

National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/57174	Date: June 19, 2023
Circular Ref. No: 154/2023	

To All NSE Members

Sub: SEBI Order cum Show Cause Notice in the matter of Mauria Udyog Ltd., 7NR Retail Ltd., Darjeeling Ropeway Company Ltd., GBL Industries Ltd. and Vishal Fabrics Ltd

SEBI vide its order no. WTM/SM/IVD/ID9/27532/2023-24 dated June 19, 2023, has restrained 133 entities (**Annexure-A**) mentioned at para nos. 172.1, 172.4, 172.7, 172.9, 172.11 of above SEBI order from buying, selling or dealing in securities market or associating themselves with securities market, either directly or indirectly, in any manner whatsoever until further orders.

Further, all open positions, if any, of the above debarred entities in the present Order, have open positions in any exchange traded derivative contracts, as on the date of the order, they can close out/square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier.

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 at the below link:

<https://www.nseindia.com/regulations/member-sebi-debarred-entities>

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

In case of any further queries, members are requested to email us at dl-invsg-all@nse.co.in

National Stock Exchange of India

For and on behalf of

National Stock Exchange of India Limited

Sandesh Sawant
Senior Manager

ANNEXURE: SEBI Order cum Show Cause Notice in the matter of Mauria Udyog Ltd., 7NR Retail Ltd, Darjeeling Ropeway Company Ltd., GBL Industries Ltd. and Vishal Fabrics Ltd

SECURITIES AND EXCHANGE BOARD OF INDIA

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:

Sl. No.	Name of the Entity	PAN
1.	Hanif Shekh	CBEPS9710A
2.	Kasambhai Shekh	AGRPS7734C
3.	Hasina Kasambhai Shekh	BFHPS4813N
4.	Robert Resources Ltd	AAACR2073D
5.	Econo Trade India Ltd	AAACE5451C
6.	Econo Broking (Erstwhile Bansal Finstock)	AADCB8817A
7.	Sai Metaltech Llp	ADXFS9004L
8.	Navneet Kumar Sureka	ANWPS5531K
9.	Deepa Sureka	ANTPS8310F
10.	Mauria Udyog Ltd	AABCM9522F
11.	Vee Em Infocenter Ltd	AACCV0425D
12.	Jagdish Chahar	ANNPC0228J
13.	Amit Kumar	AJCPK6114G
14.	Jagdish Singh	ARGPS3874H
15.	Mithun Singh	BVZPS9152G
16.	Santosh Raut	AZBPR5416K
17.	Raja Ram	CCIPR2093C
18.	Govind Ojha	AATPO0326J
19.	Rakesh Goel	AHQPG6997D
20.	Shiv Pal	AUGPP5794G
21.	Ramajor Ramajor	ATZPR1408H
22.	Mahavir Prasad	AKQPP6836M

Interim Order-cum-Show Cause Notice in the matter of Mauria Udyog Ltd., 7NR Retail Ltd., Darjeeling Ropeway Company Ltd., GBL Industries Ltd. and Vishal Fabrics Ltd.

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Sl. No.	Name of the Entity	PAN
23.	Haribansh Gupta	BDFPG5772A
24.	Sunil Kumar Verma	ARGPV5585N
25.	Govind Singh	DHXPS0249Q
26.	Sukanta Kumar Pala	ABRPP1855G
27.	Madhu	EAAPS2972B
28.	Ravita Devi	BIGPD0615R
29.	Sukhilal Meena	BKZPM0621H
30.	Hare Ram	AEYPR6338C
31.	Arvind Kumar	AEHPK9032M
32.	Meera Devi	BIGPD0616N
33.	Roshan Kumar Jaiswal	AWMPJ9308E
34.	Kavita Devi	BASPD6735J
35.	Jeet Bahadur	AHVPB6604R
36.	Madan Prasad	BUZPP4215J
37.	Krishan Murari Sharma	BNJPS2163K
38.	Pappu Kumar Ram	BZQPR7716A
39.	Nand Lal Sharma	AXAPS1944E
40.	Leelu Singh	DCNPS6356F
41.	Amarjeet	AIEPA6834G
42.	Anand Bansal	AHYPB4902B
43.	Arun Kumar	CJCPK8525R
44.	Bhurey Singh	BFIPS7754D
45.	Binod Kumar Jha	AKWPI0656R
46.	Dashrath Yadav	AEOPY5916K
47.	Devi Singh	BFVPS5988C
48.	Dharamwati Chauhan	AXZPC6279R
49.	Hariom Rathore	ALQPR2239F
50.	Hoshiyar Saini	BXEPS7837P
51.	Indranand Singh	FIIPS3787P
52.	Jitender Nagar	ANPPN2462B



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Sl. No.	Name of the Entity	PAN
53.	Kailash Chouhan	ADCPC4008R
54.	Kesh Ram	AGMPR1636B
55.	Kuldeep Singh	BFIPS7755C
56.	Laxman Yadav	ABBPY2796D
57.	Mahender Singh	AWJPS8491E
58.	Mangal Singh	BRPPS6874R
59.	Mukesh Pandey	CXPPP6254H
60.	Narender	ADVPN2232P
61.	Parmanand	ALBPP6249E
62.	Pramod Ram	AYUPR9406M
63.	Prem Chand	AGSPC0271B
64.	Rajendra Kumar	BWHPK5104R
65.	Rajesh Giri	AXGPG5852K
66.	Rajesh Kumar	BPUPK5369G
67.	Raju Devi	CAQPD3563B
68.	Ratindra Nath	AMCPN9622R
69.	Saroj Yadav	AFPPY4880A
70.	Seeta Ram	AGMPR7725F
71.	Shiv Shanker	COKPS1441D
72.	Sunil Nagar	AMCPN9604P
73.	Susheel Kumar Arora	AISPA5466E
74.	Davinder Kumar Gupta	AONPG0703M
75.	Deepak Kumar Garg	AIDPG7889A
76.	Linkwise Marketing Private Limited	AABCL8513H
77.	Durgeshwari Pradipbhai Chiripal	AHWPC2289G
78.	Manuj Ashokkumar Chiripal	AUCPC1621M
79.	Rushp Trading Llp	AAMFR3523K
80.	Satrama Trading Llp	ABUFS0540C
81.	Shivhari Trading Llp	ACSFS3095B
82.	Trisha Vikash Bajaj	AEGPA7779E



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Sl. No.	Name of the Entity	PAN
83.	Bajaj Sonali Ateet	APCPC1264M
84.	Ravi Kannadasan Adidraavid	AVSPA1063A
85.	Pritiben Popatbhai Parmar	AXGPP6927Q
86.	Manishkumar Rajput	CGPPR9641K
87.	Shahrukhkhan Pathan	DOJPP7089N
88.	Sahilkumar Amrutbhai Vaghela	ATLPV1359B
89.	Lilaben Popatbhai Parmar	DBYPP5174G
90.	Popatbhai Ramjibhai Parmar	DGFPP6706L
91.	Dipika Popatbhai Parmar	DKMPP5973A
92.	Fuldeep Popatbhai Sehgal	GIOPS7160B
93.	Keval Savant	HYAPS6005L
94.	Chiragkumar Makwana	CTXPM2544K
95.	Makwana Madhuben	CUHPM8134L
96.	Krusha Birjukumar Sanghvi	FXCPS0434J
97.	Karan Birjubhai Sanghvi	ESJPS8192E
98.	Hina Barot	DGUPB9477B
99.	Prakash Kantilal Vaghela	AGEPV6889L
100.	Highgrowth Vincom Private Limited	AACCH1789A
101.	Sumit Laha	AXJPL4908J
102.	Dibakar Laha	AJVPL4026B
103.	Glorious Vincom Pvt. Ltd.	AADCG3846Q
104.	Arpan Das	CEZPD7390K
105.	Sanjay Dey	BWHPD4063L
106.	Linkup Financial Consultants Private Limited	AACCL0347G
107.	Suprabhat Laha	APXPL1814M
108.	Ujjal Laha	ATSPL2483R
109.	Buddhadeb Laha	AQBPL5563C
110.	Sourav Das	CEJPD9809M
111.	Minu Mallick	DGTPM2047B
112.	Arun Dutta	AIYPD5217E



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Sl. No.	Name of the Entity	PAN
113.	Debashish Dutta	CVMPD9641P
114.	Uma Dutta	COXPD8400E
115.	Subrata Laha	APWPL5386H
116.	Priyankar Laha	AKLPL2832L
117.	Tapas Laha	ANCPL7138F
118.	Arun Laha	APWPL5441F
119.	Tejal Amitkumar Khatri	ERFPK5538F
120.	Nitesh P Pavskar	BJQPP0910G
121.	Chintukumar Vasudevbhai Pandya	BBGPP8915H
122.	Naginbhai Jeshingbhai Maheriya	AZRPM0004E
123.	Chandrikaben Maheshbhai Chauhan	BWSPC8594A
124.	Kamleshkumar G Solanki	BFLPS7554C
125.	Vijay Rajeshbhai Vasita	AXQPV0383G
126.	Jitendra Harjivanbhai Gohil	AJMPG6403E
127.	Govindbhai Natvarlal Chauhan	BFMPC4964H
128.	Natvarbhai Patlia	DDYPP0586C
129.	Ravindra Nanalal Raval	AETPR3110B
130.	Dixit Nareshbhai Borisa	BNDPB5397L
131.	Sushma Jasmin Barot	CEYPB7305B
132.	Manoharprasad Ghanshyambhai Vaishnav	AKDPV8381N
133.	Maheshkumar Nareshkumar Purabia	APJPP8572N
134.	Piyush Agarwal	APBPA7314M
135.	Juscorp Enterprises Private Limited	AADCJ9182A
136.	A1 Solutions- Prop-Ajju Kumar	EJKPK0864F
137.	Corredor Services Private Limited	AAGCC9495E
138.	Sapan Kumar Agarwal	BBHPK0862R
139.	Vepar Solutions Private Limited	AAFCV8797B
140.	Shyam Kumar Singh	BLVPS0924A
141.	Kamal Gupta HUF	AALHK4127K
142.	Chinnu	BGQPC3096K



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Sl. No.	Name of the Entity	PAN
143.	Gyanendra Gharti Chhetri	AVBPC2116P
144.	Aayush Tanwar	ATPPT4346L
145.	Goenka Business Finance Limited	AAACG9648P
146.	Kalpesh Dantani	CRCPD9488E
147.	Shivam Kumar	HQAPK6082B
148.	Sanjaybhai Babubhai Solanki	DYOPS5202R
149.	Chetanbhai Mahendrabhai Dantani	FQGPD8779G
150.	Suresh Deshaljibhai Vaghela	AATPV7474Q
151.	Amrutji Gokaji Thakor	AZIPT0131G
152.	Malay Bhow	AEJPB9509C
153.	Aakash Dilip Doshi	AILPD8283D
154.	Rajvi Naresh Shah	BJAPS6060A
155.	Ramnaresh Dashadeen Nirmal	ADGPN1274J
156.	Arvind Shantilal Shah	AAPPS5253A
157.	Yash Manish Mehta	CGGPM6543Q
158.	Rupal Bhavin Shah	AUWPS1058E
159.	Bharati Arvind Shah	ANDPS3927Q
160.	Dhavani Jayantkumar Shah	AIWPS7376P
161.	Kruti Kevin Kapadia	BCRPK1909C
162.	Shashikant C Kapadia	AARPK2091E
163.	Ankur Suresh Mehta	AJGPM2288K
164.	Bhashit Deepak Shah	BLOPS8366M
165.	Mehul Hasmukh Shah	AKMPS7735C
166.	Vidhi Mehul Shah	APFPS2795N
167.	Himanshu Shah	ACSPS6353A
168.	Shalini Sushil Jain	AFOPJ1106R
169.	Devarshi J Shah	AYKPS9042E
170.	Sayar S Bhandari	AKLPB9574B
171.	Vimala Anandraj Ostwal Bhandari	AAIPV1564A
172.	Rekha Ravi Bhandari	AAHPR8129A



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Sl. No.	Name of the Entity	PAN
173.	Shrenik Jitendrabhai Gohil	BRCPG1140D
174.	Amit Bechu Yadav	AJYPY3967H
175.	Hardik Parmar	DJFPP1628L
176.	Akshay Jitendrakumar Brahambhatt	CDXPB7730C
177.	Dakshaben Maheshkumar Purabiya	DGQPP3613D
178.	Neeta Ganpatbhai Dabhi	BTLPD3342P
179.	Binal Naginbhai Patel	CTQPP5758M
180.	Prabhavatiben Natvarbhai Patliya	DBRPP5531G
181.	Maunesh Hargovinddas Devara	AVSPD3674L
182.	Ramu Jomdar Jsoneya	AWJPJ7193E
183.	Patiram Ramkishan	CCEPK8853M
184.	Rahul Rameshbhai Mehta	ARCPM5961D
185.	Harishkumar Sakariya	AXFPS3805D
186.	Preyash Sathvara	BWPPS8357E
187.	Mukeshkumar Mavjibhai	DMKPP1977E
188.	Praveen Kumar	DRRPK7321D
189.	Ankit Jagdishbhai Pithava	BXVPP0489B
190.	Dipak Ganpatbhai Sakariya	DYXPS5815K
191.	Rekhaben Harishbhai	DZEPS8946B
192.	Naresh Mavjibhai Parmar	DMKPP1979L
193.	Sushila Ashokbhai Chiripal	AHWPC2333D
194.	Anil Dhanuka	AAPPD9931Q
195.	Chirpal Suryansh Hari	BHWPC6616A
196.	Vedprakash Devkinandan Chiripal	AAHPC2102Q
197.	Yash R Bajaj	AJCPB9461D
198.	Raaj Ravindrakumar Bajaj	AVYPB4290Q
199.	Yogeshkumar Anandpal Goyal	ABKPG1172A
200.	Savitridevi V Chiripal	AAQPA0515Q
201.	Bhavin Shah	AAKPS2177G
202.	Kevin Kapadia	AGIPK9817H



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Sl. No.	Name of the Entity	PAN
203.	Manish Shah (Proprietor of Aneel A & Co)	BFOPS3849R
204.	Vishal Jitendrakumar Barot (Proprietor of Samukh Trade)	BHLPB2441M
205.	Amrish Nagindas Shah (Proprietor of Shakti Enterprise)	BFOPS4241B
206.	Sharad Enterprise	APOPP1463R
207.	Amitkumar Govindbhai Parmar (Proprietor of Ambika Traders)	BIGPP7877P
208.	Midpoint Commodeal	AAICM0631L
209.	Dk Jain Properties	AACCD3821F
210.	Mr Merchants Pvt Ltd	AAICM3686R
211.	Armeva Dealers Pvt Ltd	AAQCA6476M
212.	Amuly Suppliers	AAKCA3466B
213.	Frexon Suppliers Pvt Ltd	AADCF4723H
214.	Rightview Dealers Pvt Ltd	AAICR7968M
215.	Mackny Trexim Pvt Ltd	AALCM9241K
216.	Urki Sales Pvt Ltd	AACCU2118C
217.	Nxstar Dealcom Pvt Ltd	AAGCN1597E
218.	Impalio Distributors Pvt Ltd	AAECI9546E
219.	Cradon Traders Pvt Ltd	AAHCC6973A
220.	Nilratan Suppliers Private Limited	AADCN5209L
221.	Briya Enterprise Ltd	AABCA7879D
222.	Kanungo Financiers Ltd	AABCK1251B
223.	Purple Entertainment Ltd	AAACH5273P
224.	Lagan Barter Pvt Ltd	AABCL5159M
225.	Jignesh Sudhirbhai Shah	BBNPS1083E
226.	Chandraprakash Valchand Parekh (Proprietor of Sambhavanath Traders)	ASAPP9100C

In the matter of Mauria Udyog Ltd., 7NR Retail Ltd., Darjeeling Ropeway Company Ltd., GBL Industries Ltd. and Vishal Fabrics Ltd.

Background

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") investigated into the trading in respect of five (5) scrips viz: Mauria Udyog Ltd., 7NR



Retail Ltd., Darjeeling Ropeway Company Ltd. and GBL Industries Ltd. listed on the Bombay Stock Exchange Limited (hereinafter referred to as "BSE") and also in the trading in the scrip of Vishal Fabrics Ltd. listed on both the Stock Exchanges i.e., BSE and National Stock Exchange of India Ltd. (hereinafter referred to as "NSE") based on the abnormally sharp rise witnessed in the prices and volumes in the aforesaid five scrips. It was observed during the investigation that there were certain strong commonalities in the trading pattern followed by various entities in these scrips. One such common feature was that '**buy recommendations**' for all the above mentioned five scrips were widely circulated through circulation of SMSs and additionally, certain websites were also used for recommending buying in four out of the above noted five aforesaid scrips (except Vishal Fabrics Limited). It was further noted that the period of such SMS circulation with respect to the aforementioned five scrips, coincided with an astronomical rise in the prices and volumes in all the above mentioned five scrips except for the fact, that in case of Darjeeling Ropeway Company Ltd. only volume had increased and price rise remained under control apparently because of specific surveillance actions that were imposed on this scrip by the Stock Exchange during the period of SMS circulation of such 'buy recommendations' with respect to this scrip.

2. In this backdrop, SEBI conducted an investigation into the trading activities witnessed in the aforementioned five scrips to ascertain the reasons behind such historic and abnormal rise registered in the prices and volumes, in the aforesaid scrips and further to identify as to whether the said unusual rise in the price and/or volume had happened in the normal course of dealing in these securities on the Stock Exchange platforms or there were any entities / persons who have masterminded and caused large scale circulation of the 'buy recommendations' in these scrips through SMS and websites so as to artificially cause rapid price and volume increase in these scrips. The investigation also aimed further to find out as to whether such entities who were behind the said SMS circulation, were having connection with the Promoters of the companies and / or with any the other entities who were dealing in the said five scrips during the period under investigation. The investigation also had set out its objective



to ascertain the identities of the Ultimate Beneficiaries of wrongful gains, if any, that have been derived by way of dealing in the aforesaid five scrips, in a fraudulent manner or otherwise. Further, the focus of the investigation was also to determine as to whether the acts of such entities involved in dealing in the said five scrips were in consonance with the provisions of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act**") and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations**") during the period under investigation.

SEBI's Investigation

3. The investigation conducted by SEBI has successfully identified certain suspected entities who were *prima facie* found to be involved in various fraudulent acts that had led to the abnormal rise in the volumes and prices of the above named five scrips during the investigation period. These suspected entities who have been *prima facie* found to be indulged in fraudulent trade practices in the above named five scrips have been listed out in the first page of this *interim order-cum-show cause notice*, based on the following fact findings:

- 3.1. A very discernible unusual pattern of dealing was noted at the time of investigation from the way the entities have dealt in the said five scrips which hinged upon the circulation of bulk SMS with buy recommendations and use of certain websites for recommending to public to buy the said five scrips. It was found that there were two distinct but connected phases of dealing in the said scrips; one was **pre-SMS circulation phase** during which the scrips which did not have backing of any significant corporate announcements or did not have very sound fundamentals, have witnessed substantial movement in their prices. It has further been noticed that these scrips did not have any noteworthy liquidity and yet witnessed a sustained and substantial increase in prices and volumes compared to their past performances. The second phase kicked in with post circulation of bulk SMS with buy recommendations (**SMS circulation phase**) during which the trade volumes and prices of the scrips further rose



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prima facie as a consequence to the SMS circulations and certain other entities who were either enjoying connection with each other and / or with the company through its Promoters/Directors taking advantage of the price rise have exited from these scrips after pocketing a substantial profit.

