

National Stock Exchange of India

Circular

Department: Investigation

Download Ref No: NSE/INVG/54634

Date: November 28, 2022

Circular Ref. No: 184/2022

To All NSE Members

Sub: SEBI Order in the matter of PFL Infotech Limited.

SEBI vide its order no CGM/GG/IVD/ID9/21471/2022-23 dated November 28, 2022, has inter alia issued following directions in respect of following noticees :

Noticee no.	Noticee Name	PAN
1	PFL Infotech Ltd	AACCP7177N
2	Pulla Amresh Kumar	AFZPP9347P
3	Abhinandan Jain	AFFPJ2303D
4	Nickunj Shah	ALVPS2634L
5	Ashroj Credit India Private Ltd	AABCA6849D
6	Mahesh Meetal HUF	AAFHM0382N
7	Fair Intermediate Investment Private Ltd.	AAACF7530K
8	Rahul Gupta	AIGPG4489H
9	Parvinder Singh	BJEPS6711E

The SCN issued against Noticee nos. 1, 4, 8 and 9 is disposed of without any directions.

Noticees nos. 2, 3, 5 and 6 are restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of one year from the date of this order.

Noticee no.2 is further directed to disgorge a sum of Rs.9,61,722, along with interest of 12% per annum from May 19, 2014, being the last trading day of Patch 3, within a period of 45 days from

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the date of this order. The amount shall be remitted to the Investor Protection and Education Fund (IPEF) referred to in Section 11(5) of the SEBI Act, 1992. Noticee no.2 shall also be restrained from accessing the securities market and prohibited from buying, selling or otherwise dealing in the securities market, till the actual payment or recovery of disgorgement amount or till the completion of the debarment directed, whichever is later.

Noticee no.7 is restrained from executing trades in its proprietary account for a period of one month from the date of this order.

The obligation of the Noticees debarred in the present Order, in respect of settlement of securities, if any, purchased or sold in the cash segment of the recognized stock exchange(s), as existing on the date of this Order, can take place irrespective of the restraint/ prohibition imposed by this Order, only in respect of pending unsettled transactions, if any. Further, all open positions, if any, of the Noticees debarred in the present Order, in the F&O segment of the stock exchanges, are permitted to be squared off, irrespective of the restraint/ prohibition imposed by this Order.

This Order is effective from the date of the order.

The detailed order is available on SEBI website (<http://www.sebi.gov.in>). Further, the consolidated list of such entities is available on the Exchange website <http://www.nseindia.com> home page under “Home-Regulation-Members-Action against Members-Regulatory Actions”.

Members are advised to take note of the above and ensure compliance.

In case of any further queries, members are requested to contact the following officials:

Mr. Rajkumar Jain (Extension: 23457), Mr. Atish Agarwal (Extension: 26026)
Direct No: 022-26598417/18 Fax: 022-26598195

For and on behalf of

National Stock Exchange of India Limited

Sumit Loya
Senior Manager

National Stock Exchange of India

ANNEXURE : SEBI Order in the matter of PFL Infotech Limited

**SECURITIES AND EXCHANGE BOARD OF INDIA
FINAL ORDER**

**UNDER SECTIONS 11(1), 11(4), 11(4A), 11B(1) AND 11B(2) OF THE SECURITIES
AND EXCHANGE BOARD OF INDIA ACT, 1992**

In respect of:

Noticee no.	Noticee Name	PAN
1	PFL Infotech Ltd	AACCP7177N
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8	Rahul Gupta	AIGPG4489H
9	Parvinder Singh	BJEPS6711E

In the matter of PFL Infotech Limited

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1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) received examination reports from BSE Ltd. (hereinafter referred to as “**BSE**”) wherein examination had been carried out in the scrip of PFL Infotech Limited (“**PFL**” / “**the Company**”) for the periods July 1, 2013 to May 19, 2014 and February 28, 2015 to April 13, 2016. SEBI also received an email dated August 29, 2016 from the Income Tax Department seeking information regarding price rise in the scrip of PFL. It was observed that 8 out of the top 10 net buyers in the scrip of PFL were connected to each other during the period from July 01, 2013 to April 13, 2016 (hereinafter referred to as “**the Investigation Period**”). It was also observed that certain entities had contributed significantly to the positive LTP in the scrip during the aforesaid period. In view of the preliminary observations, an investigation was

carried out by SEBI into the trading in the scrip during the investigation period. Based on the findings of the investigation, a show cause notice dated September 2, 2021 (hereinafter referred to as “**the SCN**”), was issued by SEBI to PFL Infotech Ltd, Pulla Amresh Kumar, Abhinandan Jain, Nickunj Shah, Ashroj Credit India Private Ltd., Mahesh Meetal HUF, Fair Intermediate Investment Private Ltd., Rahul Gupta and Parvinder Singh (hereinafter referred to as “**the Noticees**”) alleging therein violations of the SEBI (Prevention of Fraudulent and unfair trading activities relating to the Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations, 2003**”), by the Noticees. In addition, certain violations of the SEBI (Stock Broker) Regulations, 1992 (hereinafter referred to as the “**Broker Regulations**”) were also alleged against Fair Intermediate Investment Private Ltd. (Noticee no.7). Further, it was also alleged that certain disclosure related provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as the “**PIT Regulations, 1992**”), SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as the “**SAST Regulations, 2011**”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “**LODR Regulations 2015**”) have been violated.

Show Cause Notice, Replies, Personal Hearing and Submissions:

2. The brief facts and the allegations levelled against the Noticees, as given in the SCN, in brief, are as follows:

- (i) Ashroj Credit India Pvt. Ltd. (Noticee no. 5) and Mahesh Meetal HUF (Noticee no. 6) placed buy orders at a price substantially higher than the Last Traded Price (LTP) of the scrip. From an analysis of their contribution to the LTP, it was alleged that these Noticees wanted to raise the price of the scrip of PFL and hence, their trading pattern was manipulative and fraudulent.
- (ii) Mahesh Meetal, Karta of Mahesh Meetal HUF (Noticee no. 5), is connected to the director of Ashroj Credit India Pvt. Ltd. (Noticee no. 6), namely, Sandeep Mittal.
- (iii) Sandeep Mittal and Mahesh Mittal were also connected to Director of PFL, namely, Abhinandan Jain (Noticee no.3). Therefore, the entities owned and

managed by Sandeep Mittal and/ or Mahesh Mittal viz., - Ashroj Credit India Pvt. Ltd. (Noticee no.5) and Mahesh Meetal HUF (Noticee no.6)- are connected to Abhinandan Jain, a Director of PFL. Thus, it is alleged that Abhinandan Jain is connected to the price manipulators and hence, he, along with Noticee Nos. 5 and 6, was part of the scheme to manipulate the price of the scrip.

- (iv) PFL (Noticee no.1) had issued 11,50,000 convertible warrants to its Promoter and Director viz., Pulla Amresh Kumar (Noticee no.2) at the rate of Rs. 10 per warrant on September 18, 2008. On March 15, 2010, 4,50,000 warrants were transferred to a certain Nickunj Shah (Noticee no.4) by Mr. Pulla Amresh Kumar. On the same day, warrants were converted into shares at the rate of Rs. 15 per share. Nickunj Shah (Noticee no.4) was also known to Abhinandan Jain (Noticee no.3).
- (v) It is observed that the warrants were converted to shares on March 15, 2010, and were under 3 years of lock-in till March 14, 2013. Further, as alleged, during Patch-3 of the investigation period i.e., January 13 to May 19, 2014, Noticee Nos. 5 and 6, have indulged in manipulative and fraudulent trades that have contributed to price rise in the scrip of PFL.
- (vi) During the entire investigation period i.e., July 01, 2013, till March 01, 2016, Nickunj Shah and Pulla Amresh Kumar have not bought any share of PFL. All the trades were pertaining to selling of the shares of PFL.
- (vii) In view of the above sequence of events i.e., transfer of warrants, conversion into shares, lock-in period, date of dematerialization and sale of shares during the period in which price of the scrip was manipulated by entities linked with PFL, through Mr. Abhinandan Jain, Director of PFL, it is alleged that the company PFL, Abhinandan Jain, Pulla Amresh Kumar and Nickunj Shah were part of the scheme to manipulate the price of the scrip.
- (viii) In addition to the above, Noticee no.2 is alleged to have failed to make requisite disclosures under PIT Regulations, 1992 and SAST Regulations, 2011. Noticee no.1 is alleged to have not made disclosure regarding appointment of its CFO, in violation of Regulation 30 of LODR Regulations.
- (ix) Noticee nos. 7 and 8, who were not found to be connected to the other noticees are also alleged to have traded in the scrip of PFL in a fraudulent manner by indulging in LTP manipulation.

3. The SCN was served on the Noticees. The matter came to be placed before the Whole Time Member (WTM) but it could not be proceeded further due to internal re-allocation of cases amongst the WTMs of SEBI. Thereafter, the SEBI (Delegation of Statutory and Financial Powers) Order, 2019 (hereinafter referred to as “DoP”) was amended and serial number 19A was inserted in Part A- Delegation of Regulatory Powers and Statutory Functions, Chapter- I: Delegation of Powers and Functions under the Act with effect from July 25, 2022. As per the same, issuing of directions/ orders under Section 11(1), 11(4), 11(4A), 11B(1), 11B(2), 11D or any regulations framed by SEBI (where no interim, confirmatory or revocation order is envisaged in the matter) was delegated *inter alia* to Chief General Managers (CGM) of SEBI. Thereafter, in August 2022, the matter was allocated to me in place of the WTM. In the meantime, SEBI received a letter from representatives of Noticee no. 4 (Shri Nickunj Shah) stating that he had passed away on July 31, 2021, enclosing therewith a copy of the Death Certificate of Noticee no. 4. An opportunity for personal hearing was granted to the rest of the Noticees on August 23, 2022. Noticee nos.1-9 (excluding Noticee no.4) appeared for the hearing and made submissions through their Authorized Representatives (AR) as detailed below:

Table No.1

Sl. No.	Noticee	Name of AR
1	Noticee nos. 1 and 2	Shri Prakash Shah, Advocate
2	Noticee no. 3	Shri Kushal Shah, Chartered Accountant
3	Noticee Nos. 5, 6 and 7	Shri Rakesh Gupta, Chartered Accountant
4	Noticee No 8	Shri Prabhpreet Singh, Chartered Accountant
5	Noticee No.9	Shri Vikas Bengani, Advocate

These Noticees have also filed replies to the SCN. The facts relating to the Noticees and their replies are taken up point-wise in the consideration part of this order, to avoid repetition.

ISSUES FOR CONSIDERATION

4. In light of the facts and allegations contained in the SCN, the issues that arise for consideration are:

- (i) Whether there was any delay in initiating the proceedings and if there was a delay, whether the same has caused any prejudice to the Noticees so as to vitiate the proceedings?
- (ii) Whether Noticee nos. 5 and 6 (Ashroj Credit India Private Ltd. and Mahesh Meetal HUF, respectively) were connected to PFL (Noticee no.1) and Pulla Amresh Kumar (Noticee no.2) through Abhinandan Jain (Noticee no.3)?
- (iii) Whether Noticee nos. 5 and 6 (Ashroj Credit India Private Ltd. and Mahesh Meetal HUF respectively) engaged themselves in LTP manipulation of the scrip of PFL and thereby violated the PFUTP Regulations, 2003?
- (iv) Whether Pulla Amresh Kumar (Noticee no.2) and the deceased Noticee no.4 benefitted from the LTP manipulation of Noticee nos.5 and 6 (Ashroj Credit India Private Ltd. and Mahesh Meetal HUF respectively)?
- (v) Whether Noticee no.7 (Fair Intermediate Investment Private Ltd.) being the broker of Noticee nos.5 and 6 (Ashroj Credit India Private Ltd. and Mahesh Meetal HUF respectively) facilitated the aforesaid LTP manipulation?
- (vi) Whether Abhinandan Jain (Noticee no.3) acted as an intermediary between Noticee nos. 5 and 6 (Ashroj Credit India Private Ltd. and Mahesh Meetal HUF respectively) and Noticee no.2 (Pulla Amresh Kumar), so as to facilitate the profitable offloading of shares in the market and whether the same constitutes a violation of the PFUTP Regulations, 2003?
- (vii) Whether the allegation that Noticee nos. 8 and 9 (Rahul Gupta and Parvinder Singh) have independently engaged in LTP manipulation holds merit?
- (viii) Whether Noticee no.1 failed to make requisite disclosures under the LODR Regulations and Noticee no.2 failed to make requisite disclosures under the PIT Regulations, 2015 and SAST Regulations, 2011?
- (ix) What directions or penalty to be issued or imposed against the Noticees found liable for violations?

CONSIDERATION OF SUBMISSIONS AND FINDINGS

A. Preliminary Objections - Delay.

5. At the outset, I note that the Noticees have stated that the SCN in the matter has been issued after an inordinate delay and hence is liable to be disposed of without any directions. The Noticees have also cited a number of orders passed by the Hon'ble Securities Appellate Tribunal (SAT) in support of their contention. In order to deal with submission of delay in initiation of proceedings, it is relevant to have a look at the sequence of events.
6. SEBI received examination reports from BSE pertaining to trading activity in the scrip of PFL for the periods July 1, 2013 to May 19, 2014 and February 28, 2015 to April 13, 2016. I note that the concerned department of SEBI also received a reference vide email dated August 29, 2016 from Income Tax Department regarding dealings in the scrip of PFL. After preliminary examination, matter was sent for further examination to the concerned department of SEBI. Accordingly, investigating authority was appointed. Information was sought from the stock exchange and other sources. Due to inter-departmental transfers, investigating authorities with respect to the instant case were changed. After analysis of information including connections and trading details of all the entities, the investigating authority submitted a report in March 2020. Thereafter the SCN was issued in the matter on September 2, 2021. After completion of service of SCN, the matter was placed before the Whole Time Member for grant of personal hearing, but it could not be proceeded any further due to impending redistribution of cases amongst quasi-judicial authorities of SEBI. Thereafter, in August 2022, the matter was reallocated and got assigned to me for enquiry under Section 11B of the SEBI Act, 1992 read with applicable regulations. As noted above, an opportunity of personal hearing was granted to all the Noticees on August 23, 2022. All relevant documents were provided to the Noticees as annexures to the SCN including price volume data for the investigation period, order log and trade log for the investigation period, documents that showed the alleged connections, bank statement of Abhinandan Jain, replies of Abhinandan Jain, Nickunj Shah and Fair

Intermediate Pvt. Ltd. as well documents regarding the disclosure violations alleged. The investigation report was also provided to the Noticees. I also note that the Noticees have filed detailed submissions, and have not specified what prejudice has been caused to them. Investigation involved obtaining information from various sources and analysis of information received. I also note that there is no provision in the SEBI Act, 1992 which may have the effect of prohibiting SEBI from taking action beyond a particular period of time in a given case. In **Ravi Mohan & Ors. v. SEBI** decided on August 08, 2013, Hon'ble Securities Appellate Tribunal, Mumbai (hereinafter referred to as '**Hon'ble SAT**') while referring to its own decision in **HB Stockholdings Ltd. v. SEBI (Appeal no. 114 of 2012)** decided on August 27, 2013 and decision of Hon'ble Supreme Court in **Collector of Central Excise, New Delhi v. Bhagsons Paint Industry (India) reported in 2003 (158) ELT 129 (S.C.)**, observed as under:

“....Based on decision of this Tribunal in case of HB Stockholdings Ltd. vs. SEBI (Appeal no. 114 of 2012 decided on 27.08.2013) it is contended on behalf of the appellants that in view of the delay of more than 8 years in issuing the show cause notice, the impugned order is liable to be quashed and set aside. There is no merit in this contention, because, this Tribunal while setting aside the decision of SEBI on merits has clearly held in para 20 of the order, that delay itself may not be fatal in each and every case. Moreover, the Apex Court in case of Collector of Central Excise, New Delhi vs. Bhagsons Paint Industry (India) reported in 2003 (158) ELT 129 (S.C) has held that if there no statutory bar for adjudicating the matter beyond a particular date, the Tribunal cannot set aside the adjudication order merely on the ground that the adjudication order is passed after a lapse of several years from the date of issuing notice....”

7. I note that delay itself may not be a ground that would vitiate the instant proceedings. I have seen whether delay has caused any prejudice. Since all relevant and relied upon documents were supplied to the Noticees, including the price-volume data for the investigation period, order log and trade log for the

investigation period, documents relied upon for connections and relevant bank statements etc., in my view the Noticees had sufficient material to defend their case. In fact, they were able to put forth their defense in detail, as is apparent from their replies and submissions. In this regard, I note that the Hon'ble SAT in the matter of **Pooja Vinay Jain Vs. SEBI** (SAT Appeal No. 152 of 2019, decided on March 17, 2020) held as follows:

“13. In the present case, the appellant neither put a plea of prejudice before the AO nor before us. It was simply stated that since the proceedings were launched by respondent SEBI after a period seven years, the same should be quashed on the ground of delay. The record would show that all the documents concerning the defense of the appellant were filed by her before the AO. Therefore, for want of any prejudice the proceedings cannot be quashed simply on the ground of delay in launching the same. Further, as explained by the learned counsel for the respondent as recorded in paragraph No. 6.4 above, large numbers of entities and transactions were analyzed by SEBI which took some time.”

