

National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/54902	Date: December 19, 2022
Circular Ref. No: 207/2022	

To All NSE Members,

Sub: Final Order in the matter of Darshan Orna Limited

SEBI vide its Order No. QJA/GG/IVD/ID9/22235/2022-23 dated December 19, 2022, has hereby restrained the following entities 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 as mentioned below, from the date of the SEBI Order.

Sr. no.	Name of Entity	PAN	Period
1.	Hanif Shekh	CBEPS9710A	5 years
2.	Arun Laha	ATFPL9692P	3 years
3.	Minu Mallick	DGTPM2047B	3 years
4.	Ujjal Laha	ATSPL2483R	3 years
5.	Sanjay Dey	BWHPD4063L	3 years
6.	Arun Dutta	AIYPD5217E	3 years
7.	Glorious Vincom Private Limited	AADCG3846Q	3 years
8.	Highgrowth Vincom Private Limited	AACCH1789A	3 years
9.	Buddhadeb Laha	AQBPL5563C	3 years
10.	Priyankar Laha	AKLPL2832L	3 years

Further, all open positions, if any, of the entities debarred in the Order, in the F&O segment of the stock exchanges, are permitted to be squared off, irrespective of the restraint/prohibition imposed by the Order.

The order comes into force with immediate effect.

National Stock Exchange of India

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. Souradeep Ghosh (Extension: 23345), Mr. Anand Jangir (Extension: 22385)
Direct No: 022-26598417/18 Fax: 022-26598195

**For and on behalf of
National Stock Exchange of India Limited**

**Anand Jangir
Manager**

ANNEXURE: Final Order in the matter of Darshan Orna 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.	Name of the Noticee	PAN
1	Hanif Shekh	CBEPS9710A
2	Amrish Nagindas Shah (Proprietor of Shakti Enterprise)	BFOPS4241B
3	Vishal Jitendrakumar Barot (Proprietor of Samukh Trade)	BHLPB2441M
4	Vaghela Hasmukh	APJPV2367P
5	Keval Savant	HYAPS6005L
6	Amitkumar Govindbhai Parmar (Proprietor of Ambika Traders)	BIGPP7877P
7	Licy Roshan Augustine	BBDPA5689L
8	Parmar Popatbhai	DGFPP6706L
9	Dipika Popatbhai Parmar	DKMPP5973A
10	Hathila Vaneshbhai Rasubhai	AMKPH1315H
11	Vaghela Prakash Kantilal	AGEPV6889L
12	Rimmi Dharmendra Shah	AWGPS0178K
13	Parmar Lilaben Popatbhai	DBYPP5174G
14	Ravi Kannadasan Adidraavid	AVSPA1063A
15	Govindbhai Parmar	EKVPP5959Q
16	Ramnbhai Kalubhai Ravat	BWUPR4206E
17	Meda Bhagabhai	CPGPM9060K
18	Arun Laha	ATFPL9692P
19	Minu Mallick	DGTPM2047B
20	Ujjal Laha	ATSPL2483R
21	Sanjay Dey	BWHPD4063L
22	Arun Dutta	AIYPD5217E
23	Aalekh Rajendrabhai Gaur	BZRPG4222P
24	Barot Hina	DGUPB9477B
25	Roshan Augustine Christian	AQBPC2332C
26	Manishkumar Rajeshbhai Rajput	CGPPR9641K
27	Bharatkumar Dhirubhai Rupala	AGNPR3228G
28	Karan Birjubhai Sanghvi	ESJPS8192E
29	Krusha Birjukumar Sanghvi	FXCPS0434J
30	Rachana Birjukumar Sanghvi	CGVPS5623N
31	Paresh Parmar	CHTPP0320G
32	Bharatbhai Mangaji Thakor	ALYPT8669F
33	Chiragkumar Makwana	CTXPM2544K
34	Glorious Vincom Private Limited	AADCG3846Q

Noticee No.	Name of the Noticee	PAN
35	Highgrowth Vincom Private Limited	AACCH1789A
36	Buddhadeb Laha	AQBPL5563C
37	Priyankar Laha	AKLPL2832L

In the matter of Darshan Orna Ltd.

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) received several complaints during January 2019 *inter alia* stating that SMSes were circulated in the market during the period from January 07, 2019 to January 31, 2019 giving buy recommendations in the scrip of Darshan Orna Ltd. (“**Darshan Orna**” / “**the Company**”). In view of the above, SEBI had advised BSE to carry out an examination in the scrip of Darshan Orna Limited (hereinafter also referred to as Darshan Orna or the company). Subsequently, BSE vide letter dated April 08, 2019, submitted an examination report to SEBI in the matter, following which a detailed investigation was carried out by SEBI.
2. Subsequently, a show cause notice dated September 2, 2021 (hereinafter referred to as “**the SCN**”), was issued by the SEBI to the Noticees for their trading activities in the scrip of Darshan Orna during the period from June 04, 2018 to January 31, 2019 (hereinafter referred to as “**the Investigation Period**”), alleging therein the 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.

SHOW CAUSE NOTICE, REPLIES, PERSONAL HEARING:

3. The brief facts and the allegations levelled against the Noticees, as given in the SCN, in brief, are as follows:
 - i. SEBI was in receipt of several complaints during January, 2019 alleging that SMSes were circulated (from SMS Id: MD-MULTIB) in the market

during the period January 07, 2019 to January 31, 2019 giving buy recommendations in the scrip of Darshan Orna. SEBI advised BSE to carry out an examination in the scrip of Darshan Orna. Thereafter, the matter was referred for detailed investigation.

- ii. During the investigation period, the Company had a bonus issue (11:10) with record date of September 21, 2018. Subsequently, the scrip of the Company migrated from BSE-SME platform to BSE-Mainboard with effect from December 12, 2018. In view of the above, the investigation period was divided into three patches as tabulated below:

Table no. 1

Patch-1	June 04, 2018 to September 21, 2018
Patch-2	September 22, 2018 to December 11, 2018
Patch-3	December 12, 2018 to January 31, 2019

I note that the present proceedings pertain mainly to Patch-3.

- iii. It was alleged that the unsolicited advice via bulk SMSes had been circulated by Hanif Shekh (Noticee no.1). Circulation of SMSes led to attention and participation of a lot of gullible retail investors in the scrip of the Company. Further, it was alleged that certain entities (Noticee no.2-37) connected to Hanif Shekh ("Hanif Group entities") had offloaded shares in the scrip of the Company. Hanif Group entities were predominantly buyers in the Pre-SMS circulation period. The trades of certain Hanif Group entities were alleged to be funded by some entities who were also seen to be connected to Hanif Shekh (Noticee no.1).
- iv. At the beginning of the period of circulation of bulk SMSes, a group of 15 entities indulged in circular trading. One of these entities, namely, Arcadia Share & Stock Brokers Private Ltd. was seen to share a common phone number with Noticee no. 12, Rimmi Dharmendra Shah (a Hanif Group entity) as per UCC details provided by BSE. Further, the email- id of Rimmi Dharmendra Shah as per the UCC details is **bm808arcadia@yahoo.co.in**.
- v. In view of the above, it was alleged that Noticee No. 1 had violated Section 12A(a), 12A(b), 12A(c) of the SEBI Act, 1992 read with Regulation 3(a), 3(b), 3(c) and 3(d) and 4(1), 4(2)(k) and 4(2)(r) of the PFUTP Regulations,

2003 and Noticee nos.2-37 had violated Section 12A(a), 12A(b), 12A(c) of the SEBI Act, 1992 read with Regulation 3(a), 3(b), 3(c) and 3(d) and 4(1) of the PFUTP Regulations, 2003.

4. The SCN got served upon the Noticees except in respect of Noticee nos. 6, 15 and 26, where the physical SCN sent to the address available on record was returned undelivered. Subsequently, the SCN got served on the said Noticees through email with digital signature. Reminders to file replies to the SCN and hearing notices were also sent to the Noticees by email. Subsequently, Noticee nos. 18-22 and 34-37, requested for inspection of documents. An opportunity of inspection of documents was granted on December 8, 2021 and thereafter they submitted replies dated January 14, 2022. A copy of the investigation report was also provided to Noticee nos. 18-22 and 34-37 on July 6, 2022. The matter came to be placed before the Whole Time Member, for granting of hearing but it could not be proceeded further due to internal re-allocation of cases amongst the Whole Time Members 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. An opportunity for personal hearing was granted to the Noticees on September 15, 2021. Noticee nos. 18-22 and 34-37 were represented by Advocate, Ms. Kritika Nahate of Juris Matrix over web-conference. The Authorised Representative (AR) appeared for the hearing and reiterated the written submissions filed on their behalf and stated that they had no further submissions in the matter. Noticee no.1 appeared for the hearing in person over web-conference on the scheduled date and requested that the SCNs and annexure thereto be resent to him. Further, Noticee no. 1 undertook to file his reply to the SCN. Noticee no. 1 was, at his

request, granted another opportunity for personal hearing on September 20, 2022 at 3:30 pm. The SCN along with Annexure thereto were provided to him. The matter was part heard on September 20, 2022 and was again heard on September 29, 2022. Despite being given an opportunity to do so, Noticee no.1 has chosen to not submit a written reply in the matter. Further, the other Noticees in the matter neither appeared for the hearing, nor filed any written submission/ reply in the matter. The submissions made by Noticee nos.1,18-22 and 34-37 will be dealt with in the subsequent paragraphs to avoid repetition.

CONSIDERATION OF REPLIES AND FINDINGS:

5. At the outset, I note that Noticee nos.18-22 and 34-37, in their replies dated September 14, 2021 have stated that the BSE examination report and SEBI's email correspondence with BSE pertaining to the same has not been provided to them. In this regard, I note that SEBI had carried out its own investigation in the matter and, as noted above, a copy of SEBI's investigation report with all annexures have been provided to the aforementioned noticees on June 28, 2022. I note that Noticee nos.18-22 and 34-37 have not thereafter raised the request again either in writing or during the hearing on September 15, 2022. In view of the same, it is noted that all relevant documents have been provided to the aforesaid noticees.
6. As noted above, SEBI was in receipt of several complaints in January 2019 alleging that SMSes were circulated in the market during the period January 07, 2019 to January 31, 2019, giving buy recommendations in the scrip of Darshan Orna. Investigation tried to trace back the origin of SMSes, identifying the service provider, tele-marketing agencies whose services/platform was used for SMS circulation, the person(s) who procured the service, sender id/email id used etc.

7. It was observed that the SMSes were circulated from SMS Id: MD-MILTIB, with “buy” recommendations in the scrip of Darshan Orna. The date of circulation and the content of some of the SMSes are tabulated below:

Table no. 2

Date of circulation of SMS	Content of SMS
05.01.2019 08:45 AM	2 Days To Go – BIGGEST Money Making Opportunity of 2019 – 1 st MULTIBAGGER Stock Coming on MONDAY. It Will be UP from Rs 100 to 250+ in 6 To 12 months MBstocks.in
05.01.2019 (approx.)	How Are We Different From Others?? -No Advance Payment -First Earn And Then Pay 10% of The Profit -We Don't Give So Many Stocks -We Trade For 100% Or More Profit In Every Stock -We Find Hidden Gem With 100% Accuracy www.MBstocks.in
06.01.2019 07:01 PM	100% successful past performance -Year 2018 1.Birla Cable from 60 to 150+ 2.Responsive industries from 40 to 100+ 3.Nelco Ltd from 130 to 260+ -Year 2017 1.HEG Ltd from 200 to 1000+ 2.Minda Industries from 350 to 1050+ 3.Dilip Buildcon from 250 to 750+ 4.Rain Industries from 60 to 180+ 1 st MULTIBAGGER Stock 2019 Coming Tomorrow – BE READY www.MBstocks.in
06.01.2019 09:00 PM	Only One Night To Go – The Wait Is Over Now 100% Sure Shot MULTIBAGGER Stock For 150% Profit Coming Tomorrow. Stock Price Will Go UP From Rs 100 To 250+ In 6 To 12 Months. Every Month Price Will Be Up Minimum 10-15% With 100% Accuracy. -SO BE READY TO TRADE TOMORROW MORNING – Good Night!! www.MBstocks.in
14.01.2019 09:01 AM	BUY/ADD More DARSHAN ORNA (539884) For Intraday TARGET 106++ FINAL Target 250+ -HAPPY MAKAR SANKRANT! -TODAY IS HOLIDAY SO OUR PHONE LINES WILL REMAIN CLOSE
16.01.2019 11:40 AM	You Can Read Our Research Report For MultiBagger DARSHAN ORNA (539884) on This Link www.MBstocks.in/darshan -Click on This Link or Copy & Paste On Your Browser.
20.01.2019 07:03 PM	How You Can Create Big Wealth Like Rakesh Jhunjhunwala & Warren Buffet In Stock Market -Click on This Link or Copy & Paste in Your Browser www.mbstocks.in/blog
24.01.2019 11:37 AM	LAST CHANCE To Grab DARSHN ORNA At 110.70 . Stock Is Ready For BIG UP MOVE So BUY Maximum Quantity Right Now For Sure Shot Next Week TGT 118++ & Final TGT 250+
30.01.2019 11:03 AM 31.01.2019 11:09 AM	Notice: Next Week DARSHAN ORNA Will Announce Strong Q3 Result With High Growth & Improving Profitability And Stellar Growth in Q3 Result Will Trigger Huge Buying From Mutual Fund, Fii & PMS. So We Expect 10%-15% UPSIDE In DARSHAN ORNA In Next Week So Buy More/Increase Your Investment, FINAL TGT 250+++

Identification of source of circulation of bulk SMS.