3.2. It was noted during the investigation that, broadly there were three set of entities involved in the entire matter: the first set of entities were those who are seen to be instrumental in artificially influencing price and volume in the scrips during the pre-SMS period. These entities are nomenclated as **"PV Influencers"**. These PV influencers were the entities who are found to be connected with each other and / or with the company and who had, in concert by trading as a coherent group in the respective scrips during the pre-SMS period in an unusual manner, had increased the price and volume in the said five scrips. The second set of entities were the **"Off loaders"** who were also the entities connected with each other and / or with the Company and who had made substantial profits by their dealing in the scrip by way of dumping the shares of these companies on the Stock Exchange platforms (previously acquired by them), by taking advantage of the rapid abnormal price rise in these scrips particularly, during post-SMS circulation. Lastly the **'kingpin'**, who was the mastermind behind the successful implementation/execution of the entire fraudulent operation, was the **"SMS Sender"**, who has been identified as **Mr. Hanif Shekh** who, apart from being instrumental in orchestrating the entire scheme along with his connected entities, had also sent the bulk SMS with the buy recommendations in the said five scrips and additionally had also made use of certain websites for making buying recommendation in four out of five aforesaid scrips (except Vishal Fabrics Limited) which triggered influencing and luring other investors / general public to trade in the said five scrips.

3.3. The price and volume manipulation in the afore-stated five scrips as noted during the time of the investigation is summarised in the table below:



Table No. 1

Scrip Name	Volume Manipulation				Price Manipulation			
	Buy Quantity by connected entities	%Buy to total Market Buy Volume	Sell Quantity by connected entities	%Sell to total Market Sell Volume	Net Buy_LTP by connected entities	Net Sell_LTP by connected entities	Total_LTP	%contribution to net price rise
Mauria Udyog Ltd- Group 1 (27.01.2017 to 20.09.2019)	2004898	39.9%	1769584	35.22%	832.4	343.44	1175.88	479.46 %
Mauria Udyog Ltd- Group 2 (19.07.2019 to 27.12.2019)	2531309	23.08%	2491027	22.71%	-	-	-	-
7NR Retail Ltd (10.01.2019 to 08.11.2019)	3085303	44.83%	2939480	42.72%	62.77	124.34	187.36	120.62 %
Darjeeling Ropeway Company Ltd (02.04.2018 to 22.12.2019)	3541302	32.00%	3972753	35.90%	124.36	-24.26	100.1	111.83 %
GBL Industries Ltd 02.07.2018 To 14.01.2019)	1829089	20.10%	1808699	19.88%	43.4	23.85	67.25	108.12 %
Vishal Fabrics Ltd – BSE (25.03.2020 to 04.09.2020)	594348	56.12%	413421	39.04%	5.30	71.05	76.35	55.33%
Vishal Fabrics Ltd – NSE (25.03.2020 to 04.09.2020)	223282	18.17%	392354	31.93%	47.90	-17.70	30.20	23.59%

3.4. It was also observed that the entire operation which was being *prima facie* run by the kingpin (Mr. Hanif Shekh) with best of care to deceitfully hoodwink



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and delude the normal eyes, as a consequence of which Mr. Hanif Shekh along with his connected entities and promoters of some of these companies (scrips) had generated wrongful gains to the tune of approximately INR 143.79 crore by way of dealing in the aforesaid five scrips.

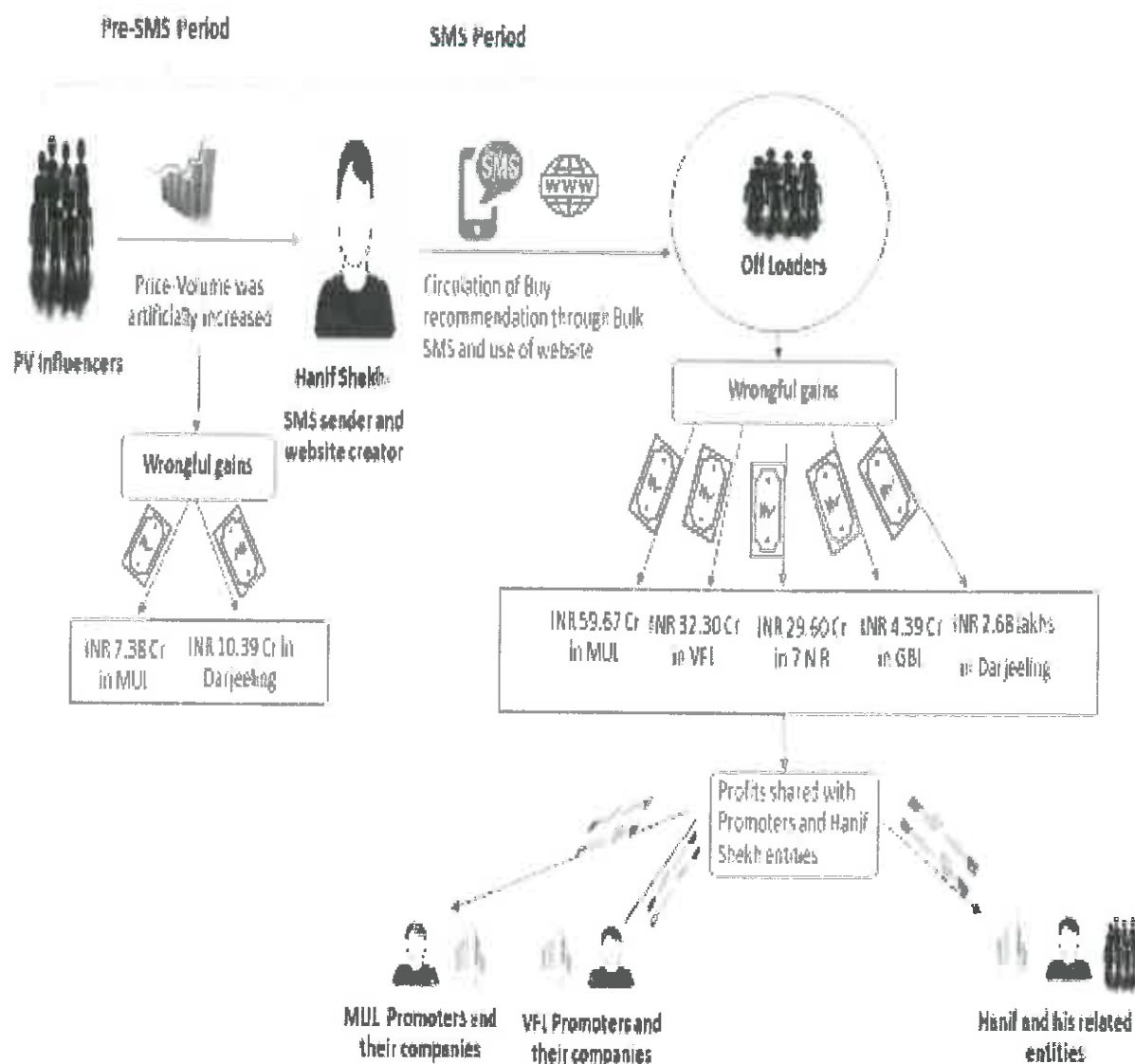
3.5. The investigation also *prima facie* reveals that a large number of entities connected to Mr. Hanif Shekh and / or Promoter of some of the Companies who were constituents of either PV Influencers or Collaborators or Off Loaders that took part in the *prima facie* scheme apparently master minded by Mr. Hanif Shekh alongwith Promoters of some of the Companies, were front entities / mule entities / name lenders. These front entities / mule entities / name lenders were *prima facie* observed to be operated as conduits of Mr. Hanif Shekh and / or of Promoters of some of the Companies. During the investigation, summons was issued to approximately 150 entities, out of which approximately 90 summons did not elicit any response from the respective entities. The same also strengthens the aforesaid *prima facie* observation that front entities / mule entities / name lenders were employed to successfully execute the *prima facie* scheme.

3.6. Before delving into the dealing in detail about the *prima facie* scheme that is observed to be employed for fraudulently dealing in the above noted five scrips so as to generate huge sums of wrongful gains that were transferred by the entities participating in the scheme to the ultimate beneficiaries through various layers of conduits, a diagrammatic indicative representation of the scheme that was *prima facie* unearthed during the investigation is presented below:



2

Figure No. 1



Consideration and Prima Facie Findings

4. I have carefully perused and considered the above narrated findings of SEBI's investigation and have also considered various materials and evidence available on record. On a perusal of the same, I find that essentially, the issue that *prima facie* requires to be addressed in the present matter is whether one Mr. Hanif Sheikh, pursuant to a scheme designed by him, with the assistance of other connected entities



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in the matter, has first manipulated the price and volume in the aforesaid five scrips which till then had not seen any sustained trading activities. Further, it needs to be ascertained as to whether, once the desired level was reached in the said scrips in terms of price and volumes, it was Mr. Hanif Shekh who ensured that bulk SMSs are sent out to public with buy recommendations in respect of the afore noted five scrips including using certain websites to recommend buying in four out of five aforesaid scrips (except Vishal Fabrics Limited), which became instrumental in further inducing the investors to deal in the aforesaid five scrips causing further rise in volumes and prices of those scrips, thereby giving an opportunity to certain entities who were either connected with Mr. Hanif Shekh and / or the company concerned, to offload the shares in the market they had previously acquired, and in the said process they were successful in making a substantial profit.

5. It will be relevant here to note that although there are five scrips which were taken up under investigation for examining the role of various connected entities and individuals who were suspected to be engaged in fraudulent trade practices in those scrips, most of these connected entities were however not commonly spread across all the said five scrips, as each scrip had also its separate set of inter-linked entities involved in its trading, apart from sharing some common entities who were seen to be involved in dealing with all or many of those in the five scrips. However, there is one common thread that strongly runs through the dealings in all of the said five scrips, which is that of wide circulation of bulk SMSs with buy recommendations with respect to the said five scrips and use of certain websites to recommend buying in favour of four out of five aforesaid scrips (except Vishal Fabrics Limited). Therefore, at the outset, it becomes essential to identify the identity of the 'SMS Sender' that apparently accentuated inducement to buy these scrips, before proceeding further in the matter.

SMS Sender- Mr. Hanif Shekh

6. It is noted that buy recommendations in the scrip of Mauria Udyog Ltd., 7NR Retail Ltd., Darjeeling Ropeway Company Ltd., GBL Industries Ltd. and Vishal Fabrics Ltd.



were circulated through SMSs and certain websites were also used to recommend buying four out of five aforesaid scrips (except Vishal Fabrics Limited), as detailed below:

Table No. 2

Sl. No.	Scrip	SMS circulation period	SMS ID and website involved*
1	Mauria Udyog Ltd.	21.09.2019 to 27.12.2019	www.midcapgains.in and SMS headers viz. BT-ZROHDA, BZ-MGAINS, BT-ICISEC and BH-MGAINS
2	7NR Retail Ltd.	11.11.2019 to 27.12.2019	
3	Darjeeling Ropeway Company Ltd.	23.12.2019 to 27.12.2019	
4	GBL Industries Ltd.	15.01.2019 to 31.01.2019	www.mbstocks.in and SMS headers MB-STOCK and MD-MULTIB
5	Vishal Fabrics Ltd.	07.09.2020 to 20.10.2020	QP-BGAINS

* It is clarified that SMS were sent not only from the aforesaid SMS IDs but also from other SMS IDs and aforementioned websites may not be the only one used for recommending buying the scrips.

Identity of SMS Sender -IDs- BT-ZROHDA, BT-MGAINS, BH-MGAINS, BT-ICISEC, MB- STOCK, MD-MULTIB, QP-BGAINS

7. Bharat Sanchar Nigam Limited (hereinafter referred to as "BSNL") was Telecom Service Provider (hereinafter referred to as "TSP") of sender IDs BT-ZROHDA, BT-MGAINS, BH-MGAINS and BT-ICISEC and MTNL was TSP of MB- STOCK and MD-MULTIB. As per the submissions made by BSNL, the aggregators and resellers during the investigation, it is observed that Awadh Info Pvt. Ltd. (hereinafter referred to as "Awadh Info"), Spark TG Pvt. Ltd. (hereinafter referred to as "Spark TG") and Newrise Technosys Pvt. Ltd. (hereinafter referred to as "Newrise") were the resellers who dealt with the clients on behalf of TSP for sending SMS from these IDs. HFCL Infotel was TSP for QP-BGAINS. As per submissions of HFCL Infotel and telemarketers, it was seen that Popular Softtech was the reseller who had dealt with the client.
8. For convenience and better appreciation, details of information submitted by BSNL, aggregators and resellers are summarized in the table below:



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Table No. 3

Details	As submitted by Awadh Info	As submitted by Spark TG	As submitted by Newrise	As submitted by Popular SoftTech
Certificate user	Multibagger Securities	Multibagger Securities	Multibagger Securities	Multibagger Securities
Client Name	Hanif Khan	Vishal	Vishal/Hanif Kasambhai Shekh	Vishal Shah
Contact E-mail	hkshekh@yahoo.co.in	midcapgains@gmail.com	dgfinindia@gmail.com	midcapgains@gmail.com
Contact No. used for communication	9157787756 9067584982 9537570268 8511591152	9537570268 9157787756	8511591152 / 9067584982	9537570268 9157787756
Payment details	Money deposited through cash	Money deposited through cash	Money deposited through cash	Money deposited through cash
Period	September 2019 to December 2019	October 2019 to December 2019	January 2019	September 2020 to October 2020

In order to ascertain the person who was running the operations of the Certificate User viz: Multibagger Securities, focus was laid upon the mobile numbers which were found to have been given to all the Resellers by the said Certificate Users. The table below identifies the commonality amongst the contact mobile numbers of the Certified Users as shared by the resellers with SEBI and the person owning the said mobile numbers:

Table No. 4

Mobile Number	Owner of the Mobile Number	Evidence
9067584982	Hanif Shekh	1. In UCC details of PAN - CBEPS9710A (Hanif Shekh) maintained with BSE and NSE, mobile number and email id is mentioned as '9067584982' and 'hkshekh@yahoo.co.in' respectively. 2. Hanif Shekh in his electronic or otherwise correspondences with SEBI uses - hkshekh@yahoo.co.in as his email address. He accepted that mobile number 9067584982 and e-mail id - hkshekh@yahoo.co.in' is used by him. 3. Hanif Shekh has e-mailed from hkshekh@yahoo.co.in to Awadh Info on January 29, 2014 for bulk SMS services.



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Mobile Number	Owner of the Mobile Number	Evidence
		4. For most of the times tower location of 9067584982, 9537570268 and 8511591152 was found to be the same which is similar to the 2 address of Hanif Shekh. 5. As per the submission of Interglobe Aviation Limited ("Indigo Airlines"), traveler with name Hanif Shekh has made bookings with E-mail id - hkshekh@yahoo.co.in, dgfinindia@gmail.com, smartfno@gmail.com and mobile numbers - 9067584982, 9537570268 and 8511591152. 6. As per submission of Yahoo, smartfno@gmail.com is recovery e-mail of hkshekh@yahoo.co.in.
9537570268	Hanif Shekh	7. In the account opening form of Sai Metaltech LLP with Oriental Bank of Commerce (now merged with PNB), mobile number - 9537570268 is provided which has signature of Hanif Shekh, who is one of the partners of Sai Metaltech LLP. 11. 9537570268 have same IMEI number as that of 8511591152 (another number of Hanif Shekh) for some period. 12. For most of the times tower location of 9067584982, 9537570268 and 8511591152 was found to be is the same which is similar to the 2 address of Hanif Shekh. 13. As per information and documents provided by Makemytrip Pvt. Ltd., mobile numbers - 9537570268, 8511591152 and email-id - hkshekh@yahoo.co.in/smartfno@gmail.com were used by customer named Hanif Shekh for booking hotels during the period September 2019 to March 2022. 14. As per submission of Interglobe Aviation Limited ("Indigo Airlines"), traveller with name Hanif Shekh has made bookings with E-mail id - hkshekh@yahoo.co.in, dgfinindia@gmail.com, smartfno@gmail.com, Hanif@bansalonline.com and mobile numbers - 9067584982, 9537570268 and 8511591152. During his statement recording in SEBI, Mr Hanif Shekh has accepted Hanif@bansalonline.com as his email ID. 15. As per submission of Swiggy, 9537570268 is registered with Name- Hanif with delivery address - Crescent Area, Bhavnagar, Gujarat - 364001 with Landmark as Near Gujarat Travels, Sir Pattani Road. According to CDR of 9537570268, user of said number has similar location for majority of the times.
8511591152	Hanif Shekh	16. 9537570268 and 8511591152 have same IMEI number for some period indicating that user of the two numbers have used same handset for some point of time.



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Mobile Number	Owner of the Mobile Number	Evidence
		17. Forgot password of e-mail id - dgfinindia@gmail.com is linked with mobile number - 8511591152. 18. 8511591152 shares same tower location as 9537570268 and 9067584982 as per their CDRs. 19. As per submission of Interglobe Aviation Limited ("Indigo Airlines"), traveller with name Hanif Shekh has made bookings with E-mail id - hkshekh@yahoo.co.in, dgfinindia@gmail.com, smartfno@gmail.com and mobile numbers - 9067584982, 9537570268 and 8511591152. 20. As per information and documents provided by Makemytrip Pvt Ltd, mobile numbers - 9537570268, 8511591152 and email-id - hkshekh@yahoo.co.in were used by a customer, named Hanif Shekh for booking of hotels during the period from September 2019 to March 2022.
9157787756	Hanif Shekh	21. In the account opening form of Sai Metaltech LLP with SBI, mobile number - 9157787756 is provided and Mr Hanif Kasambhai Shekh, one of the partner of Sai Metaltech LLP, has signed on the very page wherein the mobile number- 9157787756 is appearing two times. 22. Zomato has submitted that a user registered as 'Hanif' holding mobile number- 9157787756 had placed multiple orders on its platform during the Nov-2020 to January-2021. In majority of these orders, delivery address was 'Near gujarat travels, sir pattani road, Bhavnagar' (which is similar to the address provided by Mr Hanif Shekh during the statement recording). 23. Also on January 30, 2021 one of the orders placed by the user holding mobile number- 9157787756 was delivered to Double Tree Hotel having (Latitude: 23.0284391, Longitude: 72.50159863). Accordingly, the aforesaid hotel was requested to confirm whether any guest by the name Hanif Shekh/ Hanif Kasambhai Shekh stayed in the Double Tree Hotel, Ambli Rd, Vikram Nagar, Ahmedabad, and Gujarat 380058 on January 30, 2021. Hotel Double Tree by Hilton- vide email dated February 03, 2023 has <i>inter alia</i> informed that Hanif K Shekh and Yasminabanu S Pathan had checked into the aforesaid hotel on January 30, 2021 and checked out on January 31, 2021. Other details submitted by Hanif K Shekh and Yasminabanu S Pathan to Double Tree Hotel are - Mobile Number: 9067584982, Email id of Guest: SMARTFNO@GMAIL.COM, Identity Proof: Driving License. 24. During his statement recording, Mr Hanif Shekh has accepted 9067584982 as his mobile number. Moreover, driving license (GJ04 200800338898) submitted by Double Tree

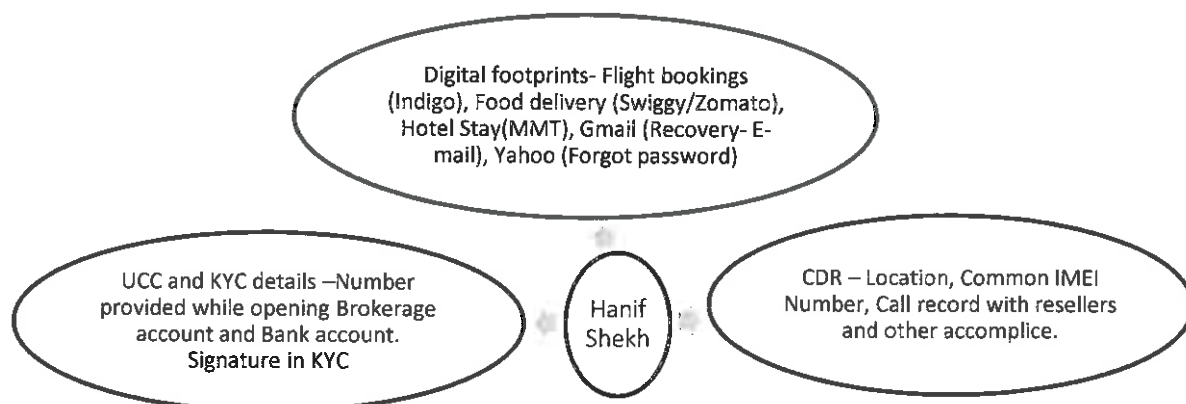


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Mobile Number	Owner of the Mobile Number	Evidence
		Hotel is matching with the driving license provided by Mr Hanif Shekh during statement recording.