8. I also note that the SEBI Act, 1992 and the regulations framed thereunder have got a larger public purpose in the form of investor protection and the regulation and development of the securities market. These purposes would stand defeated if the manipulators are allowed to go scot-free just because of delay in initiating action against them. In view of the above facts, I find that no prejudice has been caused upon the Noticees nor have they been able to make out a case of prejudice due to the alleged delay in initiation of proceedings. Hence, the contention of the Noticees that the present proceedings are liable to be closed/ dropped on account of delay, cannot be accepted.

B. Miscellaneous Preliminary Submissions:

9. The Noticees have also submitted that the SCN is vague as it does not disclose the kind of measures SEBI is contemplating to take. In the instant proceedings, the SCN has been issued for breach of provisions of securities law, which confer

discretion upon SEBI to take such measures as it thinks fit in the interest of investors and securities market. In this regard, it is further noted that the SCN issued to the Noticee has clearly spelt out the provisions under which the desired preventive/remedial measures, etc. if found necessary, would be issued and also clearly indicated the specific nature of violations that have been alleged against it in terms of different provisions of the PFUTP Regulations, 2003. Only after examining and considering the explanation offered by the Noticees to the allegations levelled under the SCN, would it be possible for any adjudicating authority to specify the exact directions that are required to be issued against the Noticees. It is to be noted here that the provisions of Sections 11(1), 11(4) and 11B of the SEBI Act vest in the quasi-judicial authority plenary power to issue wide ranging directions as it may deem fit, in the interest of securities market which cannot be crystallized and formulated before the adjudication of issues involved.

10. Further, the Noticees have stated that a charge of fraud requires a higher degree of proof. In this regard, I rely on the observations of the Hon'ble Supreme Court in the matter of **SEBI v. Kishore R. Ajmera** (2016) 6 SCC 368, dealing with the standard of proof while imposing civil liabilities under SEBI Act, 1992 or the regulations framed there under:

“...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...”

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

any of the Regulations, of course, has to be on the basis of proof beyond reasonable doubt...”

In view of the above, I note that a test of preponderance of probabilities applies to allegations of violation of PFUTP Regulations, 2003, with respect to dealings in the securities market.

C. Connections between Noticee nos.1-7

11. From the SCN, I note that Mahesh Meetal (Karta of Mahesh Meetal HUF-Noticee no.6) and Sandeep Mittal (director of Ashroj Credit India Pvt. Ltd.-Noticee no.5) were co-directors in Fair Developers Pvt. Ltd. and Saakshi Shares Pvt. Ltd. Further, Mr. Mahesh Mittal (Karta of Mahesh Meetal HUF) and Ms. Meena Agarwal (wife of Mr. Sandeep Mittal), were 53.09% shareholders of Fair Intermediate Investment Pvt. Ltd. (Noticee no.7) during the Investigation Period. Noticee no. 5 and 6 have not denied these connections. Thus I find that Noticee nos.5,6 and 7 were connected to each other.

12. Mahesh Meetal (Karta of Mahesh Meetal HUF-Noticee no.6) and Sandeep Mittal (director of Ashroj Credit India Pvt. Ltd.- Noticee no.5) are also connected to the Independent Director of the Company (PFL) viz., Abhinandan Jain (Noticee no.3). The following fund transfers were observed in the bank account of Noticee no. 3 from Mahesh Meetal (Karta of Mahesh Meetal HUF) and Sandeep Mittal (director of Ashroj Credit India Pvt. Ltd.):

Table No.2

A/c Number (Abhinandan Jain- Noticee no.3)	Bank Name	Date of Transaction	Details of Transaction	Amount (in Rs)
911010043443345 (Abhinandan Jain- Noticee no.3)	Axis bank	15/04/2013	RTGS- YESBH13105003167/ SANDE EP MITTAL	17,00,000
911010043443345 (Abhinandan Jain- Noticee no.3)	Axis bank	16/04/2013	RTGS- HDFCH13106073785/ MAHES H MITTAL	16,00,000

13. During the investigation, Abhinandan Jain (Noticee no. 3) stated that the above transfers were for sale of 1,70,000 shares and 1,60,000 shares of Fair Developers Pvt. Ltd. to Sandeep Mittal and Mahesh Mittal, respectively. Noticee no. 3 also stated that he was promoter director of Fair Developers Pvt. Ltd. and in April 2013, he resigned as director and also sold shares to Mittal Family. Noticee nos. 5 and 6 in their replies have not denied the above transaction, but have stated that the same was unconnected to their purchases in the scrip of PFL. I note that the above fund transfer has been brought out to establish connection of Noticee no. 3 with Noticee nos. 5 and 6. Noticee nos. 3, 5 and 6 have not disputed the above transaction, and hence the connection also cannot be denied. As Mahesh Meetal is the Karta of Mahesh Meetal HUF (Noticee no. 6) and Sandeep Mittal is the director of Ashroj Credit India Pvt. Ltd. (Noticee no. 5), I am of the view that the above depicted fund transfers establish connection of Abhinandan Jain (Noticee no. 3) with Noticee nos. 5 and 6.

14. As noted above, Abhinandan Jain (Noticee no. 3) was an Independent Director of PFL (Noticee no. 1). The Chairman and Managing Director of PFL was Noticee no. 2, Pulla Amresh Kumar. During investigation, it was observed that PFL had issued 11,50,000 convertible warrants to Pulla Amresh Kumar (Noticee no. 2) at the rate of Rs.10 per warrant on September 18, 2008. On March 15, 2010, Mr. Pulla Amresh Kumar transferred 4,50,000 warrants to late Nickunj Shah (Noticee no. 4). Noticee no. 2 has stated before me that he was in dire need of money and so Abhinandan Jain (Noticee no. 3) introduced him to late Nickunj Shah who was planning to make some investments. These facts have been admitted by the Noticees.

15. It was further observed that Noticee Nos. 5 and 6 were closely connected to the broker, Fair Intermediate Investment Pvt. Ltd. (Noticee No. 7), through whom they placed the aforementioned orders. Mahesh Meetal, Karta of Mahesh Meetal HUF, is a Designated Director of Noticee no. 7. Further, Mr. Mahesh Mittal and Ms. Meena Agarwal, wife of Mr. Sandeep Mittal, were 53.09% shareholders of Fair

Intermediate Investment Pvt. Ltd. during the investigation period, i.e., they held a controlling stake in the broker.

16. In view of the above, I find that Noticee nos.1-7 are connected.

D. LTP Manipulation by Noticee nos.5 and 6

17. The SCN notes that the scrip of PFL, which was listed on BSE, was trading in the Periodic Call Auction Session (PCAS) for the period July 09, 2013, to January 12, 2014. Hence, the scrip was illiquid. The scrip opened at Rs. 44.20, touched a high of Rs. 825, low of Rs. 15.00 and closed at Rs. 15.00 during the investigation period (i.e. July 01, 2013 to April 13, 2016). The price of the scrip rose steadily till May 19, 2014, and suddenly fell thereafter. The investigation period was divided into 5 patches, and the details of the same, in brief, are as under:

Table No.3

Period	Dates		Opening Price (volume) on first day of the period (Rs.)	Closing price (volume) on last day of the period (Rs.)	Low price(volume) during the period (Rs.)	High Price(volume) during the period (Rs.)	Avg. no. of (shares) traded daily during the period
Before Investigation period	April 01, 2013 to June 30, 2013	Price	45.85	46.1	38.7 (April 09, 2013)	60.4 (June 05, 2013)	8,554
		Vol	111	1,675	1 (May 11, 2013)	2,01,662 (June 14, 2013)	
During Investigation Period – Patch 1 (Price Rise)	July 01, 2013 to July 08, 2013	Price	44.2	53.1	44.05 (July 01, 2013)	54.80 (July 05, 2013)	3,127
		Vol	1,525	11,033	16 (July 02, 2013)	11,033 (July 08, 2013)	
During Investigation Period – Patch 2 (PCAS)	July 09, 2013 to January 12, 2014	Price	55.95	508	54 (July 10, 2013)	530 (January 07, 2014)	17,408
		Vol	25	27,100	25 (July 09, 2013)	63,819 (December 11, 2013)	
During Investigation Period – Patch 3 (Price Rise)	January 13, 2014 to May 19, 2014	Price	460	763.55	458.65 (January 14, 2014)	825 (May 19, 2014)	35,230
		Vol	21,739	58,489	5,675 (January 16, 2014)	89,162 (March 26, 2014)	
		Price	768	661	377.75 (January 20, 2015)	770 (May 20, 2014)	19,234

Period	Dates		Opening Price (volume) on first day of the period (Rs)	Closing price (volume) on last day of the period (Rs.)	Low price(volume) during the period (Rs.)	High Price(volume) during the period (Rs.)	Avg. no. of (shares) traded daily during the period
During Investigation Period – Patch 4 (Price Fall)	May 20, 2014 to February 27, 2015	Vol	43,284	8,485	8 (December 26, 2014)	96,503 (January 20, 2015)	
During Investigation Period – Patch 5 (Price Fall)	February 28, 2015 to April 13, 2016	Price	699	15	15 (April 13, 2016)	733 (March 02, 2015)	12,299
		Vol	15,315	1,02,100	1 (March 17, 2016)	2,16,642 (March 23, 2015)	
After investigation period	April 14, 2016 to July 14, 2016	Price	15.7	26.6	15 (April 18, 2016)	38.15 (June 07, 2016)	13,478
		Vol	1,35,770	20,250	1 (April 25, 2016)	1,35,770 (April 18, 2016)	

18. As can be seen from the above table, during Patch-3 of the investigation period, the price of the scrip opened at price of Rs.460.0, reached a high of Rs.825.0, reached a low of Rs.458.65 and closed at Rs.763.55. Investigation *inter alia* noted that Ashroj Credit India Pvt. Ltd. (Noticee no.5) and Mahesh Meetal HUF (Noticee no.6) together contributed 8.09% to market positive Last Traded Price (LTP) during Patch-3 of the investigation period.

19. Ashroj Credit India Private Ltd (Noticee no.5) and Mahesh Meetal HUF (Noticee no.6) during the hearing and in their replies have, *inter alia*, made the following submissions in respect of the allegations made out in the SCN against them:

- (i) The SCN is general and vague in nature. It has not been brought out as to how they had manipulated the price without synchronised/ circular trades with counter party. No relation with any counterparty has been brought out
- (ii) The trades have resulted in actual delivery/ fund payment, as the case may be. The trades were executed in a bonafide manner. The trading was not a result of any collusion with any other party.
- (iii) They had traded only on a few days in the investigation period and the SCN is based on the miniscule trading by them. Only few trades had contributed to positive LTP. All other buy trades were done at the same or lower price than LTP. Prices were based on trading rationale and market sentiment.

(iv) Price had risen in other patches also.

(v) They had no reason to manipulate the price of the scrip.

20. I note that the Noticee nos. 5 and 6 have denied that they were involved in the manipulation of the scrip of PFL by placing orders above the last traded price. In this regard, I note that the SCN provides a few instances where the trades of Noticee nos. 5 and 6 contributed to the market positive LTP. These instances are depicted and discussed below:

LTP manipulation by Mahesh Meetal HUF (Noticee no.6)

i. January 31, 2014

a. The relevant extract of the Order log for January 31, 2014 is given below:

Table No.4

ORDER_TIME	ORDERNO	BUY SELL	PANNO	CLIENTNAME	RATE	QTY	AUDC ODE	Remarks, if any
15:01:56.409498	16000115198681	B	BOVPM5252E	VIDHI MEGHANI	490.1	15	A	
15:02:02.914242	17000122041607	B	ABFPB2869J	SURENDRA SINGH BENGANI	492	100	U	
15:02:10.810492	16000115198199	B	AJWPK1395H	RASHMI PANKAJ KESHARIYA	492.35	5	U	
15:02:34.356573	14000128401173	B	CAZPS4313R	BABY SHAHEEN	492.35	50	U	
15:02:46.101330	17000122258850	B	ABFPB2869J	SURENDRA SINGH BENGANI	510	20	A	
15:03:09.946082	17000122259120	B	ABFPB2869J	SURENDRA SINGH BENGANI	493	50	A	
15:03:10.508111	16000115199449	B	AJWPK1395H	RASHMI PANKAJ KESHARIYA	510	2	A	
15:03:18.802819	16000115198199	B	AJWPK1395H	RASHMI PANKAJ KESHARIYA	495	3	U	
15:03:27.608497	12000108037415	B	AATPC6825E	RAJA GIRDHARI FINANCE PROP.SOBHA CHHAJER	495	50	U	
15:03:43.165909	17000122041607	B	ABFPB2869J	SURENDRA SINGH BENGANI	490.25	100	U	
15:03:50.066222	14000128403472	B	AATPC6825E	RAJA GIRDHARI FINANCE PROP.SOBHA CHHAJER	493.05	25	A	
15:03:57.823872	23000091228460	B	APNPK5747A	REHAN KHAN	493.05	50	U	
15:04:47.409684	15000104136648	B	AAFHM0382N	MAHESH MEETAL HUF	523	50	A	Mahesh Meetal placed Buy orders at price of Rs.523 which was higher than last traded price of Rs 510
15:05:11.215808	16000115198199	B	AJWPK1395H	RASHMI PANKAJ KESHARIYA	510	3	U	
15:05:17.055171	13000103027976	B	AAFHM0382N	MAHESH MEETAL HUF	523	50	A	
15:05:34.114633	15000104136825	B	AAFHM0382N	MAHESH MEETAL HUF	523	400	A	

b. The relevant extract of the Trade log for January 31, 2014 is given below:

Table No.5

TRADE_DATE	CLIENT NAME	ORDER_NO	TRADE ID	ORDER_TIME	TRADE_TIME	ORDER_LMTIME	TRADE_RATE	LTP_RATE	LTP_PERCENT	ORDER_RATE	ORDER_LMRA TE	TRADE_D_QTY
31/01/2014	SURENDRA SINGH BENGANI	17000122258180	1200	15:01:37.008621	15:01:37.066644	15:01:37.008621	510	5	0.99	510	510	20
31/01/2014	SURENDRA SINGH BENGANI	17000122258850	1201	15:02:46.101330	15:02:46.191443	15:02:46.101330	510	0	0	510	510	20
31/01/2014	RASHMI PANKAJ KESHARIYA	16000115199449	1202	15:03:10.508111	15:03:10.643561	15:03:10.508111	510	0	0	510	510	2
31/01/2014	MAHESH MEETAL HUF	15000104136648	1203	15:04:47.409684	15:04:47.42715	15:04:47.409684	510	0	0	523	523	18
31/01/2014	MAHESH MEETAL HUF	15000104136648	1204	15:04:47.409684	15:04:47.427155	15:04:47.409684	510	0	0	523	523	20
31/01/2014	MAHESH MEETAL HUF	15000104136648	1205	15:04:47.409684	15:04:47.427157	15:04:47.409684	510	0	0	523	523	12
31/01/2014	RASHMI PANKAJ KESHARIYA	16000115198199	1206	15:00:20.742441	15:05:11.346222	15:05:11.215808	510	0	0	486	510	3
31/01/2014	MAHESH MEETAL HUF	13000103027976	1207	15:05:17.055171	15:05:17.09462	15:05:17.055171	510	0	0	523	523	5
31/01/2014	MAHESH MEETAL HUF	13000103027976	1208	15:05:17.055171	15:05:17.094623	15:05:17.055171	510	0	0	523	523	20
31/01/2014	MAHESH MEETAL HUF	13000103027976	1209	15:05:17.055171	15:05:17.094625	15:05:17.055171	510	0	0	523	523	20
31/01/2014	MAHESH MEETAL HUF	13000103027976	1210	15:05:17.055171	15:05:17.094627	15:05:17.055171	510	0	0	523	523	5
31/01/2014	MAHESH MEETAL HUF	15000104136825	1211	15:05:34.114633	15:05:34.197157	15:05:34.114633	510	0	0	523	523	15
31/01/2014	MAHESH MEETAL HUF	15000104136825	1212	15:05:34.114633	15:05:34.197163	15:05:34.114633	510	0	0	523	523	20
31/01/2014	MAHESH MEETAL HUF	15000104136825	1213	15:05:34.114633	15:05:34.197166	15:05:34.114633	510	0	0	523	523	20
31/01/2014	MAHESH MEETAL HUF	15000104136825	1214	15:05:34.114633	15:05:42.133613	15:05:34.114633	523	13	2.55	523	523	5

- c. From the above extract of the order log and trade log it is noted that Noticee no.6 repeatedly placed buy orders at the rate of Rs.523, when trades were being executed at Rs.510. In other words, Noticee no.6 was placing buy orders at around Rs. 13 higher than last traded price. I also note that the other buy orders by other persons were being placed at or less than the last traded price and between 15:01:56 to 15:05:34, Noticee no. 6 was the only one placing buy orders above the last traded price, and that too at such a huge variance of Rs.13. As is logical, any prudent or reasonable person would

ordinarily prefer to buy shares at the lowest possible price. Though there may be circumstances that may lead to deviation from the same, Noticee no.6 has not been able to provide any such reason, apart from stating that it was their investment logic. Further, from the extract of the trade log, it was seen that order no 15000104136825 got converted to trade no 1214 and contributed Rs. 13 to market positive LTP and the traded quantity was 5 shares.