8. In order to identify the sender of the bulk SMSes, information such as Customer Application Forms, identity details and call/SMS records were sought from the Telecom Service Provider (hereinafter referred to as the “TSP”). As per the details provided by the TSP, the sender of the SMS was Newrise Technosys Pvt Ltd. (hereinafter referred to as “Newrise”). Thereafter, Newrise was advised to provide the basis or rationale for circulation of the SMSes recommending buying in the scrip of Darshan Orna, name of the source through which the news was received, details of connection with promoters/ directors of Darshan Orna, if any. Vide email dated September 11, 2019, Newrise stated that it had sent the SMSes on behalf of its client, a certain Vishal/ Haneef Kasambhai Shekh (Noticee no.1). Newrise submitted that the payment for availing its services was made in cash by Vishal/Hanif Shekh. The details of the client, provided by Newrise are as follows:

Table no. 3

Name	Vishal/ Haneef Kasambhai Shekh
Email ID	dgfinindia@gmail.com
Contact No	8511591152 / 9067584982
Place	Bhavnagar (Gujrat)

9. Newrise stated that before sending the SMSes relating to stock markets, it had asked the client for his registration details, which were provided by him via email. The SCN notes that the registration certificate provided was of a SEBI registered investment adviser (RIA), namely, Multibagger Securities Research & Advisory Private Limited. Accordingly, the RIA was advised to provide details like the basis or rationale behind circulation of such SMS, name of the source through which the news was received, details of connection with promoters/ directors of Darshan Orna, Vishal/ Hanif Shekh, if any. However, in its reply dated January 20, 2020, the RIA stated that it had not circulated any SMS. The RIA also stated that it was not connected or related with promoters/ directors of Darshan Orna or other suspected entities and Vishal/Hanif Shekh. In this connection it was recorded that RIA’s

registration certificate was displayed on its website, and anyone could have been downloaded by any person.

10. The SCN states that a search of the SEBI website revealed that Hanif Shekh was not registered with SEBI as an intermediary. During investigation, Hanif Shekh was asked to provide details of his profession/ occupation, but no reply was received from him.

11. Therefore, in order to identify the sender of the bulk SMSes, several details were sought from Newrise. In its replies, Newrise *inter alia* stated as follows:

- i. The client always represented himself as “Vishal”, but the person who made the cash payments on behalf of the client, referred to him as “Hanif Bhai”. Newrise has stated that Hanif Shekh and Vishal were the same person, and that Hanif Shekh was using the alias name “Vishal”, possibly to hide his true identity. Newrise stated that they had confirmed from the person who would call them for payment for the SMSes that Vishal was indeed Hanif.
- ii. The phone number 9067584982 belonged to Hanif Shekh and is available on the internet under his name. Hanif Shekh was using different phone numbers for communication and 9067584982 was one of these numbers.
- iii. Hanif Shekh sent money for payments due to Newrise through his contact in Bhopal, who was known to Newrise by the name of “Angadiya”. Newrise stated that they never met this person, but had spoken to him over the phone. When some amount became due, Hanif, would call Newrise and tell them that he had sent the money and provide a mobile number. Newrise would then have to call such number and enquire whether they had got any message from Bhavnagar (i.e. Hanif Shekh) and the payment would then be made in cash near Newrise’s office or any other location without any receipt.
- iv. Hanif Shekh was a client of Newrise since June 2016. Initially, he sent only 5-6 lakh SMSes in a year, which gradually increased. Till 2019 there were no complaints against Hanif Shekh from SEBI. Newrise had got some DND (do not disturb) complaints against him, which he resolved by showing

screenshots to prove that he was sending SMSes only to his registered customers.

- v. Newrise agreed to accept cash payments as the amount ranged from only Rs.60,000-80,000. The amount was sometimes deposited into the account of Newrise by cash. The amount was always small as Hanif Shekh never asked for more than Rs.1,00,000-2,00,000 credit.
- vi. 9067584982 was Hanif Shekh's real number and he avoided communication from that number. However, on a few occasions Hanif Shekh called Newrise / sent SMSes to Newrise from that number. Newrise has kept those SMSes and all the numbers he ever called or messaged from.
- vii. When Newrise started receiving inquiries from SEBI regarding Hanif Shekh, they asked him for his PAN, which he avoided giving them. However, on searching the number 9067584982, Newrise was able to reach a website <https://www.robertresources.com/>, where they found the name of Hanif Shekh and the aforesaid number mentioned. Newrise was no longer associated with Hanif Shekh, and he had not sent any SMSes through them since March 2019. I also note from the SCN that in his reply given to SEBI during investigation, Hanif Shekh had accepted that he knew Rakesh Dwivedi (Director of Newrise).

12. The sender of the SMSes had masked his identity and made cash payments to not leave any digital footprint and avoid detection. In view of the same, further analysis was conducted to find out who was the sender of the SMSes.

Analysis of information received from Internet domain and web hosting company

13. As noted above, the complaints received by SEBI had stated that they had received calls) recommending "buy" in the scrip of Darshan Orna from a SEBI registered stock market consultant with website (www.mbstocks.in). In view of the same, during investigation, details were sought from Godaddy.com with respect to the abovenamed website which was created at its server. Based on information provided by Godaddy.com vide its reply dated July 17, 2019,

contact details of the registrant (Shopper-ID:193051104) with respect to www.mbstocks.in was dgfinindia@gmail.com.

14. It was noted that the sender of bulk SMSes also used the same email-id as the owner of the website (www.mbstocks.in), i.e. dgfinindia@gmail.com. Further, it was seen that the website (www.mbstocks.in) was created on December 29, 2018 i.e. just before the period of circulation of bulk SMSes, i.e. January 7, 2019 to January 31, 2019.

15. Godaddy.com was asked to provide details with respect to payments made by owner of the website (www.mbstocks.in). In its reply dated March 21, 2020, Godaddy.com had stated that payments were made using a Credit Card (MasterCard: 55*****6358). As per details provided by MasterCard, the said credit card was issued by Citi Bank. The cardholder details provided by Citi Bank showed that the said credit card belonged to one Rakesh Natwarlal Bhatt. On analysis of the bank statement of Rakesh Natwarlal Bhatt, certain transactions were noticed wherein the narration mentioned Hanif Shekh. Details of the same are as follows:

Table no. 4

Date of transaction	Narration	Debit amount	Credit Amount	Balance
19/02/2018	INF/020433868551/Hanif	-	100000	120740.17
20/02/2018	INF/020435845291/Hanif bhai	-	200000	200088.17
20/02/2018	INF/020436229201/Hanif bhai	-	100000	100088.17

16. Though the narration in the bank statements referred to Hanif Shekh, upon counterparty analysis, it was noted that the said funds were received from a third party namely M/s Rayr Enterprise. Rakesh Natwarlal Bhatt was asked to provide comments with respect to above fund transfer. Rakesh Natwarlal Bhatt (Mobile - 9879508494) has, inter-alia, stated that he runs an advertising and promotion agency – M/s Biz Buddy Media Marketing and the payment for website *www.mbstocks.in* was made by him for the promotion campaign of his client Hanif Shekh. Rakesh Natwarlal Bhatt also stated that he was short of funds for the campaign of Hanif Shekh because of which he had borrowed the said amount from one of his friends and the same was returned

subsequently. Rakesh Natwarlal Bhatt has also stated that Hanif Shekh communicated with him from mobile numbers - 9067584982 and 8511591152

17. During the hearing, Noticee no.1 admitted to know both Newrise as well as Rakesh Natwarlal Bhatt and his business of running media marketing company BizBuddy, but denied any role in the sending of bulk SMSes.

Connection between the phone numbers (9067584982 and 8511591152) and email id (dgfinindia@gmail.com).

18. The SCN notes that Rakesh Natwarlal Bhatt and Newrise have independently stated that they had offered their services pertaining to website and bulk SMS respectively to Hanif Shekh, and that Hanif Shekh used the phone numbers 9067584982 and 8511591152. Further, by exploring the 'forgot password' option on Gmail, investigation found that the email-id: dgfinindia@gmail.com was linked to the mobile number 8511591152.

19. Further, from the Customer Application Form (CAF) provided by the TSP (Vodafone) for the mobile number 9067584982, it was noted that the said mobile number was registered in the name of Hanifbhai Sheikh. Hanif Shekh has also admitted during the hearing that the said number belonged to him and stated that the same was no longer operational.

20. Further, Newrise in its reply dated June 15, 2020 to SEBI during investigation, provided screenshots of WhatsApp chats with 9067584982. Hanif Shekh, during the hearing stated that these were SMS conversations and not Whatsapp, and stated that he admitted to knowing Newrise but was not involved in sending of the bulk SMSes. The screenshots of call history submitted by Newrise also showed calls between Hanif Shekh (Mobile number – 9067584982) and Newrise.

21. During the hearing granted to Hanif Shekh, he denied circulating the bulk SMSes and stated that he had raised many complaints in the past against persons who were defrauding investors by circulating bulk SMSes. In light of

the same, he was now being entrapped by the very same persons whom he had complained against. He denied any connection or association with the mobile number 8511591152 and the email-id dgfinindia@gmail.com.

22. In this regard, I note that during the investigation, in order to ascertain whether the two phone numbers, i.e. 9067584982 and 8511591152 had any connection, Call Data Records (CDR) were analyzed for Patch-3 (December 12, 2018 to January 31, 2019) of the investigation period. It was observed that:

- a. Both the mobile numbers belong to Gujarat Circle. Whenever there was change in Network-Circle for 9067584982 (Hanif Shekh), at the same time, change in Network-Circle for 8511591152 was also observed. The details are explained below:

- A. During the entire Patch-3, mobile number– 9067584982 was observed to be in Mumbai Circle on following dates – January 17, 2019, January 18, 2019 and January 19, 2019. It was observed that during the entire Patch -3, the mobile number – 8511591152 was also in Mumbai Circle only on January 17, 2019, January 18, 2019 and January 19, 2019. Details of the same are as given below:

- (i) January 17, 2019:

Table no. 5

9067584982		8511591152	
Time	Details	Time	Details
18:45:52	Received an SMS (MD-BANFIN) in Gujarat Circle	19:49:20	Received an SMS (MD-BANFIN) in Gujarat Circle
18:45:52 to 21:07:59	No calls/SMSes were received/made/sent	19:49:20 to 21:15:03.	No calls/SMSes were received/made/sent
21:07:59	Received an SMS (VG-VDFONE) in Mumbai Circle.	21:15:03	Made a call in Mumbai Circle

From the above, it can be seen that both phone numbers have travelled from Gujarat to Mumbai more or less at the same time.

(ii) January 18, 2019: Both the mobile numbers were in Mumbai Circle.

(iii) January 19, 2019:

Table no. 6

9067584982		8511591152	
Time	Details	Time	Details
16:39:47	Received a call in Mumbai Circle	17:23:42	Made a call in Mumbai Circle.
16:39:47 to 19:47:05	No calls/SMSes were received/made/sent	17:23:42 to 20:05:19	No calls/SMSes were received/made/sent
19:47:05	Made a call in Gujarat Circle.	20:05:19	Made a call in Gujarat Circle.

From the above, it can be seen that both phone numbers have travelled from Mumbai to Gujarat at approximately the same time.

B. Similarly, during the entire Patch -3, mobile number – 9067584982 was observed to be in Rajasthan Circle only on following dates – January 26, 2019 and January 27, 2019. It was observed that during the entire Patch-3 mobile number – 8511591152 was also in Rajasthan Circle only on January 26, 2019 and January 27, 2019. Details of the same are as given below:

(i) January 26, 2019:

Table no. 7

9067584982		8511591152	
Time	Details	Time	Details
12:54:19	Received SMS in Gujarat Circle	12:54:57	Received a call in Gujarat Circle.
12:54:19 to 13:55:48.	No calls/SMSes were received/made/sent	12:54:57 to 14:20:09	No calls/SMSes were received/made/sent
13:55:48	Received SMS in Rajasthan Circle	14:20:09	Received a call in Rajasthan Circle

From the above, it can be seen that both phone numbers have travelled from Gujarat to Rajasthan more or less at the same time.