9. The details as provided in the above table unequivocally highlight the strong commonalities that exist amongst the mobile numbers 9067584982, 9537570268, 8511591152 and 9157787756 in terms of location of the mobile numbers, common IMEI number, common email ids, and similar digital footprints (Indigo, Swiggy, Zomato, Makemytrip) etc. All the aforesaid factual details that are irrefutable, *prima facie* show that the owner of the aforesaid four mobile numbers, is none other than Mr. Hanif Shekh. To sum up the aforesaid factual evidences, the following figure succinctly captures the various parameters/factors based on which the identity of Mr. Hanif Shekh can be *prima facie* ascertained without any doubt:

Figure No. 2



10. With respect to the websites i.e. www.midcapgains.in and www.mbstocks.in, the following is noted:

www.midcapgains.in (Active: - October 2019 to September 2020)

- 10.1. The aforesaid website was registered in the name of First Economy Pvt. Ltd. (hereinafter referred to as the “FEPL”). FEPL in its replies has submitted that it is a digital marketing agency specializing in media planning and buying,



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website and mobile app development. One person, named Mr. Rohit Jain approached them for the aforesaid website development and for advertisement of the said website on Moneycontrol website. No KYC or agreement was entered into by FEPL with the person named Mr. Rohit Jain.

10.2. It is noted from the submissions of FEPL that the website was advertised on the Money control website and through which customers would land on the customer registration page of the website, www.midcapgains.in. Once the customer registers himself on the website, he would start getting recommendations to buy the aforesaid scrips, except GBL Industries Ltd.

10.3. The records reflect that the website owner was using the mobile number 9537570268 and the email id, midcapgains@gmail.com for communication with FEPL.

www.mbstocks.in

10.4. As per information submitted by GoDaddy, the website (www.mbstocks.in) was created on December 29, 2018. The contact details of the registrant (Shopper-ID:193051104) for the website, www.mbstocks.in was, dgfinindia@gmail.com and the same email id was used for communication purpose by the website owner.

10.5. It is also noted that the email id dgfinindia@gmail.com is linked with mobile number 8511591152.

10.6. The records reflect that the website was used for sending buy recommendations in the scrip of GBL Industries Ltd.

11. It has already been *prima facie* observed in the preceding paragraphs that mobile numbers 9537570268 and 8511591152 are owned by Mr. Hanif Shekh. Further, the email id, dgfinindia@gmail.com as noted above has been used by Mr. Hanif Shekh for his transaction with Indigo Airlines and also was provided to the reseller i.e., Newrise while the other email id, i.e. midcapgains@gmail.com was provided by him to the resellers, viz: Spark TG and Popular SoftTech while transacting with them. Therefore,



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it can be *prima facie* observed that Mr. Hanif Shekh is the owner and was closely connected with the management of two websites viz: www.midcapgains.in and www.mbstocks.in. Further, it is observed from the findings of the investigation that payment with respect to the website creation and development of www.midcapgains.in was received by FEPL from one proprietary firm, Sambhavanath Traders having HDFC Bank Account No. 50200027909681. As in any kind of commercial transaction, the consideration for owning any kind of property comes from the owner and / or his connected entity. Thus, as noted above *prima facie* Mr. Hanif Shekh is the owner of the aforesaid two websites and since the payment for the creation and operation of the said websites has come from Sambhavanath Traders, it can be *prima facie* inferred that both Mr. Hanif Shekh and Sambhavanath Traders (Proprietor – Mr. Chandraprakash Valchand Parekh) are connected with each other. In other words, by making the payment to operationalise the website, www.midcapgains.in, which was used to send buy recommendations in the scrips except GBL Industries Ltd., Sambhavanath Traders has played a decisive role in the *prima facie* scheme employed in the said scrips (as discussed in subsequent paragraphs) by Mr. Hanif Shekh and / or Promoters of the Companies, wherever applicable.

12. Once the identity of the person who was dealing with the resellers and who was the owner of the aforesaid two websites has been *prima facie* determined to be Mr. Hanif Shekh, the following circumstances / documentary evidence *prima facie* lead me to the finding that it was Mr. Hanif Shekh who was actively involved in sending the bulk SMSs and operating the aforesaid two websites:

12.1. Call Data Records (hereinafter referred to as “CDRs”) in respect of mobile number 9537570268 confirms calls exchanged between Mr. Hanif Shekh and Awadh Info (9838585569 and 7311111641) and Spark TG (97179397366) during the relevant period.

12.2. Screenshot of WhatsApp Chat between person having mobile number 9537570268 (Mr. Hanif Shekh) and Awadh Info, regarding Sender-iDs, content



of message related to Mauria Udyog Ltd., were found to be similar to those messages received by the complainants who have produced those messages in their complaints.

12.3. From the screenshot of WhatsApp chats/calls between the representative of Popular Softtech (9930447726) and mobile number- 9537570268, it is observed that Mr. Hanif Shekh is asking for credit of 3 lakh SMSs in his account and there are multiple WhatsApp calls between these above two mobile numbers on September 22, 2020 and October 07, 2020.

12.4. Documents provided by Spark TG regarding chats with mobile number 9537570268 (Mr. Hanif Shekh) asking for missed call service and SMS content was also similar to those received by complainants.

12.5. Screenshot of WhatsApp Chats between person having mobile number 8511591152 (Mr. Hanif Shekh) and Awadh Info regarding advertisement of midcapgains.in on Moneycontrol website, stating that their advertisements were directly running on Moneycontrol as well. The same has also been submitted by FEPL, who created the website of www.midcapgains.in and ran advertisement of www.midcapgains.in on Moneycontrol.

12.6. Link of the website, www.midcapgains.in was sent both through SMS and through advertisement on Moneycontrol website, *prima facie* showing that both the SMS sender and website owner are connected with each other.

13. In the light of the aforesaid factual revelations, it can be *prima facie* inferred that Mr. Hanif Shekh was not only involved from the very beginning of creation of multiple SMS sender IDs as well creation of websites but was also involved in actively managing the operation of sending bulk SMSs and also managing those websites. In other words, Mr. Hanif Shekh is *prima facie* the person found to be responsible for the creation, development and management of websites, www.midcapgains.in and www.mbstocks.in and is also responsible for circulation of SMSs from the sender-IDs such as - BT-ZROHDA, BZ-MGAINS, BH-MGAINS, BT-ICISEC, MB-STOCK, MD-MULTIB and QP-BGAINS etc. from which



SMSs with buy recommendations were sent out in favour of the scrips of Mauria Udyog Ltd., 7NR Retail Ltd., Darjeeling Ropeway Company Ltd., GBL Industries Ltd. and Vishal Fabrics Ltd. Therefore, in the present matter, it is *prima facie* observed that Mr. Hanif Shekh is the “SMS Sender” and the websites owner. Further, it is observed from the aforementioned multiple SMSs sender IDs that were *prima facie* owned and used by Mr. Hanif Shekh, that some of these ID names mimic the names of certain reputed stock brokers such as Zerodha Broking Ltd., ICICI Securities, etc. The aforesaid act of imitating and surreptitiously misusing the names of reputed brokerage houses to create similar sounding sender IDs cannot be a coincidence and *prima facie* has to be by design as Mr. Hanif Shekh apparently has no connection with the afore-stated brokerage houses. Therefore, the sole purpose of using the said nomenclatures to create such sender IDs was *prima facie* to bring more credibility to the buy recommendations that were *prima facie* circulated by him considering the stature and huge number of retail investors associated with these brokerage houses. At the outset, such a cunning move by the SMS Sender reveals how well thought of the scheme was that was *prima facie* employed by Mr. Hanif Shekh wherein, he alongwith his connected entities have not only tried to *prima facie* manipulate the volumes and prices in the scrips (discussed in subsequent paragraphs of this Order) but have also by impersonating the reputed brokerage houses, deliberately attempted to trick the investors to believe in the growth potential and investment opportunities in the scrips, by sending such bulk SMSs from such mimicked sender IDs, therein giving ‘buy recommendations’ in favour of such scrips.

PV Influencers, Collaborators and Off Loaders

14. Moving on to the next crucial step to unravel the *prima facie* scheme, the roles enacted by entities who have, played the role of the PV Influencers, certain entities who also have acted as Collaborators and the Off Loaders of shares, in the *prima facie* fraudulent trades that were witnessed in the aforementioned five scrips need to be discussed and *prima facie* determined. For the sake of clarity, the roles played by these



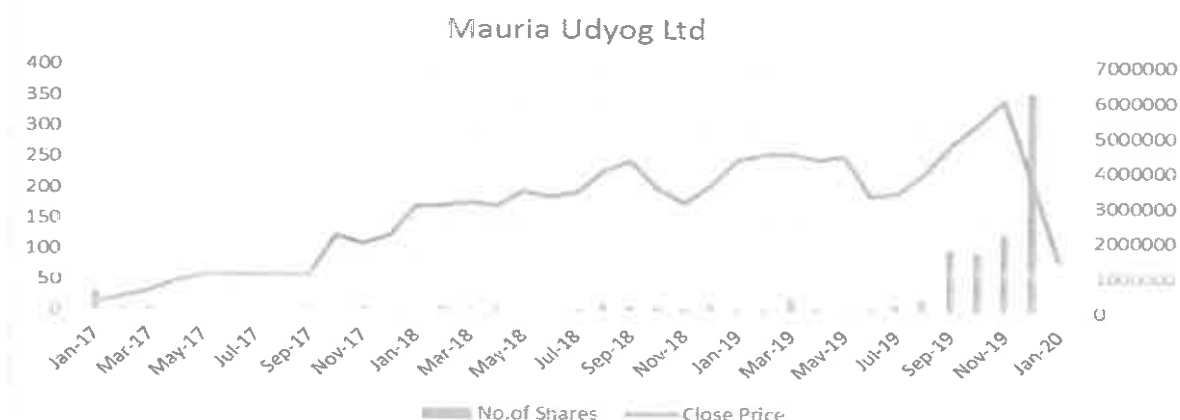
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separate categories of players who have discharged their respective parts as assigned to them under the *prima facie* scheme, have been examined scrip wise, in the following sections of this Order.

Mauria Udyog Ltd.

15. Mauria Udyog Ltd. (hereinafter referred to as “**MUL / Company**”) is the company which is involved in the manufacturing and export of LPG cylinders, valves, regulators and related accessories. MUL got listed on BSE on July 14, 2015. It is noted from the Price volume data available on the BSE website, the first trade that was executed in the scrip was on January 27, 2017. Thereafter, there was a sustained increase in the price and volume of the scrip till September 20, 2019. During the period of January 27, 2017 to September 20, 2019, the scrip opened at INR 10.20 reached a high of INR 300 and closed at INR 255.45 with an average volume of 9,423 shares. The relevant Price – Volume chart in the scrip is depicted below:

Figure No. 3



16. As can be seen from the above that price of the scrip increased by 25 times by September 20, 2019 from the price level noticed in January 27, 2017. Further, as can be seen from the aforesaid Price – Volume chart that during the period September 2019 to December 2019, there was a marked increase in the price and volume of the scrip with a high of INR 412.10/- and an average volume of 1,63,738 shares. During the entire period i.e., January 27, 2017 to December 27, 2019 (hereinafter referred to as “**Investigation Period - MUL**”), it is also noted that there were hardly any major



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corporate announcements made by the *Company* or any major change in *Company's* earnings (rather net loss of INR 12.65 crore was shown in the quarter ended September 2019) or revenue increase (rather revenue decreased by 35% in September 2019 quarter compared to previous quarter). Therefore, in the absence of any fundamental change in the operations or financials of the *Company*, the sustained rise in the price and volume of the scrip as noted above, certainly raised bonafide suspicion for conducting an investigation.

17. The aforesaid suspicion was further strengthened from the fact that bulk SMSs with buy recommendations were sent in the scrip and the website, www.midcapgains.in was used to send buy recommendations in the scrip which, as discussed in subsequent paragraphs, *prima facie* had a substantial impact on the price and volume of the scrip. The SMSs had started circulating in the scrip from September 21, 2019 onwards. Considering that the circulation of bulk SMSs and the use of the aforesaid website was the central focal point to the *prima facie* scheme employed in influencing the trading in the scrip, the trades in the scrip was examined for both, during the pre-SMS period (January 27, 2017 to September 20, 2019) as well as during the SMS period (September 21, 2019 to December 27, 2019).

PV Influencers

Group 1

18. It was noted that the following group (collectively referred to as "**Group 1**") of connected entities was frequently trading in the scrip of MUL during the period January 27, 2017 to September 20, 2019 i.e., during the pre- SMS period:

Table No. 5

Sl. No	Entity Name	Connection amongst different entities of the group based on following facts
1.	Piyush Agarwal	1. Piyush Agarwal and Sapan Kumar Agarwal are partners of a CA firm MKSKA & CO.
2.	Juscorp Enterprises	2. Juscorp Enterprises Pvt Ltd ("Juscorp") and Vepar Solutions Pvt Ltd ("Vepar") have same address as that of MKSKA & CO - "207, D.R.



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Sl. No	Entity Name	Connection amongst different entities of the group based on following facts
	Private Limited	Chambers, D.B. Gupta Road, Karol Bagh, New Delhi – 110005". Vepar is a company of Piyush Agarwal and Juscorp is a company of Sapan Kumar Agarwal.
3.	A1 Solutions-Prop-Ajju Kumar	3. E-mail id of Sapan Kumar Agarwal (agarwal.sapan@ymail.com) is given for Juscorp on MCA and wife of Sapan Kumar Agarwal- Supriya Agarwal is one of the directors of Juscorp.
4.	Corredor Services Private Limited	4. Shyam Kumar Singh has multiple bank transactions with Sapan Kumar Agarwal and MKSKA & Co. He has an account in the same branch of PNB as Sapan Kumar Agarwal. Shyam Kumar Singh is the authorised signatory of Corporate First (proprietorship) which has the same address as that of MKSKA & CO and Juscorp.
5.	Sapan Kumar Agarwal	5. Common Mobile Number (9540649579) is provided in the UCC of Shyam Kumar Singh and Orion Ventures Pvt Ltd where Supriya Agarwal, wife of Sapan Agarwal has 50% shareholding.
6.	Vepar Solutions Private Limited	6. Corredor Services Pvt Ltd has Shyam Kumar Singh (DIN 07752726) as one of the Directors. Corredor Services Pvt Ltd has multiple bank transactions with Juscorp and MKSKA & CO.
7.	Shyam Kumar Singh	7. Multiple fund transfer between A1 solutions and Piyush Agarwal, Corredor Services Pvt Ltd, Juscorp Enterprises Ltd, Shyam Kumar Singh, MKSKA&CO. 8. MKSKA & CO, Corredor, Juscorp and Vepar have transactions with entity K.M. Enterprise. Proprietor of KM Enterprise is also a friend of one of these entities (Piyush Agarwal- Partners of MKSKA & Co). KM Enterprises has financial transaction with Forex companies (Sub-group 6) Hanif entity-Samukh Trade (Sub-group 2.A). (discussed in subsequent paragraphs). 9. There is an e-mail communication between DK Gupta and Deepak Kumar Garg – staff of Mauria Udyog Ltd to which an excel file is attached (Contractor Shares-1.xlsx) regarding shares sold by the Mauria employees and payment to be made to the two entities, namely Piyush and Malay during the same period when SMS were being circulated.
8.	Kamal Gupta Huf	11. Sl Nos. 8,9,10 and 11 have bank transactions with each other and MKSKA & Co and entities at Sl No. 3 and Sl No.7.
9.	Chinnu	12. Kamal Gupta and Piyush Agarwal are friend as per their submissions.



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Sl. No	Entity Name	Connection amongst different entities of the group based on following facts
10.	Gyanendra Gharti Chhetri	
11.	Aayush Tanwar	

19. It is noted from the above table that the aforesaid 11 entities are *inter alia* connected with each other either by way of common directorship or having common address or having multiple fund transactions amongst themselves. For instance, Juscorp and Vepar share common address i.e. "207, D.R. Chambers, D.B. Gupta Road, Karol Bagh, New Delhi – 110005". Further, multiple fund transfers have been observed between A1 solutions (IndusInd Bank Account No. and ICICI Bank Account No.), Mr. Piyush Agarwal (SBI Bank Account No. 55151455822), Corredor Services Pvt. Ltd. (ICICI Bank Account No. 678205600410), Juscorp (ICICI Bank Account No. 629105046965), Mr. Shyam Kumar Singh (PNB Bank Account No. 0619000100190252). The afore-noted factual findings *prima facie* show the strength of their *inter se* connections and when the above noted close connections are seen and examined in the backdrop of the peculiar pattern of trading followed by these entities in the scrip of MUL where, these entities have been observed to be trading in a concerted manner and have further been seen to be posing as counterparties to each other's trades in the scrip of MUL during the period from January 27, 2017 to September 20, 2019, they would *prima facie* demonstrate that the very fact of these connected entities coming together in the securities market to deal in the scrip of MUL in unison and in a concerted manner was not a mere happenstance.

20. As per the findings of the investigation, contribution of aforesaid 11 group members to the price and volume rise in the scrip of MUL during the period January 27, 2017 to September 20, 2019 was, as shown in the table below:



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Table No. 6

Sl. No	Entity Name	Buy Qty	% Buy to total Market Buy Volume	Sell Qty	% Sell to total Market Sell Volume	Net Buy LTP	Net Sell LTP	Total LTP	% Contribution to Net Price Rise
1.	A1 Solutions Prop. Aju Kumar	483761	9.63%	435017	8.66%	121.74	-32.62	89.12	36.34%
2.	Piyush Agarwal	400631	7.98%	339724	6.76%	57.65	-173.35	-115.7	-47.18%
3.	Shyam Kumar Singh	251808	5.01%	208327	4.15%	509.3	54.01	563.31	229.69%
4.	Chinnu	173103	3.45%	160797	3.20%	234.65	-23.15	211.5	86.24%
5.	Corredor Services Private	152015	3.03%	147410	2.93%	37.55	-28.35	9.2	3.75%
6.	Sapan Kumar Agarwal	142565	2.84%	116947	2.33%	-273.85	0.3	-273.55	-111.54%
7.	Kamal Gupta Huf	119066	2.37%	108290	2.16%	37.8	-44.65	-6.85	-2.79%
8.	Aayush Tanwar	102155	2.03%	102155	2.03%	35.95	477.9	513.85	209.52%
9.	Vepar Solutions Private	91211	1.82%	78100	1.55%	12.6	8.65	21.25	8.66%
10.	Juscorp Enterprises	51212	1.02%	36397	0.72%	-141.95	16.3	-125.65	-51.23%
11.	Gyanendra Gharti	37371	0.74%	36420	0.73%	201	88.4	289.4	118.00%
Total		2004898	39.92%	1769584	35.22%	832.4	343.44	1175.88	479.46%
Trading directly among the group		872744	17.38%	872744	17.38%	906.45	906.45		369.60%
Market Total		5022692	100%	5022692	100%	245.25	245.25	245.25	

21. As can be seen from the above table, these 11 connected entities while acting as a group have *prima facie* contributed 39.92% to the market buy volume and 35.22% to the market sell volume and also have contributed 17.38% of the total market traded volume, by trading with each other as a group in the scrip of MUL. The trades of the aforesaid connected entities were also further analysed to determine as to how the



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said connected entities were trying to influence the volume and price in the scrip so as to create artificial exuberance in the market thereby projecting the scrip of MUL a potentially attractive proposition for the investors in the securities market. Some illustrations to that effect are as follows:

21.1. On June 3, 2019, Mr. Sapan Kumar Agarwal had placed 25 different buy orders (order numbers from 1559532600002658026 to 1559532600002658050) for 10 shares each in the scrip of MUL at the price of INR 205/- per share (when LTP was INR 255.8/-). All such orders were placed on the stock exchange system at 9:15:00 hours. Subsequently, Mr. Aayush Tanwar who is part of the connected group, had placed a sell order (order number 1559532600002658051) for 250 shares in the scrip of MUL for INR 254.8/- per share at 9:17:36 hours (when LTP was INR 255.8/-). In order to match the aforesaid sell order, the 25 buy orders earlier placed, were modified by Mr. Sapan Kumar Agarwal after 1 second of the aforesaid sell order was placed i.e. at 9:17:37 hours, so as to match the price of the sell order i.e. INR 254.8/-. The aforesaid actions on the part of Mr. Sapan Kumar Agarwal led to matching of 1 sell order of 250 shares with 25 different buy orders for 10 shares each at similar price of INR 254.8/- per share. Thus, by trading in such a manner the entities effected change of hands of 250 shares from Mr. Aayush Tanwar to Mr. Sapan Kumar Agarwal, which could have been otherwise done in a single trade as well had Mr. Sapan Kumar Agarwal initially placed a single buy order for 250 shares at one go instead of placing 25 separate buy orders for 10 shares each. However, by executing a trade for 250 shares of MUL through 25 trades the said two entities have consciously and artificially created a volume through first 25 trades in the scrip on that particular day.