ii. March 03, 2014

a. The relevant extract of the Order log for March 03, 2014 is given below:

Table No.6

ORDER_TIME	ORDERNO	BUY SELL	PANNO	CLIENTNAME	RATE	QTY	AUDC ODE	Remarks, if any
11:37:22.964107	18000139059135	B	ABFPB2869J	SURENDRA SINGH BENGANI	521.04	100	U	
11:47:25.285636	13000107238067	B	AAXPG0444M	NIRAV RAJABABU GANDHI	521.10	50	A	
11:47:50.074273	14000137002827	B	AZEPA0674P	WASEEM AHMAD	521.15	75	U	
11:48:37.587207	18000139059135	B	ABFPB2869J	SURENDRA SINGH BENGANI	521.15	100	U	
11:49:03.759482	18000139059135	B	ABFPB2869J	SURENDRA SINGH BENGANI	521.15	300	U	
11:49:13.353015	18000139058512	B	ABFPB2869J	SURENDRA SINGH BENGANI	521.15	50	U	
11:51:52.114773	11000094103696	B	AAXPG0444M	NIRAV RAJABABU GANDHI	517.10	50	D	
11:51:52.136742	13000107206673	B	AAXPG0444M	NIRAV RAJABABU GANDHI	520.35	50	D	
11:51:52.146723	13000107238067	B	AAXPG0444M	NIRAV RAJABABU GANDHI	521.10	50	D	
11:51:57.489555	13000107245807	B	AAXPG0444M	NIRAV RAJABABU GANDHI	521.50	50	A	
11:52:14.527616	18000139059135	B	ABFPB2869J	SURENDRA SINGH BENGANI	525.00	300	U	
11:52:24.434013	18000139058512	B	ABFPB2869J	SURENDRA SINGH BENGANI	521.50	50	U	
11:52:30.391443	13000107246469	B	AAXPG0444M	NIRAV RAJABABU GANDHI	525.04	25	A	
11:52:45.715947	18000139059135	B	ABFPB2869J	SURENDRA SINGH BENGANI	525.04	200	U	
11:56:15.144744	14000137002827	B	AZEPA0674P	WASEEM AHMAD	525.10	50	U	
12:06:10.495051	18000139058512	B	ABFPB2869J	SURENDRA SINGH BENGANI	525.10	50	U	
12:13:31.791606	14000137002827	B	AZEPA0674P	WASEEM AHMAD	525.15	50	U	
12:16:15.083144	18000139058512	B	ABFPB2869J	SURENDRA SINGH BENGANI	525.15	100	U	
12:18:34.804526	18000139059135	B	ABFPB2869J	SURENDRA SINGH BENGANI	525.04	100	U	
12:18:43.382510	18000139059135	B	ABFPB2869J	SURENDRA SINGH BENGANI	525.15	100	U	
12:19:09.578621	14000137002827	B	AZEPA0674P	WASEEM AHMAD	525.20	50	U	
12:19:37.500324	15000111157562	B	AAFHM0382N	MAHESH MEETAL HUF	547.00	250	A	Buy order placed at price of Rs.547 which was higher than last traded market price of Rs 534.25

12:20:05.430544	18000139059135	B	ABFPB2869J	SURENDRA SINGH BENGANI	525.25	100	U	
12:20:24.846571	15000111157976	B	AAFHM0382N	MAHESH MEETAL HUF	550.00	250	A	Buy order placed at price of Rs.550 which was higher than last traded price of Rs 547
12:20:30.010738	18000139058512	B	ABFPB2869J	SURENDRA SINGH BENGANI	525.25	100	U	
12:21:10.143280	15000111158345	B	AAFHM0382N	MAHESH MEETAL HUF	553.00	500	A	Buy order placed at price of Rs.553 which was higher than last traded price of Rs 549
12:21:23.901773	15000111158345	B	AAFHM0382N	MAHESH MEETAL HUF	530.00	500	U	

b. The relevant extract of the trade log for March 03, 2014 is given below:

Table No.7

TRADE DATE	CLIENT NAME	ORDER_NO	TRADE ID	ORDER TIME	TRADE TIME	ORDER_LMTIME	TRADE_RATE	LTP_RATE	LTP_PERCENT	ORDER_RATE	ORDER_LMRA TE	TRADE_QTY
28/02/2014	NILIMA N PATIL	17000139335035	1163	15:14:31.603669	15:14:31.618251	15:14:31.603669	534	0	0	534.25	534.25	55
28/02/2014	NILIMA N PATIL	17000139335035	1164	15:14:31.603669	15:14:31.618253	15:14:31.603669	534	0	0	534.25	534.25	55
28/02/2014	NILIMA N PATIL	17000139335035	1165	15:14:31.603669	15:14:31.618496	15:14:31.603669	534.25	0.25	0.05	534.25	534.25	25
03/03/2014	MAHESH MEETAL HUF	15000111157562	1001	12:19:37.500324	12:19:37.51042	12:19:37.500324	546.7	12.45	2.33	547	547	5
03/03/2014	MAHESH MEETAL HUF	15000111157562	1002	12:19:37.500324	12:19:37.510681	12:19:37.500324	547	0.3	0.05	547	547	1
03/03/2014	MAHESH MEETAL HUF	15000111157562	1003	12:19:37.500324	12:19:37.511467	12:19:37.500324	547	0	0	547	547	200
03/03/2014	MAHESH MEETAL HUF	15000111157562	1004	12:19:37.500324	12:19:37.511469	12:19:37.500324	547	0	0	547	547	44
03/03/2014	MAHESH MEETAL HUF	15000111157976	1005	12:20:24.846571	12:20:24.865771	12:20:24.846571	547	0	0	550	550	56
03/03/2014	MAHESH MEETAL HUF	15000111157976	1006	12:20:24.846571	12:20:24.867083	12:20:24.846571	549	2	0.37	550	550	194
03/03/2014	MAHESH MEETAL HUF	15000111158345	1007	12:21:10.143280	12:21:10.159601	12:21:10.143280	549	0	0	553	553	6
03/03/2014	MAHESH MEETAL HUF	15000111158345	1008	12:21:10.143280	12:21:10.159835	12:21:10.143280	550	1	0.18	553	553	5
03/03/2014	MAHESH MEETAL HUF	15000111158345	1009	12:21:10.143280	12:21:10.159839	12:21:10.143280	550	0	0	553	553	5
03/03/2014	MAHESH MEETAL HUF	15000111158345	1010	12:21:10.143280	12:21:10.159841	12:21:10.143280	550	0	0	553	553	5
03/03/2014	MAHESH MEETAL HUF	15000111158345	1011	12:21:10.143280	12:21:10.159844	12:21:10.143280	550	0	0	553	553	5
03/03/2014	MAHESH MEETAL HUF	15000111158345	1012	12:21:10.143280	12:21:10.159846	12:21:10.143280	550	0	0	553	553	5
03/03/2014	MAHESH MEETAL HUF	15000111158345	1013	12:21:10.143280	12:21:10.160132	12:21:10.143280	553	3	0.55	553	553	200

03/03/2014	MAHESH MEETAL HUF	15000111158345	1014	12:21:10.143280	12:21:10.16038	12:21:10.143280	553	0	0	553	553	1
03/03/2014	MAHESH MEETAL HUF	15000111158345	1015	12:21:10.143280	12:21:10.160864	12:21:10.143280	553	0	0	553	553	50

- c. From the above extracts of the trade log and order log, it can be seen that Noticee no.6 placed buy orders at Rs.547-Rs.550, when the LTP was Rs.534.5. Thus, buy orders were placed at Rs.13- Rs.16 more than the LTP.
- d. The order no 15000111157562 got converted into trades nos. 1001 and 1002, thus contributing Rs. 12.75 to market positive LTP. The traded quantity was 5 and 1 shares.
- e. Order no 15000111157976 got converted into trade no. 1006 and contributed Rs. 2 to market positive LTP.
- f. Order no 15000111158345 converted into trade nos. 1008 & 1013 and contributed Rs. 4 to market positive LTP.
- g. I note that the other buy orders were in the range of Rs.521-525 approximately. The buy orders of Noticee no.6 were in the range of Rs.13-16 more than LTP. This jump is considerably high, and any reasonable person, even if they desired to acquire shares and were willing to place a higher price, would not place a buy order at such a large variance at the very first instance. Noticee no.6 has also not offered any cogent reason for the placing of buy orders at such high rates.

iii. March 18, 2014

- a. The relevant extract of order log for March 18, 2014 is given below:

Table No.8

ORDER_TIME	ORDERNO	BUYSELL	CLIENTNAME	RATE	QTY	AUDCODE	Remarks, if any
11:14:06 AM	12000112031652	B	ASHWANI KUMAR GUPTA	564	10	Added	
11:15:10 AM	23000095044519	B	SURENDRA SINGH BENGANI	564	135	Updated	
11:16:58 AM	12000110123141	B	RAHUL GUPTA	564.04	250	Updated	
11:17:44 AM	12000112009465	B	RAJA GIRDHARI FINANCE PROP.SOBHA CHHAJER	565	100	Updated	

ORDER_TIME	ORDERNO	BUYSELL	CLIENTNAME	RATE	QTY	AUDCODE	Remarks, if any
11:19:36 AM	23000095044519	B	SURENDRA SINGH BENGANI	565	135	Updated	
11:21:24 AM	16000115090372	B	BABY SHAHEEN	565.04	50	Added	
11:21:45 AM	23000095044519	B	SURENDRA SINGH BENGANI	565.04	135	Updated	
11:22:00 AM	13000104148798	B	MAHESH MEETAL HUF	590	10	Added	<i>Maresh Meetal HUF has placed buy orders at price of Rs 590 and Rs 591 which is much higher than the last traded of Rs 560. Moreover, the quantity entered is negligible (around 10 shares). This indicates that Maresh Meetal HUF had intention to raise the price of the scrip in manipulative manner</i>
11:22:17 AM	13000104149101	B	MAHESH MEETAL HUF	591	14	Added	
11:22:50 AM	12000110123141	B	RAHUL GUPTA	565.5	250	Updated	
11:23:02 AM	13000104149859	B	MAHESH MEETAL HUF	592	7	Added	<i>Maresh Meetal HUF has placed buy orders at price in the range of Rs 592 to Rs 606 which is much higher than last traded price of Rs 560. Moreover, the quantity entered is negligible (around 10 shares). This indicates that Maresh Meetal HUF had intention to raise the price of the scrip in manipulative manner</i>
11:23:12 AM	13000104150042	B	MAHESH MEETAL HUF	593	16	Added	
11:23:20 AM	13000104150216	B	MAHESH MEETAL HUF	594	10	Added	
11:23:26 AM	13000104150331	B	MAHESH MEETAL HUF	595	13	Added	
11:23:44 AM	13000104150561	B	MAHESH MEETAL HUF	596	21	Added	
11:23:54 AM	13000104150694	B	MAHESH MEETAL HUF	597	25	Added	
11:24:04 AM	13000104150797	B	MAHESH MEETAL HUF	606	5	Added	
11:24:41 AM	13000104151326	B	MAHESH MEETAL HUF	545	1000	Added	
11:25:19 AM	13000104151809	B	MAHESH MEETAL HUF	607	200	Added	
11:25:28 AM	12000110123141	B	RAHUL GUPTA	565.5	250	Deleted	
11:25:30 AM	14000137027105	B	MAHESH MEETAL HUF	610	10	Added	
11:25:37 AM	23000095088088	B	SURESH SHYAMSUNDER KHETAN	544	5	Added	
11:25:38 AM	13000104152175	B	MAHESH MEETAL HUF	611	14	Added	
11:25:53 AM	23000095088297	B	SURESH SHYAMSUNDER KHETAN	560	5	Added	
11:26:09 AM	23000095088495	S	SURESH SHYAMSUNDER KHETAN	664.4	5	Added	

ORDER_TIME	ORDERNO	BUYSELL	CLIENTNAME	RATE	QTY	AUDCODE	Remarks, if any
11:26:22 AM	17000135015940	S	ASHABEN DIPAKBHAI PATEL	629	50	Deleted	
11:26:27 AM	15000109015498	S	ASHABEN DIPAKBHAI PATEL	624.9	50	Added	
11:26:36 AM	13000104152834	B	MAHESH MEETAL HUF	609	10	Added	
11:26:47 AM	18000131351950	S	ASHABEN DIPAKBHAI PATEL	650.5	50	Added	
11:26:50 AM	13000104153028	B	MAHESH MEETAL HUF	608	29	Added	
11:27:00 AM	18000131036238	S	ASHABEN DIPAKBHAI PATEL	658	50	Deleted	
11:27:03 AM	13000104153198	B	MAHESH MEETAL HUF	607	21	Added	
11:27:13 AM	13000104153303	B	MAHESH MEETAL HUF	606	100	Added	
11:27:27 AM	13000104153445	B	MAHESH MEETAL HUF	605	59	Added	
11:28:43 AM	14000135128028	S	RAJA GIRDHARI FINANCE PROP.SOBHA CHHAJER	622	25	Added	
11:28:53 AM	12000111121769	S	RAJA GIRDHARI FINANCE PROP.SOBHA CHHAJER	624.5	25	Added	
11:29:16 AM	12000111121769	S	RAJA GIRDHARI FINANCE PROP.SOBHA CHHAJER	624.5	50	Updated	
11:31:07 AM	16000115090372	B	BABY SHAHEEN	565.04	50	Deleted	

b. The relevant extract of the trade log for March 18, 2014 is given below:

Table No.9

TRADE_DATE	CLIENT NAME	ORDER_NO	TRADE ID	ORDER_TIME	TRADE_TIME	ORDER_LMTIME	TRADE_RATE	LTP_RATE	LTP_PERCENT	ORDER_RATE	ORDER_LMRA TE	TRADE_QTY
18/03/2014	ALPA DINESH SHAH	15000109014414	1001	11:05:38.048442	11:07:55.609917	11:05:38.048442	560	-44	-7.28	560	560	5
18/03/2014	SURENDRA SINGH BENGANI	23000095044519	1002	10:11:25.681624	11:07:55.610473	11:07:43.721562	560	0	0	549	560	35
18/03/2014	MAHESH MEETAL HUF	13000104150797	1003	11:24:03.591897	11:24:03.602514	11:24:03.591897	606	46	8.21	606	606	5
18/03/2014	MAHESH MEETAL HUF	13000104151809	1004	11:25:19.125388	11:25:19.268818	11:25:19.125388	607	1	0.17	607	607	200
18/03/2014	MAHESH MEETAL HUF	13000104152175	1005	11:25:37.704281	11:32:41.746673	11:25:37.704281	611	4	0.66	611	611	5

- c. From the above extracts of the trade log and order log, it is noted that Mahesh Meetal HUF entered buy orders at a price ranging from Rs. 590 to Rs. 611 i.e. around Rs. 30 – Rs. 50 higher than last traded price with nominal order quantity of around 10-20 shares in most of the orders.
 - d. Order no. 13000104150797 was converted into trade no. 1003 and contributed Rs. 46 to market positive LTP. The traded quantity for aforementioned trade was 5 shares.
 - e. Order no. 13000104152175, when converted into trade (trade no. 1005) contributed Rs. 4 to market positive LTP. The traded quantity for aforementioned trade was 5 shares.
- iv. It is noted from the above examples of the trades placed by Noticee no. 6 that it repeatedly placed buy orders that were higher than the last traded price. It is also noted that the buy orders were often placed for small quantities. In other instances, buy orders were placed at high variance from LTP. I also note that other buy orders by entities other than Noticee no.6 were also generally placed at much lower rates.
- v. As noted above, Noticee no.6 was connected to Noticee no.3 (Abhinandan Jain), who was an Independent Director in PFL. Pulla Amresh Kumar (Noticee no.2) was the Chairman and Managing Director of PFL and possessed 11,50,000 convertible warrants, of which he had transferred 4,50,000 warrants to Nickunj Shah (Noticee no.4). Pulla Amresh Kumar (Noticee no.2) was introduced to Nickunj Shah (Noticee no.4) by Abhinandan Jain (Noticee no.3). Further, Pulla Amresh Kumar offloaded approximately 14,000 shares during the same period when Noticee no.6 executed trades that increased the price of the scrip of PFL. Hence, in my view, Noticee no.6 had fraudulently increased the price of the scrip of PFL to enable Noticee no.2 to offload shares at a higher price.