(ii) January 27, 2019:

Table no. 8

9067584982		8511591152	
Time	Details	Time	Details
16:52:14	Received SMS in Rajasthan Circle	18:00:40	Received SMS in Rajasthan Circle.
16:52:14 to 19:47:05.	No calls/SMSes were received/made/sent	18:00:40 to 18:26:38.	No calls/SMSes were received/made/sent
20:03:11	Received SMS in Gujarat Circle	18:26:38	Received a call in Gujarat Circle

From the above, it can be seen that both phone numbers have travelled from Rajasthan to Gujarat at a similar time.

b. Moreover, during the entire Patch-3, no call was made between the two numbers i.e. 9067584982 and 8511591152. Further, no overlapping calls were observed during the entire Patch-3. That is, when 9067584982 was on call, 8511591152 was not on call and vice versa.

c. Other relevant observations:

- i 8511591152 made 19 calls (Time duration: 830 seconds) to Newrise and received 48 calls (Time duration: 1754 seconds) from Newrise. Rahul Dwivedi – 7987209962 was the point of contact on behalf of Newrise.
- ii 8511591152 has made 2 calls (Time duration: 49 seconds) to Rakesh Natwarlal Bhatt (9879508494) and has received 1 call (Time duration: 37 seconds) from Rakesh Natwarlal Bhatt.
- iii 8511591152 has made 26 calls (Time duration: 740 seconds) to 9537759295 and has received 12 calls (Time duration: 259 seconds) from 9537759295. The said mobile no. 9537759295, was mentioned as the number of Kasambhai Umarbhai Shekh (Father of Hanif Shekh) and Mrs. Shekh Hasina Kasambhai (Mother of Hanif Shekh) in the letter of offer while acquiring stake in Econo Trade (India) Ltd. Further, from the Customer Application Form (CAF) provided by the TSP (Vodafone), the mobile number

(9537759295) belongs to Kasambhai Umarbhai Shekh (Father of Hanif Shekh).

23. I note that Hanif Shekh (Noticee no.1) did not submit any written reply before me, even after being advised to do so. During the hearing, Noticee no.1 stated that he had been filing complaints against persons who had defrauded investors by sending bulk SMSes and creating a false market. Noticee no.1 has stated that now he was being victimized by the very same people, who were trying to mislead SEBI. The Noticee has said that though he knew Newrise, he was never involved in sending any bulk SMSes. Newrise, as per Hanif Shekh, was either being misled into thinking that Hanif Shekh was a sender, or had misrepresented the same willingly for some consideration. He also stated that Newrise would never reveal its real client as they earn huge profits through these very persons. Hanif Shekh stated that Newrise was in violation of TRAI and SEBI circulars/ rules and have named him because his complaints have caused huge losses to Newrise. During the hearing, Noticee No.1 made contradictory submissions, sometimes stating that he knew the persons involved in the scheme of circulating bulk SMSes and offloading shares thereafter and at other times denying that he knew any of the Noticees. Despite being counseled during the hearing to make oral/ written submissions on merit, Noticee no.1 kept making submissions about persons who had supposedly entrapped him. I also note that Noticee no.1 submitted a screenshot to show that he was the original complainant in many cases, but he could not submit any evidence to show that he was not a part of the manipulation in the matter as alleged in the SCN, nor did he submit any evidence to support his contention that he was being set up. All through the personal hearing, the Noticee remained evasive but pretended to be cooperating with the instant enquiry. It also transpired in the course of the hearing that there were certain other proceedings of Enforcement Department or the local police etc. against him. He admitted that he was aware of groups that were involved in SMS circulation in his locality and that he was in touch with security market activities right from his younger days.

24. Even though Noticee no. 1 has claimed that he was not the sender of the impugned SMSes. I cannot overlook the facts brought out by investigation that mobile no. 8511591152 was used to take the services of Newrise. As brought out in the investigation, Mobile no. 9067584982 belongs to Noticee No. 1. The same has been admitted by him and the TSP details also show the same. During the hearing, Hanif Shekh denied that 8511591152 was ever his number. On being questioned whether he had travelled with anyone to Mumbai/ Rajasthan, the Noticee could not provide any concrete answer and made vague and generic statements about always travelling with someone. The Noticee was also asked to check his phone contacts to see if he could identify whom the number belonged to, and the Noticee stated that he was unable to throw any light on the same as he recently changed his phone. I note that the Noticee has made vague submissions and had no evidence to support any of his contentions. He also made no attempt to support his submissions by trying to identify or recall who had travelled with him on these occasions. Hence, I am of the view that his submissions cannot be relied upon in this regard. The location analysis of 9067584982 and 8511591152 revealed that both the numbers were from the Gujarat Circle and in Patch-3 and whenever 9067584982 left Gujarat, so did 8511591152. Moreover, 8511591152 had made multiple calls to the number registered under the name of Hanif Shekh's father. Yet, Noticee no. 1 made no attempt to identify the number and has only made vague statements, which shows that his submissions do not hold any merit. Hence, the above analysis leads to the conclusion that both the mobile numbers (9067584982 and 8511591152) were being used by Hanif Shekh. Since intention of Noticee No. 1 was to use the number for taking services of Telemarketing agencies for sending misleading SMSs and mask his identity, he refrained himself from using his own mobile number.

25. In this connection, it is relevant to be reminded of the fact that the complainant has stated that the persons responsible for circulating the misleading SMS were certain individuals that he had complained to SEBI against, in the past. That being so, I note that the investigation brought out the analysis of location of both the Sims. It is not plausible that these persons were always at the

same location as Noticee no.1. Nor, as noted above, upon being asked at the time of hearing, was Noticee no.1 able to provide details of any person who he was travelling with, during the investigation period. The analysis, as brought out above cannot be a mere coincidence. Hence, I am compelled to conclude that Noticee no.1 was the sender of the Bulk SMSes that gave a “buy” recommendation in the scrip of Darshan Orna during the investigation period. It is also relevant to point out that Newrise had stated that Noticee no.1 was his client since June 2016 and that he used to initially send only 5-6 lakh SMSes in a year and the same gradually increased subsequently. As Noticee No.1 was totally evasive and avoided giving specific replies to the allegations, I am of the view that he has a definite role in the SMS circulation, which stands corroborated by the evidence culled out in SEBI’s investigation. Incidentally, it is observed that Noticee No.1 seems to be the kingpin of the SMS racket that he was pointing towards, during his oral submissions before me.

Off-loading of shares by connected entities of Hanif Shekh after circulation of bulk SMSes.

26. As noted in para 3(ii) above, the investigation observed that certain entities connected to Hanif Shekh (Hanif Group Entities), including Noticee nos.2-37 offloaded their shares after the SMSes were circulated giving “buy” recommendation in the scrip of Darshan Orna were sent by him and made profits illegally. In this regard, I note that Noticees nos.2-37 broadly belong to two sets of persons- one set living in Gujarat, and, the other set in West Bengal. For the sake of convenience, the Hanif Group entities are being divided into two groups, and they are being referred to as the “Gujarat Group” and “Bengal Group”. Details of the Noticees that form part of the “Gujarat Group” and the “Bengal Group”, and their connections and role in the alleged manipulation is brought out in the subsequent paragraphs.

Allegations against Gujarat Group

27. The details of the noticees included in the “Gujarat Group” and connection between the Noticees is brought out below:

Table no. 9

Sl.no.	Name	Basis of connection	Alleged Profit (Rs.)
1	Meda Bhagabhai (Noticee no.17)	- Fund transfer(s) with M/s Ambika Traders, M/s Samukh Trade, Hathila Vaneshbhai Rasubhai and Vaghela Prakash Kantilal. - A fund transfer was observed between M/s Ambika Traders (Prop. Amitkumar Govindbhai Parmar- Noticee no.6) and Robert Resources Ltd. Robert Resources Ltd is a listed company wherein Hanif Shekh (sender of bulk SMSes) is Promoter & Managing Director in 2016. - Meda Bhagabhai, Hathila Vaneshbhai Rasubhai, Bharatkumar Dhirubhai Rupala and Ramnbhai Kalubhai Ravat share common mobile number – 9157861808.	196103.58
2	Aalekh Rajendrabhai Gaur (Noticee no.23)	- Fund transfer(s) with M/s Ambika Traders (Prop. Amitkumar Govindbhai Parmar- Noticee no.6). Ambika Traders had a fund transfer with Robert Resources Ltd (Promoter & MD - Hanif Shekh) in 2016. - Aalekh Rajendrabhai Gaur, Amitkumar Govindbhai Parmar and Govindbhai Parmar share common mobile number – 8401350246. - Aalekh Rajendrabhai Gaur, Priti Parmar, Paresh Parmar and Govindbhai Parmar share common mobile number – 9737143200.	129287.00
3	Manishkumar Rajeshbhai Rajput (Noticee no.26)	Fund transfer(s) with M/s Ambika Traders. M/s Ambika Traders (Prop. Amitkumar Govindbhai Parmar- Noticee no.6). Ambika Traders had a fund transfer with Robert Resources Ltd (Promoter & MD - Hanif Shekh) in 2016.	76632.36
4.	Hasmukh Rajesh Vaghela (Noticee no.4)	- Fund transfer(s) with M/s Ambika Traders (proprietorship of Amit Govindbhai Parmar- Noticee no.6). Ambika Traders had a fund transfer with Robert Resources Ltd (Promoter & MD - Hanif Shekh) in 2016. - Fund transfer(s) with M/s Aneel A & Co. A fund transfer was observed between M/s Aneel A and Co (Proprietor – Manish Nagindas Shah) and Hanif Shekh in 2016. - Fund transfer(s) M/s Samukh Trade (proprietorship of Vishal Barot- Noticee no.3) and Roshan Augustine Christian (Noticee no. 25).	63422.49
14	Chiragkumar Makwana (Noticee no.33)	Fund transfer(s) with M/s Ambika Traders (proprietorship of Amit Govindbhai Parmar- Noticee no.6). Ambika Traders had a fund transfer with Robert Resources Ltd (Promoter & MD - Hanif Shekh) in 2016.	38754.00
15	Bharatbhai Mangaji Thakor (Noticee no.32)	- Fund transfer(s) with M/s Aneel A & Co. A fund transfer was observed between M/s Aneel A and Co (Proprietor – Manish Nagindas Shah) and Hanif Shekh in 2016. - Manish Nagindas Shah and Amrish Nagindas Shah (Noticee no.2) share common address.	35906.86
16	Keval Savant (Noticee no.5)	Fund transfer(s) with M/s Aneel A & Co. A fund transfer was observed between M/s Aneel A and Co (Proprietor – Manish Nagindas Shah) and Hanif Shekh in 2016.	35826.75
17	Ravi Kannadasan Adidraavid (Noticee no.14)	Fund transfer(s) with M/s Ambika Traders (Prop. Amitkumar Govindbhai Parmar- Noticee no.6). Ambika Traders had a fund transfer with Robert Resources Ltd (Promoter & MD - Hanif Shekh) in 2016.	33042.75

Sl.no.	Name	Basis of connection	Alleged Profit (Rs.)
		- Fund transfer(s) with M/s Aneel A & Co. A fund transfer was observed between M/s Aneel A and Co (Proprietor – Manish Nagindas Shah) and Hanif Shekh in 2016. - Fund transfer(s) with M/s Samukh Trade (proprietorship of Vishal Barot- Noticee no.3)	
18	Vaghela Prakash Kantilal (Noticee no.11)	- Fund transfer(s) with M/s Ambika Traders (Prop. Amitkumar Govindbhai Parmar- Noticee no.6). Ambika Traders had a fund transfer with Robert Resources Ltd (Promoter & MD - Hanif Shekh) in 2016. - Fund transfer(s) with M/s Aneel A & Co. A fund transfer was observed between M/s Aneel A and Co (Proprietor – Manish Nagindas Shah) and Hanif Shekh in 2016. - Fund transfer(s) with Meda Bhagabhai (Noticee no.17)	30509.25
19	Parmar Popatbhai (Noticee no.8)	- Fund transfer(s) with M/s Ambika Traders (Prop. Amitkumar Govindbhai Parmar- Noticee no.6). Ambika Traders had a fund transfer with Robert Resources Ltd (Promoter & MD - Hanif Shekh) in 2016. - Fund transfer(s) with M/s Aneel A & Co. A fund transfer was observed between M/s Aneel A and Co (Proprietor – Manish Nagindas Shah) and Hanif Shekh in 2016. - Fund transfer(s) with Preeti Parmar (not a noticee but part of Hanif Shekh group).	24568.79
20	Govindbhai Parmar Govindbhai (Noticee no.15)	- Fund transfer(s) with M/s Ambika Traders (Prop. Amitkumar Govindbhai Parmar- Noticee no.6). Ambika Traders had a fund transfer with Robert Resources Ltd (Promoter & MD - Hanif Shekh) in 2016. - Fund transfer(s) with M/s Aneel A & Co. A fund transfer was observed between M/s Aneel A and Co (Proprietor – Manish Nagindas Shah) and Hanif Shekh in 2016. - Fund transfer(s) with M/s Samukh Trade (proprietorship of Vishal Barot- Noticee no.3)	20886.72
21	Paresh Parmar (Noticee no.31)	Fund transfer(s) with M/s Aneel A & Co. A fund transfer was observed between M/s Aneel A and Co (Proprietor – Manish Nagindas Shah) and Hanif Shekh in 2016.	19685.45
22	Parmar Lilaben Popatbhai (Noticee no.13)	- Fund transfer(s) with M/s Ambika Traders (Prop. Amitkumar Govindbhai Parmar- Noticee no.6). Ambika Traders had a fund transfer with Robert Resources Ltd (Promoter & MD - Hanif Shekh) in 2016. - Fund transfer(s) with M/s Aneel A & Co. A fund transfer was observed between M/s Aneel A and Co (Proprietor – Manish Nagindas Shah) and Hanif Shekh in 2016. - Fund transfer(s) with M/s Samukh Trade (proprietorship of Vishal Barot- Noticee no.3)	8255.11
23	Barot Hina (Noticee no.24)	- Fund transfer(s) with M/s Ambika Traders (Prop. Amitkumar Govindbhai Parmar- Noticee no.6). Ambika Traders had a fund transfer with Robert Resources Ltd (Promoter & MD - Hanif Shekh) in 2016. - Barot Hina shares common address and email-id with Vishal Jitendrakumar Barot (Noticee no.3).	5808.96
24	Bharatkumar Dhirubhai Rupala (Noticee no.27)	Fund transfer(s) with M/s Aneel A & Co. A fund transfer was observed between M/s Aneel A and Co (Proprietor – Manish Nagindas Shah) and Hanif Shekh in 2016.	1834.58