It is noted that during the period when the above trades were being executed the average daily trading volume in the scrip was around 9,400 shares which shows that the liquidity in the scrip was relatively less. In this scenario, placing a buy order of 250 shares which is around 2.5% of the average daily trading volume, at a price (INR 254.8/-) which was far away from the LTP (INR 255.8/-) by at least



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24%, not only *prima facie* shows a non-genuine trading behaviour but also *prima facie* shows that the entities were trying to artificially influence the liquidity / volume in the scrip. The aforesaid acts of the two connected entities when seen along with the fact that the buying entity immediately changed (within few seconds of placement of sale order) his buying price upwards by approximately INR 50/-, only to match the sell order placed by his connected entity and further, the act of the seller entity who is supposed to act prudently on the principle of trying to get the highest price possible for his shares offering his shares to sell even below the LTP *prima facie* shows that these connected entities were basically trying to artificially create a positive momentum in the scrip.

It is further noted that Mr. Aayush Tanwar who was thus seen to be a seller in the first 25 trades of the day, again accessed the securities market on the same day i.e. on June 3, 2019 by placing one buy order (order number 1559532600002658107) for 250 shares in the scrip of MUL at the price of INR 250.8/- per share at 10:29:25 hours (when LTP was INR 252.4/-), which were again, matched by 25 different sell orders (order numbers from 1559532600002658073 to 1559532600002658097) for 10 shares each placed by another connected group entity viz. Mr. Shyam Kumar Singh at the price of INR 250.8/- per share ignoring the fact that the LTP in the scrip was INR 252.4. It is important to note here that initially 25 sell orders were placed by Mr. Shyam Kumar Singh at a price of INR 300/- per share between 10:09:36 hours to 10:10:54 hours (when LTP was INR 252.4/-). However, as soon as a buy order for 250 shares was placed by Mr. Aayush Tanwar at 10:29:25 hours, the 25 sell orders were modified by Mr. Shyam Kumar Singh at the same time at 10:29:25 hours by modifying earlier sell price of INR 300/- per share downwards to INR 250.08/-, in order to match the buy order of Mr. Aayush Tanwar. This resulted in execution of another 25 trades on that particular day.

From the above illustration it can be seen that, similar to the first illustration, buy / sell orders were first placed by the connected entities at prices away from the LTP and such orders were modified when a counter order was placed by the



connected entity, only in order to match the price of the counter party order, and to execute the said order into a trade.

22. I note from the order log and trade log that the aforesaid instances are not the only instances when the PV Influencers have traded in such unusual pattern as illustrated above. There are multiple such instances of trades during the period from January 27, 2017 to September 20, 2019 through which the said connected entities have *prima facie* influenced the volume in the scrip. It is however observed that the aforesaid method is not the only *modus operandi* employed by the connected entities to *prima facie* create artificial trading volume in the scrip though this was the most frequently used method. A pre-determined plan of the PV Influencers to create artificial volume in the scrip of MUL becomes *prima facie* evident when the trades executed by these connected entities are juxtaposed with the total trades executed in the scrip during the pre-SMS period. As per the available records, it is noted that the PV Influencers have *prima facie* created artificial volume of 35.22% out of which 17.38% has been created by directly trading by the group members amongst each other and the remaining 17.84% volume has been created when at least one of the aforesaid connected entities was on either side of a trade. Upon further examination of the trading activities of the said connected entities, it was further observed that although the connected entities had created substantial volume in the scrip during the aforesaid period, in effect only 4.7% (39.92% - 35.22%) of their traded volume during the said period had actually resulted in change of beneficial ownership while the remaining 35.22% of traded volume was created deliberately, just to create a *prima facie* artificial volume with no change in effective beneficial ownership i.e., the ownership of the shares stayed within the group.

23. It is further noted from the available records that the PV Influencers have not only *prima facie* created artificial volume in the scrip of MUL but were also *prima facie* instrumental in creating artificial price in the said scrip. During the pre-SMS period i.e., from January 27, 2017 to September 20, 2019 the said connected entities while acting as a group have contributed INR 906.45/- to the net positive LTP in the scrip of MUL by trading amongst each other in 11,511 trades with a total volume of 8,72,944



shares (17.38% of total market volume). Further, out of the above mentioned 11,511 trades, in 8,643 trades (75.08% of total group trades) it is observed that the time difference between placing of buy orders and sell orders was equal to or less than 60 seconds and such trades have resulted in contribution of INR 842.70/- to the net positive LTP involving 6,34,096 shares (12.62% of total market volume) that were traded by these 11 entities. Upon further scrutiny of the trading activities of the PV Influencers, it was noted that in 7,543 trades (65.52% of total group trades), the time difference between buy orders and sell orders was equal to or less than 10 seconds and such trades have resulted in contribution of net LTP of INR 721.85/- involving 4,91,717 shares (9.78% of total market volume) that were traded by these 11 entities. A few illustrations showing *prima facie* synchronised trades in the scrip by the said connected entities are also shown herein below:

23.1. On July 2, 2019, Mr. Shyam Kumar Singh had placed a buy order (order number 1562038200002072025) for 400 shares of MUL at 09:31:56 hours at a price of INR 150/- (previous day's LTP was INR 180/-) and Mr. Aayush Tanwar had placed a sell order (order number 1562038200002072027) for 50 shares at 09:35:04 hours at INR 194/-. Within next 3 seconds of the afore-stated sell order placed by Mr. Aayush Tanwar, i.e. at 09:35:07 hours, the buy order placed by Mr. Shyam Kumar Singh was modified and the modified price was INR 194/- and the modified quantity was 50 shares. Consequently, the buy and the sell orders matched resulting in creation of positive LTP of INR 14/- (7.78% higher than the previous LTP). Interestingly, this was the 1st trade of the day.

23.2. On July 04, 2019, Mr. Sapan Kumar Agarwal had placed a buy order (order number 1562211000002044029) for 20 shares of MUL at 09:15:24 hours at a price of INR 163/- (previous day's LTP was INR 190/-) and Mr. Aayush Tanwar had placed a sell order (order number 1562211000002044031) for 100 shares at 09:16:22 at INR 209/-. Within next 5 seconds of the afore-stated sell order placed by Mr. Aayush Tanwar, i.e. at 09:16:27 hours, the buy order placed by Mr. Sapan Kumar Agarwal was modified and the modified price was INR 209/-. Consequently, the buy and the sell orders matched resulting in creation of



positive LTP of INR 19 (10% higher than the previous LTP). Interestingly also, this was the 1st trade of the day.

The aforesaid illustration when seen in the light of the fact that approximately 65% of the trades (7,543 trades) executed within the said group, were executed within 10 seconds, which not only resulted in net LTP of INR 721.85/- but also represented approximately 10% of the market volume, which demonstrates not only the repeated nature of the transaction that was *prima facie* synchronised in nature but also strongly points to prior meeting of minds amongst the said entities to conduct their trades in such unusual manner. It is also observed from the details of the trades executed by the said group that despite there being an anonymous trading system on the exchange platforms, matching of such large number of trades between the same connected parties on the said trading system could not have fructified, unless the trading system was being shrewdly abused. It is further pertinent to note that *prima facie* such types of abnormal trading pattern lead to unwarranted price fluctuation and creates a false appearance of trading in the securities market and thereby tending to mislead the investors. In other words, the execution of buy and sell orders within the group, the volume created therefrom and the proximity of time between the buy orders and sell orders as noted above *prima facie* show the deceptive behaviour of the PV Influencers to play the market in a pre-ordained unscrupulous manner only for the purpose of increasing the price and the volume and thereby to create an artificial picture of large scale dealings in the scrip of MUL.

SMS Period

24. Once a momentum was generated in the scrip by dealing in the scrip of MUL in the aforesaid unusual manner as illustrated above, so as to maintain the price and volume in the scrip at a sustainable level, the next leg of the *prima facie* scheme that is discernible from the investigation comes into play by way of sending out bulk SMSs in favour of the scrip with buy recommendations to the public at large including using the website to give buy recommendation in the scrip. In the SMS headers related to scrip of MUL, it was observed that the SMS from the header BH-MGAINS were sent to



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61,960 unique mobile numbers and from the header BT-MGAINS SMS were sent to 752 unique mobile numbers during the period of September 21, 2019 to December 27, 2019 i.e., SMS Period. A few sample SMS texts that were circulated in respect of the said scrip and its *prima facie* impact on volume and price in the scrip of MUL, are indicated in the table below:

Table No. 7

Sl. No.	SMS Header	Sample SMS Text	Date of SMS circulation	% volume increase from previous trading day	% price increase from previous trading day
1.	BT-MGAINS	Multi- Bagger Buy MAURIA UDYOG LTD (B.S.E. Code 539219) For -INTRA-DAY Target 301+ -This Week Target 310++ FINAL Target 1000+	October 29, 2019	1,37,648 shares traded on October 29, 2019 from 31,219 shares traded on October 27, 2019 i.e. increase of 340.91%.	Weighted Average price on 27-Oct-2019 was INR 296.64/- and the scrip touched the high of INR 301.05/- on 29-Oct-2019 i.e. the scrip witnessed a movement of approx. 1.5% in its price.
2.	BH-MGAINS	BUY/ADD More MAURIA UDYOG (539219) -NEXT WEEK Target 425+ -INTRA-DAY Target 395+ -FINAL Target 1000+ N.S.E. LISTING in 12 DAYS-BUY MAXIMUM QUANTITY RIGHT NOW	December 19, 2019	6,05,036 shares traded on 19-Dec-2019 from 5,39,963 shares traded on 18-Dec-2019 i.e. an increase of 12.05%.	Weighted Average price on 18-Dec-2019 was INR 388.43/- and the scrip touched the high of INR 395.05/- on 19-Dec-2019 i.e. the scrip witnessed a movement of 1.7% in its price.

Thus, from the aforesaid table it can be seen that there has been a marked increase in the volume of the scrip noticed immediately on the next day of sending of the SMS including an upward movement in the price of the scrip. It is further observed from the records that there has been 1638% increase in the volume of the scrip during the SMS period vis-à-vis pre-SMS period. The price in the scrip also touched a high of INR



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412.10/- during the SMS period as compared to the closing price of the pre-SMS period which was INR 255.45/- i.e., there was a 61.32% spike in the price of the scrip. The aforesaid figures *prima facie* accentuates the role played by the bulk SMSs in luring the investors to deal in the scrip. The records reflect that the circulation of bulk SMSs and the use of the website to give buy recommendations was not a solitary instance and was frequently used during the SMS period by using different sender IDs. The same had a noticeable impact on the price and volume movement in the scrip. Apart from sending scrip specific recommendation in scrip of MUL, automatic messages were also received from calling on missed call service number. Sample of SMS text received from calling missed call service number (926667330) is shown below:

"Thank You For Joining Us For MULTI-BAGGER Stock 2019. Our Executive Will Call You Soon. Please Check Our 100% Successful PAST PERFORMANCE on www.MidcapGains.in"

Collaborators

Group -2

25. It is noted from the records that around the time when the bulk SMSs in the scrip had started circulating (September 21, 2019 to December 27, 2019), another group of connected entities (hereinafter referred to as "**Collaborators**"), as shown below were observed to be frequently trading in the scrip of MUL:



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Table No. 8

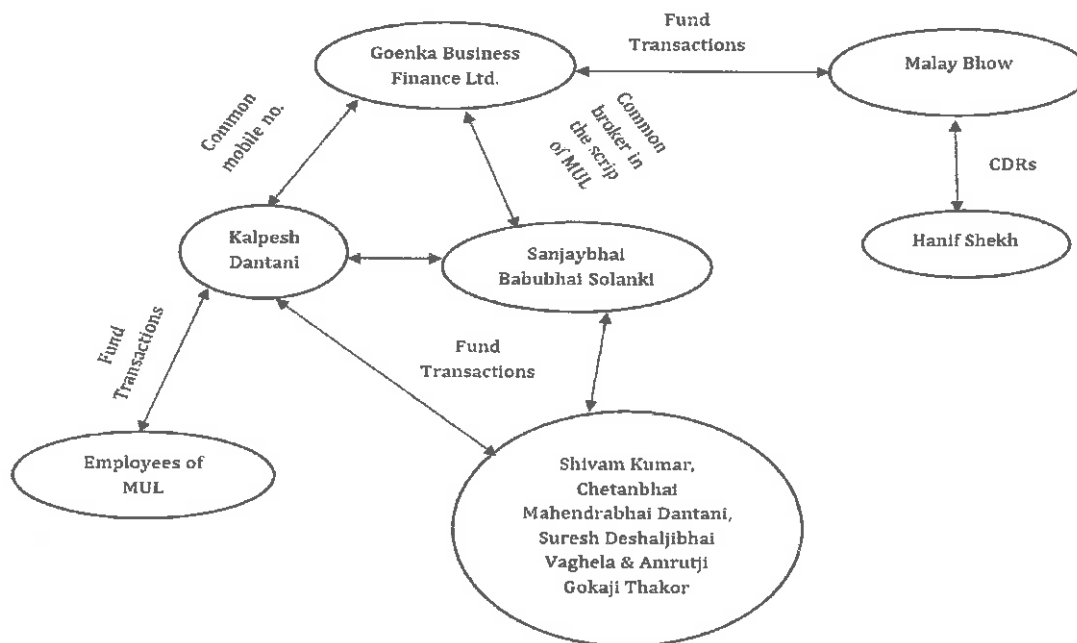
Sl No	Entity Name	Connection with each other as a group
1.	Goenka Business Finance Limited	1. There are fund transfers between Kalpesh Dantani, Shivam Kumar, Sanjaybhai Solanki, Amrutji Gokaji Thakor, Goenka Business and Finance Ltd and Director of Goenka Business and Finance Ltd, Yasin Abdul Sattar Ghor. There are multiple fund transfers between Sanjaybhai Solanki, Suresh Vaghela and Goenka Business and Finance Ltd. There are multiple fund transfers between Suresh Vaghela and Amrutji Thakor, Sanjaybhai Solanki. 2. Goenka Business and Finance Ltd and Kalpesh Dantani shared same mobile number – 7622002502 in their UCC details. 3. Kalpesh Dantani and Chetanbhai Dantani shared same mobile number -8487887844 in their UCC details. 4. Goenka Business and Finance Ltd and Sanjaybhai Babubhai Solanki traded with Sunflower broking as member. 5. Malay Bhow of Sunflower broking and his wife Viral Bhow have had frequent bank transactions with Goenka Business and Finance Ltd. 6. Malay Bhow (Mob No. 9924920206) has frequent communications (call) with Hanif Shekh (Mob No. 9537570268). 7. There is fund transfer from Kailash Chouhan Contractor and Susheel Kumar Contractor of INR 7.41 lakh and INR 7.27 lakh, respectively to Kalpesh Dantani on 8/8/2019. Kailash Chouhan and Susheel Kumar are named in the list of employees (both permanent and contractual) as provided by MUL 8. There is e-mail communication between DK Gupta and Deepak Kumar Garg – employees of MUL where an excel file is attached (Contractor Shares-1.xlsx) regarding shares sold by the employees of MUL and payment to be made to two entities namely Piyush and Malay during the same period when SMS were being circulated. The above referred excel list also has details of payment made to Kalpesh Dantani.
2.	Kalpesh Dantani	
3.	Shivam Kumar	
4.	Sanjaybhai Babubhai Solanki	
5.	Chetanbhai Mahendrabhai Dantani	
6.	Suresh Deshaljibhai Vaghela	
7.	Amrutji Gokaji Thakor	

26. For ease of reference, the connections that are found amongst the Collaborators are depicted diagrammatically as below:



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Figure No. 4



27. It is noted from the above table and the figure that the aforesaid 7 entities are *inter alia* connected with each other either by way of having multiple fund transactions amongst themselves or through common phone numbers or through common stock broker. For instance, Mr. Suresh Deshaljibhai Vaghela had received INR 5,00,000/- on February 18, 2019 and INR 1,00,000/- on July 26, 2019 from Mr. Amrutji Gokaji Thakor. Mr. Suresh Deshaljibhai Vaghela had also received INR 5,00,000/- on October 4, 2019 and INR 2,22,000/- on December 30, 2019 from Mr. Sanjaybhai Babubhai Solanki. Similarly, as per UCC details, Goenka Business and Finance Ltd. and Mr. Kalpesh Dantani have same mobile number viz. '7622002502'. It is further noted that in addition to the connection that existed amongst each other, some of these 7 entities are also connected to one more entity namely Mr. Malay Bhow, who is directly connected with Mr. Hanif Shekh (through phone calls as well as through his own admission during statement recording). Mr. Malay Bhow is closely connected with Goenka Business and Finance Ltd. For instance, Goenka Business and Finance Ltd. has frequent fund transfers with Mr. Malay Bhow and his wife, Ms. Viral Bhow. Further,



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Goenka Business and Finance Ltd. and Mr. Sanjaybhai Babubhai Solanki executed their trades in the scrip of MUL through Sunflower Broking wherein Mr. Malay Bhow is one of the Directors. It is further noticed that one of the aforementioned group of 7 entities, namely Mr. Kalpesh Dantani has fund transactions with employees of MUL and his name also appears in the excel sheet unearthed at the time of investigation from email id of Mr. Davinder Kumar Gupta (employee of MUL), which shows his connection with the employees of MUL. The aforesaid facts *prima facie* suggest the strength of their *inter se* connections and when these connections are seen along with the timing of their dealings in the scrip of MUL and the way the Collaborators (7 entities) have traded in a concerted manner *inter alia* by being counterparties to each other's trades in the scrip of MUL during the SMS period (discussed in subsequent paragraphs), would *prima facie* demonstrate that the act coming in unison to trade together in the securities market in the scrip of MUL by these connected entities, was not a mere coincidence.