Role of Ashroj Credit India Pvt. Ltd. (Noticee no.5)

- i. January 13, 2014

a. The relevant extract of the order log for January 13, 2014 is given below:

Table No.10

ORDER_TIME	ORDERNO	BUY SELL	PANNO	CLIENTNAME	RATE	QTY	AUDC ODE	Remarks, if any
11:13:07.357864	12000108130509	S	DFOPS0924H	AMMAN KUMAR SHARMA	501	500	A	
11:15:28.004812	14000129147078	S	AJXPB5877A	MUKESH KUMAR BHAUWALA	510	25	A	
11:15:33.396671	14000129147111	S	BOVPM5252E	VIDHI MEGHANI	510	15	A	
11:18:14.180271	14000128257610	S	ARCPM9443J	SONASALAM MUTHUPANDY	485	72	A	
11:19:28.634570	12000108134582	S	ACPPK6959F	DIVAKAR KRISHNA KAMATH	533	100	A	
11:21:20.391777	12000108136892	S	AHBPK8670L	VIGNESH RAGHURAM KUDVA	533	100	A	
11:25:21.510985	12000108140935	S	BUMPM8916N	MALIK NAZIM	0	3	A	
11:25:21.526708	12000108140935	S	BUMPM8916N	MALIK NAZIM	482.65	3	MARKET TO LIM INTO ORDERL OG BY MATCH	
11:29:11.251885	20000109100822	S	AKFPK8680B	PANKAJ VIRJI KESHARIYA	489.7	3	U	
11:29:17.985294	20000109060116	S	AKFPK8680B	PANKAJ VIRJI KESHARIYA	498.6	3	U	
11:37:03.108863	14000129162929	S	AAAPA4361L	RAJ KUMAR AGGARWAL	510	50	A	
11:43:56.513558	14000131023306	B	AABCA6849D	ASHROJ CREDIT INDIA PRIVATE LIMITED	482.65	100	A	
11:44:58.303762	14000128257610	S	ARCPM9443J	SONASALAM MUTHUPANDY	482.65	72	U	
11:45:49.289552	16000115130050	B	AABCA6849D	ASHROJ CREDIT INDIA PRIVATE LIMITED	500	500	A	Buy order placed at price of Rs.500 which is higher than last traded price of Rs 482.65
11:45:49.313163	16000115130050	B	AABCA6849D	ASHROJ CREDIT INDIA PRIVATE LIMITED	500	309	IOC KILL INTO ORDERL OG BY MATCH	

b. The relevant extract of the trade log for January 13, 2014 is given below:

Table No.11

TRADE_ DATE	CLIENT NAME	ORDER_ N O	TRAD E ID	ORDER_ TIME	TRADE_ TIME	ORDER_ LMTIME	TRADE_ RATE	LTP_ RAT E	LTP_ P ERCE NT	ORDER_ RATE	ORDER_ LMRA TE	TRADE_ D_QTY
13/01/2014	SURENDRA SINGH BENGANI	14000128235092	1016	10:54:28.480114	11:08:37.909044	10:54:28.480114	482.65	0	0	482.65	482.65	28
13/01/2014	ASHROJ CREDIT INDIA	14000131023306	1017	11:43:56.513558	11:43:56.534054	11:43:56.513558	482.65	0	0	482.65	482.65	3

	PRIVATE LIMITED											
13/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	14000131023306	1018	11:43:56.513558	11:44:58.320054	11:43:56.513558	482.65	0	0	482.65	482.65	72
13/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	16000115130050	1019	11:45:49.289552	11:45:49.31025	11:45:49.289552	489.7	7.05	1.46	500	500	3
13/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	16000115130050	1020	11:45:49.289552	11:45:49.310549	11:45:49.289552	490	0.3	0.06	500	500	24
13/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	16000115130050	1021	11:45:49.289552	11:45:49.310808	11:45:49.289552	490	0	0	500	500	10
13/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	16000115130050	1022	11:45:49.289552	11:45:49.311002	11:45:49.289552	495	5	1.02	500	500	25
13/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	16000115130050	1023	11:45:49.289552	11:45:49.311227	11:45:49.289552	498.6	3.6	0.73	500	500	10
13/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	16000115130050	1024	11:45:49.289552	11:45:49.311455	11:45:49.289552	498.6	0	0	500	500	3
13/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	16000115130050	1025	11:45:49.289552	11:45:49.311902	11:45:49.289552	499	0.4	0.08	500	500	50
13/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	16000115130050	1026	11:45:49.289552	11:45:49.312231	11:45:49.289552	500	1	0.2	500	500	61
13/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	16000115130050	1027	11:45:49.289552	11:45:49.312594	11:45:49.289552	500	0	0	500	500	5

c. From the above extracts of the trade log and order log for January 13, 2014, it is noted that Ashroj Credit India Pvt Ltd entered buy orders at a price of Rs. 500 when the last traded price was Rs. 482.65. Hence, the buy orders were placed at around Rs. 17.35 higher than the last traded price.

d. Order no. 16000115130050 got converted into 9 trades (trade nos. 1019 to 1027) and contributed Rs. 17.35 to market positive LTP. It was also noted that

traded quantity for aforementioned trades was in the range of 3-61 shares (total traded quantity was 191 shares).

ii. January 14, 2014

a. The relevant extract of the order log for January 14, 2014 is given below:

Table No.12

ORDER_TIME	ORDERNO	BUY SELL	PANNO	CLIENTNAME	RATE	QTY	AUDCO DE	Remarks, if any
14:47:40.447571	15000096609309	B	BIRPK7886A	GHAZALA KHANAM	458.65	2	A	
14:49:03.496723	14000121407143	S	AEYPG2674Q	RAJESH KUMAR GUPTA	495	1600	A	
14:49:05.671312	17000118335414	S	AEQPG9191L	PREETI GUPTA	495	5000	A	
14:49:17.463489	17000118335560	S	AEQPG9189N	MANOJ GUPTA GUPTA	495	5000	A	
14:50:00.824214	14000121407718	S	AACHA1811P	ARUN AGARWAL	495	1800	A	
14:51:32.786624	12000107079335	S	AJTPA2070N	SHUBHA AGARWAL	495	600	A	
14:51:49.850340	14000121408748	S	AARHS1916E	SANDEEP AGARWAL HUF	495	600	A	
14:52:03.678316	14000121408835	S	AACHP9363H	PRADEEP KUMAR	495	3000	A	
14:52:38.883284	14000121407143	S	AEYPG2674Q	RAJESH KUMAR GUPTA	495	1650	U	
14:52:43.635073	14000121407718	S	AACHA1811P	ARUN AGARWAL	495	1800	U	
14:52:52.680926	14000121407718	S	AACHA1811P	ARUN AGARWAL	495	1800	U	
14:53:10.231675	14000121408835	S	AACHP9363H	PRADEEP KUMAR	496	3000	U	
14:53:16.524898	14000121408835	S	AACHP9363H	PRADEEP KUMAR	495	3000	U	
14:53:22.478659	14000121407718	S	AACHA1811P	ARUN AGARWAL	496	1800	U	
14:53:27.539878	14000121407718	S	AACHA1811P	ARUN AGARWAL	495	1800	U	
14:54:12.073460	14000121410000	S	AABCA6849D	ASHROJ CREDIT INDIA PRIVATE LIMITED	495	2350	A	
14:56:48.003900	19000124320867	B	AMGPB4068B	NANJI ZINA BUKELIA	458.65	1100	A	
14:57:05.352950	14000120570689	B	ABFPB2869J	SURENDRA SINGH BENGANI	459.00	50	A	
14:57:24.461879	11000084061479	S	AATPC6825E	RAJA GIRDHARI FINANCE PROP.SOBHA CHHAJER	484.95	25	D	
14:57:30.508598	16000109000120	S	AATPC6825E	RAJA GIRDHARI FINANCE PROP.SOBHA CHHAJER	499.8	50	U	
14:57:40.447591	14000120160652	S	ABFPB2869J	SURENDRA SINGH BENGANI	498	500	U	
14:57:41.350857	19000124321535	S	AATPC6825E	RAJA GIRDHARI FINANCE	504.8	100	A	

				PROP.SOBHA CHHAJER				
14:57:54.513524	23000088119462	S	AJXPB5877A	MUKESH KUMAR BHAUWALA	490	25	D	
14:58:14.997954	14000121412870	B	AABCA6849D	ASHROJ CREDIT INDIA PRIVATE LIMITED	490.00	1000	A	Buy order placed at price of Rs.490 which is higher than last traded price of Rs 459

b. The relevant extract of trade log for January 14, 2014 is given below:

Table No.13

TRADE_ DATE	CLIENT NAME	ORDER_ N O	TRAD E ID	ORDER_ TIME	TRADE_ TIME	ORDER_ LMTIME	TRADE_ RATE	LTP_ RAT E	LTP_ P ERCE NT	ORDER_ RATE	ORDER_ LMRA TE	TRAD ED_ Q TY
14/01/2014	NANJI ZINA BUKELIA	190001243 20867	1025	14:56:48. 003900	14:56:48. 079802	14:56:48. 003900	458.65	0	0	458.65	458.65	25
14/01/2014	NANJI ZINA BUKELIA	190001243 20867	1026	14:56:48. 003900	14:56:48. 080141	14:56:48. 003900	458.65	0	0	458.65	458.65	25
14/01/2014	SURENDRA SINGH BENGANI	140001205 70689	1027	14:57:05. 352950	14:57:05. 365393	14:57:05. 352950	459	0.35	0.08	459	459	50
14/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	140001214 12870	1028	14:58:14. 997954	14:58:15. 013061	14:58:14. 997954	474	15	3.27	490	490	40
14/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	140001214 12870	1029	14:58:14. 997954	14:58:15. 013348	14:58:14. 997954	475	1	0.21	490	490	25
14/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	140001214 12870	1030	14:58:14. 997954	14:58:15. 013623	14:58:14. 997954	480	5	1.05	490	490	3
14/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	140001214 12870	1031	14:58:14. 997954	14:58:15. 013848	14:58:14. 997954	480.65	0.65	0.14	490	490	5
14/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	140001214 12870	1033	14:58:14. 997954	14:58:15. 014481	14:58:14. 997954	482	1.35	0.28	490	490	10
14/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	140001214 12870	1034	14:58:14. 997954	14:58:15. 014774	14:58:14. 997954	485	3	0.62	490	490	100
14/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	140001214 12870	1036	14:58:14. 997954	14:58:15. 015517	14:58:14. 997954	490	5	1.03	490	490	15

- c. On January 14, 2014, Ashroj Credit India Pvt Ltd. entered buy orders at Rs. 490 when the last traded price was Rs. 459. Hence, it placed buy orders at around Rs. 31 higher than the last traded price.
- d. Order no. 14000121412870 got converted into trades nos. 1028 to 1031, 1033, 1034 & 1036. These trades contributed Rs. 31 to market positive LTP. It was also noted that traded quantity for aforementioned trades was in the range of 3-100 shares (total traded quantity was 198 shares).

vi. January 17, 2014

- a. Extract of order log for January 17, 2014 is given below:

Table No.14

ORDER_TIME	ORDERNO	BUY SELL	PANNO	CLIENTNAME	RATE	QTY	AUDC ODE	Remarks, if any
12:38:53.930633	13000097354227	B	AALPA8310J	ANUJ KUMAR AGARWAL	462	100	A	
12:48:16.106671	15000097066483	S	AATPC6825E	RAJA GIRDHARI FINANCE PROP.SOBHA CHHAJER	479.95	75	D	
13:04:55.756066	14000120246696	S	BRKPK4363C	SANKET SHANKAR KOMARPANT	462	50	A	
13:05:23.264398	13000096288556	S	AIOPB7619N	PULLA BHUVANESWARI	462	45	A	
13:06:15.823821	20000105660537	S	AIOPB7619N	PULLA BHUVANESWARI	462	55	A	
13:20:14.212672	13000096299621	B	BOVPM5252E	VIDHI MEGHANI	462	15	A	
13:35:51.935179	13000097444849	B	ABOPA4565H	ANJU AGARWAL	462	48	A	
13:36:59.248483	13000097444849	B	ABOPA4565H	ANJU AGARWAL	462	13	D	
13:37:28.263001	13000097447301	B	ABOPA4566E	HARSH KUMAR AGARWAL	462	100	A	
13:39:50.873129	12000105314430	S	AJWPK1395H	RASHMI PANKAJ KESHARIYA	471.75	1	A	
13:41:04.172296	17000118470806	B	AQDPD3797Q	BEENA DAVIS	462	3	A	
13:59:48.772120	12000105329055	B	AABCA6849D	ASHROJ CREDIT INDIA PRIVATE LIMITED	472	50	A	Buy order placed at price of Rs.472 which is higher than last traded price of Rs 462
14:00:44.867378	12000105329697	B	AABCA6849D	ASHROJ CREDIT INDIA PRIVATE LIMITED	471.95	1	A	
14:01:54.738756	17000118491081	B	ANEPS1156J	ASHA SANJAY SHAH	472	1000	A	
14:02:21.217421	12000107054224	S	ABFPB2869J	SURENDRA SINGH BENGANI	495	50	U	
14:05:26.365146	12000105134960	S	AJWPK1395H	RASHMI PANKAJ KESHARIYA	484.85	5	U	
14:05:47.458036	12000105134960	S	AJWPK1395H	RASHMI PANKAJ KESHARIYA	493.7	5	U	

ORDER_TIME	ORDERNO	BUY SELL	PANNO	CLIENTNAME	RATE	QTY	AUDC ODE	Remarks, if any
14:08:41.700483	14000120302351	S	AATPC6825E	RAJA GIRDHARI FINANCE PROP.SOBHA CHHAJER	494.8	25	A	
14:18:20.821741	18000114319969	S	CDXPS3451H	ANJALI SACHIN SAWANT	485	50	A	
14:18:42.220967	23000088349744	S	CDXPS3451H	ANJALI SACHIN SAWANT	505	50	A	
14:19:47.430069	12000105229884	S	AJWPK1395H	RASHMI PANKAJ KESHARIYA	484.65	5	U	
14:19:58.215322	16000108065692	S	AABCA6849D	ASHROJ CREDIT INDIA PRIVATE LIMITED	503	237	A	
14:20:34.199030	20000105620431	S	AEFPV6581E	DEEPAK GANESHALAL VYAS	496	4	U	
14:23:46.940543	23000088360826	S	AEJPG5740E	SANDHYA GUPTA	507	4000	A	
14:26:34.806872	20000105620431	S	AEFPV6581E	DEEPAK GANESHALAL VYAS	496	2	U	
14:26:41.117968	20000105744002	S	AEFPV6581E	DEEPAK GANESHALAL VYAS	484.6	2	A	
14:29:32.511042	12000105229884	S	AJWPK1395H	RASHMI PANKAJ KESHARIYA	483.65	4	U	
14:29:35.879441	20000105747186	S	AZSPS9207N	DEEPAK MANGILAL SHARMA	502	50	A	
14:34:22.798409	23000088349744	S	CDXPS3451H	ANJALI SACHIN SAWANT	505	50	D	
14:34:27.100545	18000114319969	S	CDXPS3451H	ANJALI SACHIN SAWANT	485	50	D	
14:34:28.888043	13000097544497	S	AACHA1811P	ARUN AGARWAL	505	4000	A	
14:34:49.542913	18000114332015	S	CDXPS3451H	ANJALI SACHIN SAWANT	462	100	A	
14:35:00.044525	19000124325101	S	AACHA1811P	ARUN AGARWAL	506	5000	A	
14:35:23.798059	16000108065692	S	AABCA6849D	ASHROJ CREDIT INDIA PRIVATE LIMITED	504.9	334	U	
14:35:41.475197	20000105753016	S	AEQPG9191L	PREETI GUPTA	505	3310	A	
14:36:13.757037	20000105753849	S	AEQPG9189N	MANOJ GUPTA GUPTA	505	2690	A	
14:36:32.060909	20000105754299	S	AEQPG9189N	MANOJ GUPTA GUPTA	506	5000	A	
14:38:14.409159	16000108065692	S	AEVPM1399D	SUNDEEP MITTAL	504.9	368	U	
14:41:08.888697	12000105229884	S	AJWPK1395H	RASHMI PANKAJ KESHARIYA	483.65	9	U	
14:44:33.321836	12000107054224	S	ABFPB2869J	SURENDRA SINGH BENGANI	494.85	50	U	
14:45:57.993916	20000105762984	S	CNHPS1598B	PUSHPA SUBRAHMANYA	482	46	A	
14:46:11.696385	13000096367602	S	BOVPM5252E	VIDHI MEGHANI	490	15	A	
14:46:46.267953	12000105134960	S	AJWPK1395H	RASHMI PANKAJ KESHARIYA	499.85	5	U	
14:46:56.466953	12000105229884	S	AJWPK1395H	RASHMI PANKAJ KESHARIYA	481.65	9	U	
14:47:35.010011	20000105762984	S	CNHPS1598B	PUSHPA SUBRAHMANYA	490	46	U	
14:47:36.025515	12000107054224	S	ABFPB2869J	SURENDRA SINGH BENGANI	494	150	U	