Sl.no.	Name	Basis of connection	Alleged Profit (Rs.)
25	Hathila Vaneshbhai Rasubhai (Noticee no.10)	- Fund transfer(s) with M/s Ambika Traders (Prop. Amitkumar Govindbhai Parmar- Noticee no.6). Ambika Traders had a fund transfer with Robert Resources Ltd (Promoter & MD - Hanif Shekh) in 2016. - Fund transfer(s) with M/s Aneel A & Co. A fund transfer was observed between M/s Aneel A and Co (Proprietor – Manish Nagindas Shah) and Hanif Shekh. - Fund transfer(s) with Meda Bhagabhai (Noticee no.17) - Fund transfer(s) with M/s Samukh Trade (proprietorship of Vishal Barot- Noticee no.3)	450.75
26	Amrish Shah (Proprietor of Shakti Enterprise) (Noticee no.2)	- M/s Shakti Enterprise (Proprietor - Amrish Shah) and Amrish Shah have fund transfers with two Hanif group entities – Buddhadeb Laha (Noticee no.36) and Arun Dutta (Noticee no.22). - As per the contact details obtained from Canara Bank, M/s Shakti Enterprise and M/s Aneel A & Co share common address. A fund transfer was observed between M/s Aneel A and Co (Proprietor – Manish Nagindas Shah) and Hanif Shekh in 2016.	404.25
27	Amitkumar Govindbhai Parmar (Noticee no.6)	Proprietor of M/s Ambika Traders. Ambika Traders had a fund transfer with Robert Resources Ltd (Promoter & MD - Hanif Shekh) in 2016.	177.25
28	Dipika Popatbhai Parmar (Noticee no.9)	- Fund transfer(s) with M/s Ambika Traders (Prop. Amitkumar Govindbhai Parmar- Noticee no.6). Ambika Traders had a fund transfer with Robert Resources Ltd (Promoter & MD - Hanif Shekh) in 2016. - Fund transfer(s) with M/s Aneel A & Co. A fund transfer was observed between M/s Aneel A and Co (Proprietor – Manish Nagindas Shah) and Hanif Shekh in 2016. - Fund transfer(s) with M/s Samukh Trade (proprietorship of Vishal Barot- Noticee no.3). - Dipika Popatbhai Parmar and Karan Birjubhai Sanghvi (Noticee no.28) share common mobile number – 9409114664.	113.75
29	Roshan Augustine Christian (Noticee no.25)	- Fund transfer(s) with M/s Ambika Traders (Prop. Amitkumar Govindbhai Parmar- Noticee no.6). Ambika Traders had a fund transfer with Robert Resources Ltd (Promoter & MD - Hanif Shekh) in 2016. - Roshan Augustine Christian (Noticee no.25), Parmar Lilaben Popatbhai (Noticee no.13) and Amitkumar Govindbhai Parmar (Noticee no.6) share common mobile number – 9725607947.	93.25
30	Ramnbhai Kalubhai Ravat (Noticee no.16)	Fund transfer(s) with M/s Samukh Trade (proprietorship of Vishal Barot- Noticee no.3)	90.50
31	Krusha Birjukumar Sanghvi (Noticee no.29)	Fund transfer(s) with Amitkumar Govindbhai Parmar- Noticee no.6 (Prop.of M/s Ambika Traders). Krusha Birjukumar Sanghvi and M/s Ambika Traders share common email-id. Ambika Traders had a fund transfer with Robert Resources Ltd (Promoter & MD - Hanif Shekh) in 2016.	90.50

Sl.no.	Name	Basis of connection	Alleged Profit (Rs.)
		Krusha Birjukumar Sanghvi, Karan Birjubhai Sanghvi (Noticee no.28) and Rachana Birjukumar Sanghvi (Noticee no.30) share common address.	
32	Karan Birjubhai Sanghvi (Noticee no.28)	- Fund transfer(s) with M/s Aneel A & Co. A fund transfer was observed between M/s Aneel A and Co (Proprietor – Manish Nagindas Shah) and Hanif Shekh in 2016. - Dipika Popatbhai Parmar (Noticee no.9) and Karan Birjubhai Sanghvi share common mobile number – 9409114664.	90.50
33	Rachana Birjukumar Sanghvi (Noticee no.30)	Fund transfer(s) with M/s Aneel A & Co. A fund transfer was observed between M/s Aneel A and Co (Proprietor – Manish Nagindas Shah) and Hanif Shekh in 2016.	90.50
34	Rimmi Dharmendra Shah (Noticee no.12)	- Fund transfer(s) with M/s Samukh Trade. - Fund transfer(s) with Amitkumar Govindbhai Parmar (Noticee no.6) and his proprietorship M/s Ambika Traders. Ambika Traders had a fund transfer with Robert Resources Ltd (Promoter & MD - Hanif Shekh) in 2016 in 2016. - Fund transfer(s) with M/s Aneel A & Co. A fund transfer was observed between M/s Aneel A and Co (Proprietor – Manish Nagindas Shah) and Hanif Shekh in 2016.	87.75
35	Licy Roshan Augustine (Noticee no.7)	Fund transfer(s) with M/s Ambika Traders. Ambika Traders had a fund transfer with Robert Resources Ltd (Promoter & MD - Hanif Shekh) in 2016.	86.75
36	Vishal Jitendrakumar Barot (Noticee no.3)	- Proprietor of M/s Samukh Trade. - As per the contact details obtained from Canara Bank, the address of M/s Samukh Trade is “E 256 Sivalika Co Op House Bhoot Bangla, Kaligam, Ahmedabad” and the address of M/s Aneel A & Co is “E 255 Sivalika Co Op Hos Society, Bhoot Bungla, Kaligam, Ahmedabad”.	86.75

(The Noticees have been serially arranged in descending order of alleged profit made, as brought out in Table no.12 below.)

28. From the above table, I note that the noticees belonging to the Gujarat Group are alleged to be indirectly connected to Hanif Shekh by reason of two fund transfers- one between M/s Aneel A and Co. and Hanif Shekh and the other between M/s Ambika Traders and Robert Resources. Robert Resources Ltd., in which Hanif Shekh (Noticee no.1) was the Promoter and Managing Director.

29. I have taken note of the fact that Robert Resources Ltd. is a listed company wherein Hanif Shekh (Noticee no.1 and sender of bulk SMSes) is Promoter and Managing Director. Hence, it is alleged that M/s Ambika Traders was connected with Hanif Shekh on the basis of the fact that it had a fund transfer with Hanif Shekh. The details of the fund transfers are placed below:

Table no.10

Date	Description	Credit/Debit	Amount (in Rs)
12/07/2016	RTGSOW: ROBERT RESOURCES LTD ESCROW ACCOUNT- CNRBR52016071200517747	Debit	3214000

30. Similarly, a fund transfer was observed between M/s Aneel A and Co (Proprietor – Manish Nagindas Shah) and Hanif Shekh. Thus, it has been alleged that M/s Aneel A and Co and Hanif Shekh are connected to each other. The details of the fund transfer are placed below:

Table no.11

Date	Description	Credit/Debit	Amount (in Rs)
03/08/2016	RTGSOW: HANIF SHEKH- CNRBR52016080300678446	Debit	1000000

31. In this regard, I note that the entire basis of connection between the Gujarat Group Noticees and Hanif Shekh hinges on the aforesaid two fund transfers that took place in 2016. In order to establish the connection of Hanif Shekh, who, as established above, circulated the bulk SMSes, with the noticees belonging to the Gujarat Group, the investigation has relied upon two standalone fund transactions, as early as 2016. The investigation does not bring out any other transaction between M/s Aneel A and Co. / M/s Ambika Traders and Hanif Shekh/ companies connected to him. Further, the fund transfer is not proximate in timing to the investigation period and scheme of manipulation/ circulation of SMSes. I also note that the SCN has not brought out any other fact or connection between these entities. In view of the same, I do not find connection between Hanif Shekh and the Gujarat Group being established, so as to allege that these entities were connected to Noticee No.1 and had knowledge of the SMS circulation while they traded in the scrip of Darshan Orna.

32. Further, the trading pattern of the Gujarat Group noticees does not bring out any fact that would lead to a conclusion that they were involved in the scheme of manipulation in the scrip of Darshan Orna. They did not receive any funding for the purpose of executing the trades under investigation. There is no charge

of any self/ circular/ reversal trades against these Gujarat Group noticees which would lead to the inference that they were involved in the manipulation. Most of the Gujarat Group Noticees have bought and sold very few shares and made miniscule profits. Details of the same are as under:

Table no.12

Sl. No.	Name	Buy Qty	Buy Value	VWAP (Buy)	Sell Qty	Sell Value	VWAP (Sell)	Profit (Rs.)
1.	Vishal Jitendrakumar Barot (Noticee no.3)	15	1449	96.6	15	1535.75	102.38	86.75
2.	Licy Roshan Augustine (Noticee no.7)	15	1449	96.6	15	1535.75	102.38	86.75
3.	Rimmi Dharmendra Shah (Noticee no.12)	5	415	83	5	502.75	100.55	87.75
4.	Rachana Birjukumar Sanghvi (Noticee no.30)	5	424.25	84.85	5	514.75	102.95	90.50
5.	Karan Birjubhai Sanghvi (Noticee no.28)	5	424.25	84.85	5	514.75	102.95	90.50
6.	Krusha Birjukumar Sanghvi (Noticee no.29)	5	424.25	84.85	5	514.75	102.95	90.50
7.	Ramnbhai Kalubhai Ravat (Noticee no.16)	5	424.25	84.85	5	514.75	102.95	90.50
8.	Roshan Augustine Christian (Noticee no.25)	15	1444.75	96.32	15	1538	102.53	93.25
9.	Dipika Popatbhai Parmar (Noticee no.9)	5	426.25	85.25	5	540	108	113.75
10.	Amitkumar Govindbhai Parmar (Noticee no.6)	20	1873.25	93.66	20	2050.5	102.53	177.25
11.	Amrish Shah (Noticee no.2)	35	3115	89	35	3519.25	100.55	404.25
12.	Hathila Vaneshbhai Rasubhai (Noticee no.10)	2765	291610	105.46	2765	292060.75	105.63	450.75
13.	Bharatkumar Dhirubhai Rupala (Noticee no.27)	76883	8083612.8	105.14	60466	6359335.35	105.17	1834.58
14.	Barot Hina (Noticee no.24)	9214	991946.55	107.66	8314	900864.7	108.36	5808.96
15.	Parmar Lilaben Popatbhai (Noticee no.13)	12752	1383007.2	108.45	11662	1273047.3	109.16	8255.11
16.	Paresh Parmar (Noticee no. 31)	128437	13562427.15	105.6	99775	10555521.45	105.79	19685.45
17.	Govindbhai Parmar Govindbhai (Noticee no. 15)	83412	8804282.4	105.55	78912	8350186.25	105.82	20886.72
18.	Parmar Popatbhai (Noticee no.8)	4804	467593.2	97.33	3804	394827.85	103.79	24568.79

19.	Vaghela Prakash Kantilal (Noticee no.11)	15790	1663847	105.37	15790	1694356.25	107.31	30509.25
20.	Ravi Kannadasan Adidraavid (Noticee no.14)	45055	4896215	108.67	45055	4929257.75	109.41	33042.75
21.	Keval Savant (Noticee no.5)	36805	3969190	107.84	36805	4005016.75	108.82	35826.75
22.	Bharatbhai Mangaji Thakor (Noticee no.32)	71906	7806976.35	108.57	57031	6227875.1	109.2	35906.86
23.	Chiragkumar Makwana (Noticee no.33)	26100	2803821	107.43	26100	2842575	108.91	38754.00
24.	Hasmukh Rajesh Vaghela (Noticee no.4)	49520	5082749.9	102.64	45236	4706461.15	104.04	63422.49
25.	Manishkumar Rajeshbhai Rajput (Noticee no.26)	62704	6596729.6	105.2	61664	6563949.5	106.45	76632.36
26.	Aalekh Rajendrabhai Gaur (Noticee no.23)	59751	6224493.9	104.17	59751	6353780.9	106.34	129287.00
27.	Meda Bhagabhai (Noticee no. 17)	108360	11213407.05	103.48	99189	10460468.95	105.46	196103.58
							Total	722387.15

33. From the above table, I note that eight noticees belonging to the Gujarat Group have made a profit of less than Rs.100. Another set of four noticees have made a profit of less than Rs.500. Only two noticees belonging to the Gujarat Group has made a profit of more than Rs.1,00,000. Eleven of the Gujarat Group Noticees have bought and sold less than 50 shares.