28. The trades executed by the Collaborators were examined during the SMS circulation period (September 21, 2019 to December 27, 2019). The summary of the trades executed by the aforesaid Collaborators group is shown below:

Table No. 9

Sl. No	Entity Name	Buy Quantity	% Buy to total Market Buy Volume	Sell Quantity	% Sell to total Market Sell Volume
1.	Goenka Business Finance Limited	806768	7.35%	806768	7.35%
2.	Kalpesh Dantani	452245	4.12%	454400	4.14%
3.	Chetanbhai Mahendrabhai Dantani	294835	2.69%	299135	2.73%
4.	Shivam Kumar	293773	2.68%	290323	2.65%
5.	Sanjaybhai Babubhai Solanki	291075	2.65%	291075	2.65%



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Sl. No	Entity Name	Buy Quantity	% Buy to total Market Buy Volume	Sell Quantity	% Sell to total Market Sell Volume
6.	Suresh Deshaljibhai Vaghela	207268	1.89%	164580	1.50%
7.	Amrutji Gokaji Thakor	185345	1.69%	184746	1.68%
Total		2531309	23.08%	2491027	22.71%
Trading directly among the Group		159197	1.45%	159197	1.45%
Market Total		10969187	100.00%	10969187	100.00%

29. As can be seen from the above table, the Collaborators while acting as a group have *prima facie* contributed 23.08% to the market buy volume and 22.71% to the market sell volume and 1.45% to the total market traded volume by trading amongst each other as group members in the scrip of MUL. The trades of the Collaborators were analysed and the *prima facie* pattern that had emerged therefrom showed that the said group of entities, by trading in the scrip were trying to artificially influence the volume in the scrip so as to maintain and carry forward the momentum of trading in the scrip that was already previously created by the PV Influencers as explained in earlier paragraphs, thereby presenting the scrip as an attractive proposition for the investors in the securities market. Few illustrations to support the aforesaid observation are as follows:

29.1. I note from the trade logs that the aforesaid 7 connected entities were trading in a peculiar manner where, at any given point of time during the first 1.5 months of the SMS period i.e., during September 24, 2019 to November 11, 2019, at least 2 entities from the group were accessing the market. Thus, it is observed that the Collaborators were forming small units of two entities at a given point of time and were taking turns one after another on different trading days during first 1.5 months of the SMS circulation period to deal in the scrip of MUL so as to ensure that there is a sustained trading activity in the scrip when the SMS had initially started circulating in the scrip, so as to *prima facie* ensure that the momentum that was previously created by the PV Influencers during pre-SMS



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period continued unabatedly in the scrip. The aforesaid peculiar trading pattern followed by the collaborators is further highlighted below:

Table No. 10

Date	Goenka Business Finance Limited	Kalpesh Dantani	Shivam Kumar	Sanjaybhai Babubhai Solanki	Chetanbhai Mahendrabhai Dantani	Suresh Deshaljibhai Vaghela	Amrutji Gokaji Thakor
24/9/2019				√			√
25/9/2019				√			√
26/9/2019				√			√
27/9/2019				√			√
30/09/2019				√			√
1/10/2019				√			
3/10/2019				√			
4/10/2019				√		√	√
7/10/2019				√			
9/10/2019				√			
10/10/2019				√			
11/10/2019				√			√
14/10/2019				√			
15/10/2019	√			√			√
16/10/2019	√		√	√			√
17/10/2019	√						
18/10/2019	√						
22/10/2019	√						
23/10/2019	√						
24/10/2019	√						√
25/10/2019	√						√
27/10/2019	√						√
29/10/2019	√						√



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Date	Goenka Business Finance Limited	Kalpesh Dantani	Shivam Kumar	Sanjaybhai Babubhai Solanki	Chetanbhai Mahendrabhai Dantani	Suresh Deshaljibhai Vaghela	Amrutji Gokaji Thakor
30/10/2019	√						√
31/10/2019	√						√
1/11/2019	√						√
4/11/2019	√						√
5/11/2019	√						√
6/11/2019	√						√
7/11/2019	√						√
8/11/2019	√						√
11/11/2019	√						√

In the light of the trading pattern as depicted in the above table and upon further analysis of the trade logs of the Collaborators, it is also noted that out of 64 trading days that the group has traded in the scrip of MUL during the SMS period, on 11 trading days, only 1 of the 7 entities has continuously traded in the scrip of MUL. Similarly, on 21 trading days, only 2 of the 7 entities have traded in the scrip of MUL. There was not a single trading day out of the aforementioned 64 trading days, when at least one of the members of the Collaborators has not traded in the scrip. The aforesaid trading behaviour adopted by the Collaborators *prima facie* exposes a premediated scheme employed by the Collaborators to deal in the scrip of MUL to serve an ulterior motive.

29.2. It is further noticed that the Collaborators mostly executed *intra day* trades in the scrip of MUL. It is further observed that on a majority of the occasions, similar amount of shares was sold and bought on the said trading day by such entities. It is noted from the records that the *Company* had weak fundamentals coupled with poor financials and there was absence of any major corporate announcement from the end of the *Company* during the relevant period. In the aforesaid scenario, executing *intra day* trades of considerable volumes on a



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regular basis in spite of continuously suffering losses, does not appear to be either a prudent or a genuine dealing in the scrip. In the instant matter, given the nature of the *prima facie* scheme appears to have been employed by these entities in the scrip, the act of the Collaborators / Group 2 entities to execute frequent *intra day* trades in the scrip irrespective of the outcome of such trades, was *prima facie* found to be intended to increase the number of trades in the scrip of MUL with an ulterior motive to demonstrate liquidity and high trading volumes in the scrip so as to induce the innocent investors to deal in the said scrip. Few of the instances where the aforesaid 7 entities have repeatedly executed *intra day* trades and have suffered losses during the SMS period are cited below:

29.2.1. For instance, on November 26, 2019, Mr. Kalpesh Dantani purchased 12,290 shares of MUL and sold a similar number of shares of MUL on the same trading day and incurred a loss of INR 10,751.9/-. Further, he had purchased and sold similar quantity of shares on various trading days such as on November 21-22, December 2-3, 5, 9-13, 16-20 and 23, 2019 and in each of the aforementioned trading days, he had incurred losses in the range of INR 3,687/- to INR 59,497/-.

29.2.2. Similarly, Mr. Shivam Kumar had purchased 11,066 shares of MUL on December 2, 2019 and had sold similar number of shares of MUL on the same trading day. In the said process he had incurred a loss of INR 15,002.4/-. Further, he had purchased and sold similar quantities of shares on various trading days such as on November 14, 18, 19, 21, 25-29, December 2, 4-6, 10-13, 19-20 and 23-24, 2019 and in all the aforementioned trading days, he had incurred losses in the range of INR 973/- to INR 24,148/-.

I note that the same trading pattern of buying and selling of similar number of shares on a particular trading day and incurring losses has been exhibited by other entities of the group as well and cumulatively, the Collaborators have



incurred losses to the tune of INR 52.17 lakh by trading in the scrip of MUL during the SMS period.

29.3. From a closer examination from the order / trade logs in the scrip of MUL during the SMS period, it is noted that these 7 entities, while dealing in the scrip of MUL, either as a buyer or a seller, have quite apparently and deliberately, placed orders for few shares. The said trading behaviour was followed *prima facie* to artificially create and show to the public continuous trading activities in the scrip as well as to demonstrate artificial liquidity in the scrip to induce the innocent investors to deal in the scrip. It is noted that out of 19,559 trades executed by 7 entities on buy side, in 3,809 trades (19.47% of total number of trades executed by 7 entities on buy side) the traded quantity was 10 shares or less than 10 shares. Similarly, out of 19,559 trades executed by 7 entities on buy side, in 5,232 trades (26.74% of total number of trades executed by 7 entities on buy side) the traded quantity was 20 shares or less than 20 shares. Similarly, while acting as sellers in the scrip of MUL during the SMS period, it is noted that these 7 entities have cumulatively executed 20,933 sell trades and out of these 20,933 sell trades, in 6,758 trades (32.28%) the traded quantity was 10 shares or less than 10 shares. Similarly, out of 20,933 trades executed by 7 entities on sell side, in 8,753 trades (41.81%) the traded quantity was 20 shares or less than 20 shares.

30. In view of the aforesaid discussion and factual findings on the peculiar trading pattern adopted by the Collaborators, it is *prima facie* observed that such an abnormal trading pattern as noted in the trades executed by the Collaborators wherein they have frequently executed *intra day* trades in spite of incurring losses on a regular basis, coupled with the fact that the said entities during the first half of the SMS period, were dealing in the scrip of MUL by forming small sub groups on a rotational basis, when seen in conjunction with the timing of their dealing in the scrip along with their connections with Mr. Hanif Shekh, one comes to a *prima facie* conclusion that the afore described manipulative trading behaviour displayed by the Collaborators was mischievously intended to artificially inflate the trading volumes in the scrip of MUL



hence, such trading transactions of these entities do not inspire any confidence to suggest that their trades were ever executed in the normal and ordinary course of dealing in the scrip.

31. It is also observed that the aforesaid methods are not the only methods employed to *prima facie* create artificial volume in the scrip though this was the most frequently used strategy followed by the Collaborators. The pre-determined plan of the Collaborators to create artificial volume in the scrip becomes *prima facie* more evident when the trades executed by them are juxtaposed with the total number trades executed in the scrip during the SMS period. As per the available records, it is noted that the aforesaid connected entities have *prima facie* created an artificial volume of 23.08% on the buy side and 22.71% of trading volumes on the sell side. Upon further examination of the trading activities of the said connected entities, the extent of their dishonest intent behind executing those trades becomes more apparent. For example, though the connected entities had created substantial volumes in the scrip during the aforesaid period, however, in effect only 0.37% (23.08% - 22.71%) of their traded volumes during the said period resulted in actual change of beneficial ownership while the remaining 22.71% of trade volumes created by them was used just to create *prima facie* artificial volume without any intent to change/transfer the effective beneficial ownership i.e., the ownership of the shares always stayed within the group. It is further pertinent to note that *prima facie* such type of unusual trading pattern leads to creation of false appearance of trading in the securities market thereby tending to mislead the investors. In other words, the net effect of the overall buy and sell orders executed by the group as noted above and the trade volumes artificially created therefrom *prima facie* expose the true intention of the group to influence / play the market for the purpose of creating an artificial picture of large scale dealings in the scrip of MUL to entice other genuine investors to deal in the said scrip.



Off Loaders

32. Once the bulk SMSs were sent out with buy recommendations in favour of the scrip and the website, www.midcapgains.in was also used to give buy recommendations in the scrip, by the SMS Sender who has been *prima facie* identified as Mr. Hanif Shekh in the earlier part of this Order, thereby *prima facie* luring the other gullible investors who by witnessing the meteoritic rise in the price and volume of the scrip during the SMS period (September 21, 2019 to December 27, 2019) a large part of which was also contributed and sustained by the dealings of the Collaborators in the scrip, apparently got attracted to invest/deal in the said scrip triggering a bullish run of the scrip. Taking advantage of this opportunity, it is observed that the entities who were connected either with the *Company* or with the SMS Sender, successfully exited the scrip by offloading their shares *prima facie* on those innocent investors who were induced to deal in the said scrip due to the sustained artificial trades carried out by the PV influencers and Collaborators during pre-SMS as well as during SMS period as have been discussed in detail earlier in this order. As noted in the preceding paragraphs, the average daily volume in the scrip during the SMS period vis-a-vis pre-SMS period increased by 1638%, while the price in the scrip opened at INR 256/- and reached a high of INR 412.10/-, an approximate increase of 61% during the SMS period. Such entities who exited the scrip taking advantage of the afore noted price & volume rise in the scrip are herein after referred to as Off Loaders.

33. The connection amongst the Off Loaders who exited the scrip of MUL during the SMS period as discovered during the investigation, are indicated in the table below:

Table No. 11

Sl. No.	Entity Name	PAN	Connection with sub-group members
Mauria Connected entities (hereinafter referred to as "Sub-group 1")			
1.	Jagdish Chahar	ANNPC0228J	Connection as an Employee of Mauria Udyog Ltd. 1. Many of the Entities at Sl. No. 1 to 62 are employees (either permanent or contractual) of Mauria Udyog Ltd. as per data submitted by the Company.
2.	Amit Kumar	AJCPK6114G	
3.	Jagdish Singh	ARGPS3874H	
4.	Mithun Singh	BVZPS9152G	
5.	Santosh Raut	AZBPR5416K	
6.	Raja Ram	CCIPR2093C	



Sl. No.	Entity Name	PAN	Connection with sub-group members
7.	Govind Ojha	AATPO0326J	2. Name of the Entities at Sl No. 1 to 62 appears in the excel sheet attached to the email dated May 13, 2020, sent by Mr. Deepak Garg to Mr. Davinder Gupta. All the details of trades done by the Entities at Sl No. 1 to 62, such as no. of shares bought/sold, dates of trade, pay out date etc. are mentioned along with details of beneficiaries to whom these 62 entities have transferred their sale proceeds with bank account no., UTR no, date of transfer, amount transferred etc. <u>Connection w.r.t address of entities</u>
8.	Rakesh Goel	AHQPG6997D	
9.	Shiv Pal	AUGPP5794G	
10.	Ramajor Ramajor	ATZPR1408H	
11.	Mahavir Prasad	AKQPP6836M	
12.	Haribansh Gupta	BDFPG5772A	
13.	Sunil Kumar Verma	ARGPV5585N	
14.	Govind Singh	DHXPS0249Q	
15.	Sukanta Kumar Pala	ABRPP1855G	
16.	Madhu	EAAPS2972B	
17.	Ravita Devi	BIGPD0615R	3. 37 entities in their bank accounts have furnished their postal correspondence address as 'C/O Mauria Udyog Ltd., Sector 25, Sohna Road, Faridabad,121004' which is same as that of the Company - Mauria Udyog Ltd. 4. As per UCC data received from NSDL, 22 entities have furnished their postal address as 'C/O Mauria Udyog Ltd, Sector 25, Sohna Road, Faridabad,121004' which is same as that of the company - Mauria Udyog Ltd. <u>Connection w.r.t Bank Accounts opened</u>
18.	Sukhilal Meena	BKZPM0621H	
19.	Hare Ram	AEYPR6338C	
20.	Arvind Kumar	AEHPK9032M	
21.	Meera Devi	BIGPD0616N	
22.	Roshan Kumar Jaiswal	AWMPJ9308E	
23.	Kavita Devi	BASPD6735J	
24.	Jeet Bahadur	AHVPB6604R	
25.	Madan Prasad	BUZPP4215J	
26.	Krishan Murari Sharma	BNJPS2163K	
27.	Pappu Kumar Ram	BZQPR7716A	5. Out of 62 entities, 32 entities had their bank accounts in same branch of Karnataka Bank - Faridabad Branch. 6. For most of the entities, the correspondence address of Mauria Udyog Ltd. Has been provided in Bank opening form with Karnataka Bank, Faridabad Branch. For the aforesaid entities Mauria Udyog Ltd. gave recommendation letter to open bank accounts. 7. Another 9 entities had their account in Union Bank (erstwhile Andhra bank and Corporation Bank) and had provided address as that of Mauria Udyog Ltd. as their correspondence address. 8. During 2 years (January 2019 to December 2020) there was virtually no transaction in the bank statements of these 29 entities except for the brief period of SMS circulation i.e. from September 2019 to December 2019. Majority of the transactions are related to fund transfers either with the Promoter Companies or Forex Companies or Hanif related entities, as elaborated in subsequent paragraphs 9. All the aforesaid entities have transferred funds to almost similar set of entities during the SMS period. Further, they have negligible bank transactions before and after the SMS period. <u>Connection w.r.t Income Tax Return Filings</u>
28.	Nand Lal Sharma	AXAPS1944E	
29.	Leelu Singh	DCNPS6356F	
30.	Amarjeet	AIEPA6834G	
31.	Anand Bansal	AHYPB4902B	
32.	Arun Kumar	CJCPK8525R	
33.	Bhurey Singh	BFIPS7754D	
34.	Binod Kumar Jha	AKWPJ0656R	
35.	Dashrath Yadav	AEOPY5916K	
36.	Devi Singh	AGMPR1636B	
37.	Dharamwati Chauhan	AXZPC6279R	10. For 21 entities address is given as that of Mauria Udyog Ltd in ITR filing. 11. For the aforesaid entities, a common email id has been furnished in their ITR forms, viz: dkgupta1087@gmail.com/sensons2@gmail.com. 12. Common mobile number - 8800772803 is the common contact number given in all the above noted 21 ITR filings. According to a reply of Mauria Udyog Ltd., the said mobile number belongs to CFO of Mauria Udyog Ltd. - Mr. D. K. Gupta. <u>Connection w.r.t gmail ids</u>
38.	Hariom Rathore	ALQPR2239F	
39.	Hoshiyar Saini	BFIPS7755C	
40.	Indranand Singh	FIIPS3787P	
41.	Jitender Nagar	ANPPN2462B	



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Sl. No.	Entity Name	PAN	Connection with sub-group members
42.	Kailash Chouhan	ADCPC4008R	13. For entities at Sl. No. 2,4,6,14,24 recovery e-mail is the same i.e. lmgupta@mauria.com.
43.	Kesh Ram	ABBPY2796D	14. lmgupta@mauria.com is email id used on behalf of Mr. Deepak Kumar Garg who is a secretarial staff. Mobile number of Mr. Deepak Kumar Garg- 9911546552 is also provided as UCC details for opening of broker accounts of many employees of Mauria Udyog Ltd.
44.	Kuldeep Singh	BRPPS6874R	
45.	Laxman Yadav	ADVPN2232P	
46.	Mahender Singh	AWJPS8491E	15. E-mail id – lmgupta@mauria.com is also associated with Ms. Deepa Sureka- Promoter of Mauria Udyog Ltd. and Mr. Akhil Kumar Sureka – family members of Mr. Navneet Kumar Sureka as per the UCC details available with broker/exchanges.
47.	Mangal Singh	ALBPP6249E	16. Promoter related companies like Linkwise Marketing Private Limited and Vee-Em Infocentre Pvt Ltd, while opening their Gmail accounts have provided the same recovery e-mail viz: lmgupta@mauria.com.
48.	Mukesh Pandey	CXPPP6254H	17. Mr. Deepak Kumar Garg signed as a witness on the rent agreement of Linkwise Marketing Pvt Ltd that was signed on March 02, 2016.
49.	Narender	BFVPS5988C	18. Mr. Raja Ram (Sl No. 6) and Linkwise Marketing Pvt. Ltd. have a common mobile number -- 9911546552 linked with their Gmail account.
50.	Parmanand	ALBPP6249E	19. Ms. Leelu Singh (Sl No. 29) and Mr. Sukhilal Meena (Sl No. 18) have common recovery mobile number – 9990928213 as per the data provided by Google.
51.	Pramod Ram	AYUPR9406M	
52.	Prem Chand	AGSPC0271B	
53.	Rajendra Kumar	BWHPK5104R	
54.	Rajesh Giri	AXGPG5852K	
55.	Rajesh Kumar	BPUPK5369G	
56.	Raju Devi	CAQPD3563B	
57.	Ratindra Nath	AMCPN9622R	
58.	Saroj Yadav	AFPPY4880A	
59.	Seeta Ram	AGMPR7725F	
60.	Shiv Shanker	COKPS1441D	
61.	Sunil Nagar	AMCPN9604P	
62.	Susheel Kumar Arora	AISPA5466E	<u>Connection w.r.t IP address</u> 20. Mr. Amit Kumar (Sl no.2), Mr. Govind Singh (Sl. No. 14), Mr. Jeet Bahadur (Sl No. 24), Mr. Mithun Singh (Sl. No.4), Mr. Raja Ram (Sl No. 6) had similar/common IP address (103.79.114.72/103.79.114.74/ 103.79.114.75) while opening their Gmail account. 21. Ms. Leelu Singh (Sl No. 29) and Mr. Sukhilal Meena (Sl No. 18) had common IP address (2402:3a80:93b:66ff:3477:d7f:65ce:a6fc) while opening their Gmail account. <u>Connection w.r.t UCC data</u> 22. Mr. Santosh Raut (Sl No. 5), Mr. Govind Ojha (Sl No. 7), Mr. Ramajor (Sl No. 10), Mr. Prem Chand (Sl No. 52), Mr. Devi Singh (Sl No. 36), Mr. Rajendra Kumar (Sl No. 53) and Mr. Rathindra Nath (Sl No. 57) and Mr. Madan Prasad (Sl No. 25) share a common mobile no- 9268823695. 23. Mr. Raja Ram (Sl No. 6) shares same address viz. 8 Bougan Villa Avenue, Westend Green Fram Rajokari, South West New Delhi- 110038' with the Director of the Company viz. Navneet Kumar Sureka. 24. Mr. Mithun Singh (Sl No. 4), Mr. Sukhilal Meena (Sl No. 18), Mr. Leelu Singh (Sl No. 29), Mr. Arvind Kumar (Sl No. 20), Mr. Krishan Murari Sharma (Sl No. 26), Mr. Binod Kumar Jha (Sl No. 34), Mr. Hoshiyar Saini (Sl No. 39), Mr. Mahender Singh (Sl No. 46), Mr. Narender (Sl No. 49), Mr. Jeet Bahadur (S. No 24), Mr. Hare Ram (Sl



