on the trading activity in the scrip. Their percentage of sale trades and no. of days that they have entered into sale transactions are negligible to have an impact on market equilibrium.

97.4. If they were party to the manipulation, they would have sold all their shares whereas they are still holding shares in the company.

97.5. Transactions were executed through screen based trading system of stock exchange.

97.6. Transactions were at the prevailing market rate.

98. With respect to Noticees submissions of growth in the business activity of the company and that funds raised from public were utilised to strengthen the company, I note that the Noticees have not submitted any documentary evidence in support of their submissions. Hence, the same are not acceptable. Moreover, the net profit figures of the company for the period 2009 to 2015 is tabulated below which is self evidentiary and shows that the financial performance of the company is weak:

(₹ in crore)

Particulars – Year ended March	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Total Income	0.11	0.07	0.03	0.38	1.10	0.90	1.08
PBT	0.1	0.06	0.01	0.20	0.63	0.53	0.76
Net Profit	0.09	0.05	0.01	0.15	0.43	0.37	0.51

99. As seen from the table above, the total amount of profit made by the company was negligible for each of the financial year. As on December 31, 2010, the company had a total outstanding paid-up share capital of ₹ 24,75,000 i.e., 2,47,500 shares of ₹ 10 each. Thereafter, the two preferential allotments made by the Company resulted in an inflow of ₹ 5.60 crore in March 2011 and ₹ 14.00 crore in March 2012. However, despite inflow of ₹ 19.60 crore and expansion of capital base by over 40 times no significant increase in revenue/ profits of the company is observed.

100. The other contentions of the Noticees that there is no evidence that their trades had any impact on the trading activity of scrip and that their trades were negligible to have an impact on market equilibrium, stand no merit when totality of the picture is looked at. All of them together enabled launching of the major fraudulent scheme by using a dormant, low capital base and low public float company, as noted above. In the facts of the case it is not material that when seen in isolation the Noticees have executed miniscule trades or have traded only for few days, as what is relevant is the role and conduct of each individual in effecting the scheme. For the aforesaid reason, the submission of the Noticees that they are still holding shares is also liable to be rejected. It is also noted from the IR that the Noticees have sold substantial shares at the inflated price with a total net sale value of ₹ 42.38 crore.

101. Noticees submission that their trades were executed on Exchange platform so no wrong doing can be alleged against them, is without any merit as it has been seen in numerous instances that despite the anonymity of the system, market participants have tried to defeat the system. Hon'ble Supreme Court of India in *SEBI* vs. *Kishore R. Ajmera* (2016) 6 SCC 368, has observed as follows:

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

102. In the extant matter, it has already been brought on record based on preponderance of probabilities that a fraudulent scheme was perpetuated by the Connected Noticees on the market. Moreover, the Promoters of the company except the PDs (their role has been discussed subsequently) were also preferential allottees. The rationale for investing in the preferential allotment in

the given facts and circumstances of the case, has been discussed above and the same also highlights the part played by the preferential allottees in the entire scheme.

103. The submission with respect to transaction executed at prevailing market rate is similar to the submission of other Connected Noticees that when they traded the price in the scrip had already increased, which has been considered in the preceding paragraphs and was found to be in the facts and circumstances of the case, unacceptable.

104. The submissions of the price manipulators have already been considered in their respective patches.

105. The third set of Connected Noticees which includes preferential allottees and some who are connected through price manipulators have made submissions on the following lines:

105.1. SEBI has not established whether there was prior meeting of minds or collusion with other Noticees to manipulate the scrip.

105.2. No alerts were generated by any regulatory authority for public at large.

105.3. Merely because they have sold shares when the alleged Connected Noticees were also trading, no adverse inference can be drawn against them.

105.4. Noticees are still holding shares showing that they are *bona fide* investors.

105.5. Only few sell trades have been executed in the entire investigation period.

105.6. Trades were executed on Exchange platform.

105.7. When they started selling shares were already trading at a high price.

106. With respect to Connected Noticees submission that SEBI has not established collusion for the purpose of manipulation of price in the extant matter, I note that the said submission is also made by the preferential allottees. The same have been discussed in preceding paragraphs as to how, in the facts and circumstances of matter, there was a tacit understanding between the

preferential allottees and the company. For the Connected Noticees who are not preferential allottees, I find that they are connected with the price manipulators and hence, the said Connected Noticees have played their own part in the entire scheme by showing increased activity in the scrip by their trading and increased the liquidity in the scrip. In the same vein, the submission of the Connected Noticees that merely selling shares when alleged Connected Noticees were also trading cannot lead to an adverse inference against them, is liable to be rejected.

107. The submission that no alert was generated by any regulatory body to the public regarding the trading in the scrip is devoid of any merit. Any trading pattern which may not have been thrown up as surveillance alert based on survellnace parameters, does not mean such a trade is not fraudulent. Whether there is any concern with respect to trading pattern in scrip is a subject matter of examination / investigation in that scrip and its outcome. Any direction or measure, if warranted, based on the outcome of such examination / investigation, is a post facto action taken to safeguard the interest of investors in securities market and protect the market from further damage, as done in the instant case. Thus, the time taken to arrive at such decision / action is a subjective matter and depends on the complexity of the matter, its scale and modus operandi involved. I, therefore, do not find any substance in the contention of the noticees.

108. Prefrential allottees in the third set have also made similar submissions as made by earlier preferential allottees in Patch 1B. Therefore, the same does not require further consideration. Similarly, the submissions made in paragraph 105.4 to 105.7 have been considered earlier.

109. In view of the aforesaid discussions, it is held that the 7 Connected Noticees mentioned in the first set and 28 Connected Noticees mentioned in the third set, by executing trades in the scrip, have played their respective part in the entire scheme which has resulted in false and misleading appearance of trading in the scrip.

Issue No. 5 – *Whether company and its Directors were part of the scheme to*

manipulate the price of the scrip to benefit the preferential allottees?