34. The SCN also alleges that Noticee nos.2-11, who are part of the Gujarat Group were involved in the funding transactions/ layering of funds for purchases of shares of Darshan Orna Ltd. in Patch 3 of the investigation period, which were then offloaded after the price rose following the circulation of bulk SMSes. However, in light of the fact that the connection of these noticees (Noticees no.2-11) belonging to the Gujarat Group to Hanif Shekh has been sourced back to only two isolated fund transactions that took place way back in 2016, I am of the view that there is no sufficient material brought on record to establish the link of these Noticees with the alleged scheme of SMS circulation to pump up the price of the scrip of Darshan Orna so that they could exit with profits. Accordingly, I am inclined to extend the benefit of doubt to Noticee nos.2-11 belonging to the Gujarat Group and drop the allegations contained in the SCN against them without any adverse findings.

35. As regards the other Noticees of the Gujarat Group (i.e. Noticee nos.12-17 and 23-33), I note that the investigation has not made out either the connection or the trading pattern, which would compel one to infer a nexus of these entities to the scheme of manipulation through circulation of bulk SMSes and thereafter selling of shares at a profit. In view of the same, I am inclined to also extend the benefit of doubt to the Noticee nos.12-17 and 23-33 belonging to the Gujarat Group and drop the allegations contained in the SCN against them without any adverse findings.

Connection of certain Bengal Group notices with Nandu Shaw companies.

36. To begin with, the Bengal Group noticees are Noticee nos. 18-22 and 34-37 as stated at para 26 above. I further note that certain noticees belonging to Bengal Group, namely Buddhadeb Laha (Noticee no.36), Arun Dutta (Noticee no.22), Priyankar Laha (Noticee no.37), Minu Mallick (Noticee no.19), Arun Laha (Noticee no.18) and Sanjay Dey (Noticee no.21) had received funds from a few companies, including DK Jain Properties Private Ltd., Amuly Suppliers Private Ltd., MR Merchants Private Ltd and Midpoint Commodeal Private Ltd. which all had a common director, Mr. Nandu Shaw, as brought out in the SCN. For ease of reference, they are being called '**Nandu Shaw companies**'. Details of the same are given below:

Table no.13

Sl.no.	Name of the entity	Relevance	Basis of connection
1	D K Jain Properties Private Ltd	Funded the trades of four of the Hanif Group entities- • Buddhadeb Laha • Arun Dutta • Priyankar Laha • Minu Mallick • Sanjay Dey	Mr. Nandu Shaw (DIN: 06403637) is the common director to entities at Sl.no. 1-4.
2	Amuly Suppliers Private Ltd		
3	MR Merchants Private Ltd		
4	Midpoint Commodeal Private Ltd		

37. A few instances of the above-mentioned funding transactions are given below:

- i. On December 19, 2018, Minu Mallick (Noticee no.19) received Rs.20,00,000 (in IDBI Bank A/c–0359102000040406) from Midpoint Commodeal Private Ltd and the next day i.e. December 20, 2018, Minu Mallick transferred 19,85,890 to her stock-broker, Motilal Oswal Securities Ltd
- ii. On December 20, 2018, Minu Mallick (Noticee no.19) received Rs. 25,00,000 (in IDBI Bank A/c – 0359102000040406) from MR Merchants Private Ltd. and on the same day, transferred Rs 25,14,110 to Motilal Oswal Securities Ltd (stock-broker).
- iii. On December 15, 2018, Buddhadeb Laha (Noticee no.36) received Rs 20,00,000 (in IDBI Bank A/c–0359102000040202) from Midpoint Commodeal Private Ltd and Rs 15,00,000 from D K Jain Properties Private Ltd. On December 17, 2018, he transferred Rs 30,00,000 to Edelweiss Broking Limited (stock-broker). No other transactions were observed from December 15, 2018 to December 17, 2018.
- iv. On December 10, 2018 and December 11, 2018, Sanjay Dey (Noticee no.21) received Rs. 22,00,000 and Rs. 3,00,000 (Kotak Mahindra Bank A/c – 0212912603), respectively from Amuly Suppliers Private Ltd. and immediately, on December 11, 2018 and December 12, 2018 transferred Rs 22,00,000 and Rs 3,00,000 respectively to Religare Broking Ltd (stock-broker).
- v. On January 1, 2019, Priyankar Laha (Noticee no.37) received Rs 10,00,000 (DCB Bank A/c – 08922900018665) from Midpoint Commodeal Private Ltd. The next day, i.e. on January 2, 2019, Priyankar Laha transferred Rs. 10,00,000 to Edelweiss Broking Limited (stock-broker).

38. From the above, I note that just a day or two prior to sending money to their brokers, Buddhadeb Laha (Noticee no.36), Arun Dutta (Noticee no.22), Priyankar Laha (Noticee no.37), Minu Mallick (Noticee no.19), Arun Laha (Noticee no.18) and Sanjay Dey (Noticee no.21) received nearly identical amounts from Nandu Shaw companies, including DK Jain Properties Private Ltd., Amuly Suppliers Private Ltd, MR Merchants Private Ltd and Midpoint

Commodeal Private Ltd. DK Jain Properties Private Ltd. was seen to be connected to Hanif Shekh (Noticee no.1) and details of the same are given in the following paragraphs.

39. I also note from the bank account statements forming part of Annexure 2 to the SCN that Highgrowth Vincom Private Limited (Noticee no.35) and Glorious Vincom Pvt. Ltd. (Noticee no.34) have had multiple bank transactions with Amuly Suppliers Private Limited, a Nandu Shaw company. A few instances of the fund transfers shown in the bank account of Amuly Suppliers Pvt. Ltd. are shown below:

Table no.14

Date	Description	Amount Debited (Rs.)
11/10/2018	RTGS OUT,RTGS/BDBLR52018101100001562/GLORIOUS VINCOM PRIVATE LIMITED/ UBIN0539708/ 397001010230213	10,00,000.00
11/10/2018	TGS OUT,RTGS/BDBLR52018101100001838/GLORIOUS VINCOM PRIVATE LIMITED/UBIN0539708/ 397001010230213	6,00,000.00
11/10/2018	RTGS OUT,RTGS/BDBLR52018101100001845/HIGHGROW TH VINCOM PVT LTD/UBIN0539708/397001010230211	8,50,000.00
29/10/2018	RTGS OUT,RTGS/BDBLR52018102900000816/HIGHGROW TH VINCOM PVT LTD/UBIN0539708/397001010230211	10,00,000.00
29/10/2018	RTGS OUT,RTGS/BDBLR52018102900000822/HIGHGROW TH VINCOM PVT LTD/UBIN0539708/397001010230211	10,00,000.00
29/10/2018	RTGS OUT,RTGS/BDBLR52018102900000893/HIGHGROW TH VINCOM PVT LTD/UBIN0539708/397001010230211	10,00,000.00
29/10/2018	RTGSOUT,RTGS/BDBLR52018102900000896/HIGHGROWTH VINCOM PVT LTD/UBIN0539708/397001010230211	10,00,000.00
29/10/2018	RTGS OUT,RTGS/BDBLR52018102900001208/HIGHGROW TH VINCOM PVT LTD/UBIN0539708/397001010230211	4,50,000.00

40. The SCN notes that as per the MCA website, DK Jain Properties Private Ltd. (one of the above named companies wherein Nandu Shaw was a director) had the same registered address as Econo Trade (India) Ltd. The address of DK Jain Properties Private Ltd. is 9/12 Lal Bazaar Street, 3rd floor, Block B, Room no.17, Kolkata 700001 and the address of Econo Trade (India) Ltd. is 9/12 Lal Bazaar Street, 3rd floor, Block B, Room no.3103, Kolkata 700001. The Bengal Group noticees in their replies before me have stated that the addresses of DK Jain Properties Private Ltd. and Econo Trade (India) Ltd. are not the same. However, I note that the street, block, building number and even

floor of the two companies are identical, but their room numbers are different. Undisputedly, the two companies operated out of the same floor of the same building and are neighbours.

41. The investigation has sought to establish the inter-se connection between the Bengal Group notices as shown below:

Table no.15

Sl.no.	Name	Basis of connection	Alleged Profit (Rs.)
1	Minu Mallick (Noticee no.19)	- Entity had been funded by Midpoint Comodeal Pvt Ltd. - Midpoint Comodeal Pvt. Ltd. had common director – Nandu Shaw (DIN: 06403637) with D K Jain Properties Pvt. Ltd. - D K Jain Properties Pvt. Ltd. had same address - 9/12, Lal Bazaar Street, 3rd Floor, Block - B, Room No. 3103 Kolkata – 700001 with Econo Trade(India) Ltd. - Econo Trade (India) Ltd is the company where parents of Hanif Kasambhai Shekh (Kasambhai Umarbhai Shekh and Mrs. Shekh Hasina Kasambhai) are the directors. - As per UCC details, Econo Trade (India) Ltd shares common mobile number (9067584982) with Hanif Kasambhai Shekh.	1879803.75
2	Buddhadeb Laha (Noticee no.36)	- Entity had been funded by Midpoint Comodeal Pvt Ltd. - Midpoint Comodeal Pvt. Ltd. had common director – Nandu Shaw (DIN: 06403637) with D K Jain Properties Pvt. Ltd. - D K Jain Properties Pvt. Ltd. had same address - 9/12, Lal Bazaar Street, 3rd Floor, Block - B, Room No. 3103 Kolkata – 700001 with Econo Trade(India) Ltd. - Econo Trade (India) Ltd is the company where parents of Hanif Kasambhai Shekh (Kasambhai Umarbhai Shekh and Mrs. Shekh Hasina Kasambhai) are the directors. - As per UCC details, Econo Trade (India) Ltd shares common mobile number (9067584982) with Hanif Kasambhai Shekh. - Similar address (MADHYA SHIBPUR RAMCHANDRA NAGAR MADHYA SHIBPUR SOUTH 24 PARGANAS): i. Arun Laha (Noticee no.18) ii. Ujjal Laha (Noticee no.20) iii. Sanjay Dey (Noticee no.21) iv. Buddhadeb Laha (Noticee no.36) v. Priyanka Laha (Noticee no.37)	1316042.67
3	Sanjay Dey (Noticee no.21)	- Entity had been funded by Midpoint Comodeal Pvt Ltd. - Midpoint Comodeal Pvt. Ltd. had common director – Nandu Shaw(DIN: 06403637) with D K Jain Properties Pvt. Ltd. - D K Jain Properties Pvt. Ltd. had same address - 9/12, Lal Bazaar Street, 3rd Floor, Block - B, Room No. 3103 Kolkata – 700001 with Econo Trade(India) Ltd. - Econo Trade (India) Ltd is the company where parents of Hanif Kasambhai Shekh (Kasambhai Umarbhai Shekh and Mrs. Shekh Hasina Kasambhai) are the directors. - As per UCC details, Econo Trade (India) Ltd shares common mobile number (9067584982) with Hanif Kasambhai Shekh.	1184521.85

		- Similar address (MADHYA SHIBPUR RAMCHANDRA NAGAR MADHYA SHIBPUR SOUTH 24 PARGANAS): i. Arun Laha (Noticee no.18) ii. Ujjal Laha (Noticee no.20) iii. Sanjay Dey (Noticee no.21) iv. Buddhadeb Laha (Noticee no.36) v. Priyankar Laha (Noticee no.37)	
4	Highgrowth Vincom Private Limited (Noticee no.35)	- Highgrowth Vincom Private Limited had transferred Rs.3.60 crores to a company called Lagan Barter Pvt Ltd. during period Feb 2018 to Mar 2019. - One of the directors of Lagan Barter Pvt Ltd. viz. Kamal Das has same address as Arun Laha (Noticee no.18), Ujjal Laha (Noticee no.20), Sanjay Dey (Noticee no.21), Buddhadeb Laha (Noticee no.36) and Priyankar Laha (Noticee no.37) viz. "Madhya Shibpur, Ramchandranagar South 24 Parganas, Magrahat II, Howrah 743372". - Highgrowth Vincom Private Limited and Glorious Vincom Private Limited (Noticee no.34) have common directors viz Amu Thapa and Saikat Das	904579.30
5	Glorious Vincom Private Limited (Noticee no.34)	Highgrowth Vincom Private Limited (Noticee no.35) and Glorious Vincom Private Limited have common directors viz Amu Thapa and Saikat Das	672629.65
6	Ujjal Laha (Noticee no.20)	- Similar address (MADHYA SHIBPUR RAMCHANDRA NAGAR MADHYA SHIBPUR SOUTH 24 PARGANAS): vi. Arun Laha (Noticee no.18) vii. Ujjal Laha (Noticee no.20) viii. Sanjay Dey (Noticee no.21) ix. Buddhadeb Laha (Noticee no.36) x. Priyankar Laha (Noticee no.37)	573071.55
7	Arun Dutta (Noticee no.22)	- Received funding from companies in which Nandu Shaw was a director. Nandu Shaw is a director in DK Jain Properties Pvt. Ltd. which had a similar address as Econo Trade (India) Ltd. - Off-market transaction in the scrip of Darsah Orna Ltd. with Priyankar Laha (Noticee no.37) on January 11, 2019	196830.82
8	Priyankar Laha (Noticee no.37)	- Similar address (MADHYA SHIBPUR RAMCHANDRA NAGAR MADHYA SHIBPUR SOUTH 24 PARGANAS): i. Arun Laha (Noticee no.18) ii. Ujjal Laha (Noticee no.20) iii. Sanjay Dey (Noticee no.21) iv. Buddhadeb Laha (Noticee no.36) v. Priyankar Laha (Noticee no.37) - Received funding from companies in which Nandu Shaw was a director. Nandu Shaw is a director in DK Jain Properties Pvt. Ltd. which had a similar address as Econo Trade (India) Ltd. - Off-market transaction in the scrip of Darsah Orna Ltd. with Arun Dutta (Noticee no.22) on 11/01/2019	91269.68
9	Arun Laha (Noticee no.18)	- Similar address (MADHYA SHIBPUR RAMCHANDRA NAGAR MADHYA SHIBPUR SOUTH 24 PARGANAS): i. Arun Laha (Noticee no.18) ii. Ujjal Laha (Noticee no.20) iii. Sanjay Dey (Noticee no.21) iv. Buddhadeb Laha (Noticee no.36) v. Priyankar Laha (Noticee no.37)	82022.59

		Received funding from companies in which Nandu Shaw was a director. Nandu Shaw is a director in DK Jain Properties Pvt. Ltd. which had a similar address as Econo Trade (India) Ltd.	
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(Note: The Noticees in Table no.15 have been arranged serially in descending order of alleged profit made, as brought out in Table no.25 below.)