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Sl. No.	Entity Name	PAN	Connection with sub-group members
			No 19) and Mr. Roshan Kumar Jaiswal (Sl No. 22) shared common mobile no- 9268823641. Mobile number - 9268823641 and 9911546552 belonged to Mr. Deepak Kumar Garg. Mr. Deepak Kumar Garg is a secretarial staff of Mauria Udyog Ltd. In UCC details of Mr. Charu Garg (DMLPG7693K), the e-mail id of Mr. Deepak Kumar Garg i.e.- garg.deepak55@gmail.com is mentioned against mobile number - 9268823641. 25. As per UCC data received from NSDL, 22 entities have common address at 'C/O Mauria Udyog Ltd, Sector 25, Sohna Road, Faridabad,121004' which is the same as that of the Company's postal address.
Ahmedabad Based entities (hereinafter referred to as "Sub-Group 2")			
63.	Ravi Kannadasan Adidraavid	AVSPA1063A	<u>Connection w.r.t bank statements</u> 26. All these entities have frequent transactions with either each other or with another set of companies related to Mr. Hanif Shekh (Sub-Group 2.A. which has been discussed later in this Order). 27. Majority of the entities have bank accounts in Canara Bank at Sabarmati Branch. <u>Connection w.r.t Income Tax Return filing</u> 28. Entities at Sl No. 63-72 have common/similar e-mail id in ITR viz:- birju2it@gmail.com/ birju1it@gmail.com. 29. Sl Nos. 66, 73, 74 and 75 have common mobile numbers in their ITR form i.e.- 9428735408. <u>Connection w.r.t UCC details</u> 30. Mr. Karan Sanghvi (Sl No. 76) has the same address and e-mail id with Ms. Krusha Sanghvi (Sl No. 75)- K6SANGHVI@GMAIL.COM 31. E-mail address of Ms. Hina Barot (Sl No. 77) is vishal.ideabdo@gmail.com which is same as that of the Proprietor of Samukh Trade- Mr. Vishal Jitendrakumar Barot, who has funded these entities. <u>Connection w.r.t trading pattern</u> 32. Trading by these entities in other companies was done where either SMS has been circulated.
64.	Pritiben Popatbhai Parmar	AXGPP6927Q	
65.	Manishkumar Rajput	CGPPR9641K	
66.	Shahrukhkhan Pathan	DOJPP7089N	
67.	Sahilkumar Amrutbhai Vaghela	ATLPV1359B	
68.	Lilaben Popatbhai Parmar	DBYPP5174G	
69.	Popatbhai Ramjibhai Parmar	DGFPP6706L	
70.	Dipika Popatbhai Parmar	DKMPP5973A	
71.	Fuldeep Popatbhai Sehgal	GIOPS7160B	
72.	Keval Savant	HYAPS6005L	
73.	Chiragkumar Makwana	CTXPM2544K	
74.	Makwana Madhuben	CUHPM8134L	
75.	Krusha Birjukumar Sanghvi	FXCPS0434J	



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Sl. No.	Entity Name	PAN	Connection with sub-group members
76.	Karan Birjubhai Sanghvi	ESJPS8192E	
77.	Hina Barot	DGUPB9477B	
78.	Prakash Kantilal Vaghela	AGEPV6889L	
Kolkata Based entities (hereinafter referred to as "Sub-Group 3")			
79.	Highgrowth Vincom Private Limited	AACCH1789A	<u>Connection w.r.t UCC details</u> 33. All entities except for Highgrowth Vincom (Sl No. 79), Glorious Vincom (Sl No. 82), Linkup Financial (Sl No. 85), Ms. Minu Mallick (Sl No. 90) have a common address i.e.- Vill- Ramchandra Nagar, Madhya Shibpur, South 24 Parganas, West Bengal India 743372.
80.	Sumit Laha	AXJPL4908J	34. Glorious Vincom Pvt. Ltd. shared a common address and common Director (Mr. Umesh Rajak, Mr. Sumon Mondal, Mr. Somnath Halder) with Highgrowth Vincom Pvt. Ltd.
81.	Dibakar Laha	AJVPL4026B	
82.	Glorious Vincom Pvt. Ltd.	AADCG3846Q	
83.	Arpan Das	CEZPD7390K	<u>Connections w.r.t Bank:</u> 35. All the entities have entered into frequent bank transactions with Hanif connected entities namely Amuly Suppliers, DK Jain Properties, MR Merchants Pvt Ltd, Midpoint Commodeal Pvt. Ltd 36. DK Jain Properties Ltd. has shown its address as 9/12, Lal Bazar Street 3rd Floor Block-B Room No 17 Kolkata 700001 which is similar to the address of Econo Trade India Ltd. is located viz: - 9/12 Lal Bazaar Street, 3rd Floor, Block - B, Room No. 3103 Kolkata 700001. Parents of Hanif Shekh are major shareholders in Econo Trade India Ltd. 37. Linkup Financial Consultants Ltd. Has shown its address as 9/12, Lal Bazar Street, 1st Floor, Block - B, Kolkata 700001 which is similar to the address of Econo Trade India Ltd. is located viz: - 9/12 Lal Bazaar Street, 3rd Floor, Block - B, Room No. 3103 Kolkata 700001. 38. Highgrowth Vincom Private Limited and Linkup Financial Consultants have multiple fund transfers with Lagan Barter Pvt Ltd. The Directors of Lagan Barter Pvt Ltd. viz. Mr. Ramesh Laha and Mr. Kamal Das have shown their address as - "Madhya Shibpur, Ramchandranagar South 24 Parganas, Magrahat II, Howrah 743372". 39. Mr. Sumit Laha, Mr. Buddhadeb Laha, Mr. Arpan Das, Mr. Dibakar Laha, Mr. Priyankar Laha and Mr. Suprabhat Laha had common IP address, viz: - [2401:4900:1c00:385c:3944:f716:fbac:38b9] while
84.	Sanjay Dey	BWHPD4063L	
85.	Linkup Financial Consultants Private Limited	AACCL0347G	
86.	Suprabhat Laha	APXPL1814M	
87.	Ujjal Laha	ATSPL2483R	
88.	Buddhadeb Laha	AQBPL5563C	
89.	Sourav Das	CEJPD9809M	
90.	Minu Mallick	DGTPM2047B	
91.	Arun Dutta	AIYPD5217E	
92.	Debashish Dutta	CVMPD9641P	
93.	Uma Dutta	COXPD8400E	
94.	Subrata Laha	APWPL5386H	
95.	Priyankar Laha	AKLPL2832L	
96.	Tapas Laha	ANCPL7138F	
97.	Arun Laha	APWPL5441F	



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Sl. No.	Entity Name	PAN	Connection with sub-group members
			accessing their respective IDBI Bank accounts on 06-12-2022 around 10:00 AM. 40. Ms. Uma Dutta, Ms. Aruna Laha and Mr. Subrata Laha had common IP address -223.182.93.217 while accessing their respective Bandhan Bank account on 02-03-2022 around 02:15 -02:56 PM. 41. Mr. Ujjal Laha, Mr. Sanjay Dey and Mr. Debashish Dutta had common IP address - 110.227.77.235 while accessing their respective Kotak Mahindra Bank account on 12-31-2020 around 09:15 AM. <u>Connection w.r.t Broker Data</u> 42. As per broker data, Mr. Arun Laha (Sl No. 97), Mr. Subrata Laha (Sl No. 94), Mr. Tapas Laha (Sl No. 96), Mr. Arun Dutta (Sl No. 91), Mr. Debashish Dutta (Sl No. 92), Mr. Buddhadeb Laha (Sl No. 88), Mr. Priyankar Laha (Sl No. 95), Mr. Dibakar Laha (Sl No. 81), Mr. Arpan Das (Sl No. 83) and Ms. Uma Dutta (Sl No. 93) had common IP addresses (116.206.200.17/48/*) while trading from their respective online accounts. 43. As per broker data, Mr. Arun Laha, Mr. Subrata Laha, Mr. Tapas Laha, Mr. Arun Dutta, Mr. Debashish Dutta had common Mac-ID (device id - E0:D5:5E:41:F9:3F) while accessing to their respective trading accounts. 44. As per broker data, Mr. Arpan Das and Ms. Uma Dutta had common Mac-ID (device id - 40-A5-EF-D6-52-D7, 6C-4B-90-83-46-27 and 78-32-1B-AC-A5-FA) while using their respective trading accounts. 45. As per broker data, Mr. Dibakar Laha and Mr. Debashish Dutta had common Mac-ID (device id - 6C:4B:90:83:45:4C and F4:93:9F:F6:D4:2C) while using their respective trading accounts. <u>Connection w.r.t Gmail data:</u> 46. Highgrowth Vincom Pvt. Ltd. and Linkup Financial Consultants Pvt. Ltd. had same IP address - 121.247.228.231 while opening Gmail account on 26/04/2012. <u>Connection w.r.t Shareholding Pattern:</u> 47. Mr. Arpan Das, Mr. Arun Laha, Ms. Minu Mallick, Mr. Sanjay Dey, Mr. Sumit Laha, Mr. Ujjal Laha, Ms. Uma Dutta, Highgrowth Vincom Pvt. Ltd. appear as >1% shareholder in Econo Trade India Ltd. where parents of Mr. Hanif Shekh hold majority of shares apart from being its Promoters. 48. Mr. Arpan Das, Mr. Priyankar Laha, Mr. Arun Dutta, Highgrowth Vincom Pvt. Ltd. and Linkup Financial Consultants Pvt. Ltd. appear



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Sl. No.	Entity Name	PAN	Connection with sub-group members
			as >1% shareholders in Kanungo Financiers Ltd. which is part of Hanif group of companies. <u>Connection w.r.t trading pattern</u> 49. Trading by these entities in the scrips of other companies where either SMS has been circulated giving buy recommendations in favour of those companies.

34. It is noted from the above table that the Mauria Connected entities / Sub Group 1 listed out therein are *inter alia* connected with MUL through employer - employee relationship, common addresses, common email ids., UCC data, common IP addresses, etc. For instance, it is noted from the data provided by MUL at the time of investigation that many of the aforesaid 62 entities are employees (either permanent or contractual) of MUL. It is also noted that 37 entities in their bank accounts have disclosed their correspondence address as "C/O Mauria Udyog Ltd, Sector 25, Sohna Road, Faridabad, 121004" which is the same address as that of MUL. Further, as per UCC data, it is noted that 22 entities have shown their address as "C/O Mauria Udyog Ltd, Sector 25, Sohna Road, Faridabad, 121004" which is the same address as that of MUL. Further, from the ITRs of 21 entities, it is noted that they have shared a common email id and mobile number viz., dkgupta1087@gmail.com/sensons2@gmail.com and 8800772803 respectively, which belongs to Mr. D. K. Gupta (CFO of MUL). Now coming to their *inter se* connections, it is noted that these entities are connected with each other through common mobile numbers, common IP addresses used while opening their gmail accounts, etc. For instance, as per UCC data, entities namely Mr. Santosh Raut, Mr. Govind Ojha, Mr. Ramajor, Mr. Madan Prasad, Mr. Prem Chand, Mr. Devi Singh, Mr. Rajendra Kumar and Mr. Rathindra Nath, share common mobile no. "9268823695". It is also noted that Mr. Amit Kumar, Mr. Govind Singh, Mr. Jeet Bahadur, Mr. Mithun Singh, Mr. Raja Ram have similar/common IP address (103.79.114.72/103.79.114.74/ 103.79.114.75) while opening their gmail accounts.

Keeping in view the afore noted undisputed factual findings and my observations thereon, it can be seen that not only there is a common identity thread which runs



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through all the aforesaid entities i.e. almost all of them were employees of MUL but also these entities shared many other things in common amongst them, such as mobile number, email id, IP address etc. When the various commonalities shared by the aforesaid 62 entities are juxtaposed or examined in combination with their unusual trading pattern (heavy selling) in the scrip of MUL during the SMS period, coupled with their timing of accessing the market and also the fact that the said entities did not even have the financial capacity to deal in such huge volumes in the said scrip (discussed in subsequent paragraph), it can be *prima facie* firmly inferred that their act of coming together to offload their shares of MUL in the market as a group during SMS period, was pursuant to a *prima facie* pre-conceived scheme and was by design.

35. It is also noted from the above table that the Ahmedabad Based entities / Sub Group 2 entities are *inter alia* connected with each other by way of common email ids, common phone numbers, having multiple fund transactions amongst themselves, etc. For instance, it is noted from the ITR forms of Mr. Shahrukhkhan Pathan, Mr. Chiragkumar Makwana, Mr. Makwana Madhuben and Ms. Krusha Birjukumar Sanghvi that they have disclosed in their Income Tax Returns, a common mobile number i.e. 9428735408. Similarly, entities namely Mr. Ravi Kannadasan Adidraavid, Ms. Pritiben Popatbhai Parmar, Mr. Manishkumar Rajput, Mr. Shahrukhkhan Pathan, Mr. Sahilkumar Amrutbhai Vaghela, Ms. Lilaben Popatbhai Parmar, Mr. Popatbhai Ramjibhai Parmar, Ms. Dipika Popatbhai Parmar, Mr. Fuldeep Popatbhai Sehgal and Mr. Keval Savant have disclosed common/similar e-mail ids viz. birju2it@gmail.com/birju1it@gmail.com in their ITRs. It is also noted that as per UCC details, Mr. Karan Sanghvi and Ms. Krusha Sanghvi shared a common e-mail id (K6SANGHVI@GMAIL.COM) and common address viz. "227, Varsodas Chawl, Opp Jayesh Hard Ware, Sabarmati, Ahmedabad, Gujarat, India 380005". Various funds transfers have also been observed amongst the Sub Group 2 entities. For instance, Mr. Sahilkumar Amrutbhai Vaghela had received INR 5 lakh in his account number 1414101054772 in Canara Bank from Ms. Madhuben Jayantibhai Makwana from bank account number 1414101055111 held with Canara Bank on May 12, 2020.



Similarly, on July 3, 2020, Ms. Krusha Birjukumar Sanghvi had transferred an amount of INR 5 lakh from her Canara Bank Account bearing number 1414101053100 to Mr. Prakash Kantilal Vaghela into his account bearing no. 1414201012372 held with Canara Bank.

In the light of the aforesaid facts and *prima facie* evidence which demonstrate that the said 16 entities are connected with each other on multiple parameters. These findings about their *inter se* close connections not only *prima facie* show the strength of the connection enjoyed by them with each other as a group, but also when the said *inter se* connection is seen along with the way the said entities have traded in an unusual but concerted manner in the scrip including the unusual timing of their dealing in the scrip, and moreover, keeping the fact in view that these entities were funded by some other set of entities (discussed in subsequent paragraphs), it leads to a *prima facie* compelling inference that their act of coming together in the securities market to deal in the scrip of MUL was part of a premediated scheme and was pursuant to a *prima facie* scheme employed in the scrip.

36. It is observed from the above table that the Kolkata based entities / Sub Group 3 are also *inter alia* connected with each other by way of common addresses, common IP addresses, common email ids, having common phone numbers, having multiple fund transactions amongst themselves, etc. For instance, all the entities (except Highgrowth Vincom, Glorious Vincom, Linkup Financial and Ms. Minu Mallick) have shown a common address at "Vill- Ramchandra Nagar, Madhya Shibpur, South 24 Parganas, West Bengal India 743372". Further, entities namely Mr. Arun Laha, Mr. Subrata Laha, Mr. Tapas Laha, Mr. Arun Dutta, Mr. Debashish Dutta, Mr. Buddhadeb Laha, Mr. Priyankar Laha, Mr. Dibakar Laha, Mr. Arpan Das and Ms. Uma Dutta have shared a common IP addresses (116.206.200.17/48/*) while trading from their respective online accounts through multiple stock brokers. It is also noted that these entities are connected with Mr. Hanif Sheikh. For instance, Mr. Arpan Das, Mr. Priyankar Laha, Mr. Arun Dutta, Highgrowth Vincom Pvt Ltd and Linkup Financial Consultants Pvt Ltd appear as >1% shareholders in Kanungo Financiers Ltd. which is part of Hanif group of companies. Similarly, Mr. Arpan Das, Mr. Arun Laha, Ms. Minu



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Mallick, Mr. Sanjay Dey, Mr. Sumit Laha, Mr. Ujjal Laha, Ms. Uma Dutta and Highgrowth Vincom Pvt Ltd appear as >1% shareholder in Econo Trade India Ltd where the parents of Mr. Hanif Shekh are Promoters. Further, DK Jain properties Ltd has shown its address as "9/12, Lal Bazar Street 3rd Floor Block-B Room No 17 Kolkata 700001" which is located in the same premises/address where Econo Trade India Ltd is located of which the parents of Mr. Hanif Shekh are the Promoters.

From the aforesaid factual revelations, it is noted that not only the aforesaid 18 entities are connected with each other on various parameters but are also connected with Mr. Hanif Shekh who, as noted in preceding paragraphs, is not only the *prima facie* the kingpin of the scheme but is also the SMS Sender in the scrip. The aforesaid facts when seen along with their unusual trading pattern (heavy selling) in the scrip of the MUL including the timing of their dealing in the said scrip and also keeping in view the fact that they were also funded by the entities who are connected with Mr. Hanif Shekh, it can be *prima facie* inferred that the very act of coming together of the aforesaid entities/off loaders to the market to offload their shares of MUL at a profit was in accordance with the *prima facie* pre-designed scheme employed to indulge in fraudulent trades in the scrip.

37. The profits made by the Off Loaders by dumping their shares of MUL during the SMS period are indicated in the table below. Interestingly, the investigation reveals that the PV Influencers who had *prima facie* artificially inflated the price and volume in the scrip prior to the circulation of SMSs on this scrip, had also *prima facie* made unlawful gains while perpetrating their *prima facie* fraudulent trade practices in the scrip.

Table No. 12

Profit made by Mauria connected entities-Off loaders (Sub-group 1)

Sl No.	Entity Name	Buy Qty during IP (A)	Buy Value during IP (B)	Sell Qty during IP (C)	Sell Value during IP (D)	Shares already held before IP (E) = C-A	#Acquisition price of shares already held (F)	Total Buy Value (G) = B+F	Net Profit (INR) C-G
1.	Jagdish Chahar	37706	14701851	205086	50988111	167380	1707276	16409127	34578984



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Sl No.	Entity Name	Buy Qty during IP (A)	Buy Value during IP (B)	Sell Qty during IP (C)	Sell Value during IP (D)	Shares already held before IP (E) = C-A	#Acquisition price of shares already held (F)	Total Buy Value (G) = B+F	Net Profit (INR) C-G
2.	Amit Kumar	0	0	72450	29753195	72450	738990	738990	29014205
3.	Jagdish Singh	2784	793226	82000	29494355	79216	808003	1601229	27893126
4.	Mithun Singh	5000	1950000	71000	27691916	66000	673200	2623200	25068716
5.	Raja Ram	42923	17168262	108023	40698073	65100	664020	17832282	22865791
6.	Santosh Raut	41553	16724964	94553	38190557	53000	540600	17265564	20924993
7.	Govind Ojha	10235	4020465	71800	25404326	61565	627963	4648428	20755898
8.	Rakesh Goel	27214	10426359	93214	31719665	66000	673200	11099559	20620106
9.	Shiv Pal	1714	488886	64444	19872398	62730	639846	1128732	18743666
10.	Ramajor Ramajor	35400	14091726	92700	31793464	57300	584460	14676186	17117278
11.	Mahavir Prasad	25571	10128127	75058	26117547	49487	504767	10632895	15484653
12.	Haribansh Gupta	0	0	28400	11102010	28400	289680	289680	10812330
13.	Govind Singh	0	0	28000	10841142	28000	285600	285600	10555542
14.	Sunil Kumar Verma	1658	644947	30158	11490181	28500	290700	935647	10554534
15.	Arvind Kumar	0	0	27500	10522260	27500	280500	280500	10241760
16.	Sukanta Kumar Pala	4000	1600000	30350	12038450	26350	268770	1868770	10169680
17.	Madhu	0	0	27655	10299492	27655	282081	282081	10017411
18.	Ravita Devi	0	0	28130	10264165	28130	286926	286926	9977239
19.	Sukhilal Meena	0	0	26600	10089380	26600	271320	271320	9818060
20.	Hare Ram	16010	5499674	44000	15576290	27990	285498	5785172	9791118
21.	Meera Devi	0	0	26000	9918314	26000	265200	265200	9653114
22.	Nand Lal Sharma	0	0	29350	9933760	29350	299370	299370	9634390
23.	Jeet Bahadur	4844	1882387	30859	11701432	26015	265353	2147740	9553691
24.	Roshan Kumar Jaiswal	0	0	28500	9843481	28500	290700	290700	9552781

Interim Order-cum-Show Cause Notice in the matter of Mauria Udyog Ltd., 7NR Retail Ltd., Darjeeling Ropeway Company Ltd., GBL Industries Ltd. and Vishal Fabrics Ltd.