110. It is a matter of common knowledge that in a private placement, wherein allotment is made to select persons or group of persons on one to one basis, the Issuer and their Promoters / Directors have connection on account of acquaintance and familiarity. Majority of preferential allottees in the given matter were in the friend circle of one of the PDs, Mr. Manoj Agarwal or he was known to them through their acquaintance. It has been discussed earlier that inspite of no trading history or credential in the market and weak financials, the company was was able to raise ₹ 19.60 crore from 73 persons. This, as held earlier could only be possible if the preferential allottees had some prior understanding with the company and its PDs with regard to the dubious plan, device and artifice perpetrated by the company in conivanve with the price manipulators as noted above. It has already been brought out earlier as to how majority of non-Promoter shares were controlled by PDs and their Connected Noticees and as to how the Noticees connected to the company had manipulated the scrip and had contributed to the price rise in the scrip. Therefore, it is concluded that the aforesaid elaborate dubious scheme / plan/ device could be successful only if the company, price manipulators and the preferential allottees were acting in a pre-determined manner and were hand in glove with each other.

111. The company has made the following submissions:

111.1. A certificate issued by Satish Soni & Co., Chartered Accountants certifying utilisation of total funds of the company.

111.2. It has submitted details of its land holdings and mutual fund investments.

111.3. It has submitted its objects of utilisation of funds for preferential issues.

111.4. It had informed BSE Ltd. about the increase in price of the scrip vide its letters dated 5/7/2012 and 29/11/2013.

111.5. It has submitted the vision document which was prepared to convince potential investors.

111.6. The proceeds of 2 prefrential allottments were duly utilised in company's NBFC business. Further the company invested substantial amount in mutual funds. Moreover, the company's Board had approved investment in Rodic Coffee Estate Pvt. Ltd. on 30/5/2012.

111.7. The company submitted its profit figures for the financial years 2011-2012 till 2017-2018.

111.8. It has no knowledge of any manipulation or any connection whatsoever with the Directors or alleged manipulators for price manipulation.

112. Before proceeding further, it would be relevant to note that the aforesaid submissions of the company mainly deals with the particulars of its preferential allotment viz., vision document, objects of preferential issue and utilization of proceeds. It is observed that the aforesaid submissions do not address the allegations levelled against the company in the SCN. The allegation in the SCN against the company is that the company along with its PDs and price manipulators, pursuant to a scheme, had artificially inflated / influenced the price of the scrip during the investigation period and subsequently certain Noticees including preferential allottess have benefited from the price rise in the scrip. The submissions of the company with respect to its preferential allottments would have been appropriate if the allegations made were with respect to misutilization / non-utilisation of funds received from preferential issues but that is not the issue in the given matter. However, since the company has made the submissions the same have been considered to determine their veracity.

113. The certificate issued by Satish Soni & Co., Chartered Accountants certifying utilisation of total funds of the company is not relevant to the extant matter as it certifies assets and investments of the company as on March 31, 2018 whereas the extant matter deals with preferential allotments done in the year March, 2011 and March, 2012. The said certificate is silent on the aforesaid issue. Moreover, even if the company explains its utlisation of funds received from the preferential issue, the same still does not absolve the company of its complicity

in the entire scheme. It has already been discussed in the preceding paragraphs how company including its PDs and preferential allottees had a tacit understanding to benefit subsequently after the Connected Noticees have manipulated the price of the scrip. Therfore, the fact of whether the allotment money was utlised or not is not a relevant fact to disprove the scheme.

114. The company has submitted that its subsidiary, Rodic Coffee Estates Pvt. Ltd. had bought a property which was registered on 17/8/2012 whereas as per its own submission Rodic Coffee Estates Pvt. Ltd. became its subsidiary with effect from 2/11/2012. Thus, there is a contradiction in Noticee's submission. Further, on a perusal of the sale deed dated August 17, 2012, it is noted that it has been entered into between various sellers and Rodic Coffee Estates Pvt. Ltd. and not the company. Even, if it is accepted that Rodic Coffee Estates Pvt. Ltd. was a subsidiary of the company, the objects of issue of second preferential allotment was not to meet the funding requirements of its subsidiary. Moreover, it is observed from BSE's website that the shares were allotted to the preferential allottees on March 23, 2012 whereas the sale deed shows that the consideration of ₹ 2.5 crore on March 19, 2012 and ₹ 1.5 crore on March 21, 2012 was already paid in advance to the sellors, which is before the allotment of shares to the preferential allottees. Thus, the sale transaction was already initiated by Rodic Coffee Estates Pvt. Ltd. and if the company wanted to fund the said purchase, the same should have been expressly stated in the objects of the issue. In the absence of funding of subsidiary being the objects of the issue, explanation furnished by the company seems to be an afterthought. In any case, as stated in the immediately preceding paragrh, explanation of utilization of funds, does not absolve the company of its complicity in the scheme. Utilisation of funds and orchestrating / being part of a scheme, are two distinct events, which have to be examined separately.

115. Furthermore, the object of the second preferential allotment was to meet long term resources of the company, to raise funds for expansion of current

activities and for new business of trading and dealing in processed, semi-processed and finished textiles, jewellery, bullions and precious stones, long term working capital requirements and general corporate purposes. In its submissions, the Noticee has not given how much of ₹ 14 crore received from second preferential allotment was deployed for new business. Moreover, the mutual fund investment details / investment details that the Noticee has submitted pertains to the financial period 2014 to 2016, hence not relevant to the extant proceedings. The details of land holdings submitted by the company pertains to the year 2018, hence they are not material to the present proceedings. The company has also submitted the details of its investment in "Emerald Garden". From the documents submitted by the company in support of its submission, I note that the said document is an allotment letter of a flat and the company had paid the booking amount of ₹ 13 lakh towards it. Whether or not said investment was one of the objects of preferential issue, it still does not explain the total deployment of funds by the company in the second preferential allotment. Further, as brought out in preceding paragraph, the utilization of proceeds of preferential allotment does not address the allegation of price manipulation in the scrip during the investigation period.