42. From the above, I note that Arun Dutta (Noticee no.22) had purchased 9900 shares of Darshan Orna on January 11, 2019 from Priyankar Laha (Noticee no.37) in an off- market transaction. I note that Arun Dutta has not denied the same and stated that the said off-market transaction enabled him to sell a large quantity in a single transaction. The above named Noticees have denied that the same shows any connection. However, it is reasonable to presume that the buyer and seller in an off-market transaction are personally known to each other and hence connected.

43. Further, I note that Arun Laha (Noticee no.18), Ujjal Laha (Noticee no.20), Sanjay Dey (Noticee no.21), Buddhadeb Laha (Noticee no.36) and Priyankar Laha (Noticee no.37) shared a similar address, i.e., Madhya Shibpur Ramchandra Nagar, South 24 Parganas. I note that the abovenamed Noticees have stated that though they resided in the same village called Laha Para and hence have a similar postal address, their house numbers are different. In this regard, I note that these noticees have stated that they have submitted Voter ID cards in support of their submissions. However, some of the photocopies of the Voter ID cards submitted by the aforementioned Noticees to show the house numbers is a cropped image. No details of which agency issued the said card or any stamp or seal are visible; albeit, the house numbers shown therein are different. In this connection, I have also verified the KYC documents, bank statements, UCC details and loan agreements of these noticees to see if the house numbers are shown. Strangely enough, none of the documents except the Voter ID cards submitted by the aforementioned Noticees show any house/ room number. The circumstances surrounding these facts, including the off-market transfer between Arun Dutta and Priyankar Laha, compels me to draw an adverse inference against Arun Laha (Noticee no.18), Ujjal Laha (Noticee no.20), Sanjay Dey (Noticee no.21), Buddhadeb Laha (Noticee no.36) and Priyankar Laha (Noticee no.37) that

they may be connected to each other or at the very least were acquainted with each other by virtue of hailing from the same locality, while they traded in Darshan Orna. Moreover, I note that they have accepted that they all resided in the same village.

44. The abovenamed Bengal Group noticees have stated that the aforesaid connections through fund transfers, common director of the funding Companies and proximate addresses are farfetched and cannot be relied upon to make any allegations against them. In this regard, I note that the Hon'ble Securities Appellate Tribunal in the matter of *Sanjay Tayal Vs. SEBI* (Appeal No. 68 of 2013, Date of Decision: February 11, 2014) held as follows:

“29...

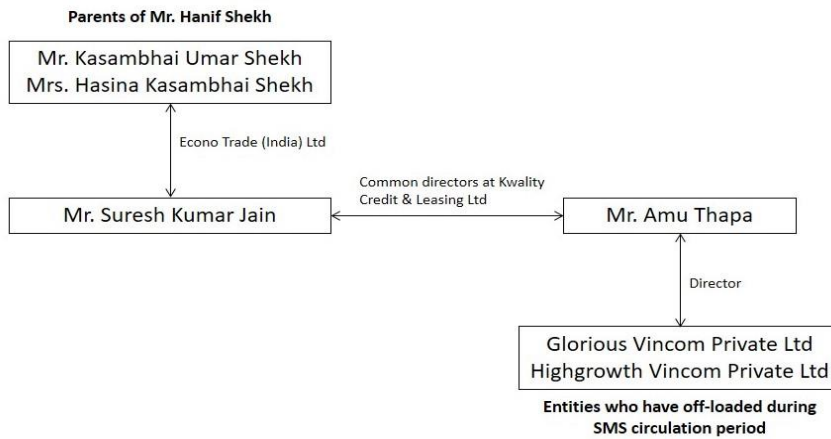
(a)... In the absence of any explanation as to how so many entities had common address and had common directors, and some entities were located in residential premises, inference drawn by AO that all these entities were connected entities cannot be faulted.”

From the above cited order of the Hon'ble SAT, I note that proximate addresses also may show connection, depending on the circumstances. I also note that the aforementioned noticees belonging to the Bengal Group have not denied that they received these funds, but have stated that they were all loan transactions. In fact, these Noticees have also stated that they had frequent loan transactions with the abovenamed companies wherein Nandu Shaw was a director.

Connection of Noticee nos. 34 and 35 with Econo Trade (India) Ltd. (Hanif Shekh company)

45. Further, I note that the SCN also brings out connections of the other Bengal Group noticees. Glorious Vincom Private Limited (Noticee no.34) had common directors (Amu Thapa and Saikat Das) with Highgrowth Vincom Private Limited (Noticee no.35). Further, I note from Annexure 18 to the SCN (Additional documents for connection of entities with Hanif Shekh) that the aforementioned Amu Thapa was also a director in a company called Kwaliti

Credit & Leasing Ltd., another Bengal based company, wherein he had a co-director by the name of Suresh Kumar Jain. Suresh Kumar Jain was also a director of Econo Trade (India) Ltd. till July 27, 2018. I note that the parents of Hanif Shekh acquired stake in Econo Trade (India) Ltd. on July 19, 2018 i.e. when Suresh Kumar Jain was a director therein. Further, I note that Kasambhai Umarbhai Shekh (Father of Hanif Shekh) and Shekh Hasina Kasambhai (Mother of Hanif Shekh) were appointed as the Director and the Managing Director of Econo Trade (India) Ltd. respectively, in a board meeting dated July 21, 2018. Suresh Kumar Jain attended the said board meeting. The diagrammatic representation of the above along with explanation is placed below:



The above diagram shows that Noticee no.34 and 35 are indirectly connected to Econo Trade (India) Ltd.

46. Further, as noted in the SCN, the directors of Econo Trade (India) Ltd. are Kasambhai Umarbhai Shekh and Shekh Hasina Kasambhai, who are the parents of Hanif Shekh. Robert Resources Limited is one of the promoters of Econo Trade (India) Ltd. Hanif Shekh is the Managing Director and Promoter of Robert Resources Limited (listed on MSEI). Further, Econo Trade (India) Ltd. shares a common mobile number (9067584982) with Hanif Shekh, as per the UCC details received from BSE. During the personal hearing, Hanif Shekh admitted that he is connected to Econo Trade (India) Ltd.

47. In view of the same, the facts that come to light are that Econo Trade (India) Ltd., a company closely related to Hanif Shekh had its office on the same floor

as DK Jain Properties Private Ltd., who, along with companies related to it through a common director, provided funds to Buddhadeb Laha (Noticee no.36), Arun Dutta (Noticee no.22), Priyankar Laha (Noticee no.37), Minu Mallick (Noticee no.19), Arun Laha (Noticee no.18) and Sanjay Dey (Noticee no.21), Highgrowth Vincom Private Limited (Noticee no.35) and Glorious Vincom Pvt Ltd. (Noticee no.34).

48. The question now is whether there are any other factors available to bring out a connection between Nandu Shaw companies, the Bengal Group noticees and Hanif Shekh.

Proximity in time of funding by Nandu Shaw companies to purchase shares of Darshan Orna

49. I note that in most of the instances, the transfer of funds by Nandu Shaw companies and purchase of shares of Darshan Orna by certain Bengal Group noticees was closely aligned. A few instances of such funding transactions are given below:

i. Instance-1 (Arun Laha)

Table no.16

Date	Transferor	Transferree	Amount
December 28, 2018	Midpoint Commodeal Private Ltd.	Arun Laha	Rs.20,00,000
January 1, 2019	Arun Laha	Calcutta Stock Exchange Ltd. (Broker)	Rs.20,00,000

On December 28, 2018, Arun Laha (Noticee no.22) received Rs.20,00,000 from Midpoint Commodeal Private Ltd. and transferred the amount to his broker within a few days on January 2, 2019 for the purchase of 22,000 shares of Darshan Orna for Rs.19.80 lakh.

ii. **Instance-2 (Priyankar Laha)**

Table no.17

Date	Transferor	Transferee	Amount
January 1, 2019	Midpoint Commodeal Private Ltd.	Priyankar Laha	Rs.10,00,000
January 2, 2019	Priyankar Laha	Edelweiss Broking Ltd. (Broker)	Rs.10,00,000

On January 1, 2019, Priyankar Laha (Noticee no.37) received Rs.10,00,000 from Midpoint Commodeal Private Ltd. and the next day purchased 10,800 shares of Darshan Orna for Rs.9.72 lakh.

iii. **Instance-3 (Minu Mallik)**

Table no.18

Date	Transferor	Transferee	Amount
January 1, 2019	Midpoint Commodeal Private Ltd.	Minu Mallik	Rs.20,00,000
January 2, 2019	Minu Mallik	Motilal Oswal Financial Services (Broker)	Rs.20,00,000

On January 1, 2019, Minu Mallik (Noticee no.19) received Rs.20,00,000 from Midpoint Commodeal Private Ltd. and the next day purchased 22,000 shares of Darshan Orna for Rs.19.9 lakh.

iv. **Instance 4 (Buddhadeb Laha)**

Table no.19

Date	Transferor	Transferee	Amount
December 15, 2018	Midpoint Commodeal Private Ltd.	Buddhadeb Laha	Rs.20,00,000
December 15, 2018	DK Jain Properties Ltd.	Buddhadeb Laha	Rs.15,00,000
December 17, 2018	Buddhadeb Laha	Edelweiss Broking Ltd. (Broker)	Rs.30,00,000

On December 15, 2018, Buddhadeb Laha (Noticee no.36) received Rs.20,00,000 from Midpoint Commodeal Private Ltd. and Rs.15,00,000 from DK Jain Properties Ltd. He transferred Rs.30,00,000 to his broker

(Edelweiss Broking Ltd.) after two days. Buddhadeb Laha (Noticee no.36) bought shares of Darshan Orna on December 20, 2018, December 21, 2018 and December 26, 2018 worth Rs.30,00,000 as detailed below:

Table no.20

Date of Trade	Name of the scrip	Buy Volume	Sell Volume	Buy Value	Sell Value	Net Volume	Net Value
20/12/2018	DARSHANORNA	9,000.00	-	576,000.00	-	9,000.00	576,000.00
21/12/2018	DARSHANORNA	22,000.00	- 2,000.00	1,508,001.00	- 134,000.00	20,000.00	1,374,001.00
26/12/2018	DARSHANORNA	13,000.00	-	934,900.20	-	13,000.00	934,900.20

v. **Instance 5 (Arun Dutta)**

Table no.21

Date	Transferor	Transferee	Amount
December 15, 2018	Midpoint Commodeal Private Ltd.	Arun Dutta	Rs.15,00,000
December 15, 2018	DK Jain Properties Ltd.	Arun Dutta	Rs.20,00,000
December 17, 2018	Arun Dutta	Karuna Financial Services Pvt. Ltd. (Broker)	Rs.35,00,000

On December 15, 2018, Arun Dutta (Noticee no.22) received Rs.20,00,000 from DK Jain Properties Ltd. and Rs.15,00,000 from Midpoint Commodeal Private Ltd. He transferred the entire amount to his broker (Karuna Financial Services Pvt. Ltd.) after 2 days. Thereafter, on December 20, 2018 he purchased 9,900 shares of Darshan Orna for Rs.6.25 lakh.