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Sl No.	Entity Name	Buy Qty during IP (A)	Buy Value during IP (B)	Sell Qty during IP (C)	Sell Value during IP (D)	Shares already held before IP (E) = C-A	#Acquisition price of shares already held (F)	Total Buy Value (G) = B+F	Net Profit (INR) C-G
25.	Kavita Devi	0	0	28500	9825461	28500	290700	290700	9534761
26.	Madan Prasad	0	0	28000	9723400	28000	285600	285600	9437800
27.	Hariom Rathore	39500	14343421	80095	23939505	40595	414069	14757490	9182015
28.	Krishan Murari Sharma	27425	10387578	50374	19707386	22949	234080	10621657	9085729
29.	Leelu Singh	4950	1654538	33450	10937537	28500	290700	1945238	8992299
30.	Shiv Shanker	0	0	88225	9856512	88225	899895	899895	8956617
31.	Kailash Chouhan	4705	1881765	30910	11019334	26205	267291	2149056	8870278
32.	Pappu Kumar Ram	0	0	28010	8897818	28010	285702	285702	8612116
33.	Seeta Ram	0	0	21700	8391630	21700	221340	221340	8170290
34.	Susheel Kumar Arora	9500	2982050	34610	10456185	25110	256122	3238172	7218013
35.	Jitender Nagar	0	0	28000	7304825	28000	285600	285600	7019225
36.	Indranand Singh	0	0	28010	6504888	28010	285702	285702	6219186
37.	Kesh Ram	4000	1599995	22500	7987890	18500	188700	1788695	6199195
38.	Dharmwati Chauhan	0	0	28500	6478461	28500	290700	290700	6187761
39.	Mukesh Pandey	10000	3933823	28220	10304026	18220	185844	4119667	6184359
40.	Prem Chand	30218	11507794	45800	17767265	15582	158936	11666731	6100534
41.	Devi Singh	0	0	19700	5813545	19700	200940	200940	5612605
42.	Sunil Nagar	0	0	14150	5543832	14150	144330	144330	5399502
43.	Rajesh Kumar	0	0	14450	5444570	14450	147390	147390	5297180
44.	Pramod Ram	0	0	14450	5442415	14450	147390	147390	5295025
45.	Parmanand	42000	16590000	67330	22107991	25330	258366	16848366	5259625



Sl No.	Entity Name	Buy Qty during IP (A)	Buy Value during IP (B)	Sell Qty during IP (C)	Sell Value during IP (D)	Shares already held before IP (E) = C-A	#Acquisition price of shares already held (F)	Total Buy Value (G) = B+F	Net Profit (INR) C-G
	Parman and								
46.	Rajesh Giri	0	0	14450	5039302	14450	147390	147390	4891912
47.	Narender Narender	4000	873000	17000	5759097	13000	132600	1005600	4753497
48.	Kuldeep Singh	0	0	14500	4853735	14500	147900	147900	4705835
49.	Mangal Singh	59000	23806668	74230	28018939	15230	155346	23962014	4056926
50.	Rathindra Nath	0	0	14315	4036515	14315	146013	146013	3890502
51.	Hoshiyar Saini	0	0	12000	3712535	12000	122400	122400	3590135
52.	Anand Bansal	0	0	72060	3883055	72060	735012	735012	3148043
53.	Bhurey Singh	0	0	10100	2914808	10100	103020	103020	2811788
54.	Rajendra Kumar	0	0	7900	2743130	7900	80580	80580	2662550
55.	Amarjeet	13800	4881450	21500	7283014	7700	78540	4959990	2323024
56.	Saroj Yadav	0	0	9865	1785160	9865	100623	100623	1684537
57.	Laxman Yadav	0	0	4000	1585873	4000	40800	40800	1545073
58.	Dashrath Yadav	0	0	71680	2090700	71680	731136	731136	1359564
59.	Raju Devi	0	0	2550	977460	2550	26010	26010	951450
60.	Mahender Singh	0	0	300	83625	300	3060	3060	80565
61.	*Binod Kumar Jha	38300	14185958	34800	13512188	-3500			622596
62.	*Arun Kumar	4221	1663567	2221	885460	-2000			10127
	Total	548231	210412481	2534285	807963038				579321306

#Note: For the shares bought before Investigation Period (IP), opening day price - INR 10.2 has been taken to calculate the acquisition price of these extra shares. For entities at Sl Nos. 61 and 62, shares sold during IP is less than shares sold. To calculate the profit, for the shares sold, profit made per share is calculated and is multiplies by no of shares sold. Profit/shares is calculated by (Total Sale Value/Total Sell Qty - Total Buy Value/Total Buy Qty).



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Table No. 13**Profit made by Ahmedabad based connected entities-Off loaders (Sub-group 2)**

Sl No.	Entity Name	Buy Qty during IP (A)	Buy Value during IP (B)	Sell Qty during IP (C)	Sell Value during IP (D)	Shares already held before IP (E) = C-A	#Acquisition price of shares already held (F)	Total Buy Value (G) = B+F	Net Profit (INR) C-G
1.	Sahilkumar Amrutbhai Vaghela	0	0	8000	2418850	8000	1583000	1583000	835850
2.	Vaghela Prakash Kantilal	0	0	6400	1945971.35	6400	1370266	1370266	575705
3.	Ravi Kannadasan Adidraavid	0	0	3700	1126645	3700	691125	691125	435520
4.	Keval Savant	0	0	3450	1051128.5	3450	650375	650375	400753
5.	Dipika Popatbhai Parmar	0	0	5000	1500500	5000	1117000	1117000	383500
6.	Manishkumar Rajput	0	0	3500	1051250	3500	709000	709000	342250
7.	Chiragkumar Makwana	0	0	2700	822973.9	2700	520500	520500	302473
8.	Krusha Birjukumar Sanghvi	0	0	3000	905979.05	3000	628000	628000	277979
9.	Karan Birjubhai Sanghvi	0	0	2000	608456.1	2000	379000	379000	229456
10.	Fuldeep Popatbhai Sehgal	0	0	2000	601450	2000	379000	379000	222450
11.	Makwana Madhuben	0	0	1700	518455.4	1700	315000	315000	203455
12.	Popatbhai Ramjibhai Parmar	0	0	3000	899700	3000	697000	697000	202700
13.	Hina Barot	0	0	3000	899250	3000	697000	697000	202250
14.	Lilaben Popatbhai Parmar	0	0	2900	868910	2900	677500	677500	191410
15.	Pritiben Popatbhai Parmar	0	0	2000	599100	2000	444000	444000	155100



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Sl No.	Entity Name	Buy Qty during IP (A)	Buy Value during IP (B)	Sell Qty during IP (C)	Sell Value during IP (D)	Shares already held before IP (E) = C-A	#Acquisition price of shares already held (F)	Total Buy Value (G) = B+F	Net Profit (INR) C-G
16.	Shahrukh Khan Pathan	0	0	1000	299500	1000	195000	195000	104500
	Total	0	0	53350	16118119	53350	11052766	11052766	5065353

#Note: For calculation in column 'F' (buy value for shares bought before SMS circulation period), if shares are bought during IP period, average buy price of shares during Pre-SMS period (within IP) is considered for calculating buy value of shares, otherwise if shares are bought before IP period, opening price on the first day of IP is considered as acquisition price for calculating value of those shares.

Table No. 14

Profit made by Kolkata based connected entities-Off loaders (Sub-group 3)

Sl No.	Entity Name	Buy Qty during IP (A)	Buy Value during IP (B)	Sell Qty during IP (C)	Sell Value during IP (D)	Shares already held before IP (E) = C-A	#Acquisition price of shares already held (F)	Total Buy Value (G) = B+F	Net Profit (INR) C-G
1.	Arpan Das	52713	18034103	72313	24213861	19600	3757475	21791578	2422283
2.	Sumit Laha	23694	8089974	30194	11066861	6500	1195500	9285474	1781387
3.	Suprabhat Laha	71470	21930902	88430	26862563	16960	3320268	25251170	1611393
4.	Sanjay Dey	25727	8088741	34377	10606549	8650	1563690	9652431	954118
5.	Dibakar Laha	34772	11205234	41672	13364445	6900	1341500	12546734	817711
6.	Debashish Dutta	8286	2404439	19346	5472451	11060	2295600	4700039	772412
7.	Buddhab Laha	1962	515901	9512	2559494	7550	1440100	1956001	603493
8.	Uma Dutta	0	0	7950	2156895	7950	1568100	1568100	588795
9.	Subrata Laha	29693	8469761	36093	10251539	6400	1296400	9766161	485378
10.	Linkup Financial Consultants Private Limited	9337	2523644	18852	5201733	9515	2194960	4718604	483129
11.	Minu Mallick	13900	4689530	16700	5604180	2800	498400	5187930	416250
12.	Ujjal Laha	0	0	6350	1650216	6350	1245500	1245500	404716



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Sl No.	Entity Name	Buy Qty during IP (A)	Buy Value during IP (B)	Sell Qty during IP (C)	Sell Value during IP (D)	Shares already held before IP (E) = C-A	#Acquisition price of shares already held (F)	Total Buy Value (G) = B+F	Net Profit (INR) C-G
13.	Highgrowth Vincom Private Limited	0	0	7460	2105601	7460	1829760	1829760	275841
14.	Arun Laha	8095	2396691	11195	3337285	3100	682000	3078691	258594
15.	Priyanka Laha	200	52250	3200	844365	3000	548400	600650	243715
16.	Tapas Laha	0	0	3200	865574	3200	704000	704000	161574
17.	Arun Dutta	0	0	1000	286573	1000	180409	180409	106164
18.	Glorious Vincom Private Limited	40000	15200000	40000	15200000	0	0	15200000	0
	Total	319849	103601170	447844	141650183.3	127995	25662062	129263232	12386951

#Note: For calculation in column 'F' (buy value for shares bought before SMS circulation period), if shares are bought during IP period, average buy price of shares during Pre-SMS period (within IP) is considered for calculating buy value of shares, otherwise if shares are bought before IP period, opening price on the first day of IP is considered as acquisition price for calculating value of those shares.

Table No. 15
Profit made by the PV Influencers

Sl No.	Entity name	Buy Qty	Buy Value (A)	Sell Qty	Sell Value (B)	Net Profit (INR) (A) - (B)
1.	A1 Solutions Prop. Ajju Kumar	506784	82861242	486784	95818045	12956803
2.	Piyush Agarwal	413392	89483158	413392	99476360	9993202
3.	Shyam Kumar Singh	251808	39451766	221808	57189105	17737339
4.	Chinnu	175203	30710801	175203	35633500	4922700
5.	Corredor Services Private Limited	164608	36864706	179608	40307841	3443135
6.	Sapan Kumar Agarwal	147090	27454481	147090	33956376	6501896
7.	Kamal Gupta Huf	130113	17370234	128490	23190299	5820065



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Sl No.	Entity name	Buy Qty	Buy Value (A)	Sell Qty	Sell Value (B)	Net Profit (INR) (A) - (B)
8.	Juscorp Enterprises Private Limited	107580	31424973	127952	40164120	8739147
9.	Vepar Solutions Private Limited	103417	23381627	108417	27038549	3656922
10.	Aayush Tanwar	102155	22447403	102155	22476354	28952
11.	Gyanendra Gharti Chhetri	37371	8147262	37371	8181639	34377
	Total	2139521	409597655	2128270	483432190	73834535

The Ultimate Beneficiaries

38. It is *prima facie* noted from the records that though the Off Loaders were the entities who had exited the scrip by making a substantial profit, however, they were just a façade to hide the Ultimate Beneficiaries. The rationale behind the aforesaid *prima facie* finding is as follows:

38.1. The trading activities of the above listed three groups of Off Loaders were not commensurate with their respective declared annual income. It has already been brought on records in the preceding paragraphs that the Mauria Group of entities are connected with each other as well as with the *Company inter alia* in terms of their employment, operation of bank accounts and their trading accounts (which were active only during the SMS period and had nil/negligible transactions, a year before and after the SMS period), common recovery email addresses, common email ids for filing of ITR etc. Similarly, Ahmedabad based entities and Kolkata based entities are connected with each other *inter alia* in terms of frequent funds transactions with Mr. Hanif Shekh connected entities, common email ids for filing of ITR, common MAC address and IP address, common shareholding etc. In the table below, the total exposures taken by some of the Mauria Group of entities, Ahmedabad based entities and Kolkata based entities to the scrip of MUL - the Off Loaders in the scrip of MUL vis-à-vis their respective total annual income are depicted:



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Table No. 16

Sl No.	Entity Name	Total exposure in the market which is <i>prima facie</i> not commensurate with declared income		
Mauria connected entities				
		Annual Income as per ITR	Buy Value during SMS period	Sell value during the SMS period
1.	Jagdish Chahar	306991	Shares already held before start of SMS circulation	3,26,99,321
2.	Amit Kumar	563275		2,97,53,195
3.	Jagdish Singh	512884		2,87,01,130
4.	Rakesh Goel	239768		1,63,75,751
5.	Shiv Pal	250950		1,62,18,262
6.	Ramajor	364494		1,34,54,600
7.	Mahavir Prasad	384475		1,27,66,410
8.	Haribansh Gupta	#NA		1,11,02,009
9.	Sunil Kumar Verma	463065		1,08,45,234
10.	Govind Singh	419893		1,08,41,142
11.	Sukanta Kumar Pala	553023		1,04,38,450
12.	Madhu	282164		1,02,99,492
13.	Ravita Devi	464253		1,02,64,165
14.	Sukhilal Meena	#N/A		1,00,89,380
15.	Hare Ram	191028		1,00,76,616
16.	Arvind Kumar	209789.5		1,00,69,760
17.	Meera Devi	449402.5		99,18,314
18.	Roshan Kumar Jaiswal	248160.5		98,43,481
19.	Kavita Devi	430095.5		98,25,461
20.	Jeet Bahadur	432144		98,19,044
21.	Madan Prasad	374883		97,23,400
22.	Krishan Murari Sharma	503173		93,14,034
23.	Pappu Kumar Ram	290660.5		88,97,818
24.	Nand Lal Sharma	484699		86,78,760
25.	Leelu Singh	426329		86,60,499
Ahmedabad based entities				
		Total exposure in the market is incommensurate with declared income		
		Annual Income as per ITR	Avg buy value during the period June 01, 2019 to December 31, 2019	Avg sell value during the period June 01, 2019 to December 31, 2019
26.	Ravi Kannadasan Adidraavid	4,27,129	1,32,55,601	9,76,163
27.	Pritiben Popatbhai Parmar	4,27,327	62,82,533	13,42,864
28.	Manishkumar Rajput	4,95,000	22,42,825	8,27,797
29.	Shahrulkhkan Pathan	4,02,520	28,38,125	17,46,031



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Sl No.	Entity Name	Total exposure in the market which is <i>prima facie</i> not commensurate with declared income		
30.	Sahilkumar Amrutbhai Vaghela	4,32,962	3,48,58,921	38,13,077
31.	Lilaben Popatbhai Parmar	4,34,468	70,66,579	27,51,460
32.	Popatbhai Ramjibhai Parmar	4,60,784	59,62,698	25,22,185
33.	Dipika Popatbhai Parmar	4,29,112	73,65,499	16,63,850
34.	Fuldeep Popatbhai Sehgal	4,02,804	30,68,170	11,30,044
35.	Keval Savant	4,45,423	1,26,05,819	11,92,354
36.	Chiragkumar Makwana	3,81,882	1,20,74,068	13,48,828
37.	Makwana Madhuben	3,73,587	1,11,17,241	14,38,597
38.	Krusha Birjukumar Sanghvi	4,28,781	22,22,405	5,46,452
39.	Karan Birjubhai Sanghvi	4,00,652	13,19,156	10,81,905
40.	Hina Barot	4,96,500	64,03,156	17,86,626
41.	Prakash Kantilal Vaghela	3,80,900	1,53,37,411	7,80,034
Kolkata based entities				
		Total exposure in the market is incommensurate with declared income		
		Annual Income as per ITR	Avg buy value during the period June 01, 2019 to December 31, 2019	Avg sell value during the period June 01, 2019 to December 31, 2019
42.	Arpan Das	7,54,537	8,33,15,677	9,52,52,557
43.	Suprabhat Laha	6,27,933	7,10,90,813	7,84,60,781
44.	Debashish Dutta	3,78,562	1,27,98,646	1,38,12,156
45.	Sumit Laha	20,33,907	6,52,21,180	9,11,39,146
46.	Sanjay Dey	18,59,997	3,13,93,056	4,99,69,756
47.	Dibakar Laha	18,85,021	14,75,02,020	16,11,32,996
48.	Uma Dutta	4,24,750	72,59,120	87,99,756
49.	Buddhadeb Laha	16,46,845	46,65,859	64,39,214
50.	Subrata Laha	2,09,797	1,71,41,540	1,84,16,062
51.	Ujjal Laha	8,22,076	1,53,16,402	2,72,83,081
52.	Arun Laha	5,02,099	1,01,65,418	1,23,47,255
53.	Tapas Laha	3,14,854	48,91,005	66,29,232
54.	Priyanka Laha	3,88,977	35,75,388	46,00,427
55.	Minu Mallick	8,48,976	2,60,21,480	3,35,12,638
56.	Arun Dutta	9,42,422	81,49,237	95,18,674
57.	Highgrowth Vincom Private Limited	5,63,154	1,71,86,299	4,35,33,171
58.	Linkup Financial Consultants Private Limited	1,30,108	5,18,33,591	5,21,85,903



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From the above table, it is observed that on a comparison of the declared income with either the average buy value or average sell value of the trades executed by each of the aforesaid entities in the scrip of MUL, one can easily ascertain the glaring disproportionate trading activities undertaken in the trading accounts of the said entities as compared to their declared annual income. For instance, the declared annual income of Mr. Sahilkumar Amrutbhai Vaghela (Sl. No. 30) is approximately INR 4.32 lakh while his average buy value in the scrip is approximately INR 3.48 crore which is at an astronomical variance of approximately 7950% from his declared income. Similarly, the declared income of Mr. Subrata Laha (Sl. No. 50) is approximately INR 2.09 lakh while his average buy value in the scrip is approximately INR 1.71 crore which is at an astronomical variance of approximately 8070% from his declared income. The aforesaid instances *prima facie* demonstrate how, by taking such huge buying exposures in the scrip the said entities were displaying their unfettered confidence about their capability, albeit without any credible substance, to take delivery of those shares bought by them that were worth much more than their annual income. In other words, their risk appetite in the scrip was very high which necessarily was not the outcome of their own net worth/income level or even the fundamentals of the *Company* but was due to certain inexplicable extraneous circumstances.