116. Similarly, the objects of issue for first preferential allotment was to meet long term resource of company, to raise funds for expansion of current activities, investment in subsidiary company / companies and general corporate purposes. The company has not given any break up of ₹ 5.6 crore raised by the company in the preferential issue. Rather, as noted above, as per Annual Report of the company for the year ending March, 2015 the total assets of the company were ₹ 21.57 crore and ₹ 22.17 crore (as on 31/3/2014 and 31/3/2015 respectively). Out of the above, unsecured loans and advances aggregated to ₹ 16.72 crore and ₹ 17.13 crore (as on 31/3/2014 and 31/3/2015 respectively). In any case, the submission does not address the allegation made against the company in the SCN.

117. The company has submitted its profit figures for the financial years 2011-

2012 till 2017-2018. However, it is noted that the said figures are at variance with the figures of the IR and the company has not supported its claim by any documentary evidence. Hence, the submission cannot be accepted.

118. Company has submitted its vision document for the preferential issues. However, it is noted that the preferential allottees who have replied to the SCN have not mentioned anything about the said vision document nor have they submitted it with their submission. Further, from the Noticee's submission it is not clear whether the said document was dispatched to the prospective investors (absence of proof of dispatch) or when and how, if any presentations were made to the prospective investors. Even if such a vision document was there, the fact of subsequent conduct of various Noticees outweigh the preponderance of probability of a scheme as discussed earlier.

119. The company's submission that it had informed BSE about increase in price and that it has no knowledge of any manipulation or any connection whatsoever with the Directors or alleged manipulators for price manipulation is without any merit. In the facts and circumstances of the case, it has already been brought out that there was a tacit understanding amongst company, PDs, preferential allottees and the price manipulators. Without each playing their part in the entire scheme, the scheme would not have come to fruition.

120. In view of the above, it is held that the company was part of the scheme to manipulate the price of the scrip to benefit the preferential allottees.

121. It is noted from the IR that Mr. Manoj Kumar Agarwal and Ms. Deepa Mittal were the Whole Time Directors of the company at the time of preferential issues. The said fact is not disputed by the Noticees.

122. At this juncture, I would like to refer to the order of Hon'ble Supreme Court of India in the matter of *N Narayanan* vs. *Adjudicating Officer, SEBI* decided on April 26, 2013. The Apex Court in the said matter observed as follows:

"…33. Company though a legal entity cannot act by itself, it can act only through its

Directors. They are expected to exercise their power on behalf of the company with utmost care, skill and diligence. This Court while describing what is the duty of a Director of a company held in Official Liquidator v. P.A. Tendolkar (1973) 1 SCC 602 that a Director may be shown to be placed and to have been so closely and so long associated personally with the management of the company that he will be deemed to be not merely cognizant of but liable for fraud in the conduct of business of the company even though no specific act of dishonesty is provide against him personally. He cannot shut his eyes to what must be obvious to everyone who examines the affairs of the company even superficially.

…

Directors are expected to exercise the powers for the purposes for which they are conferred. Sometimes they may misuse their powers for their personal gain and makes false representations to the public for unlawful gain.

…"

123. I note that the position of a 'Director' in a company comes along with responsibilities and compliances under law associated with such position, which have to be fulfilled by such Director and in case of default, he has to face the consequences thereof. I would like to point out that the Directors of a company are persons appointed to manage and direct the affairs of the company. They are expected to diligently perform their duties with skill and care in administering the affairs of the company and the same includes something more than officiating as figure-heads. The duty of care, skill and diligence requires Directors to devote the requisite time and attention to affairs of the company and take decisions that do not expose the company to unnecessary risks. A Director who is part of a company's board shall be responsible and liable for all acts carried out by the company. Therefore, the Director cannot wriggle out from his liability.

124. It is not in dispute that Mr. Manoj Kumar Agarwal and Ms. Deepa Mittal were the Whole Time Directors of the company. It has already been held in the

preceding paragraphs that the company had come out with preferential allotments and along with PDs had devised a scheme to manipulate the price of the scrip to benefit the preferential allottees and the other Connected Noticees. I note the existence of the following facts and circumstances having relevance to the role of the Mr. Manoj Kumar Agarwal and Ms. Deepa Mittal: The fact that they were the Whole Time Directors of the company means that they had the knowledge of financial position of the company and the fact that preferential allotments were made by the company under the preceding circumstance that the shares of Sulabh were hardly being traded before the first preferential allottment and there is nothing on record to show that the fundamentals of the company had changed substantially at the time of the preferential allotments which might inspire confidence in the company and even in that circumstances, Sulabh was able to raise approximately ₹ 19.6 crore. This coupled with series of events subsequent to the preferential allotment: 220 times increase in the price of the scrip and substantial selling of shares by Connected Noticees including preferential allottees, indicates that this is only possible if there was a prior tacit understanding between the company, PDs and the price manipulators to benefit the preferential allottees and other Connected Noticees including the Whole Time Directors. It is also one of the findings of this order that both the Whole Time Directors are known to Mr. Subodh Agarwal who along with his connected entities have played a significant role in the entire scheme. The preponderance of probability of these facts and circumstances clearly indicate that the said scheme is possible only with the knowledge and role of the Whole Time Directors. Accordingly, Mr. Manoj Kumar Agarwal and Ms. Deepa Mittal are responsible for all the deeds / acts of the company during the period of their directorship. Considering further that the company being a legal entity cannot act by itself, it can act only through its Directors, it is held that Mr. Manoj Kumar Agarwal and Ms. Deepa Mittal were part of the scheme to manipulate the price of the scrip to benefit the preferential allottees and other Connected Noticees including themseleves.

125. It is noted from the records that Mr. Santosh Kumar Agarwal was a Non-Executive Director of the company. Though he was present in the Board Meeting when the second preferential allotment was approved, the same does not indicate that he was aware of the financial health of the company or that he was aware of the deployment of funds from the first preferential allotment, as he was not involved in day to day affairs of the company. It will be apt here to refer to the observations of Hon'ble Supreme Court of India in the matter of *Chintalapati Srinivasa Raju and Ors.* vs. *SEBI* decided on May 14, 2018. In the said matter the Hon'ble Court had found that the appellant had attended only six out of ten board meetings of SCSL for the period that he was a Non-Executive Director and that the appellant was not involved in any business development, diversification plans and advise on new ventures of SCSL post 1999. The Apex Court observed as follows:

"*Non-executive directors are, therefore, persons who are not involved in the day to day affairs of the running of the company and are not in charge of and not responsible for the conduct of the business of the company*."