50. From the above instances, I note that Arun Laha (Noticee no.22), Priyankar Laha (Noticee no.37), Minu Mallik (Noticee no.19), Buddhadeb Laha (Noticee no.36) and Arun Dutta (Noticee no.22) received funds from Midpoint Commodeal Private Ltd., a company connected to DK Jain Properties Pvt. Ltd. through a common director (Nandu Shaw). Buddhadeb Laha (Noticee no.36) and Arun Dutta (Noticee no.22) also received funds directly from DK Jain Properties Pvt. Ltd. Thereafter within a couple of days, they used the

funds so received to purchase shares in the scrip of Darshan Orna. The funds transferred were mostly equivalent to the value of quantum of shares purchased. As noted above, DK Jain Properties Pvt. Ltd. shared a proximate address to Econo Trade (India) Ltd., and can be said to be neighbouring occupants of the same floor of the same building. Econo Trade (India) Ltd. admittedly is related to Hanif Shekh.

Alleged Loan Transactions of Bengal Group Entities:

51. I note that the Bengal Group Noticees have stated that the funds were received by them not as part of any scheme of manipulation, but rather as loans. The Noticees submitted loan agreements and sanction letters in support of their submissions during investigation. The abovenamed Noticees have reiterated before me that the loan transactions were genuine. The Noticees have stated that the loans could not be seen as funding. However, in light of the connections between the entities providing the funds with the sender of the bulk SMSes and the instances of purchases brought out above, the submissions of the Bengal Group Noticees are not acceptable. I am of the view that the sequence of events shows that these Noticees made purchases before the SMS circulation, and most of them used funds borrowed from Nandu Shaw companies and offloaded the shares after the SMSes got circulated. This reveals that they had traded on the basis of the anticipated price hike in the scrip following the SMS circulation, perpetrated by Hanif Shekh. Now the question is whether the Bengal group entities are genuine traders or whether they have acted as mule accounts/ front entities for certain others. Undoubtedly, the Bengal Group acted as a group because they had a common source of funding, the Nandu Shaw companies. Moreover, some of them shared similar address of Laha Para village. All of them bought shares in Patch III. Each one of them has denied connection with Hanif Shekh and have relied on independent loan agreements for the borrowings claimed to have been made. As such, I find that these kind of agreements are normally created to support market trades but cannot be taken on face value without proof of collaterals or the repayment capacity of the loanee on record, the proof of actual repayment done by the borrowers, the actual earnings/losses made by the borrower after adjusting the interest liability on the principal

borrowed and such other attendant factors. All these factors would have gone to establish the genuineness of the loans taken. A mere agreement titled 'Loan Agreement' would not suffice. All the Noticees have taken the same defense which makes it appear that these entities have all been used as front entities by Nandu Shaw companies, that had an indirect connection with Hanif Sheikh. This leads me to conclude that these entities, i.e. the Bengal group companies have acted as front entities and have not executed genuine trades. Nandu Shaw companies' role appears to be that of funding and enabling the transferees to trade in the scrip of Darshan Orna. Even assuming that these were loans as contended by these Noticees, it is hard to believe that people hailing from the same village, sharing more or less similar addresses, go to the same set of companies, invest in the same scrip and thereafter offload the shares during the same period. These facts certainly arouse suspicion about the genuineness of the underlying rationale for the transactions. Further, if the submissions of the Noticees were to be accepted, it would mean that the Bengal Group Noticees, many of whom stayed in the same village with different house numbers, somehow, during the same period, coincidentally received funding from a set of connected companies, which had its office on the same floor as Econo Trade (India) Ltd, which was associated with the bulk SMSes. Such a coincidence is a rarity and does not instill any credence.

52. I also note that separate proceedings have been initiated against *inter alia* the Nandu Shaw companies for their role in the manipulation. To sum up, the submissions of the noticees that they had independent loans/ borrowings from Nandu Shaw companies and were not aware of the scheme that was underlying the SMS circulation are not acceptable given the entire scheme of sending of SMSes, funding of purchases of shares, off-loading of shares by connected entities, similar or proximate addresses of various entities etc., which overwhelmingly probabalises their involvement in the alleged fraud perpetrated in the securities market as front entities/ mule accounts.

53. I also note that the Noticees have admitted that they would use the funds received by way of loans to purchase shares, and that this was their regular business. However, they have stated that Darshan Orna is not the only scrip

in which they made purchases, and that a fanciful attempt is being made to connect the two. Further, it has been stated that their individual trades form miniscule percentage of the market volume and cannot have any bearing on the price or volume of the scrip.

54. In this regard, I note that the noticees belonging to the Bengal Group had not traded during Patch-1 (June 04, 2018 to September 21, 2018) and Patch-2 (September 22, 2018 to December 11, 2018) of the investigation period. All their trades were executed during Patch-3 (December 12, 2018 to January 31, 2019) of the investigation period, after the scrip had migrated to the main board of the exchange. I note that the SMSes were also circulated during Patch-3, i.e. from January 07, 2019 to January 31, 2019. The summary of their trading activity during the Patch-3 is tabulated below:

Table no.22

Sl.no.	Client name	Buy Traded Qty	% of Buy Qty to Mkt Buy Volume	Sell Traded Qty	% of Sell Qty to Mkt Sell Volume
1.	Highgrowth Vincom Private Limited (Noticee no. 35)	280024	5.29%	280024	5.29%
2.	Buddhadeb Laha (Noticee no. 36)	172519	3.26%	171878	3.25%
3.	Glorious Vincom Private Limited (Noticee no. 34)	142812	2.70%	129888	2.46%
4.	Priyankar Laha (Noticee no. 37)	101832	1.93%	108732	2.06%
5.	Minu Mallick (Noticee no.19)	82650	1.56%	82650	1.56%
6.	Arun Laha (Noticee no.18)	76785	1.45%	39785	0.75%
7.	Sanjay Dey (Noticee no.21)	49605	0.94%	49605	0.94%
8.	Arun Dutta (Noticee no.22)	21900	0.41%	9000	0.17%
9.	Ujjal Laha (Noticee no.20)	15600	0.29%	15600	0.29%
	Total	943727	17.8%	887162	16.8%
	Market total	5288875	100.00%	5288875	100.00%

55. From the above, I note that the trades of the entire group added up to 17.8% of the market buy volume and 16.8% of the market sell volume, which is a substantial quantity. Further, the comparison of trading activity of these noticees, that is, the Bengal Group, in the scrip of Darshan Orna during SMS circulation period (January 07, 2019 to January 31, 2019) vis-à-vis Pre-SMS circulation period (December 12, 2018 to January 04, 2019) is placed below:

Table no.23

Pre-SMS circulation period					SMS circulation period			
Client name	Buy Traded Qty	% of buy qty to mkt buy volume	Sell Traded Qty	% of sell qty to mkt sell volume	Buy Traded Qty	% of buy qty to mkt buy volume	Sell Traded Qty	% of sell qty to mkt sell volume
Minu Mallick (Noticee no.19)	82550	16.19%	0	0.00%	100	0.00%	82650	1.73%
Highgrowth Vincom Private Limited (Noticee no. 35)	52990	10.39%	0	0.00%	227034	4.75%	280024	5.86%
Buddhadeb Laha (Noticee no. 36)	44000	8.63%	2000	0.39%	128519	2.69%	169878	3.55%
Sanjay Dey (Noticee no.21)	35605	6.98%	0	0.00%	14000	0.29%	49605	1.04%
Glorious Vincom Private Limited (Noticee no. 34)	26000	5.10%	0	0.00%	116812	2.44%	129888	2.72%
Arun Laha (Noticee no.18)	22000	4.31%	0	0.00%	54785	1.15%	39785	0.83%
Ujjal Laha (Noticee no.20)	15500	3.04%	0	0.00%	100	0.00%	15600	0.33%
Priyankar Laha (Noticee no. 37)	10800	2.12%	0	0.00%	91032	1.90%	108732	2.28%
Arun Dutta (Noticee no.22)	9900	1.94%	0	0.00%	12000	0.25%	9000	0.19%
Total	299345	58.70%	2000	0.00%	644382	13.47%	885162	18.53%
Market total	509996	100.00%	509996	100.00%	4778879	100.00%	4778879	100.00%

56. As it can be seen from the table above, the Bengal Group had predominantly bought shares during the Pre-SMS circulation period.. During the period when the SMSes were circulated, they continued to buy shares and then offloaded the shares when the price of the scrip increased. The Bengal group noticees have stated that the fact that the scrip of Darshan Orna had migrated to the mainboard shows that the fundamentals of the Company were sound. In addition, there was a bonus issue in September 2018. The Bengal Group noticees have stated that these facts support the trading in the scrip. In this regard, I note that the Company had a bonus issue (11:10) with record date of September 21, 2018. Subsequently, the scrip of the Company migrated from BSE-SME platform to BSE-Mainboard with effect from December 12, 2018. As such, during the Pre-SMS circulation period (December 12, 2018 to January 04, 2019), when the Company had already migrated to the main board, the number of trades per day in the scrip ranged from 1-120 only. However, during the SMS circulation period (January 07, 2019 to January 31, 2019) the number of trades jumped manifold to 542- 3,490 trades per day.

Thereafter, in February 2019, the number of trades again dipped to 3-104 trades per day. This clearly shows that the interest in the scrip was generated only by the circulation of bulk SMSes and not due to the bonus issue or migration to main board. Hence, I am unable to accept the submission of the aforesaid noticees in this count that they traded genuinely believing that the fundamentals of the Company were strong and stable. It appears to me that the Bengal Group noticees (except Noticee nos.34 and 35) have tried to project that they were independently borrowing from Nandu Shaw companies; they were not connected to each other either through off-market transactions or by way of common addresses; and they were genuinely trading driven by the fact of migration of Darshan Orna to the main board. Since the funding for the purchases has been driven by Nandu Shaw companies and Hanif Shekh was the one that circulated the SMSes, I conclude that the Bengal Group noticees acted as fronts of Nandu Shaw companies/ Hanif Shekh or both.

Market Impact of SMS circulation

57. I note that the circulation of SMSes led to attention and participation of gullible retail investors. There was a sudden and sharp rise in number of unique PANs placing the orders during the SMS circulation period vis-à-vis Pre-SMS circulation period. Day-wise data for SMS circulation period vis-à-vis Pre-SMS circulation period is tabulated below:

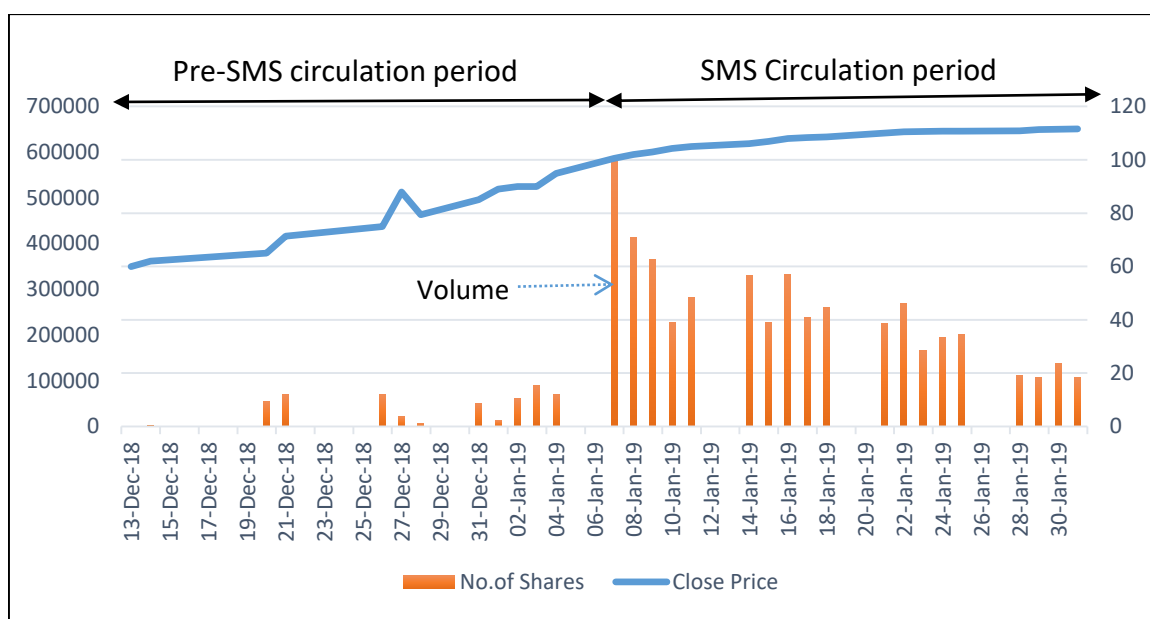
Table no.24

Date	No. of unique PANs placing the orders*	No. of shares Traded	No. of trades executed	Closing Price	Date	No. of unique PANs placing the orders*	No. of shares Traded	No. of trades executed	Closing Price
Pre-SMS circulation period					SMS circulation period				
12-Dec-18	17	No trade executed			7-Jan-19	5542	582053	3490	100.5
13-Dec-18	18	5	1	60	8-Jan-19	3330	413479	1941	102
14-Dec-18	26	1240	6	62	9-Jan-19	2934	365262	1590	102.9
17-Dec-18	9	No trade executed			10-Jan-19	2342	226628	1041	104.25
18-Dec-18	9	No trade executed			11-Jan-19	2574	282476	1371	104.95
19-Dec-18	18	No trade executed			14-Jan-19	2331	330922	1165	106.05
20-Dec-18	74	54455	6	65	15-Jan-19	2026	226888	982	106.9
21-Dec-18	158	69600	55	71.4	16-Jan-19	2870	332008	1791	108
24-Dec-18	125	No trade executed			17-Jan-19	1902	237104	1050	108.4
26-Dec-18	99	69811	87	75	18-Jan-19	1857	261499	990	108.55
27-Dec-18	90	22178	13	88	21-Jan-19	3006	226416	1797	110
28-Dec-18	388	6861	92	79.4	22-Jan-19	2518	268370	1398	110.5
31-Dec-18	487	51028	120	85.05	23-Jan-19	1495	165312	788	110.6
1-Jan-19	168	14001	8	89	24-Jan-19	1907	195020	1228	110.8
2-Jan-19	136	61300	36	90	25-Jan-19	1787	201051	1086	110.75
3-Jan-19	272	89474	120	90	28-Jan-19	1037	111098	606	110.9

Date	No. of unique PANS placing the orders*	No. of shares Traded	No. of trades executed	Closing Price	Date	No. of unique PANS placing the orders*	No. of shares Traded	No. of trades executed	Closing Price
Pre-SMS circulation period					SMS circulation period				
4-Jan-19	315	70043	92	94.9	29-Jan-19	912	106784	506	111.4
					30-Jan-19	1214	138571	657	111.5
					31-Jan-19	1022	107938	542	111.6

*as obtained from the order-log.