ORDER_TIME	ORDERNO	BUY SELL	PANNO	CLIENTNAME	RATE	QTY	AUDC ODE	Remarks, if any
14:47:53.076359	20000105762984	S	CNHP1598B	PUSHPA SUBRAHMANYA	480	46	U	
14:47:56.619497	12000107054224	S	ABFPB2869J	SURENDRA SINGH BENGANI	494.85	100	U	
14:48:11.463431	12000107054224	S	ABFPB2869J	SURENDRA SINGH BENGANI	494	100	U	
14:48:29.620352	13000104000778	S	ABFPB2869J	SURENDRA SINGH BENGANI	503	150	U	
14:54:43.545958	12000105229884	S	AJWPK1395H	RASHMI PANKAJ KESHARIYA	477.85	9	U	
14:56:13.855096	20000105744002	S	AEFPV6581E	DEEPAK GANESHALAL VYAS	489.95	2	U	
14:56:54.896942	14000120349955	S	AFUPD7871H	HEMANT MOHANLAL DANGI	462	100	A	
14:57:00.007191	13000097544497	S	AACHA1811P	ARUN AGARWAL	504	4000	U	
14:57:11.070719	14000120349955	S	AFUPD7871H	HEMANT MOHANLAL DANGI	462	97	D	
14:58:10.975720	14000120351111	S	AFUPD7871H	HEMANT MOHANLAL DANGI	462	7	A	
14:58:33.188253	18000114354337	B	APGPP4703C	VINUBHAI JORDAS PATEL	462	10	A	
14:58:44.115813	16000108065692	S	AEVPM1399D	SUNDEEP MITTAL	502	368	U	
14:59:13.213639	14000121413506	S	BPPPS1566C	RUCHITA VISHAL SHAH	505	1200	A	
14:59:35.350215	20000105753016	S	AEQPG9191L	PREETI GUPTA	504	3310	U	
14:59:47.765739	20000105753849	S	AEQPG9189N	MANOJ GUPTA GUPTA	504	2690	U	
15:01:48.383316	20000105753016	S	AEQPG9191L	PREETI GUPTA	504	3310	U	
15:01:59.247870	20000105754299	S	AEQPG9189N	MANOJ GUPTA GUPTA	506	5000	U	
15:02:19.286697	20000105753016	S	AEQPG9191L	PREETI GUPTA	504	3310	U	
15:02:32.087510	20000105753849	S	AEQPG9189N	MANOJ GUPTA GUPTA	504	2690	U	
15:03:03.960649	13000104000778	S	ABFPB2869J	SURENDRA SINGH BENGANI	503	100	U	
15:03:20.709007	12000107054224	S	ABFPB2869J	SURENDRA SINGH BENGANI	493.9	150	U	
15:04:50.013444	13000097592131	S	AABCA6849D	ASHROJ CREDIT INDIA PRIVATE LIMITED	507	1500	A	
15:05:17.799375	13000096380363	S	ANHPG1933G	SHRIKANT DAMODAR GANGAPURKAR	462	100	A	
15:05:18.950577	13000097592131	S	AABCA6849D	ASHROJ CREDIT INDIA PRIVATE LIMITED	507	500	U	
15:05:25.847291	20000105775820	S	AEQPG9189N	MANOJ GUPTA GUPTA	507	1000	A	
15:06:06.522095	12000105382655	S	AJWPK1395H	RASHMI PANKAJ KESHARIYA	461.95	1	A	
15:06:22.315140	12000105229884	S	AJWPK1395H	RASHMI PANKAJ KESHARIYA	477.85	8	U	
15:06:38.780081	12000105382954	B	AABCA6849D	ASHROJ CREDIT INDIA PRIVATE LIMITED	465	500	A	

ORDER_TIME	ORDERNO	BUY SELL	PANNO	CLIENTNAME	RATE	QTY	AUDC ODE	Remarks, if any
15:06:48.341475	17000118559445	B	ANEPS1156J	ASHA SANJAY SHAH	505	10000	A	
15:06:56.133700	11000084504152	S	AEPPG3683J	G SREENIVASA RAO	500	550	A	
15:07:03.011363	17000118559635	B	ANEPS1156J	ASHA SANJAY SHAH	507	10000	A	
15:07:12.305928	14000121419983	S	ABFPB2869J	SURENDRA SINGH BENGANI	505	100	A	
15:07:17.032847	15000097123168	B	ANEPS1156J	ASHA SANJAY SHAH	507	4000	A	
15:07:18.031004	12000105015830	S	AATPC6825E	RAJA GIRDHARI FINANCE PROP.SOBHA CHHAJER	505.95	100	U	
15:07:28.553595	15000097123178	B	AATPC6825E	RAJA GIRDHARI FINANCE PROP.SOBHA CHHAJER	465.05	25	A	
15:07:28.811231	13000096381648	B	ABXPN5222H	KUNVARJI KARSHAN NISHAR	465.25	200	A	
15:07:31.111265	17000118559907	B	ANEPS1156J	ASHA SANJAY SHAH	507	1000	A	
15:07:35.836795	14000121420230	S	ABFPB2869J	SURENDRA SINGH BENGANI	506.75	100	A	
15:07:38.333919	15000096299592	B	AAJPS8689L	MAHENDRA C.SHAH	465.25	200	A	
15:07:40.474107	15000097123178	B	AATPC6825E	RAJA GIRDHARI FINANCE PROP.SOBHA CHHAJER	466	25	U	
15:07:48.118660	11000084504461	B	APPPS1302H	HETAL KISHORBHAI THAKKAR	465.25	100	A	
15:07:52.454688	14000121030698	S	ABFPB2869J	SURENDRA SINGH BENGANI	509	100	D	
15:08:32.729602	14000121420230	S	ABFPB2869J	SURENDRA SINGH BENGANI	506.95	100	U	
15:08:39.955289	13000097592131	S	AABCA6849D	ASHROJ CREDIT INDIA PRIVATE LIMITED	507	400	D	
15:08:40.997851	14000123006135	S	DFOPS0924H	AMMAN KUMAR SHARMA	506.9	100	U	
15:08:41.470399	12000105384457	B	AJWPK1395H	RASHMI PANKAJ KESHARIYA	467	5	A	
15:08:45.968572	20000105775820	S	AEQPG9189N	MANOJ GUPTA GUPTA	507	800	D	
15:08:59.015832	14000121420230	S	ABFPB2869J	SURENDRA SINGH BENGANI	506.75	100	U	
15:09:02.995054	14000120361929	B	AATPC6825E	RAJA GIRDHARI FINANCE PROP.SOBHA CHHAJER	468	50	A	
15:09:12.953274	16000108072724	S	ASHPK1417A	RACHANA HIMANSHU KHARA	506.95	25	A	
15:09:25.506416	16000108072724	S	ASHPK1417A	RACHANA HIMANSHU KHARA	506.95	25	D	
15:09:41.943084	14000121421954	S	AMVPP4033H	GOVINDBHAI JETHIDAS PATEL	503	10	A	
15:09:58.649577	20000105777706	S	ASQPM3522K	SAROJ MEHTA	500	92	A	
15:10:10.880588	16000107249361	S	DFOPS0924H	AMMAN KUMAR SHARMA	508	100	A	
15:10:15.698289	14000121422292	B	ABFPB2869J	SURENDRA SINGH BENGANI	470	100	A	

ORDER_TIME	ORDERNO	BUY SELL	PANNO	CLIENTNAME	RATE	QTY	AUDC ODE	Remarks, if any
15:10:22.720893	12000105384457	B	AJWPK1395H	RASHMI PANKAJ KESHARIYA	462.35	5	U	
15:10:33.058805	14000121420230	S	ABFPB2869J	SURENDRA SINGH BENGANI	506.9	100	U	
15:10:45.310017	13000096384443	S	AMVPP4033H	GOVINDBHAI JETHIDAS PATEL	499	5	A	
15:10:58.230781	18000114361729	B	AATPC6825E	RAJA GIRDHARI FINANCE PROP.SOBHA CHHAJER	471	25	A	
15:11:43.738449	12000105386144	S	ARAPP1200G	BHARAT RATILAL PABARI	466	50	A	
15:12:01.948485	15000097123178	B	AATPC6825E	RAJA GIRDHARI FINANCE PROP.SOBHA CHHAJER	470.05	25	U	
15:12:23.668648	14000121423445	B	ABFPB2869J	SURENDRA SINGH BENGANI	471	50	A	
15:12:37.263378	14000121422292	B	ABFPB2869J	SURENDRA SINGH BENGANI	470	50	U	
15:12:52.766247	15000097123178	B	AATPC6825E	RAJA GIRDHARI FINANCE PROP.SOBHA CHHAJER	470.05	50	U	
15:13:24.725622	13000097604913	S	AABCA6849D	ASHROJ CREDIT INDIA PRIVATE LIMITED	505	50	A	
15:14:23.484955	14000121422292	B	ABFPB2869J	SURENDRA SINGH BENGANI	470.2	50	U	
15:17:09.668810	18000114364382	S	ASHPK1417A	RACHANA HIMANSHU KHARA	498	25	A	
15:17:51.976306	13000096387525	B	AADPB9424E	TARADEVI RATANLAL BAFNA	470	3000	A	
15:18:26.134848	23000088360826	S	AEJPG5740E	SANDHYA GUPTA	498.5	4000	U	
15:18:31.759229	13000096387525	B	AADPB9424E	TARADEVI RATANLAL BAFNA	498.5	3000	U	
15:18:40.254724	13000098091620	S	AGGPV3971M	TARUN KUMAR VASHISTH	471	50	A	
15:18:45.100835	13000096387932	B	ABXPN5222H	KUNVARJI KARSHAN NISHAR	471	200	A	
15:18:45.592551	11000084504461	B	APPPS1302H	HETAL KISHORBHAI THAKKAR	465.25	100	D	
15:18:47.100373	13000096381648	B	ABXPN5222H	KUNVARJI KARSHAN NISHAR	465.25	200	D	
15:18:58.042247	15000096299592	B	AAJPS8689L	MAHENDRA C.SHAH	471	200	U	
15:18:58.904714	11000084507387	B	APPPS1302H	HETAL KISHORBHAI THAKKAR	471	100	A	
15:19:06.962641	15000096299592	B	AAJPS8689L	MAHENDRA C.SHAH	465.05	200	U	
15:19:11.519016	14000121422292	B	ABFPB2869J	SURENDRA SINGH BENGANI	471.1	50	U	
15:19:19.356416	11000084507387	B	APPPS1302H	HETAL KISHORBHAI THAKKAR	471	100	D	
15:19:22.606967	12000105391400	B	AABCA6849D	ASHROJ CREDIT INDIA PRIVATE LIMITED	498.5	64	A	<i>Buy order placed at price of Rs.498.50 which is much higher than last traded price of Rs 471</i>

b. Extract of relevant Trade log for January 17, 2014 is given below:

Table No.15

TRADE_ DATE	CLIENT NAME	ORDER_ N O	TRAD E ID	ORDER_ TIME	TRADE_ TIME	ORDER_ LMTIME	TRADE_ RATE	LTP_ RATE	LTP_ P ERCE NT	ORDER_ RATE	ORDER_ LMRA TE	TRADE D_QTY
17/01/2014	ANUJ KUMAR AGARWAL	130000973 54227	1065	12:38:53. 930633	13:06:15. 850789	12:38:53. 930633	462	0	0	462	462	5
17/01/2014	VIDHI MEGHANI	130000962 99621	1066	13:20:14. 212672	13:20:14. 255494	13:20:14. 212672	462	0	0	462	462	15
17/01/2014	ANJU AGARWAL	130000974 44849	1067	13:35:51. 935179	13:35:51. 963839	13:35:51. 935179	462	0	0	462	462	35
17/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	120001053 29055	1068	13:59:48. 772120	13:59:48. 804619	13:59:48. 772120	471.75	9.75	2.11	472	472	1
17/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	120001053 29055	1069	13:59:48. 772120	13:59:48. 805555	13:59:48. 772120	471.95	0.2	0.04	472	472	5
17/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	120001053 82954	1096	15:06:38. 780081	15:06:38. 801191	15:06:38. 780081	462	0.05	0.01	465	465	12
17/01/2014	SURENDRA SINGH BENGANI	140001214 23445	1317	15:12:23. 668648	15:18:40. 268159	15:12:23. 668648	471	0	0	471	471	5
17/01/2014	SURENDRA SINGH BENGANI	140001214 23445	1318	15:12:23. 668648	15:18:40. 268161	15:12:23. 668648	471	0	0	471	471	5
17/01/2014	SURENDRA SINGH BENGANI	140001214 23445	1319	15:12:23. 668648	15:18:40. 268163	15:12:23. 668648	471	0	0	471	471	5
17/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	120001053 91400	1320	15:19:22. 606967	15:19:22. 620587	15:19:22. 606967	498.5	27.5	5.84	498.5	498.5	64

c. From the above, it can be seen that on January 17, 2014 at 13:59:48 PM, Ashroj Credit India Pvt Ltd entered buy orders at price Rs 472 when the last traded price was Rs. 462, i.e. it placed buy orders at around Rs 10 higher than the last traded price.

d. On a perusal of trade log for order no. 12000105329055, it was observed that when converted into trades (trade no. 1068 & 1069), the said order contributed Rs. 9.95 to market positive LTP. The traded quantity for aforementioned

trades was 1 and 5 shares. Order no. 12000105382954 got converted into trade no. 1096 and contributed Rs. 0.05 to market positive LTP.

- e. Further, at 15:19:22 PM, when the last traded price was Rs. 471, Noticee no.5 placed buy orders at a price of Rs. 498.50 i.e. around Rs 27.5 higher than the last traded price. It was observed that order no. 12000105391400 got converted into trade no. 1320 and contributed Rs. 27.50 to market positive LTP and traded quantity was 64 shares.

vii. January 29, 2014

- a. Extract of order log for January 29, 2014 is given below:

Table No.16

ORDER_TIME	ORDERNO	BUY SELL	PANNO	CLIENTNAME	RATE	QTY	AUDC ODE	Remarks, if any
13:41:18.508603	13000102027030	S	AZKPS4198N	SAMEER SURENDRAKUMAR SHAH	494	5	A	
13:41:24.588558	16000110183807	S	AZKPS4198N	SAMEER SURENDRAKUMAR SHAH	494.75	5	A	
13:48:39.493244	12000108164321	B	AAXPG0444M	NIRAV RAJABABU GANDHI	480	50	D	
13:48:39.509065	12000108216569	B	AAXPG0444M	NIRAV RAJABABU GANDHI	481	50	D	
13:48:39.519140	12000108224751	B	AAXPG0444M	NIRAV RAJABABU GANDHI	482	50	D	
13:48:43.678100	12000108256555	B	AAXPG0444M	NIRAV RAJABABU GANDHI	483	50	A	
13:49:25.466888	12000109054066	B	ABFPB2869J	SURENDRA SINGH BENGANI	483.1	200	U	
13:50:01.122797	12000109036260	B	ABFPB2869J	SURENDRA SINGH BENGANI	477.1	86	U	
13:51:03.187989	12000108256555	B	AAXPG0444M	NIRAV RAJABABU GANDHI	483.5	50	U	
13:51:52.090832	12000109054066	B	ABFPB2869J	SURENDRA SINGH BENGANI	483.6	200	U	
13:59:13.061581	11000088238021	S	BOVPM5252E	VIDHI MEGHANI	510	20	A	
14:28:24.932859	14000124043814	S	DFOPS0924H	AMMAN KUMAR SHARMA	497.95	50	U	
14:35:00.093979	17000122058870	B	APNPK5747A	REHAN KHAN	483.65	50	U	
14:35:29.170118	12000109054066	B	ABFPB2869J	SURENDRA SINGH BENGANI	483.7	200	U	
14:36:38.100221	14000124380149	S	CAZPS4313R	BABY SHAHEEN	514	63	A	
14:37:11.378173	17000122058870	B	APNPK5747A	REHAN KHAN	483.75	50	U	
14:37:56.816103	14000123215709	S	BROPS5412C	SADASHIVAPPA SADASHIVAPPA	499	10	A	
14:38:45.782716	12000109054066	B	ABFPB2869J	SURENDRA SINGH BENGANI	483.8	200	U	
14:42:49.135379	17000122058870	B	APNPK5747A	REHAN KHAN	483.8	50	U	

ORDER_TIME	ORDERNO	BUY SELL	PANNO	CLIENTNAME	RATE	QTY	AUDC ODE	Remarks, if any
14:48:24.117115	16000110218284	B	AABCA6849D	ASHROJ CREDIT INDIA PRIVATE LIMITED	495	100	A	Buy order placed at price of Rs.495 which was higher than last traded price of Rs 482.10

b. Extract of relevant Trade log for January 29, 2014 is given below:

Table No.17

TRADE_DATE	CLIENT NAME	ORDER_N O	TRADE ID	ORDER_TIME	TRADE_TIME	ORDER_LMTIME	TRADE_RATE	LTP_RATE	LTP_PERCENT	ORDER_RATE	ORDER_LMRA TE	TRADE_QTY
29/01/2014	ASHABEN DIPAKBHAI PATEL	140001242 00105	1007	10:50:26. 799837	10:50:26. 815824	10:50:26. 799837	489.7	0	0	489.7	489.7	11
29/01/2014	SURENDRA SINGH BENGANI	120001091 64678	1008	11:09:00. 179115	11:09:00. 210019	11:09:00. 179115	489.7	0	0	489.7	489.7	14
29/01/2014	SURENDRA SINGH BENGANI	120001090 36260	1009	09:35:39. 432861	13:08:45. 813436	13:01:56. 054994	482.1	-7.6	-1.55	484.85	482.1	15
29/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	160001102 18284	1010	14:48:24. 117115	14:48:24. 149214	14:48:24. 117115	493.5	11.4	2.36	495	495	5
29/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	160001102 18284	1020	14:48:24. 117115	14:48:24. 149648	14:48:24. 117115	494	0.5	0.1	495	495	5
29/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	160001102 18284	1021	14:48:24. 117115	14:48:24. 150189	14:48:24. 117115	494.5	0.5	0.1	495	495	5

c. It can be seen that on January 29, 2014, when the last traded price was around Rs 482, Ashroj Credit India Pvt. Ltd. entered buy orders at price Rs 495 i.e. around Rs 13 higher than the last traded price.