126. In the extant matter also there is no record to establish that Mr. Santosh Kumar Agarwal was in charge of and responsible for the conduct of the business of the company or he was aware of the financial planning of the company to meet its fund requirements. Therefore, it is held that Mr. Santosh Kumar Agarwal, as a Non-Executive Director of the company, was not part of the scheme.

Issue no. 6 - *Whether the Connected Noticees including the company and its Directors have violated the provisions of PFUTP Regulations?*

127. Before embarking upon the necessary discussions, I would like to reproduce the relevant provisions of PFUTP Regulations:

Regulation 3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

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

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

(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 there under.

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) 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;

…

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

…

(g) entering into a transaction in securities without intention of performing it or

without intention of change of ownership of such security;

128. In order to come to a conclusion whether or not there is violation of aforesaid PFUTUP Regulations, it is necessary to examine the definition of "fraud" and "unfair trade practice" as referred in the PFUTP Regulations.

129. Fraud has been defined under Regulation 2 (1) (c) of PFUTP Regulations which reads as under:-

"*fraud" includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include--*

(1) a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;

(2) a suggestion as to a fact which is not true by one who does not believe it to be true;

(3) an active concealment of a fact by a person having knowledge or belief of the fact;

(4) a promise made without any intention of performing it;

(5) a representation made in a reckless and careless manner whether it be true or false;

(6) any such act or omission as any other law specifically declares to be fraudulent;

(7) deceptive behavior by a person depriving another of informed consent or full participation;

(8) a false statement made without reasonable ground for believing it to be true;

(9) the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even

though they did not rely on the statement itself or anything derived from it other than the market price.

And "fraudulent" shall be construed accordingly;

130. Here, I would like to refer to the matter of *SEBI* vs. *Kanaiyalal Baldev Bhai Patel* (2018) 13 SCC 753 which dealt with the definition of "fraud" as given under regulation 2(1) (c) of PFUTP Regulations. Two Hon'ble Judges of Hon'ble Supreme Court of India, in their separate but concurring judgments held as under:

Per Hon'ble Justice N. V. Ramanna - "…26. There is no dispute as to the fact that fraud is jurisprudentially very difficult to define or cloth it with particular ingredients. A generalized meaning may be difficult to be attributed, as human ingenuity would invent ways to bypass such behaviour. It is to be noted that fraud is extensively used in various regulatory framework which mandates me to take notice of the conceptual and definitional problem it brings along. Fraud is among the most serious, costly, stigmatizing, and punitive forms of liability imposed in modern corporations and financial markets. Usually, the antifraud provisions of the security laws are not coextensive with common-law doctrines of fraud as common-law fraud doctrines are too restrictive to deal with the complexities involved in the security market, which is also portrayed by the changes brought in through the 2003 regulation to the 1995 regulation.

27. On a comparative analysis of the definition of "fraud" as existing in the 1995 regulation and the subsequent amendments in the 2003 regulations, it can be seen that the original definition of "fraud" under the FUTP regulation, 1995 adopts the definition of "fraud" from the Indian Contract Act, 1872 whereas the subsequent definition in the 2003 regulation is a variation of the same and does not adopt the strict definition of "fraud" as present under the Indian Contract Act. It includes many situations which may not be a "fraud" under the Contract Act or the 1995 regulation, but nevertheless amounts to a "fraud" under the 2003 regulation.

28. The definition of 'fraud' under clause (c) of regulation 2 has two parts; first part may be termed as catch all provision while the second part includes specific instances which are also included as part and parcel of the term "fraud"..."

Per Hon'ble Justice Ranjan Gogoi – "...5. If Regulation 2(c) of the 2003 was to be dissected and analyzed it is clear that any act, expression, omission or concealment committed, whether in a deceitful manner or not, by any person while dealing in securities to induce another person to deal in securities would amount to a fraudulent act. The emphasis in the definition in Regulation 2(c) of the 2003 Regulations is not, therefore, of whether the act, expression, omission or concealment has been committed in a deceitful manner but whether such act, expression, omission or concealment has/had the effect of inducing another person to deal in securities.

6. The definition of 'fraud', which is an inclusive definition and, therefore, has to be understood to be broad and expansive, contemplates even an action or omission, as may be committed, even without any deceit if such act or omission has the effect of inducing another person to deal in securities. Certainly, the definition expands beyond what can be normally understood to be a 'fraudulent act' or a conduct amounting to 'fraud'. The emphasis is on the act of inducement and the scrutiny must, therefore, be on the meaning that must be attributed to the word "induce"..."

131. Thus, from the above, I note that the examination of the definition of fraud under the PFUTP Regulations envisages, among other things, fraud by way of "act" so as to have an "effect of inducement" on another person for dealing in securities. It prevents employing any device, scheme or artifice in connection with dealing with or issuance of securities. It also prevents engaging in any acts or course of business which operates as fraud or deceit upon any one in connection with dealing in or issuance of the securities.

132. Regulation 4(1) of PFUTP Regulations refers to unfair trade practices in securities. It would be noteworthy to quote the observations of Hon'ble Supreme Court of India in the matter of *Securities and Exchange Board of India and Ors.* vs.