A diagrammatic representation of Price-Volume movement during SMS circulation period and Pre-SMS circulation period is placed below:



58. Hence, it is apparent that innocent investors were lured into trading in the scrip of Darshan Orna due to the circulation of bulk SMSes. Once this happened, the Bengal Group Noticees offloaded their shares at substantial profit. The profit earned by Bengal Group noticees during the investigation period is tabulated below:

Table no.25

Sl.no.	Name	Buy Qty	Buy Value	VWAP (Buy)	Sell Qty	Sell Value	VWAP (Sell)	Profit
1	Minu Mallick (Noticee no.19)	82650	6395737.50	77.38	82650	8275541.25	100.13	1879803.75
2	Buddhadeb Laha (Noticee no. 36)	172519	16619332.10	96.33	171878	17873625.10	103.99	1316042.67
3	Sanjay Dey (Noticee no.21)	49605	3848850.00	77.59	49605	5033371.85	101.47	1184521.85
4	Highgrowth Vincom Private Limited (Noticee no. 35)	280024	28316095.45	101.12	280024	29220674.75	104.35	904579.30

Sl.no.	Name	Buy Qty	Buy Value	VWAP (Buy)	Sell Qty	Sell Value	VWAP (Sell)	Profit
5	Glorious Vincom Private Limited (Noticee no. 34)	142812	14437139.00	101.09	129888	13803256.70	106.27	672629.65
6	Ujjal Laha (Noticee no.20)	15600	987070.00	63.27	15600	1560141.55	100.01	573071.55
7	Arun Dutta (Noticee no.22)	21900	1954500.00	89.25	9000	1000050.00	111.12	196830.82
8	Priyankar Laha (Noticee no. 37)	101832	10701025.65	105.09	108732	11517382.50	105.92	91269.68
9	Arun Laha (Noticee no.18)	76785	8030055.75	104.58	39785	4242675.95	106.64	82022.59
							Total	6900771.86

The total profit earned by Noticees belonging to the Bengal Group during the Investigation Period is Rs. 6900771.86.

59. In view of the above trading pattern, it is clear that the whole scheme was pre-planned and not just a coincidence. These Noticees traded only in Patch 3 of the investigation period. In the pre-SMS circulation period they were predominantly buyers. After the circulation of SMSes, they all offloaded almost their entire holdings in the scrip, making profits at the expense of innocent investors. I note that in all cases direct evidence may not be available. 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. In view of the same, I find that the Bengal Group Noticees were part of the scheme of manipulation to the extent of having acted as front entities and not executing genuine trades in the market.

Order book manipulation by certain Hanif Group Entities:

60. The orders placed by Hanif Group entities (shown in the table below) during the investigation period were analyzed. It was observed that certain Hanif Group entities had a very high order deletion rate. The details pertaining to same are tabulated below:

Table no.26

CLIENT NAME	Added Quantity	No. of Added Orders	No. of Orders Updated	Deleted Quantity	No. of Deleted Orders	% of individual deleted qty to individual added qty	% of individual deleted qty to total mkt deleted qty	% of deleted orders to added orders
Glorious Vincom Private Limited (Noticee no.34)	1389806	235	46	1117106	115	80.38	14.24	48.94
Highgrowth Vincom Private Limited (Noticee no.35)	1002302	207	63	442254	104	44.12	5.64	50.24
Buddhadeb Laha (Noticee no.36)	606313	151	35	261916	60	43.20	3.34	39.74
Priyankar Laha (Noticee no.37)	336099	107	25	125535	36	37.35	1.6	33.64
Market: Total	18429252	29710	7728	7844030	7366	42.56	100	24.79

61. It was alleged that 80.38% of the added quantity was deleted by Glorious Vincom Private Ltd. (Noticee no.34). The deleted quantity by Glorious Vincom Private Ltd contributed 14.24% to total market deleted quantity. It was also alleged that Glorious Vincom Private Ltd entered orders with huge quantity away from the prevailing market price. Moreover, maximum deletion related orders were concentrated during SMS circulation period. Highgrowth Vincom Private Limited (Noticee no.35) and Buddhadeb Laha (Noticee no.36) had an

order deletion rate of more than 40%, whereas Priyankar Laha (Noticee no.37) had an order deletion rate of 37.35%. Further, it was noted that the entire order quantity was disclosed to the market in one stroke (i.e. MIN FILL QTY in the order-log was same as that of the entered order quantity).

62. In view of the order-log analysis as discussed above, it was alleged that the orders were placed much away from the prevailing market price, thereby rendering them as frivolous or non-serious orders making no commercial sense. The intention of placing such orders was not for genuine trading but only for artificially enhancing the levels of demand, which constituted a manipulative practice.

63. In this regard, I note that with respect to the allegation of order book manipulation, Glorious Vincom Private Ltd. (Noticee no.34), Highgrowth Vincom Private Limited (Noticee no.35), Buddhadeb Laha (Noticee no.36) and Priyankar Laha (Noticee no.37) have denied that they deleted the orders and have stated that orders were automatically deleted at the end of the day since they were not executed. The orders were not at huge variance from prevailing market price, as alleged in the SCN.

64. From the trade log, I find that the argument of the Noticees in this regard stands substantiated. They have not deleted the orders. Rather, the pending orders have been deleted by the system at the end of the day. While the SCN alleges that the orders were purposely placed at such prices that would not get executed, from the instances brought out in Annexure 24 to the SCN, I note that the price difference of the orders was mostly in the range of Rs.2-7 from the last traded price. I note that during Patch 3 itself, on certain days substantial difference between high and low price of the day was noted. Since the orders were pending all day, there could have been no guarantee that these would not get executed. Hence, I am of the view that the allegation of order book manipulation against Glorious Vincom Private Ltd. (Noticee no.34), Highgrowth Vincom Private Limited (Noticee no.35), Buddhadeb Laha (Noticee no.36) and Priyankar Laha (Noticee no.37) does not stand established.

65. Incidentally, I note that the SCN states that a group of 15 entities, most of whom were connected to each other executed circular trades on – January 7, 2019, January 8, 2019 and January 9, 2019 i.e. beginning dates of circulation of bulk SMSes. One of these entities, were also seen to be connected to a Hanif Group entity. The SCN states that these circular trades were intended to generate interest in the scrip and attract gullible retail investors to eventually defraud them. However, these 15 entities are not noticees before me in the instant proceedings. I note that separate adjudication proceedings have been initiated against them and in view of the same, I am not inclined to go into the aspect of circular trading in the scrip of Darshan Orna by these 15 entities.

CONCLUSION

66. In conclusion, I note that the picture leading to the SMS circulation and the consequent fraud operated on the securities market was revealed through a complaint. Thereafter, SEBI conducted its own investigation to find out whether it was true that bulk SMS were being circulated and the scrip was being manipulated. As noted above, the source of the bulk SMSes was found to be Hanif Shekh (Noticee no.1). The allegations against the Gujarat Group entities are based on two remote stand alone funding transactions that happened two years backwards from the investigation period. As the connection sought to be established by the investigation to the funding entities and Hanif Shekh is not strong enough, the allegations against them have been dropped. It was seen that Bengal Group noticees, who were connected to each other and indirectly connected to Hanif Shekh, bought shares through funding by Nandu Shaw companies, had offloaded shares in the scrip of Darshan Orna after circulation of the bulk SMSes and made profits. I find that the Bengal Group noticees acted as fronts or as mule accounts to the main perpetrators including Noticee No.1 and the funders (Nand Shaw companies). It is understood that SEBI has initiated separate adjudication proceedings against the Nandu Shaw companies and these entities are not before me.

67. When the whole case, as made out by the investigation is put before me, the question that arises is one of the strength of evidence against each of the Noticees and the *inter se* connections that are made out amongst the Noticees who are alleged to be part of the scheme. The evidence given by independent sources such as TSPs, bank statements, connections established through transfer of funds, off market share transactions, common directorships, similar addresses bring out the entire scheme of circulation of bulk SMSes, creation of interest in the scrip and thereafter off-loading shares on to the market at a huge profit. I am convinced that the noticees belonging to the Bengal Group were part of the fraudulent scheme to the extent of the participation as front entities and were not genuine buyers.

68. The entire scheme falls within the prohibition contained in Section 12A(a), (b), and (c) of the SEBI Act, 1992 read with Regulation 3 and Regulation 4 (1) of the PFUTP Regulations, 2003, against fraudulent trades in the securities market. Noticee no.1 is liable as the main perpetrator and the Bengal Group noticees (noticee nos. 18-22 and 34-37) are liable for perpetration of the fraudulent scheme as front entities. Besides, Noticee no. 1 by planting misleading SMSes and advertising false content has also violated Regulation 4 (2) (k) and (r) of the PFUTP Regulations.

69. Relevant provisions of SEBI Act, 1992 and PFUTP Regulations, 2003 are extracted below:

Securities and Exchange Board of India Act, 1992

Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

12A. No person shall directly or indirectly—

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

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

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

SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF FRAUDULENT AND UNFAIR TRADE PRACTICES RELATING TO SECURITIES MARKET) REGULATIONS, 2003

Chapter II

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

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

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

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

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

4. Prohibition of manipulative, fraudulent and unfair trade practices

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

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves:-

(a)...

(b)...

(c)...

.

.

(k) an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of investors

(m)...

(n)...

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(r) planting false or misleading news which may induce sale or purchase of securities.

70. In view of the above provisions, I find that Noticee No. 1 has violated Section 12A(a), 12A(b), 12A(c) of the SEBI Act, 1992 read with Regulation 3(a), 3(b), 3(c) and 3(d) and 4(1), 4(2)(k) and 4(2)(r) of the PFUTP Regulations, 2003 and the Bengal Group Noticees (i.e. Noticee Nos. 18-22 and 34-37) have violated Section 12A(a), 12A(b), 12A(c) of the SEBI Act, 1992 read with Regulation 3(a), 3(b), 3(c) and 3(d) and 4(1) of the PFUTP Regulations, 2003.

71. In the aforesaid facts and circumstances, I am of the view that appropriate directions have to be issued against Noticees Nos.1, 18-22 and 34-37. However, given the fact that the investigation has not brought out the profit made by Noticee no.1, I am of the view that directions of disgorgement cannot be issued against him. Further, as noted above, Noticee Nos. 18-22 and 34-37 acted merely as mule accounts/ front entities and hence cannot be made liable for disgorgement. However, they are liable for monetary penalty and suitable market restrictions commensurate with the violations. Noticee Nos. 18-22 and 34-37 have acted as front entities and earned profit of approximately Rs.70,00,000 (Rupees Seventy Lakh only) in their accounts.

ORDER

72. In view of the aforesaid, I, 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, hereby pass the following directions:

- i. Noticees no. 1 is 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 **five years**, from the date of this order;
- ii. Noticees nos. 18-22 and 34-37 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 **three years**, from the date of this order;
- iii. The Noticee nos. 1, 18-22 and 34-37 are hereby imposed with, the monetary penalties, as specified hereunder:

Noticee No.	Name of the Entities	Amount
1	Hanif Shekh	Rs.70,00,000 (Rupees Seventy Lakh only)
18	Arun Laha	Rs. 10,00,000 (Rupees Ten Lakh only) to be paid jointly and severally
19	Minu Mallick	
20	Ujjal Laha	
21	Sanjay Dey	
22	Arun Dutta	
34	Glorious Vincom Private Limited	
35	Highgrowth Vincom Private Limited	
36	Buddhadeb Laha	
37	Priyankar Laha	

- iv. The proceedings against Noticee nos.2-17 and 23-33 are disposed of without any further directions.
- v. 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)	

73. 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.

74.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: December 19, 2022

**GEETHA G.
CHIEF GENERAL MANAGER
SECURITIES AND EXCHANGE BOARD OF INDIA**