d. On perusal of the trade log for order no. 16000110218284, it was observed that order got converted into trade nos. 1010, 1020 & 1021 and contributed Rs. 12.40 to market positive LTP. It was also noted that traded quantity for aforesaid 3 trades was 5 shares each.

viii. January 30, 2014

a. Extract of order log for January 30, 2014 is given below:

Table No.18

ORDER_TIME	ORDERNO	BUY SELL	PANNO	CLIENTNAME	RATE	QTY	AUDC ODE	Remarks, if any
14:42:28.143737	13000102133330	B	AEGPB5435C	SAROJ BENGANI	479	100	U	
14:42:32.277387	11000090367309	B	BOVPM5252E	VIDHI MEGHANI	481.1	15	A	
14:42:34.656864	20000113371645	S	ADLPT3231A	SANTOSH VITHOBA TODANKAR	504	30	A	
14:42:56.894362	13000102133330	B	AEGPB5435C	SAROJ BENGANI	478.1	100	U	
14:43:20.487618	13000102135069	B	AEGPB5435C	SAROJ BENGANI	481.25	100	A	
14:46:14.220910	13000102059393	S	ADVPA6828Q	SUDHA AGRAWAL	509	200	U	
14:46:22.799073	13000102059476	S	AETPA3049J	BABLEE AGRAWAL	509	200	U	
14:46:27.075386	13000102059524	S	ABAPA2453Q	PISTA devi	509	200	U	
14:47:15.228655	15000104307117	S	ACHPK4326L	NAVINCHANDRA KANAILAL KOTHARI	500	50	A	
14:52:02.274307	20000113377665	S	ASQPM3522K	SAROJ MEHTA	505	20	A	
14:57:22.168709	11000090378064	B	AABCA6849D	ASHROJ CREDIT INDIA PRIVATE LIMITED	500	40	A	Buy orders were placed at price of Rs.500 which was higher than the last traded price of Rs 478
14:57:49.104351	11000090378507	B	AABCA6849D	ASHROJ CREDIT INDIA PRIVATE LIMITED	500	10	A	

b. Extract of relevant Trade log for January 30, 2014 is given below:

Table No.19

TRADE_ DATE	CLIENT NAME	ORDER_N O	TRAD E ID	ORDER_ TIME	TRADE_ TIME	ORDER_ LMTIME	TRADE_ RATE	LTP_ RAT E	LTP_ P ERCE NT	ORDER_ RATE	ORDER_ LMRA TE	TRADE D_QTY
30/01/2014	RAJA GIRDHARI FINANCE PROP.SOBHA CHHAJER	180001320 00148	1086	09:15:00. 628191	14:34:06. 760429	09:15:00. 628191	478	-2	-0.42	478	478	50
30/01/2014	SURENDRA SINGH BENGANI	130001021 32893	1087	14:34:22. 840462	14:34:22. 875176	14:34:22. 840462	478	0	0	478	478	35
30/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	110000903 62611	1088	14:34:39. 271277	14:34:39. 284449	14:34:39. 271277	478	0	0	478	478	60
30/01/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	110000903 78064	1089	14:57:22. 168709	14:57:22. 25508	14:57:22. 168709	500	22	4.6	500	500	40

c. It can be seen that on January 30, 2014, Ashroj Credit India Pvt Ltd entered buy orders at price Rs. 500, when the last traded price was Rs. 478. Hence the buy orders were placed at a price that was around Rs 22 higher than the last traded price.

d. On perusal of trade log for order no. 11000090378064, it was observed that said order when converted into trades (trade no. 1089) contributed Rs. 22 to market positive LTP and traded quantity was 40 shares.

ix. March 27, 2014

a. Extract of order log for March 27, 2014 is given below:

Table No.20

ORDER TIME	ORDER NO	BUYSELL	CLIENTNAME	RATE	QTY
11:43:17 AM	12000120194099	S	PRAKASH K SHAH SHARES SECURITIES PVT LTD	657.9	4
11:43:24 AM	22000127013053	S	RAKESH BANSAL	657.9	58
11:46:47 AM	12000120197430	B	ASHROJ CREDIT INDIA PRIVATE LIMITED	661	100
11:47:32 AM	16000134146475	S	PARVINDER SINGH	670	134
11:47:33 AM	12000120198061	B	ASHROJ CREDIT INDIA PRIVATE LIMITED	674	150
11:47:33 AM	12000120198061	B	ASHROJ CREDIT INDIA PRIVATE LIMITED	674	0

b. Extract of relevant Trade log for March 27, 2014 is given below:

Table No.21

TRADE_DATE	CLIENT NAME	ORDER_NO	TRADE ID	ORDER_TIME	TRADE_TIME	ORDER_LMTIME	TRADE_RATE	LTP_RATE	LTP_PERCENT	ORDER_RATE	ORDER_LMRA TE	TRADE_QTY
27/03/2014	RAMESH KUMAR JHANWAR	14000145077033	1109	11:39:56.692401	11:40:13.209559	11:39:56.692401	650	0	0	650	650	21
27/03/2014	RAMESH KUMAR JHANWAR	14000145077033	1110	11:39:56.692401	11:40:13.209561	11:39:56.692401	650	0	0	650	650	21

27/03/2014	RAMESH KUMAR JHANWAR	14000145077033	1111	11:39:56.692401	11:40:13.209563	11:39:56.692401	650	0	0	650	650	16
27/03/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	12000120197430	1112	11:46:47.183860	11:46:47.199849	11:46:47.183860	657.9	7.9	1.22	661	661	4
27/03/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	12000120197430	1123	11:46:47.183860	11:46:47.200397	11:46:47.183860	657.95	0.05	0.01	661	661	2
27/03/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	12000120197430	1133	11:46:47.183860	11:46:47.200936	11:46:47.183860	658	0.05	0.01	661	661	25
27/03/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	12000120197430	1134	11:46:47.183860	11:46:47.201446	11:46:47.183860	659.9	1.9	0.29	661	661	1
27/03/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	12000120197430	1135	11:46:47.183860	11:46:47.201663	11:46:47.183860	661	1.1	0.17	661	661	1
27/03/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	12000120198061	1146	11:47:32.546599	11:47:32.567281	11:47:32.546599	664.5	3.5	0.53	674	674	10
27/03/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	12000120198061	1156	11:47:32.546599	11:47:32.56779	11:47:32.546599	665	0.5	0.08	674	674	20
27/03/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	12000120198061	1157	11:47:32.546599	11:47:32.568171	11:47:32.546599	669	4	0.6	674	674	1
27/03/2014	ASHROJ CREDIT INDIA PRIVATE LIMITED	12000120198061	1163	11:47:32.546599	11:47:32.569205	11:47:32.546599	670	1	0.15	674	674	1

c. Ashroj Credit India Pvt. Ltd. placed buy orders at price Rs. 661 and Rs. 674, when the last traded price was Rs. 650. Hence, the said buy orders were around Rs. 11-24 higher than the market price.

d. On perusal of trade log, it was observed that order no. 12000120197430 contributed Rs. 11 to market positive LTP and order no. 12000120198061 contributed Rs 9 to market positive LTP. Moreover, for the matched trades, the traded quantity is mostly in the range of 1 to 10 shares.

- x. It is noted from the above examples of the trades placed by the Noticee no. 5 that it repeatedly placed buy orders that were higher than the last traded price. It is also noted that the buy orders were often placed for small quantities, often between 1 to 50 shares only. In other instances, buy orders were placed at high variance from LTP. This was despite the fact that in certain instances, sell orders at lower prices were pending in the system.
 - xi. As noted above, Noticee no.5 was connected to Noticee no.3 (Abhinandan Jain), who was an Independent Director in PFL. Pulla Amresh Kumar (Noticee no.2) was the Chairman and Managing Director of PFL and possessed 11,50,000 convertible warrants, of which he had transferred 4,50,000 warrants were transferred to Nickunj Shah (Noticee no.4). Pulla Amresh Kumar (Noticee no.2) was introduced to Nickunj Shah (Noticee no.4) by Abhinandan Jain (Noticee no.3). Further, Pulla Amresh Kumar offloaded approximately 14,000 shares during the same period when Noticee no.6 executed trades that increased the price of the scrip of PFL. Hence, in my view, Noticee no.5 had fraudulently increased the price of the scrip of PFL to enable Noticee no.2 to offload shares at a higher price.
21. I note that in a normal trading pattern, an investor would ordinarily enter buy orders at a price closer to the LTP rather than higher than the LTP, as he would want to buy at a lesser price and sell at a higher price. From the above mentioned order placement pattern of Noticee nos. 5 and 6 and analysis of their contribution to the LTP, it is clear that these Noticees wanted to raise the price of the scrip of PFL and hence, their trading pattern is manipulative and fraudulent.
22. It was observed that Noticee no. 5 and 6 have together contributed 8.09% to market positive Last Traded Price (LTP) during Patch-3 of the investigation period:

Table No.22

Noticee No.	Buyer Name	Net LTP			LTP > 0			LTP < 0			LTP = 0		% of Pos. LTP to Total Mkt. Pos. LTP
		LTP impact (all trades) in Rs.	QTY traded (all trades)	No of trades (all trades)	LTP impact in Rs.	QTY traded	No of trades	LTP impact in Rs.	QTY traded	No of trades	QTY traded)	No of trades	
5	Ashroj Credit India Private Limited	205.20	27586	505	297.20	3202	77	-92.00	913	21	23471	407	4.53%
6	Mahesh Meetal HUF	122.05	16160	244	233.65	3053	38	-111.60	811	40	12296	166	3.56%
	Total Market	255.55	2986246	15293	6554.95	456250	1766	-6299.40	195625	1199	2334371	12328	100.00%

23. It is noted from the above examples of the trades placed by the Noticee nos. 5 and 6 that they repeatedly placed buy orders that were higher than the last traded price. It is also noted that the buy orders were at times placed for quantities between 1 to 50 shares. In other instances, buy orders were placed at high variance from LTP. Buying above LTP, that too on a large number of occasions is contrary to normal market behavior.

24. I note that Noticee nos. 5 and 6 have stated that the SCN does not bring out any collusion between them and the counterparties to the impugned trades. In this regard, I note that in the matter of **Amaresh Pathak Vs. SEBI** (SAT Appeal no.332 of 2020, decided on February 16, 2021), the appellants therein contended there was no collusion with the counter party. The Hon'ble SAT, in the matter, held as under:

“30. It is true that no direct connection between the seller and the buyer is established in the present case. We do not have material to find out whether respondent SEBI had investigated the said connection. However, in my view the insistence solely on the establishment of the connection or non-prosecution of the buyers would be against the very principle that the facts are to be established on preponderance of probability and not on the requirement that the facts in issue should be proved beyond reasonable doubt or to the hilt.”

From the above, I note that collusion between buyer and seller is not a *sine qua non* for establishing the charge of price manipulation by continuously placing trades above the last traded price.

25. Noticee no.5 has contended that he had executed 505 buy trades in Patch 3 out of which only 77 trades had contributed to positive LTP of Rs.297.20. According to him, the rest of the buy trades were done at LTP or lesser than LTP rates. 21 buy trades had contributed to negative LTP and 407 buy trades had not impacted LTP at all. Likewise, Noticee no.6 has advanced an argument that 38 trades out of 244 buy trades had contributed to positive LTP of Rs.233.65 in Patch 3. He has contended that there were 40 buy trades that were either at LTP or at negative LTP and 166 buy trades that had not impacted the LTP at all.

26. The question, therefore, for consideration is whether Noticee nos.5 and 6 were genuine buyers in the market or were manipulating the market. I note that Noticee nos. 5 and 6 have admitted to a contribution of Rs.297.20 and Rs.233.65 respectively in Patch 3. The other arguments, such as availability of sell orders, placing of at par LTP orders, or placing of negative LTP orders or placing of sell orders etc. are only arguments to deflect from the main issue of LTP manipulation done by placing buy orders at huge variance from the last traded price. Table no.13 brings out the order book manipulation which took place at 14:58:14.997954 whereat Noticee no.6 had placed an order for 1000 shares at Rs.490. This order got matched at lower rates of Rs.474, Rs.475, Rs.480, Rs.480.65, Rs.482, Rs.485 and finally at Rs.490 in fragmented share quantities of 40, 25, 3, 5, 10, 100 and 15. This instance sufficiently brings out the pressure put on the market system by a buyer to inflate the price from Rs.459 to Rs.490. This is one such instance which brings out the manipulative trades/ orders that have been put in the system by the buyers. Going by the overall data presented in the investigation report, I do not find it relevant to get into each and every such instance.

27. Thus I concur with the findings of the investigation that the trades of Noticee no.5 had a positive impact of Rs.297 on the LTP (net impact of Rs.205.20) contributing to 4.53% of the market positive LTP during the investigation period. The trades of Noticee no.6 had a positive impact of Rs.233.65 on the LTP (net impact of Rs.122.05) contributing to 3.56% of the market positive LTP during the investigation period. Together, Noticee nos. 5 and 6 have contributed 8.09% to

market positive LTP during Patch-3 of the investigation period. The fact that Noticee nos. 5 and 6 were placing buy orders at higher price than LTP, as seen from the order log and trade log extracts in Table nos.4-21 above, leads to the conclusion that the trades were not in the ordinary course of business. I also note that it is a function of the market that every trade that takes place establishes the price of the scrip and the price fluctuates with every buy/sell order which is executed. That having been said, placing buy orders above the LTP on multiple occasions cannot be considered to be trades executed in the normal course, especially when such trades had a disproportionate effect of increasing the price of the scrip. The motive appears to be to set the direction of a price rise in the scrip consciously. The Hon'ble Securities Appellate Tribunal (hereinafter referred to as **"the Hon'ble SAT"**), in the matter of *BP Comtrade Pvt. Ltd. Vs. SEBI* (Appeal No. 189 of 2020, Date of Decision: November 20, 2020), while dealing with a matter pertaining to LTP manipulation, held as under:

"10. Having heard the learned counsel / authorized representative for the parties at reasonable length and having perused the documents placed before us, we are of the considered view that the nature / pattern of trading adopted by the appellants is not in the nature of what a rational investor would do. A large number of sell orders were placed repeatedly on several trading dates at less than the LTP; it is illogical. Therefore, the contention of the appellants that it was following momentum trading has no meaning as by placing a large number of orders below the LTP the appellants themselves were creating a momentum. Of course we notice that a number of orders of the appellants were placed on or marginally above LTP, but that is the rational behaviour expected from a seller and no fault can be found for SEBI in not considering such trades as violative of the PFUTP Regulations. Appellants submission of a small list of trades in which they impacted LTP both positively and negatively on a few days also does not help the appellants since the overwhelming evidence is clearly towards placing sell orders below the LTP. When such trades are done on a large number of occasions, such as 166 times, one cannot but come to the conclusion that such trades are manipulative

in nature. Given such large number of instances of trades in these appeals, judgments relied on by the appellants are distinguishable.

Further, it is also on record that in 124 out of 166 times sell orders were placed in single digits of 1, 2, 3 etc shares, which defies the submission of the appellants that they were placing orders below the LTP because only if sell orders are placed a bit below the LTP large quantities could be sold in a falling market. Therefore, clearly the strategy of trading [momentum trading] adopted by the appellants was creating its own momentum inimical to the interest of the securities market. Even if it affected only about 10 % of the market volume in the scrip of Blue Blends, as contended by the appellants, it is no consolation since influencing 10% of the market by 2 entities is a significant deviation from market equilibrium. Therefore, dehors the connectivity issue itself the appellants are in violation of the PFUTP regulations by the very nature of their trading strategy and trading pattern.”

28. In the above cited order, sell orders were placed by the appellants at prices lower than the last traded price, whereas in the matter at hand, buy orders were being placed at prices that were significantly higher than the last traded price. However, I am of the view that the rationale of the above cited order squarely applies to the matter at hand. There is no rationale for a trader to place buy orders that are much higher than the last traded price, as any reasonable buyer would want the lowest possible price. In the case at hand too, as discussed above, the buy orders placed by Noticee nos. 5 and 6 were of varying quantities and often small quantities. In the present matter too, the Noticees have stated that they had placed some orders above LTP, some at LTP and some below LTP to contend that their trades were in ordinary course and they were not involved in the manipulation of the scrip. As stated in the above cited order, the same does not help the noticees since the overwhelming evidence is clearly towards placing buy orders above the LTP. Together, Noticee nos. 5 and 6 contributed more than 8% to the positive LTP, which is a significant deviation from market equilibrium for 2 entities.

29. As noted above, the Noticee nos. 5 and 6 have merely stated that the trades were based on trading decisions but have not elaborated as to what investment strategy involved placing high buy orders for a few shares in a repeated manner. An inference of manipulation can be drawn when there are no justifiable reasons for the trades executed by the Noticee nos. 5 and 6, wherein they repeatedly bought shares at higher prices. Reference in this regard is placed on the order of the Hon'ble SAT in *Shri Lakhi Prasad Kheradi vs. SEBI* (decided on June 21, 2018).
30. In view of the above, given the repeated nature of the trades for minuscule quantities that were below the LTP, for which no justifiable reason has been provided by the Noticees, I am compelled to conclude that such trades were executed with an intention to manipulate the price of the scrip.