Shri Kanaiyalal Baldevbhai Patel and Ors. (2017 SCC Online SC 1148) wherein it was observed as follows:

"…Although unfair trade practice has not been defined under the regulation, various other legislations in India have defined the concept of unfair trade practice in different contexts. A clear cut generalized definition of the 'unfair trade practice' may not be possible to be culled out from the aforesaid definitions. Broadly trade practice is unfair if the conduct undermines the ethical standards and good faith dealings between parties engaged in business transactions. It is to be noted that unfair trade practices are not subject to a single definition; rather it requires adjudication on case to case basis. Whether an act or practice is unfair is to be determined by all the facts and circumstances surrounding the transaction. In the context of this regulation a trade practice may be unfair, if the conduct undermines the good faith dealings involved in the transaction. Moreover the concept of 'unfairness' appears to be broader than and includes the concept of 'deception' or 'fraud'. "

133. In the extant matter, company had come out with two preferential allotments. Thereafter, the price of the scrip was artificially manipulated by price manipulators, connected to the company and PDs by 220 times. A factor that enabled the price manipulators in their manipulation was that substantial shares available for trading in the demat form was controlled by PDs and their Connected Entities. At a subsequent stage, Connected Noticees including preferential allottees, PDs and Promoters sold substantial shares at the manipulated price. These acts of preferential allotments, price manipulation and subsequently selling substantial shares, constitutes a scheme. The company, its PDs, price manipulators and other Connected Noticees played their respective roles in order to constitute the above scheme to operate as fraud in connection with dealing in securities which undermined the integrity of the trading system of the Exchange by hampering the price discovery. The various stages of the scheme have in effect resulted in inducing the investors to trade in its scrip, for

instance announcement of 2 prefrerential allotments by the company in successive years at a premium created a positive sentiment for the company, price manipulators by trading in a specific manner artificially increased the price and lured the investors and other Connected Noticees by their trades increased the activity / liquidity in the scrip.

134. The scheme not only operated as a fraud on the market but is also an unfair trade practice as it undermines the transparent and good faith dealings between the parties involved. Ordinarily, the trading would have taken place between anonymous parties and the price would have been determined by the market forces of demand and supply. In the instant case, the company and the price manipulators connected to the company along with other Connected Noticees not only controlled the supply of the shares and manipulated the price of the scrip but Connected Noticees also sold substantial shares at the inflated price and made substantial gain at the expense of general investors.

135. In view of the above, I, find that 102 Connected Noticees as mentioned in the table below have violated regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations:

Sl. No.	Name	PAN
1.	Raj Kumar Agarwal	ADNPA5935E
2.	Anant Fin Consultancy Pvt Ltd	AAHCA6049D
3.	Surendra Kumar Agarwal	AEXPA7231G
4.	Renu Agarwal	ABTPA6753A
5.	Deepak Kumar Sarraf	BYVPS8100B
6.	Subodh Agarwal HUF	AARHS4396C
7.	Kavita Awasthi	AEFPA0316N
8.	Rishi Kant Awasthi	ABTPA6752B
9.	Rita Jain	ADLPJ0701D
10.	Akhilesh Kumar Agnihotri	AFXPA9503Q
11.	Jeetendra Kumar Agnihotri	ANAPA1509P
12.	Ankit Jain	AGAPJ8105H
13.	Sanjai Jain Huf	AARHS1381K
14.	Divya Agarwal	ACUPG5212E

Sl. No.	Name	PAN
15.	Pranveer Singh	AGIPS4486N
16.	Abhay Jain Huf	AAGHA6530F
17.	Geeta Mishra	AICPM8816G
18.	Amit Jain	AADPJ4068Q
19.	Vijay Shree Bihani	AEPPB8476A
20.	Manish Kumar Garg	AFDPG9852J
21.	Praveen Kumar Mishra	AFYPM1852K
22.	Shubhang Exports Ltd	AAJCS1526R
23.	Sanjay Kumar	AARPS2632K
24.	Rajesh Bhiani	ABFPB2297Q
25.	Param Jeet Singh	ACOPS3609M
26.	Reena Jain	ADWPJ5808Q
27.	Usha Jain	AAFPJ9933J
28.	Subodh Agarwal	ABNPA4910B
29.	SKM Travels Pvt Ltd	AAICS0688K
30.	Sanklap Vincom Pvt Ltd	AAMCS1711P
31.	Shrishti E Systems Pvt Ltd	AANCS0940H
32.	KPK Fin Consultancy Pvt Ltd	AAECK1577D
33.	Shreya Stocks and Shares Pvt Ltd	AAHCS4970M
34.	Raghuvansh Agrofarms Ltd	AABCR8407N
35.	Signet Vinimay Pvt Ltd	AAMCS1712Q
36.	Apex Commotrade Pvt Ltd	AAJCA4459K
37.	Spice Merchants Pvt Ltd	AAPCS7492G
38.	Aviral Industries Ltd	AAJCA9165G
39.	Bakliwal Vyapaar Pvt Ltd	AADCB1238R
40.	Kamta Prasad Pandey	AIPPP5293B
41.	Runicha Merchants Pvt Ltd	AAECR0580M
42.	Jasmine Commodities Pvt Ltd	AABCJ9295Q
43.	Winall Vinimay Pvt Ltd	AAACW8004B
44.	Rita Jain	AAECG7847E
45.	Gagandeep Construction Company Pvt Ltd	AABCO6949E
46.	Mahamani Tradelink Pvt Ltd	AAECK7329P
47.	Kapeeshwar Vintrade Pvt Ltd	AAACP8592R
48.	Arunavo Mukherjee	AASCS8936L
49.	Vasundhara Capital & Securities Ltd	AABCO6950F

Sl. No.	Name	PAN
50.	Arise Dealcom Pvt Ltd	AAJCA5108R
51.	Santosh Kumar Agarwal	ABHPA5568M
52.	Dynamic Credit Finance Pvt Ltd	AACCA7919H
53.	Rishabh Agarwal	AHOPA7789B
54.	Swapanloke Steels Pvt Ltd	AALCS7102D
55.	Surendra Kumar Gupta	AAQPG0240E
56.	Pawan Kumari Agarwal	ABOPA5019J
57.	Scope Vyapar Pvt Ltd	AAICS6023N
58.	Lemon Vincom Pvt Ltd	AABCL7829A
59.	Litmus Investments Ltd	AABCL0009J
60.	Lark Commercial Pvt Ltd	AABCL8354Q
61.	Girija Pandey	BEIPP7914K
62.	Devshyam Stock Broking Pvt Ltd	AADCD8900A
63.	Sanmati Goods Pvt Ltd	AAICS9154Q
64.	Memori Vinimay Pvt Ltd	AAECM4771B
65.	Cube Trafin Pvt Ltd	AABCC0768M
66.	Lark Merchants Pvt Ltd	AKUPS4580M
67.	Raj Vardhan Agarwal	AGHPD9092J
68.	Manoj Kumar Agarwal	ACFPA8077Q
69.	Deepa Mittal	AGZPM0492K
70.	Sandhya Agarwal	ACVPA1791R
71.	Ruchi Agarwal	ADHPJ2647J
72.	Krishana Agarwal	ACFPA8079A
73.	Manish Agarwal	ABBPA2326D
74.	Santosh Kumar Agarwal	ABKPA7972Q
75.	Manoj Agarwal	ABBPA2306H
76.	Praveen Kurele	ADKPK9580A
77.	Vinay Kumar Agarwal	ACAPA3335N
78.	Som Prakash Goenka	AAQPG0238C
79.	Naveen Kurele	AGUPK5822A
80.	Mridula Agrawal	ACBPA5048D
81.	Narender Kumar	AARPS2630M
82.	Manisha Sharma	BATPS3099D
83.	Seema Kapoor	AERPK1243A
84.	Sanjeev Sanghi	ABTPS2464C

Sl. No.	Name	PAN
85.	Mahabir Pershad HUF	AAEHM5783L
86.	Deepak Kumar Agarwal	ABSPA2276K
87.	Sanjay Kapoor	AGCPK3754D
88.	Sapna Kapoor	ACQPK3632A
89.	Sunil Kapoor	AGCPK3755C
90.	Ashok Kumar Maheshwari	AARPM1903H
91.	Vivek Karwa	AJLPK0941J
92.	Roopchandra Kumar	AAFHR3866J
93.	Sabreen	APZPS5157G
94.	Sanjay Kumar HUF	AAQHS9987L
95.	Arun Kumar HUF	AAIHA4621B
96.	Raj Kumar	AHAPK7548Q
97.	Manish Maheshwari	AGRPM7399D
98.	Mahak Maheshwari	AKKPM2866N
99.	Sajan Kumar Agarwal	AAKPA5957G
100.	Narender Kumar HUF	AAEHN5960N
101.	Shubham Agarwal	AYXPA3158N
102.	Ashish Agarwal	AIBPA5454B

136. Further, Ms. Rita Jain, Mr. Akhilesh Agnihotri, Mr. Rishi Kant Awasthi,, Ms. Kavita Awasthi and Mr. Surendra Kumar Agarwal have also violated Regulation 4 (2)(g) of PFUTP Regulations as being part of the scheme they did enter into sale transaction but failed to transfer the shares. The said act of theirs when seen with other facts and circumstances of the case, as discussed in preceding pragraphs, demonstarates that the act achieved twin objective of increasing the price and at the same time not allowing the free float in the market to increase. Therefore, they are liable for dealing in the scrip without intending to effect the transfer of beneficial ownership but intended to inflate the price of the scrip.

Issue No. 7 *– If answer to issue No. (6) is in affirmative, what directions, if any should be issued against the Connected Noticees?*

137. Hon'ble Supreme Court of India in the matter of *N Narayanan* vs. *Adjudicating Officer, SEBI* decided on April 26, 2013 while dealing with the

concept of market abuse in securities market has observed as follows:

"Prevention of market abuse and preservation of market integrity is the hallmark of Securities Law. Section 12A read with Regulations 3 and 4 of the Regulations 2003 essentially intended to preserve 'market integrity' and to prevent 'Market abuse'. The object of the SEBI Act is to protect the interest of investors in securities and to promote the development and to regulate the securities market, so as to promote orderly, healthy growth of securities market and to promote investors protection. Securities market is based on free and open access to information, the integrity of the market is predicated on the quality and the manner on which it is made available to market. 'Market abuse' impairs economic growth and erodes investor's confidence. Market abuse refers to the use of manipulative and deceptive devices, giving out incorrect or misleading information, so as to encourage investors to jump into conclusions, on wrong premises, which is known to be wrong to the abuser.

…

A word of caution:

43. SEBI, the market regulator, has to deal sternly with companies and their Directors indulging in manipulative and deceptive devices, insider trading etc. or else they will be failing in their duty to promote orderly and healthy growth of the Securities market. Economic offence, people of this country should know, is a serious crime which, if not properly dealt with, as it should be, will affect not only country's economic growth, but also slow the inflow of foreign investment by genuine investors and also casts a slur on India's securities market. Message should go that our country will not tolerate "market abuse" and that we are governed by the "Rule of Law". Fraud, deceit, artificiality, SEBI should ensure, have no place in the securities market of this country and 'market security' is our motto. People with power and money and in management of the companies, unfortunately often command more respect in our society than the subscribers and investors in their companies. Companies are thriving with investors' contributions but they are a

divided lot. SEBI has, therefore, a duty to protect investors, individual and collective, against opportunistic behavior of Directors and Insiders of the listed companies so as to safeguard market's integrity.

…

SEBI has the duty and obligation to protect ordinary genuine investors and the SEBI is empowered to do so under the SEBI Act so as to make security market a secure and safe place to carry on the business in securities."

138. Section 11 of SEBI Act casts a duty on the Board to protect the interests of investors in securities and to promote the development of and to regulate the securities market. For achieving such object, it has been authorised to take such measures as it thinks fit. Thus, power to take all measures necessary to discharge its duty under the statute which is a reflection of the objective disclosed in the preamble has been conferred in widest amplitude. Pursuant to the said objective, PFUTP Regulations have been framed. The said Regulations apart from other things aims to preserve and protect the market integrity in order to boost investor confidence in the securities market. By employing a scheme, as has been done by the Connected Noticees in the instant matter, the price discovery system itself was affected and it also shakes the confidence of the investors in the securities market. It further has an adverse impact on the fairness, integrity and transparency of the stock market. In view of the same and considering the violations committed by the Noticees, I find that it becomes necessary for SEBI to issue appropriate directions against the Noticees.