Inter-se connections strengthens the allegation of LTP manipulation

31. As noted above, Noticee no. 5 and 6 were seen to be connected to each other. Mahesh Meetal (Karta of Mahesh Meetal HUF) and Sandeep Mittal (director of Ashroj Credit India Pvt. Ltd.) were directors in Fair Developers Pvt. Ltd. and Saakshi Shares Pvt. Ltd. Further, Mr. Mahesh Mittal (Karta of Mahesh Meetal HUF) and Ms. Meena Agarwal (wife of Mr. Sandeep Mittal), were 53.09% shareholders of Fair Intermediate Investment Pvt. Ltd. (Noticee no.7) during the Investigation Period. Noticee no. 5 and 6 have not denied these connections, but have stated that the same are farfetched. However, it is very unlikely that two entities who are connected with each other would coincidentally place buy orders above LTP in the same period (i.e. Patch III of the investigation period), repeatedly, in an illiquid scrip, unless the same was aimed at manipulation of the price of the scrip. Further, as held by the Hon'ble SAT in the above cited matter of *BP Comtrade Pvt. Ltd. Vs. SEBI* (Appeal No. 189 of 2020, Date of Decision: November 20, 2020), *dehors the connectivity issue itself the appellants are in violation of the PFUTP regulations by the very nature of their trading strategy and trading pattern*. In view of the same, I find that Noticee nos. 5 and 6 engaged themselves in LTP manipulation in the scrip of PFL and thereby violated Section 12A (a), (b), (c) of SEBI Act, 1992 read with Regulation 3(a), 3(b), 3(c) and 3(d) and Regulation 4(1), 4(2)(e) of the PFUTP Regulations, 2003.

E. Whether Noticee no.7, as the broker of Noticee nos.5 and 6 facilitated the LTP manipulation in the scrip of PFL.

32. It was further observed that Noticee Nos. 5 and 6 were closely connected to the broker, Fair Intermediate Investment Pvt. Ltd. (Noticee No. 7), through whom they placed the aforementioned orders. Mahesh Meetal, Karta of Mahesh Meetal HUF, is a Designated Director of Noticee no.7. Further, Mr. Mahesh Mittal and Ms. Meena Agarwal, wife of Mr. Sandeep Mittal (director of Ashroj Credit India Pvt. Ltd.), were 53.09% shareholders of Fair Intermediate Investment Pvt. Ltd. during the investigation period, i.e., they held a controlling stake in the broker. The SCN also observed that Noticee No. 7 has the second highest broker concentration of 18.92% on sell side during the entire investigation period.

33. In respect of the allegations made out in the SCN against it, Noticee no. 7 has stated that:

- a. Noticee no.7 is a broker and did not execute any proprietary trades. The clients are treated on an arms-length basis.
- b. The SCN does not bring out any prior meeting of minds/ circular trading/ synchronised trading.
- c. The Noticee had executed valid contract notes for every trade. All the trades were settled by the clearing corporation of the stock exchange.

34. As noted above, Noticee Nos. 5 and 6, i.e. Ashroj Credit India Pvt. Ltd. and Mahesh Meetal HUF have contributed Rs. 530.85 to market positive LTP (8.09% of market positive LTP). Their trades were manipulative and fraudulent and contributed to price rise in the scrip of PFL during Patch-3 of the investigation period. Noticee no.7 allowed these Noticee no. 5 and 6 to place the manipulative orders, and the same is made evident by the connection as stated above. Given the connection between Noticee nos. 5 and 6 and Noticee no.7 I am unable to accept that the impugned trades were on an arm's length basis, as contended by the broker. Repeated placing of trades by its client at huge variance from LTP should have alerted the broker, if he was not a part of the manipulation. Hence, I am of the view that Noticee no. 7 facilitated these trades. Therefore, Noticee No. 7 is also part of

the scheme to manipulate the scrip price, and hence violated Section 12A(a), (b), (c) of the SEBI Act, 1992 read with Regulations 3(a), 3(b), 3(c) and 3(d) and 4(1), 4(2)(e) of the PFUTP Regulations, 2003, and Clause A(3) of Code of Conduct for Stock Brokers as specified under Schedule II read with Regulation 9(f) of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992.

F. Whether Noticee nos.2 and 4 benefitted from the LTP manipulation and was Noticee no.3 involved in the scheme of manipulation?

35.As noted above, Mahesh Meetal (Karta of Mahesh Meetal HUF) and Sandeep Mittal (director of Ashroj Credit India Pvt. Ltd.) are connected to the Independent Director of the Company (PFL) viz., Abhinandan Jain (Noticee no.3). Fund transfers were observed in the bank account of Noticee no. 3 from Mahesh Meetal (Karta of Mahesh Meetal HUF) and Sandeep Mittal (director of Ashroj Credit India Pvt. Ltd.) in 2013, which shows that they were known to each other. The transaction is again reproduced below for ease of reference:

Table No.23

A/c Number (Abhinandan Jain- Noticee no.3)	Bank Name	Date of Transaction	Details of Transaction	Amount (in Rs)
911010043443345 (Abhinandan Jain- Noticee no.3)	Axis bank	15/04/2013	RTGS- YESBH13105003167/ SANDE EP MITTAL	17,00,000
911010043443345 (Abhinandan Jain- Noticee no.3)	Axis bank	16/04/2013	RTGS- HDFCH13106073785/ MAHES H MITTAL	16,00,000

36.As noted above, Abhinandan Jain (Noticee no. 3) has stated that the above transfers were for sale of 1,70,000 shares and 1,60,000 shares of Fair Developers Pvt. Ltd. to Sandeep Mittal and Mahesh Mittal, respectively. Noticee no. 3 also stated that he was the promoter director of Fair Developers Pvt. Ltd. In April 2013, he resigned as director and also sold shares of Fair Developers Pvt. Ltd. to Sandeep Mittal and Mahesh Mittal. I note that the above fund transfer has been brought out only to establish connection of Noticee no. 3 with Noticee nos.5 and 6. Noticee nos.3, 5 and 6 have not disputed the above transaction, and hence the

connection also cannot be denied. As Mahesh Meetal is the Karta of Mahesh Meetal HUF (Noticee no. 6) and Sandeep Mittal is the director of Ashroj Credit India Pvt. Ltd. (Noticee no. 5), I am of the view that Abhinandan Jain (Noticee no. 3) is also connected to Noticee nos.5 and 6, who manipulated the price of the scrip of PFL by repeatedly placing buy orders above the last traded price.

37. As noted above, Abhinandan Jain (Noticee no. 3) was an Independent Director of PFL (Noticee no.1). The Chairman and Managing Director of PFL was Noticee no.2, Pulla Amresh Kumar. During investigation, it was observed that PFL had issued 11,50,000 convertible warrants to Pulla Amresh Kumar (Noticee no.2) at the rate of Rs.10 per warrant on September 18, 2008. On March 15, 2010, Mr. Pulla Amresh Kumar transferred 4,50,000 warrants to Late Mr. Nickunj Shah (Noticee no.4). Noticee no.2 has stated before me that he was in dire need of money and so Abhinandan Jain (Noticee no.3) introduced him to Late Mr. Nickunj who was planning to make some investments. On March 15, 2010, the warrants were converted into shares at the rate of Rs.15 per share. The shares were in lock-in for a period of 3 years i.e., till March 14, 2013. Thereafter, Noticee no. 2 sold 14,554 shares during the same period as the LTP manipulation in the scrip by Noticee nos. 5 and 6.

38. With respect to the allegations against them, Noticee nos. 2 and 3 have stated as follows:

Pulla Amresh Kumar (Noticee no.2)

- a. Noticee no. 2 is the Promoter and Director of PFL.
- b. On and around January-March 2010, he was in dire need of funds since he had incurred heavy expenditure towards the illness of his mother who was hospitalized since March 2009 and passed away in June 2009. Hence, he had borrowed amounts as loans from several sources for her treatment. Mr. Abhinandan introduced him to Mr. Nickunj who was planning to make some investments. The Noticee had to make a distress sale of his warrants since he was in dire need of funds. The warrants were transferred by him on March 15, 2010 whereas the payment of Rs.

45 lakhs in respect of sale of warrants was received on February 01, 2010. Prior to the receipt of Rs. 45 Lakhs his Bank Balance was merely Rs. 755.88, which in itself proves that he was in need of funds.

- c. His sale trades and volume were miniscule compared to the market volume. On analysis of the Order and Trade Log file it is submitted that the trades are executed in normal course of trading activity and there is no trend to indicate that my trades were fraudulent in nature.
- d. He did not have any relation with Noticee no.5-9.

ii. **Abhinandan Jain (Noticee no.3)**

- a. The Noticee is a chartered accountant by qualification and presently associated with numerous companies as director.
- b. He joined the Board of Directors of PFL on September 19, 2011 as an Independent Director. His role was limited to giving advice on Tax related matters.
- c. He had received Rs.17 Lakh on April 15, 2013 from Mr. Sandeep and Rs. 16 Lakh on April 16, 2013 from Mr. Mahesh for the sale of 1.7 Lakh and 1.6 Lakhs shares respectively of Fair Developers Private Limited.
- d. The shares of Fair Developers Private Limited were transferred in April 2013 whereas the alleged price manipulation as stated in the SCN is from July 2013.
- e. He knew Mr. Nickunj Shah in a professional capacity.
- f. He had never traded in the scrip of PFL.
- g. Naresh Jain as referred in Investigation Report (PAN No. AACPJ9811A) is not the same as one whose HUF had a fund transaction with my wife.
- h. A serious allegation of fraud requires strict and compelling proof.
- i. The penalty/ action proposed to be taken must be mentioned in the SCN, and failure of the same is violation of the principles of natural justice.

39. From the above submissions, I note that Noticee no. 3 (Abhinandan Jain) has accepted the connections set out in the SCN. Noticee no. 2 (Pulla Amresh Kumar) has also accepted that he was introduced to Noticee no.4 (Nickunj Shah) by Noticee no.3 (Abhinandan Jain) but has stated he did not know Noticee nos.5 and

6. Noticee nos. 2 and 3 have also stated that they were not involved in the scheme of manipulation. Noticee no. 2 (Pulla Amresh Kumar) has stated that his trades were not fraudulent.

40. From the above submissions, I note that the Noticee nos. 3 (Abhinandan Jain) has accepted the connections set out in the SCN. Noticee no. 2 (Pulla Amresh Kumar) has also accepted that he was introduced to Noticee no.4 (Nickunj Shah) by Noticee no.3 (Abhinandan Jain) but has stated he did not know Noticee nos.5 and 6. Noticee nos. 2 and 3 have also stated that they were not involved in the scheme of manipulation. Noticee no. 2 (Pulla Amresh Kumar) has stated that his trades were not fraudulent.

41. In this regard, I note that the connection of Noticee no.3 (Abhinandan Jain) with Noticee nos.2, 5 and 6 has been established above. Noticee no.3 (being a director of PFL) formed the link between Noticee no.2, who intended to sell his shares and the price manipulators, i.e. Noticee nos. 5 and 6.

42. I note that the price manipulation by Noticee no. 5 and 6 were carried out in Patch 3 of the investigation period, i.e. January 13, 2014 to May 19, 2014. During the same period, the Noticee no. 2 sold 14,554 shares at a Volume-Weighted Average Price (VWAP) of Rs.589.08. Noticee no. 2 continued to sell the shares in patch 4 at a VWAP of Rs.573.53. Hence, taking into account the fact that the warrants were converted into shares at the rate of Rs.15 per share on March 15, 2010 by Pulla Amresh Kumar (Noticee no.2), the SCN alleges that he made a total profit of Rs. 1,54,74,794/- in the manner detailed below:

Table no.24

Name of Allottees	Shares Allotted	Allotment Rate	Patch	Sell Rate (VWAP)	Quantity Sold	Profit (Rs.)
Amresh Kumar Pulla	7,00,000	15.00	Patch 3	589.08	14554	83,55,154/-
			Patch 4	573.53	12747	71,19,640/-
			Total		27,301	1,54,74,794/-

43. However, while I agree with the fact that Noticee no.2 sold 14,554 shares of PFL at a profit, and that the profit was a result of the LTP manipulation by Noticee nos.5 and 6, I do not agree with the calculation of the amount or profit set out in the SCN. The warrants were converted by Noticee no.2 in 2010, after which the shares were under lock in. Further, the LTP manipulation attributable to the connected entities (i.e. Noticee nos. 5 and 6) was in Patch 3 of the investigation period, being January 13, 2014 to May 19, 2014, as noted in Table no.3 above. Further, from Table no.3 above, I note that in Patch 2, the closing price of the scrip was Rs.508. Hence, even if Noticee no.2 had sold the shares on the last day of Patch 2, he would have earned some profit, which cannot be ignored while computing the quantum of ill-gotten gains. As the investigation has attributed manipulation to a specific period, i.e. Patch 3, I would take the closing price of the scrip in Patch 2 as the basis for calculation of ill-gotten gains. Noticee no.2 sold a total of 14,554 shares in Patch 3, which is the period of manipulation by connected entities. If the Noticee had sold his shares even on the last day of Patch 2, he would have got Rs. 73,93,432 (14,554 shares multiplied by closing price of Patch 2, i.e. Rs.508) and his profits would not have been tainted by the price rise due to LTP manipulation. Hence, the ill-gotten gains are calculated hereunder:

Table No. 25

No. of shares sold in Patch 3	Closing price on the last day of Patch 2	Total Value of shares @ closing price on the last day of Patch 2	Actual Selling price in Patch 3	Ill-gotten gains
14,554	Rs.508	Rs. 73,93,432	Rs. 83,55,154	Rs. 9,61,722

44. I note that the SCN has also proposed disgorgement of the profits made by Noticee no.2 in Patch 4 of the investigation period. In this connection, I note that the investigation has not brought out any manipulation pertaining to this period and hence the sale proceeds of Patch 4 cannot be treated as ill-gotten gains.

45. From the above discussion, it is apparent that while the Noticee nos. 5 and 6 were hiking the price of the scrip by placing high buy orders, contemporaneously Noticee no. 2 was selling shares held by him at a substantial profit. Hence, I find that

Noticee no.2 benefitted from the LTP manipulation in the scrip of PFL by Noticee nos. 5 and 6. I also note that Noticee no.2 did not sell buy shares of PFL during the investigation period. In view of the same, I find that Noticee no. 2 was part of the scheme of manipulation in the scrip of PFL and has violated Section 12A(a), (b), (c) of the SEBI Act, 1992 read with Regulation 3(a), 3(b), 3(c) and 3(d) and Regulation 4(1), 4(2)(e) of the PFUTP Regulations, 2003.

46. Further, I find that Noticee no.3 (Abhinandan Jain) acted as an intermediary between Noticee no.2 who offloaded his shares at a profit and Noticee nos.5 and 6 who manipulated the price of the scrip of PFL facilitating the aforesaid offloading of shares of PFL. In view of the same, I find that Noticee no.3 has violated Section 12A(a), (b), (c) of the SEBI Act, 1992 read with Regulation 3(a), 3(b), 3(c) and 3(d) and Regulation 4(1), 4(2)(e) of the PFUTP Regulations, 2003.

Role of Nickunj Shah (Noticee no.4)

47. With respect to the allegations against Noticee no.4 (Late Mr. Nickunj Shah), I note though the Noticee no.4 passed away and the actions would abate as per the maxim *actio personalis moritur cum persona*, Section 28B of the SEBI Act provides that when a person dies, any proceeding *inter alia* for disgorgement, initiated against the deceased before his death, shall be deemed to have been initiated against the legal representative, and may be continued against the legal representative from the stage at which it stood on the date of the death of the deceased. In view of the same, the allegations against Noticee no.4 are being examined on merit. I note that the SCN alleges that Noticee no.4 was introduced to Noticee no. 2 by Noticee no. 3. In their submissions before me, Noticee nos. 2 and 3 have not denied the same. I further note that as per the SCN, Noticee no.4 (late Nickunj Shah) received 4,50,000 shares on conversion of the warrants as noted above and sold 1,92,782 shares at a VWAP of Rs.563.43 on December 10, 2013, when the PCAS was in force, i.e. when the scrip was illiquid. The SCN has alleged that the Noticee no.4 (late Nickunj Shah) made a profit of Rs.10.57 crore. I note that the date of sale of shares by Noticee no. 4 falls in patch 2 of the investigation period. As noted above, the LTP manipulation by Noticee nos. 5 and 6 was during Patch 3 of the investigation period. Hence, Noticee no.4 sold the

shares prior to the manipulative trades of Noticee nos. 5 and 6 to increase the price of the scrip. Hence, I am of the view that it cannot be stated that Noticee no. 4 was part of the manipulation. The SCN does not bring out any other fact or allegation to show that Noticee no.4 was part of or benefited from the scheme of manipulation. In view of the same, I find that the charge of violation of the PFUTP Regulations, 2003 against Noticee no.4 does not stand established.