139. I further note that scheme in the instant matter has been fructified by various participants, such as the Company its Directors, buyers and sellers. Accordingly, appropriate period of debarment for Noticees depending on the nature of their acts, contribution to the scheme and benefit from the scheme, has been incorporated in operative portion of the order.

ORDER

140. In the facts and circumstances of the case, I, in exercise of the powers conferred upon me in terms of Section 19 read with Sections 11(1), 11(4) and 11B (1) of the Securities and Exchange Board of India Act, 1992, hereby issue the following directions:

140.1. The Connected Noticees mentioned in the table below are hereby restrained from accessing the securities market for a period as mentioned in the table from the date of this order and are also prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for the same period, from the date of this order. Needless to say, in view of prohibition on sale of securities, it is clarified that during the period of restraint, the existing securities holding, including units of mutual funds, of the Connected Noticees shall remain frozen. It is made clear that if the Noticees have any open positions in any exchange traded derivative contracts, they can close out / square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. It is also clarified that the Noticees can settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on September 3, 2020.

Sl. No.	Name	PAN	Years
1.	Subodh Agarwal	ABNPA4910B	7
2.	Manoj Kumar Agarwal	ACFPA8077Q	7
3.	Deepa Mittal	AGZPM0492K	7
4.	Raj Kumar Agarwal	ADNPA5935E	5
5.	Anant Fin Consultancy Pvt Ltd	AAHCA6049D	5
6.	Surendra Kumar Agarwal	AEXPA7231G	5
7.	Renu Agarwal	ABTPA6753A	5
8.	Deepak Kumar Sarraf	BYVPS8100B	5
9.	Subodh Agarwal HUF	AARHS4396C	5
10.	Kavita Awasthi	AEFPA0316N	5
11.	Rishi Kant Awasthi	ABTPA6752B	5
12.	Rita Jain	ADLPJ0701D	5
13.	Akhilesh Kumar Agnihotri	AFXPA9503Q	5
14.	Jeetendra Kumar Agnihotri	ANAPA1509P	5

Sl. No.	Name	PAN	Years
15.	Ankit Jain	AGAPJ8105H	5
16.	Sanjai Jain Huf	AARHS1381K	5
17.	Divya Agarwal	ACUPG5212E	5
18.	Pranveer Singh	AGIPS4486N	5
19.	Geeta Mishra	AICPM8816G	5
20.	Praveen Kumar Mishra	AFYPM1852K	5
21.	Shubhang Exports Ltd	AAJCS1526R	5
22.	Sanjay Kumar	AARPS2632K	5
23.	SKM Travels Pvt Ltd	AAICS0688K	5
24.	Sanklap Vincom Pvt Ltd	AAMCS1711P	5
25.	Shrishti E Systems Pvt Ltd	AANCS0940H	5
26.	KPK Fin Consultancy Pvt Ltd	AAECK1577D	5
27.	Shreya Stocks and Shares Pvt Ltd	AAHCS4970M	5
28.	Raghuvansh Agrofarms Ltd	AABCR8407N	5
29.	Signet Vinimay Pvt Ltd	AAMCS1712Q	5
30.	Apex Commotrade Pvt Ltd	AAJCA4459K	5
31.	Spice Merchants Pvt Ltd	AAPCS7492G	5
32.	Aviral Industries Ltd	AAJCA9165G	5
33.	Bakliwal Vyapaar Pvt Ltd	AADCB1238R	5
34.	Kamta Prasad Pandey	AIPPP5293B	5
35.	Runicha Merchants Pvt Ltd	AAECR0580M	5
36.	Jasmine Commodities Pvt Ltd	AABCJ9295Q	5
37.	Winall Vinimay Pvt Ltd	AAACW8004B	5
38.	Vasundhara Capital & Securities Ltd	AABCO6950F	5
39.	Arise Dealcom Pvt Ltd	AAJCA5108R	5
40.	Swapanloke Steels Pvt Ltd	AALCS7102D	5
41.	Scope Vyapar Pvt Ltd	AAICS6023N	5
42.	Lemon Vincom Pvt Ltd	AABCL7829A	5
43.	Litmus Investments Ltd	AABCL0009J	5
44.	Lark Commercial Pvt Ltd	AABCL8354Q	5
45.	Lark Merchants Pvt Ltd	AKUPS4580M	5
46.	Sandhya Agarwal	ACVPA1791R	5
47.	Ruchi Agarwal	ADHPJ2647J	5
48.	Krishana Agarwal	ACFPA8079A	5
49.	Manish Agarwal	ABBPA2326D	5
50.	Santosh Kumar Agarwal	ABKPA7972Q	5
51.	Manoj Agarwal	ABBPA2306H	5
52.	Praveen Kurele	ADKPK9580A	5
53.	Vinay Kumar Agarwal	ACAPA3335N	5