G. Disclosure violations by Noticee nos. 1 and 2

48. The SCN alleges that Pulla Amresh Kumar (Noticee no.2) failed to disclose his transactions in the scrip of PFL on June 14, 2013, to the company and BSE. The details of the transactions are given below:

Table No. 26

Date of transaction	Holding before transaction	No. of shares acquired or disposed (value in Rs.)	Holding Post Transition	Disclosure required under PIT Regulations, 1992 and SAST Regulations, 2011
	(Number of shares and %)		(No. of shares and %)	
14/06/2013	7,11,605 (9.52)	200000 (9280000)	5,11,605 (6.84)	Reg. 13 (3), Reg. 13 (4), Reg. 13 (4A) of PIT Regulations, 1992, Reg. 29 (2) of SAST Regulations, 2011

49. While the above transaction was disclosed under Regulation 13(3) of PIT Regulations, 1992 in Form C, it is alleged that the same was not disclosed in the correct form (Form D) under Regulation 13(4) and 13(4A) of the PIT Regulations, 1992. The disclosures under the Regulation 29(2) read with 29(3) were also not made. Hence, it is alleged that Noticee No. 2 is in violation of Regulation 29(2) read with 29(3) of the SAST Regulations, 2011 and Regulation 13(4) and 13(4A) of the PIT Regulations, 1992.

50. In respect of the allegation against Noticee no. 2 that he failed to disclose the disposal of shares as mentioned above, he has stated that the sale of shares was on June 14, 2013, and would not violate Regulation 29(3) of the SAST Regulations,

2011. I note that in 2013, Regulation 29(3) did not prescribe a time line for disclosure of disposal of shares. In the judgments of the Hon'ble Tribunal in the matters of **Mr. Ravi Mohan and Ors. vs. SEBI** (Appeal No. 97 of 2014, decided on December 16, 2015), **Mr. Rakesh Kathotia & Ors. vs. SEBI** (Appeal No. 7 of 2016, decided on May 27, 2019) and **Murali Srinivasan Venkatraman Vs. SEBI** (Appeal No. 363 of 2017, decided on July 2, 2019), it has been held that no penalty could be imposed for non-disclosure of sale of shares prior to the date of amendment of Regulation 29(3). Thus, I am of the view that the allegation of violation Regulation 29(2) read with 29(3) of the SAST Regulations, 2011 against Noticee no. 2 does not stand established.

51. With respect to the allegation of violation of the PIT Regulations, 1992, I note that the SCN alleges that, in addition to the above mentioned transaction, Noticee no.2 failed to make the requisite disclosure in Form D under Regulation 13(4) and 13(4A) read with 13(5) on 16 more occasions. Details of the 16 instances are given below:

Table No.27

Sl.no.	Date of transaction	Sl.no.	Date of transaction
1	08/05/2013	9	19/05/2014
2	20/01/2014	10	20/05/2014
3	24/01/2014	11	08/07/2014
4	04/03/2014	12	09/07/2014
5	05/03/2014	13	14/07/2014
6	06/03/2014	14	14/10/2014
7	13/05/2014	15	16/10/2014
8	16/05/2014	16	31/10/2014

52. Noticee no. 2 has stated that he had filed the disclosures in Form C to the Company and in turn, the Company had filed the disclosures in both Form C and Form D to BSE. Noticee no.2 has also submitted copies of the same before me. From the BSE website, I note that the Form D had been filed by the Company. I note that the disclosures in Form D, as available on the BSE website, have been stated to

be filed under Regulation 13(4) read with 13(5). However, Regulation 13(4A) of the PIT Regulations, 1992 is not mentioned in the said forms. I also note that in certain instances, the disclosures were not made within the prescribed timeline.

53. In this regard, Noticee no.2 has stated that his shareholding was disclosed on the BSE website under “Promoter and Promoter Group” shareholding, and also that he was regularly filing his shareholding pattern in accordance with the Listing Agreement. Hence, it is stated by Noticee no.2 that he had no intention of concealing his shareholding in PFL.

54. Noticee no.2 has also submitted that since the disclosures were already filed in the correct form by the Company, the lapse on his part, if any, is merely technical. However, I note that the PIT Regulations, 1992 places a dual obligation on the directors/ promoters/ officers to disclose in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person from the last disclosure, and the change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower to the company as well as the stock exchanges within two days of such change. Under Regulation 13(6) of the PIT Regulations, 1992 a separate obligation has been cast upon the company to disclose information as above received by it to stock exchanges with two days. The two obligations are distinct and separate. Hence, I am of the view that Noticee no.2 failed to discharge his obligation under Regulation 13(4) and 13(4A) of the PIT Regulations. However, as a matter of fact, correct disclosures were available in the public domain and therefore I would like to take a lenient view in respect of penalty.

55. In addition, the SCN also alleges five instances of delayed disclosures, details of which are given below:

Table No.28

Sl. No.	Date of Transaction	Date when disclosure was required to be made to PFL and BSE	Date of Disclosure to BSE	Date of Disclosure to PFL	Delay
1	20/01/2014	22/01/2014	28/01/2014	25/01/2014	6 and 3 days, respectively

2	04/03/2014	06/03/2014	10/03/2014	07/03/2014	4 and 1 day, respectively
3	05/03/2014	07/03/2014	10/03/2014	07/03/2014	3 days delay to BSE
4	08/07/2014	10/07/2014	14/07/2014	14/07/2014	4 days delay
5	09/07/2014	11/07/2014	14/07/2014	14/07/2014	3 days delay

56. Noticee no.2 has stated that the delay was due to consolidation of disclosures filed on nearby days, and not due to any malafide intention. Hence, Noticee no.2 has admitted that there was a delay in making the disclosures. I note that the delays were of a few days, even though there is a violation of Regulation 13(5) of the PIT Regulations, 1992 by Noticee no.2. Hence, I am inclined to take a lenient view in respect of penalty.

57. The SCN further alleges that the Company failed to disclose the appointment of Srimanthula Harish as Chief Financial Officer of the company on April 25, 2019. The SCN states any change in key managerial personnel such as Chief Financial Officer is a material event and has to be disclosed to the stock within twenty-four hours from the occurrence of such event as per Regulation 30 of the LODR Regulations, 2015. Having failed to do so, it was alleged that Noticee no.1 violated Regulation 30 of the LODR Regulations, 2015.

58. In this regard, the Company has stated that the non-disclosure was unintentional and the details of the aforesaid appointment of CFO was already in the public domain. The Company has stated that no loss has been caused to any investor in this regard. I take note of the fact that the change of CFO is a non-disclosure that occurred much after the investigation period and may not have any bearing on the main thrust of the case of price-manipulation. Having noticed the non-disclosure during the investigation, it was rightly added as an allegation in the SCN. In my view, since serious impact of the non-disclosure has not been brought out, I do not look upon it in the context of this particular case to be a serious violation attracting a separate penalty.

H. LTP Manipulation by Noticee nos.8-9

59. I note that the SCN alleges that Rahul Gupta (Noticee no.8) contributed Rs. 352.10 to market positive LTP i.e. 5.37% of the total market positive LTP through 68 buy trades. In 56 out of 68 instances, the buy order quantity placed by Rahul Gupta was less than or equal to 50 shares. In 56 instances, Rahul Gupta repeatedly placed buy orders above the last traded price with negligible quantity to match with the already existing sell orders. Further, in 12 instances, Rahul Gupta placed buy orders (with negligible order quantity) at a price higher than LTP, before seller placed the sell order.

60. Further, the SCN alleges that Parvinder Singh (Noticee no.9) had, through 99 buy trades, contributed Rs. 672.35 to market positive LTP i.e. 10.26% of the total market positive LTP. For 89 instances out of 99 instances, the buy order quantity placed by Parvinder Singh is less than or equal to 50 shares. In 73 instances, Parvinder Singh repeatedly placed buy orders with order rate higher than LTP and negligible quantity to match the already existing sell orders. In 26 instances, Parvinder Singh repeatedly placed buy orders (with negligible order quantity) at a price higher than LTP, before sellers placed the sell order. For the top 10 trades of Parvinder Singh that contributing to market positive LTP, the buy order quantity (last modified) was 1 share for 8 trades and 2 shares and 25 shares for the remaining 2 trades, respectively.

61. The SCN also alleges that during Patch-5 of the investigation period, i.e., February 28, 2015 to April 13, 2016, Parvinder Singh (Noticee no.9) through 118 sell trades, contributed Rs. (609.00) to market negative LTP (i.e. 18.87% of the total market negative LTP). For 111 instances out of the total of 118 instances, the sell order quantity placed by Parvinder Singh is less than or equal to 50 shares. In 108 instances, Parvinder Singh placed sell orders with order rate lower than LTP and negligible quantity to match the already existing buy orders. In 10 instances, Parvinder Singh repeatedly placed sell orders (with negligible order quantity) at a price lower than LTP, before buyer places the buy order. For the top 10 trades of Parvinder Singh contributing to market negative LTP, the sell order (last modified)

quantity was 1 share for 5 trades, 2 shares for 3 trades, and 5 shares and 11 shares for the remaining 2 trades.

62. The Noticee nos. 8 and 9 have stated that they were not connected to any of the other Noticees. The SCN states that Noticee No.8 is not connected in any manner to the other Noticee(s). In view thereof, contention of Noticee Nos.8 and 9 that they were not connected to PFL or its promoters and other noticee(s) is accepted. Noticee nos.8 and 9 have also stated that they had no connection with any counterparty, and the SCN has also not brought out any connection of Noticee nos.8 and 9 with the counterparties to the impugned trades. The Noticees have stated that they traded in a similar manner in several scrips. Noticee no.8 has also stated that the price of the scrip was rising and he placed higher than LTP buy orders to ensure that he could get some shares.

63. I note that the investigation has not brought out any connection between the other set of Noticees and Noticee nos. 8 and 9. Nor has the investigation alleged any connection between the counterparties to the impugned trades and Noticee nos. 8 and 9. Due to the lack of connection brought out in the investigation, I am not inclined to impose any penalty on the Noticee nos. 8 and 9.

I. CONCLUSION

64. In view of the above, I find that Noticee nos. 5 and 6, through their connected broker- Noticee no.7, executed manipulative and fraudulent trades with a view to increase the price of the scrip of PFL. Noticee no. 2, the CMD of PFL had converted warrants into shares of PFL in 2010 which were under lock in till March 2013. Noticee no. 2 sold shares making a huge profit while the price of the scrip was being manipulated by Noticee nos. 5 and 6. Noticee no.3 formed the link between Noticee no.2 and the price manipulators, i.e. Noticee nos. 5 and 6. In view of the same, I find that Noticee nos. 2, 3, 5, 6 and 7 have violated Section 12A(a), (b), (c) of the SEBI Act, 1992 read with Regulations 3 (a), 3 (b), 3 (c) and 3 (d) and 4(1), 4(2) (e) of the PFUTP Regulations, 2003. I note that the Hon'ble Supreme Court, in the matter of **SEBI vs. Kanaiyalal Baldevbhai Patel** (Decided on September 30, 2017) held as under:

“37.It should be noted that the provisions of regulations 3 (a), (b), (c), (d) and 4(1) are couched in general terms to cover diverse situations and possibilities. Once a conclusion, that fraud has been committed while dealing in securities, is arrived at, all these provisions get attracted in a situation like the one under consideration.”

65. Further, being a registered broker, Noticee no.7 has also violated Clause A (3) of Code of Conduct for Stock Brokers as specified under Schedule II read with Regulation 9(f) of SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992. However, the SCN does not bring out any specific role of the Company (Noticee no. 1) in the aforesaid manipulation. Hence, I am of the view that the charge of violation of Regulations 3(a), 3(b), 3(c) and 3(d) and 4(1), 4(2)(e) of the PFUTP Regulations, 2003 against the Company is not established. Further, as noted above, in respect of Noticee no.4 (late Mr. Nickunj Shah), the SCN issued against him is disposed of without any directions.

66. In respect of the findings against the Noticees, I note that Noticee no.2 has made an ill-gotten gain of Rs. 9,61,722, as discussed above. Hence, the same is liable to be disgorged. In view of the scheme of manipulation entered into by Noticee nos. 5, 6 and 7 so as to aid and benefit Noticee no.2 and Noticee no.3, having acted as the intermediary between them, I find that all of them have jointly employed a fraudulent scheme in the securities market as contemplated under Regulations 3(a) to (d) and 4(1), 4(2)(e) of the PFUTP Regulations, 2003.

67. I am therefore of the view that Noticee nos. 2, 3, 5, 6 and 7 are liable to be restrained from accessing the securities market and prohibited from dealing in securities under Sections 11(1), 11(4) and 11B(1) of the SEBI Act, 1992. I note that Noticee no.7 has facilitated its connected entities in the whole scheme and the violation of the Code of Conduct under Broker Regulations alleged against it is not in respect of third party clients. Hence, in my view, Noticee no.7 needs to be restrained from execution of proprietary trades for a specified period. The violations as established above by Noticee nos.2, 3, 5, 6 and 7 also make them liable for penalty under Sections 11(4A) and/ or 11B(2) of the SEBI Act, 1992. In this regard,

I note that the amount of ill-gotten gains, to the extent of Rs. 9,61,722, made on account of fraudulent trading in the scrip of PFL is being directed to be disgorged from Noticee no.2. I note that there is no material on record to indicate that the Noticees have been otherwise found to have committed similar violations any time in the past, except Noticee no.5. Noticee no.5 has been found liable for a violation of the PFUTP Regulations, 2003 vide adjudication order dated June 30, 2022. As Noticees nos. 2, 3, 5, 6 and 7 have jointly committed the fraud, I am of the view that appropriate penalty under Section 15HA ought to be jointly imposed on them.

J. Directions:

68. In view of the aforesaid, in exercise of powers conferred upon me under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2), read with Section 19 of the SEBI Act, 1992 and in the interest of integrity of the securities market, I do hereby pass the following directions:

- (i) The SCN issued against Noticee nos. 1, 4, 8 and 9 is disposed of without any directions.
- (ii) Noticees nos. 2, 3, 5 and 6 are restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of one year from the date of this order;
- (iii) Noticee no.2 is further directed to disgorge a sum of Rs.9,61,722, along with interest of 12% per annum from May 19, 2014, being the last trading day of Patch 3, within a period of 45 days from the date of this order. The amount shall be remitted to the Investor Protection and Education Fund (IPEF) referred to in Section 11(5) of the SEBI Act, 1992. Noticee no.2 shall also be restrained from accessing the securities market and prohibited from buying, selling or otherwise dealing in the securities market, till the actual payment or recovery of disgorgement amount or till the completion of the debarment directed, whichever is later.

- (iv) Noticee no.7 is restrained from executing trades in its proprietary account for a period of one month from the date of this order;
- (v) Noticee no.7 is further warned not to execute or facilitate manipulative trades in the securities market and exercise care and caution at all times in this regard;
- (vi) The Noticee nos. 2, 3, 5, 6 and 7 are imposed with monetary penalties, as specified hereunder:

Sl. No.	Name of Noticees	Provisions under which penalty imposed	Penalty Amount
1	Pulla Amresh Kumar	Section 15HA of the SEBI Act, 1992 for violation of PFUTP Regulations, 2003.	Rs.10,00,000/- (Rupees Ten Lakh only) to be paid jointly and severally
2	Abhinandan Jain		
3	Ashroj Credit India Private Ltd		
4	Mahesh Meetal HUF		
5	Fair Intermediate Investment Private Ltd.		
6	Pulla Amresh Kumar	Section 15A(b) of the SEBI Act, 1992 for non-disclosures under PIT Regulations, 1992.	Rs.1,00,000/- (Rupees One lakh only)

- (i) The Noticees shall remit / pay the said amount of penalties within 45 days from the date of receipt of this order. The Noticees shall remit / pay the said amount of penalties through either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, or through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of Chairman/ Members-> PAY NOW. In case of any difficulties in online payment of penalties, the said Noticees may contact the support at portalhelp@sebi.gov.in. The demand draft or the details/ confirmation of e-payment should be sent to "The Division Chief, IVD9, Securities and Exchange Board of India, SEBI Bhavan II, Plot no. C-

7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e-mail id:- tad@sebi.gov.in in the format as given in table below:

Case Name	
Name of Payee	
Date of Payment	
Amount Paid	
Transaction No.	
Payment is made for: (like penalties/ disgorgement/ recovery/ settlement amount/ legal charges along with order details)	

69. This order comes into force with immediate effect. The obligation of the Noticees debarred in the present Order, in respect of settlement of securities, if any, purchased or sold in the cash segment of the recognized stock exchange(s), as existing on the date of this Order, can take place irrespective of the restraint/ prohibition imposed by this Order, only in respect of pending unsettled transactions, if any. Further, all open positions, if any, of the Noticees debarred in the present Order, in the F&O segment of the stock exchanges, are permitted to be squared off, irrespective of the restraint/ prohibition imposed by this Order.

70. A copy of this Order shall be served on the Noticees, recognized Stock Exchanges, Depositories, Registrar and Share Transfer Agents of Mutual Funds to ensure compliance with the above directions.

Place: Mumbai

Date: November 28, 2022

GEETHA G.

CHIEF GENERAL MANAGER

SECURITIES AND EXCHANGE BOARD OF INDIA