Sl. No.	Name	PAN	Years
54.	Som Prakash Goenka	AAQPG0238C	5
55.	Naveen Kurele	AGUPK5822A	5
56.	Mridula Agrawal	ACBPA5048D	5
57.	Narender Kumar	AARPS2630M	5
58.	Manisha Sharma	BATPS3099D	5
59.	Seema Kapoor	AERPK1243A	5
60.	Sanjeev Sanghi	ABTPS2464C	5
61.	Mahabir Pershad HUF	AAEHM5783L	5
62.	Deepak Kumar Agarwal	ABSPA2276K	5
63.	Sanjay Kapoor	AGCPK3754D	5
64.	Sapna Kapoor	ACQPK3632A	5
65.	Sunil Kapoor	AGCPK3755C	5
66.	Ashok Kumar Maheshwari	AARPM1903H	5
67.	Vivek Karwa	AJLPK0941J	5
68.	Roopchandra Kumar	AAFHR3866J	5
69.	Sabreen	APZPS5157G	5
70.	Sanjay Kumar HUF	AAQHS9987L	5
71.	Arun Kumar HUF	AAIHA4621B	5
72.	Raj Kumar	AHAPK7548Q	5
73.	Manish Maheshwari	AGRPM7399D	5
74.	Mahak Maheshwari	AKKPM2866N	5
75.	Sajan Kumar Agarwal	AAKPA5957G	5
76.	Narender Kumar HUF	AAEHN5960N	5
77.	Shubham Agarwal	AYXPA3158N	5
78.	Ashish Agarwal	AIBPA5454B	5
79.	Manish Kumar Garg	AFDPG9852J	1
80.	Gagandeep Construction Company Pvt Ltd	AABCO6949E	1
81.	Mahamani Tradelink Pvt Ltd	AAECK7329P	1
82.	Kapeeshwar Vintrade Pvt Ltd	AAACP8592R	1
83.	Arunavo Mukherjee	AASCS8936L	1
84.	Rajesh Bhiani	ABFPB2297Q	1
85.	Param Jeet Singh	ACOPS3609M	1
86.	Santosh Kumar Agarwal	ABHPA5568M	1
87.	Dynamic Credit Finance Pvt Ltd	AACCA7919H	1
88.	Rishabh Agarwal	AHOPA7789B	1
89.	Abhay Jain Huf	AAGHA6530F	1
90.	Amit Jain	AADPJ4068Q	1
91.	Vijay Shree Bihani	AEPPB8476A	1
92.	Reena Jain	ADWPJ5808Q	1

Sl. No.	Name	PAN	Years
93.	Usha Jain	AAFPJ9933J	1
94.	Rita Jain	AAECG7847E	1
95.	Surendra Kumar Gupta	AAQPG0240E	1
96.	Pawan Kumari Agarwal	ABOPA5019J	1
97.	Girija Pandey	BEIPP7914K	1
98.	Devshyam Stock Broking Pvt Ltd	AADCD8900A	1
99.	Sanmati Goods Pvt Ltd	AAICS9154Q	1
100.	Memori Vinimay Pvt Ltd	AAECM4771B	1
101.	Cube Trafin Pvt Ltd	AABCC0768M	1
102.	Raj Vardhan Agarwal	AGHPD9092J	1

140.2. Further, Mr. Manoj Kumar Agarwal (PAN: ACFPA8077Q) and Ms. Deepa Mittal (PAN: AGZPM0492K) are also prohibited from being associated with any listed company or a SEBI registered intermediary, in any capacity including as a Director and key managerial person, directly or indirectly, for a period of seven years.

140.3. In the facts and circumstances of the case, I hereby dispose of the show cause notice dated July 31, 2017 issued to Noticees mentioned in the table below:

Sl. No.	Name	PAN
1.	Bhawri Devi Jain	ABRPJ0922E
2.	Ram Lubhaya Vohra	ACSPV9121F
3.	Ram Pher Dwivedi	AADHR9909N
4.	Abha Dwivedi	ACQPD3356G
5.	Goldensight Management Pvt Ltd	AAFCG0066N
6.	Littlestar Tradecom Pvt Ltd	AACCL4528R
7.	Swaraj Retails Pvt Ltd	AAPCS1057F
8.	Chaaya Reality Pvt Ltd	ACLPP0159Q
9.	Levia Trading Pvt Ltd	AAJCA9575A
10.	Ayodhya Vinimay Pvt Ltd	AAECD3021D
11.	Dream Infraproperties Pvt Ltd	AIPPP5293B
12.	Goodview Projects Pvt Ltd	AAECT6803D
13.	Templerun Marcom Pvt Ltd	AADCC6854G
14.	Coral Tradecom Pvt Ltd	AABCG8623K
15.	Overarching Dealers Pvt Ltd	AAHCM8752F

16.	Panem Steel Pvt Ltd	ATIPM7500N
17.	Saraswati Vintrade Pvt Ltd	AAACV4765G
18.	Overload Financial Advisory Pvt Ltd	AAECD5565G
19.	Groundzero Vincom Pvt Ltd	AABCJ9295Q
20.	Samudhita Dealers Pvt Ltd	AATCS6716P
21.	Bhima Agencies Pvt Ltd	AAECB5811F
22.	Manoj Agarwal (Huf)	AAFHM4548C
23.	Acme Pvt Ltd	AACCA1333M
24.	Manu Vyapar Pvt. Ltd.	AABCM7561Q
25.	Vilohit Property Pvt Ltd	AAECV1283F
26.	Shreekant Phumbhra	AFSPP0429B
27.	Yamnotri Vinimay Pvt Ltd	AAACY1723D
28.	Nitish Jain Huf	AAEHN7729P
29.	Saroj Shah	AMBPS6805Q
30.	Gyandeep Khemka	AGBPK0640F
31.	Reachsmart Construction Pvt Ltd	AAGCR4662J
32.	Abha Sureka	AWAPS6859F
33.	Ritika Sureka	BAPPA3693D
34.	Anita Maurya	AMFPM0600F
35.	Jaideep Halwasiya	AAWPH1706L
36.	Snehlata Gautam	AJVPG3128P
37.	Gunny Chem Tex India Ltd	AABCG2576M
38.	Susri Finance Pvt Ltd	AAECS0640K
39.	BSR Finance & Constructions Ltd	AABCB0636K
40.	Nand Kishore Baheti HUF	AACHN4625E
41.	Lavender Exin Pvt Ltd	AABCL5955D
42.	Mukesh Kumar Deepak	AGHPD9092J
43.	Dhanrashi Promoters Pvt Ltd	AAFCG1334H
44.	Pragna Harshad Panchal	AACCL5027D
45.	Gallant Commosales Pvt Ltd	AAECG1141K
46.	Manoj Kumar Misra	AWXPM8267C
47.	Renu Katiyar	AOKPK2000C

140.4. SEBI may initiate action, if any, against Legal Representatives of Mr. Nathu Lal Sharma in terms of applicable law.

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

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

143. This order is without prejudice to any other actions that SEBI may take in accordance with securities laws.

Sd/-

DATE: September 3, 2020
PLACE: Mumbai

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