38.2. Ownership of shares – It is noted from the records that except a few entities, the above discussed Off Loaders connected to the *Company*, did not buy any shares on-market from the very start of the trading in the scrip of MUL i.e. January 27, 2017 till the start of circulation of SMS i.e. September 21, 2019 onwards (a few entities had bought some shares after starting of SMS circulation). Before listing of the scrip, most of these entities had received their shares of the *Company*, majorly through off-market transactions. Since, before listing of the *Company* the shares of the *Company* are mainly held by the Promoters of the *Company*, the probability of the aforesaid entities of receiving the shares of the *Company* through off-market mode from the Promoters of the



Company, is high. Further, there are no records which could be unearthed at the time of investigation, which would show that any consideration was ever paid by the Off Loaders to the persons from whom they had received the shares in off market mode. The said fact coupled with the fact that the Off Loaders had transferred funds (out of the sale proceeds) post their off-loading of the shares of MUL *inter alia* to the Promoter related companies (discussed in subsequent paragraphs) and the fact that most of these Off Loaders were also the employees of the *Company*, lead me to a compelling inference, on a preponderance of probability basis, that the Off Loaders/ beneficial owners of the shares who off-loaded the shares on the Exchange platform by booking substantial profits, were not the genuine owners of those shares which they had acquired from off-market sources during pre-listing days of the *Company*, but in all likelihood were *prima facie* the front entities for the Promoters of the *Company*. Similarly, the other two sets of Off Loaders i.e., Ahmedabad based entities (Sub Group 2) and Kolkata based entities (Sub Group 3) who on paper were the owners of the shares of the *Company* which they sold at a high profit, but the records with SEBI reflect that they were funded by certain other entities who are collectively referred to as Sub Group 2.A and Sub Group 3.A, respectively, who in turn were connected with Mr. Hanif Shekh and apparently by using such funds these entities, i.e. Sub Groups 2 and 3, had acquired those shares of the *Company*. A few instances where the buy trades of the Sub Groups 2 and 3 were *prima facie* found to have been funded by the Sub Groups 2.A and 3.A, respectively, are presented below. However, prior to that it will be appropriate to identify the entities who belonged to the Sub Groups 2.A and 3.A which provided funds to Sub Groups 2 and 3 for acquiring shares of MUL. The said entities are as follows:

Table No. 17

Sl No.	Entity Name	Connection with each other
Sub-group 2.A - Entities involved in funding of trade of Sub-group 2 and transferring funds to Sub-Group 3.A		
1.	Aneel A & Co	



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2.	Samukh Trade	a. Sub-group 2.A has frequent two-ways transactions with each other and with Sub-group 2. b. Sub-group 2.A has frequent transactions with Sub-group 3.A.
3.	Shakti Enterprise	
4.	Sharad Enterprise	
5.	Ambika Traders	
Sub-Group 3.A - Entities involved in funding of trade of Sub-Group 3		
6.	Midpoint Commodeal	a. Sub-group 3.A has had frequent two-ways transactions with each other and Sub-group 3. b. Midpoint Commodeal, D K Jain Properties, MR Merchants, Amuly Supplier had shareholdings in Escort Agencies- an unlisted entity. c. Amuly suppliers and Midpoint Commodeal have same android id (device id-3dec7ed5640fa5fe) while accessing their respective e-mail ids. d. DK Jain Properties Private Ltd., Amuly Suppliers Private Ltd., MR Merchants Private Ltd. and Midpoint Commodeal Private Ltd. all had a common director, Mr. Nandu Shaw (DIN 06403637).
7.	Dk Jain Properties	
8.	Mr Merchants Pvt Ltd	
9.	Armeva Dealers Pvt Ltd	
10.	Amuly Suppliers	
11.	Frexon Suppliers Pvt Ltd	
12.	Rightview Dealers Pvt Ltd	
13.	Mackny Trexim Pvt Ltd	
14.	Urki Sales Pvt Ltd	
15.	Nxstar Dealcom Pvt Ltd	
16.	Impalio Distributors Pvt Ltd	
17.	Cradon traders Pvt Ltd	

It is noted from the aforesaid table and material available on record that the said 17 entities (5 entities from Sub Group 2.A and 12 entities from Sub Group 3.A) are not only *inter se* connected with each other but were also connected with Mr. Hanif Shekh, and / or Hanif Entities (Sub Group 5 - identified subsequently in the Order). Few of such connections are indicated below:

- Sub Group 2.A had frequent transaction with Sub Group 3.A. For instance, an entity from Sub Group 2.A namely, Aneel A & Co had transferred INR 12 lakh to an entity from Sub Group 3.A namely, Armeva Dealers Pvt. Ltd. on December 7, 2018. Again on December 12, 2018, Aneel A & Co had transferred INR 19 lakh to Armeva Dealers Pvt. Ltd.
- An entity from Sub Group 3.A namely, DK Jain properties Ltd has its address as "9/12, Lal Bazar Street 3rd Floor Block-B Room No 17 Kolkata 700001" which is located in the same premises and address where Econo



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Trade India Ltd (Sub Group 5) is located. Further, parents of Mr. Hanif Shekh are Promoters of Econo Trade India Ltd as well.

A few instances where the buy trades of the Sub Groups 2 and 3 were seen to be funded by Sub Groups 2.A and 3.A, respectively, are shown below:

Table No. 18

Sub-group 2.A Entity	Sub-group 2 Entity				
Samukh Trade	Sahilkumar Vaghela		Competent Finman Pvt Ltd (Broker)		Used for trading
	Date	Amount	Date	Amount	
	12/07/19	5,00,000	12/07/19	5,00,000	
	Sahilkumar Vaghela		Competent Finman Pvt Ltd (Broker)		
Aneel A &Co	Date	Amount	Date	Amount	
	21/08/18	4,00,000	21/08/18	4,00,000	
	20/08/19	9,16,000	20/08/19	9,16,000	
Sharad Enterprise	Kevalrao Savant		Berkley Securities Ltd (Broker)		
	Date	Amount	Date	Amount	
	23/08/19	4,00,000	23/08/19	4,00,000	
Shakti Enterprise	Manish Kumar Rajput		MNM Stock Broking Pvt Ltd (Broker)		
	Date	Amount	Date	Amount	
	16/08/19	2,00,000	16/08/19	2,00,000	

Table No. 19

Sub-group 3.A Entity	Sub-group 3 Entity				
Midpoint Commodeal Pvt Ltd	Sanjay Dey		Ashika Stock Broking (Broker)		Used for trading
	Date	Amount	Date	Amount	
	07/08/19	3,00,000	07/08/19	3,01,700	
D K Jain Properties Pvt Ltd	Suprabhat Laha		SMC Global Securities (Broker)		
	Date	Amount	Date	Amount	
	26/08/19	14,00,000	27/08/19	13,97,500	
D K Jain Properties Pvt Ltd	Buddhadeb Laha		Edelweiss Broking Ltd (Broker)		
	Date	Amount	Date	Amount	
	28/08/19	6,50,000	29/08/19	6,28,574	
Midpoint Commodeal	Arpan Das		Giriraj Stock Broking Pvt Ltd (Broker)		



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	Date	Amount	Date	Amount	
	17/08/19	10,00,000	19/08/19	10,00,000	

Similar to the conduct of Mauria Group of connected entities (Sub Group 1) post their exit from the scrip of MUL with substantial profits, the Off Loaders of Sub Groups 2 and 3 also, post their exit from the scrip, had transferred funds (*prima facie* out of the sales proceeds of the shares) *inter alia* to Sub Groups 2.A and 3.A (discussed in subsequent paragraphs). Additionally, considering the undeniable fact that all the sub groups i.e., 2, 2.A, 3 and 3.A are connected with each other as well as with Mr. Hanif Shekh, I am now persuaded, on a preponderance of probability basis that, the aforesaid beneficial owners of the shares, viz: the entities of Sub groups 2 and 3 were not the genuine owners but were *prima facie* the front entities holding the shares of MUL on behalf of the entities pertaining to Sub Groups 2.A and 3.A (who had provided funds) and who in turn, were *prima facie* the front entities for some other entities (discussed in subsequent paragraphs) who were the Ultimate Beneficiaries of the entire scheme deployed in the trading of the scrip.

Thus, *prima facie* from the aforesaid factual exposition and my *prima facie* observations pertaining to the apparent role played by the various groups of connected entities, a discernible pattern emerges wherein it can be seen that as per the master plan of the purported scheme, it was pre-determined that there would be one set of entities who would be shown as the owners of the shares on the books of the *Company* while there would be another set of entities who would fund the transactions of the so called owners of shares to procure the shares and then post the dealing in the scrip by the Off Loaders i.e., the first set of entities who were the on-paper owners of the shares, would transfer the sales proceeds with the profits so earned to the ultimate and the real beneficiaries by using the financiers (the second set of entities referred to above who had funded the first set of entities) as conduits, wherever applicable and in other cases via layered transactions using other connected entities as conduits. In short, *prima facie* the scheme was perpetrated in such a way so as to hide the real identities of the



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Ultimate Beneficiaries by putting enough distance / layers between them and the initial dealings in the scrip by their connected front entities.

38.3. Transfer of trade proceeds – In a genuine sell transaction on the securities market, post selling of shares, the proceeds of the shares sold in the securities market, goes to the bank account of the seller on T+2 day (where T is the trading day). However, in the instant case the sellers in the scrip of MUL i.e., the Off Loaders, be it the Mauria Connected entities, or the Sub Group 2 or Sub Group 3 entities, all of them have without fail, transferred the proceeds either to the Promoter related companies of MUL or to Mr. Hanif Shekh (the SMS sender) related companies or to certain Forex companies which was later on converted into cash. These post sales suspicious behaviour of the selling entities viz: the entities of sub-groups no.1, 2 and 3 who, after off-loading the shares never held the proceeds with themselves and instead transferred them to the aforesaid destinations, belies and betrays the genuineness of the dealings in the scrip by the Off Loaders. Further, once the funds trail is traced out and the ultimate recipients of the sales proceeds are identified, it becomes crystal clear that the Ultimate Beneficiaries of the *prima facie* scheme that was deployed in the trading in the scrip of MUL included none other than the kingpin and the mastermind behind the bulk SMSs that were sent to public by him/at his behest namely, Mr. Hanif Shekh and also the Promoters of the *Company*. Before proceeding to illustrate a few instances of transfer of money by the Off Loaders to the Ultimate Beneficiaries, it will be appropriate to first identify a certain set of entities which can be named as Hanif entities, Hanif connected entities, and also the entities which were used to transfer money to Forex companies and to the entities connected to the Promoters of the *Company*.

Table No. 20

Hanif Entities – Sub-group 5		
Sl No	Entity Name	Relation/Connection
1.	Hanif Shekh	a. SMS sender



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2.	Kasambhai Shekh	b. Father of Hanif Shekh.
3.	Hasina Kasambhai Shekh	c. Mother of Hanif Shekh.
4.	Robert Resources Ltd	d. Hanif Shekh is the Managing Director since April 2016. His mother is the Director since March 2017.
5.	Econo Trade India Ltd	e. Hasina Kasambhai Shekh, Kasambhai Umarbhai and Robert Resources Limited are Promoters and have 26.19% shareholding of the company. f. Hasina Kasambhai Shekh is Executive Director in the said company. g. Kasambhai Umarbhai Shekh was Director from July 21, 2018 to July 31, 2020. h. Sanjay Vishnudas Kotak was Director from August 14, 2018 to April 15, 2019 and was also Director in Econobroking Pvt Ltd from May 23, 2014 to March 04, 2022.
6.	Econo Broking (Erstwhile Bansal Finstock)	i. Frequent bank transactions with Econ-trade, Sai Metaltech LLP. j. Since April 2021, Hasina Kasambhai Shekh holds 55% shareholding. k. Sanjay Kotak erstwhile Director of Econo Trade India Ltd is CEO of Econobroking Pvt Ltd. l. One of the e-mail addresses of Hanif Shekh is hanif@bansalonline.com. which shows his association/connection with Econobroking (Erstwhile Bansal Finstock).
7.	Sai Metaltech LLP	m. Hanif Shekh was Partner along with his father, Kasambhai Shekh till July 2020 and thereafter he became Partner with his mother, Shekh Hasina Kasambhai. n. E-mail address of Hanif Shekh is hanif@bansalonline.com which has been furnished with MCA for the company.



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Table No. 21

Sl. No	Entity Name	Connection with each other
Sub-group 5.A – Hanif Connected Entities		
1.	Nilratan Suppliers Pvt. Ltd.	a. Briya Enterprise, Kanungo Financiers and Purple Entertainment had same android id (device id- 37cf22489924fd2f) while accessing their respective e-mail ids. b. Nilratan Suppliers Pvt Ltd and Kanungo Financiers had same android id (device id- 3d266d7692779548) while accessing their respective e-mail ids. c. Lagan Barter Pvt Ltd had frequent transactions with Kolkata entities and Econo Broking Pvt Ltd, Econo Trade India Ltd, Nilratan Suppliers Pvt Ltd and Briya Enterprise. d. Lagan Barter Pvt Ltd and Nilratan Suppliers Pvt Ltd trade frequently with broking firm of Hanif Shekh- Econo Broking Pvt Ltd.
2.	Briya Enterprise Ltd.	
3.	Kanungo Financiers Ltd.	
4.	Purple Entertainment Ltd.	
5.	Lagan Barter Pvt. Ltd.	
6.	Jignesh Sudhirbhai Shah	e. Frequent bank transaction between Jignesh Sudhirbhai Shah and abovementioned entities. Hanif Shekh has frequent call record with Jignesh Sudhirbhai Shah.

Table No. 22

Sub-group 6 – Companies involved in routing fund to Forex conversion in Cash		
S No	Name	Relation/Connection
1.	Amba Enterprise	a. Entities at S No 1 to 21 are companies acting as conduits to transfer money to Forex dealers – Entities at S No 22 to 25 ("FFMC – Full Fledged Money Converters") who in turn converted the money received from entities at S No 1 to 21 into Forex cash and have not maintained bills for the said transactions/conversions as per their submission. b. Net Sellers in the scrip of Mauria Udyog Ltd, 7NR Retail Ltd, GBL industries Ltd and Price-volume manipulators in Mauria Udyog Ltd –Group-01 (through K M Enterprise) and Sub-group 2.A and
2.	Sai Enterprise	
3.	Yash Enterprise	
4.	Njp Ntrade International	
5.	Garvi Trading	
6.	C Square Trading	
7.	Vikas Sales	
8.	Shree Mahakal Enterprises	
9.	Jagannath International	



10.	Hoffman Trade Enterprise	3.A have transferred funds to same set of companies i.e. Entities at S No. 1 to 21. c. Entities at S No 1 to 21 have financial transactions with sub-groups identified during investigation and are connected/related to Hanif Shekh. They have also provided funds to Sub-group 3.A who in turn provided to Sub-group 3 for trading as can be seen from their respective bank statement. d. Donum Forex, Gemmy Forex and Velox Forex have same contact number – 93269831777 in ITR form. e. Velox Forex and Malacca Forex have common e-mail id in ITR form – pratikshadesai@gmail.com. f. All the Forex companies (S No. 22 to 25 are related/connected to each other.
11.	Navkar Enterprise	
12.	Infinity Trading	
13.	Nilkant Sales Corporation	
14.	Nandan Trading Co	
15.	Skyline Trading	
16.	Adventure India	
17.	Attractive Choice	
18.	Jay Enterprises	
19.	Aj Enterprise	
20.	Metro Corporation	
21.	Flying Enterprise	
22.	Gemmy Forex Pvt Ltd	
23.	Donum Forex Pvt Ltd	
24.	Malacca Forex Pvt Ltd	
25.	Velocity Forex Pvt Ltd	

Table No. 23

Sl. No	Entity Name	Connection with each other
Entities connected to the Promoters of Mauria Udyog Ltd.		
1.	Linkwise Marketing Pvt. Ltd.	



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2.	Vee-Em Infocentre Pvt Ltd	a. Both while opening Gmail account, had same recovery e-mail as Imgupta@mauria.com which is also mentioned in the UCC details of broker/exchanges of Deepa Sureka- Promoter of Mauria Udyog Ltd. and Akhil Kumar Sureka – family member of Navneet Kumar Sureka. b. Both had same service IP address i.e. 27.251.171.132 on 09/07/2014 and 23/06/2014 while opening Gmail account. c. Deepak Kumar Garg (employee of MUL) signed as witness on the rent agreement of Linkwise Marketing Pvt Ltd signed on March 02, 2016 d. Sureka group has significant holding in Vee-Em Infocenter Pvt. Ltd. e. In a corporate filing with BSE, Mauria Udyog Ltd has mentioned Vee-Em Infocenter Pvt. Ltd. in its related party
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Now that the relevant recipient entities (of sales proceeds of shares of MUL) have been identified, a few instances are shown below to demonstrate as to how the sale proceeds were transferred by the Off Loaders to the Ultimate Beneficiaries.

A few instances where the sales proceeds were transferred by Mauria Connected entities to the *Company/Promoter* connected entities, are shown below:

Table No. 24

Broker	Entity		Company/sister concern of MUL					
Mauria connected entities sales proceeds								
Choice Equity	Jagdish Chahar		Linkwise Marketing		Vee EM Infocentre (Group company of Mauria Udyog Ltd)		Mauria Udyog Ltd.	
	Date	Amount	Date	Amount	Date	Amount	Date	Amount
	29/11/19	17,08,000	29/11/19	17,08,000	29/11/19	15,00,000	30/11/19	15,00,000
Edelweiss	Jagdish Singh		Mauria Udyog Ltd.					
	Date	Amount	Date	Amount				
	30/10/19	14,70,000	31/10/19	14,70,000				
Edelweiss	Jagdish Singh		Sai Enterprise					
	Date	Amount	Date	Amount				
	27/12/19	60,68,100	27/12/19	19,50,000				
			Linkwise Marketing					
			Date	Amount				
			27/12/19	22,22,500				
Choice Equity	Ramajor		Linkwise Marketing		Vee EM Infocentre (Includes amount received from other sellers)		Mauria Udyog Ltd.	
	Date	Amount	Date	Amount	Date	Amount	Date	Amount
	26/12/19	27,60,000	26/12/19	27,60,000	30/12/19	2,76,00,000	30/12/19	90,00,000
							31/12/19	1,90,00,000



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A few instances where the sales proceeds were transferred by Mauria Connected entities to Hanif connected entities are shown below:

Table No. 25

Broker					
Choice Equity	Jagdish Chahar		Frexon Suppliers Ltd (Sub-group 3.A)		Further transfer to Hanif Shekh Entities (Sub-group 5.A)
	Date	Amount	Date	Amount	
	30/08/19	9,41,500	30/08/19	9,41,500	
Edelweiss	Jagdish Singh		Samukh Trade (Sub-group 2.A)		
	Date	Amount	Date	Amount	
	30/10/19	14,70,000	31/10/19	14,70,000	
Pantomath	Ramajor		Armeva Dealers (Sub-group 3.A)		
	Date	Amount	Date	Amount	
	20/08/19	9,16,000	20/08/19	9,16,000	
Comfort	Mahavir Parshad		Rightview Dealers Pvt Ltd (Sub-group 3.A)		
	Date	Amount	Date	Amount	
	19/08/19	9,18,816	20/08/19	9,19,047	
	Mahavir Parshad		Armeva Dealers Pvt Ltd (Sub-group 3.A)		
	Date	Amount	Date	Amount	
	22/08/19	9,70,454	26/08/19	9,71,047	

A few instances where sales proceeds were transferred by Mauria Connected entities to the companies acting as conduits for conversion of sales proceeds into foreign exchange are shown below:

Table No. 26

Broker to							
Choice Equity	Jagdish Chahar		NJP Ntrade International		C Square Trading		After multiple routing, funds were converted to Forex cash
	Date	Amount	Date	Amount	Date	Amount	
	16/12/19	21,67,000	16/12/19	21,67,000	17/12/19	24,50,000	
Choice Equity	Jagdish Chahar		Amba Enterprise		Infinity Trading Co		
	Date	Amount	Date	Amount	Date	Amount	
	06/01/20	20,00,000	06/01/20	20,00,000	07/01/20	15,00,000	
Choice Equity	Ramajor		Amba Enterprise		MH Corporation		
	Date	Amount	Date	Amount	Date	Amount	
	20/12/19	52,25,000	20/12/19	52,25,000	20/12/19	1,18,00,000	



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A few instances where the sales proceeds were transferred by Ahmedabad based entities (Sub Group 2) to Sub Group 2.A entities are shown below:

Table No. 27

Broker	→		→		Aneel A & CO, Ambika Traders and Samukh Trade are part of Sub Group 2.A entities who are connected to Hanif Shekh (discussed later in the Order).
MNM Stock Broking	Manish Kumar Rajput		Aneel A &CO		
	Date	Amount	Date	Amount	
	30/10/19	25,00,000	01/11/19	25,00,000	
Competent Finman Pvt Ltd	Sahilkumar Vaghela		Ambika Traders		
	Date	Amount	Date	Amount	
	17/10/19	18,00,000	23/10/19	18,00,000	
Arihant Capital Markets*	Fuldeep Popatbhai Sehgal		Samukh Trade		
	Date	Amount	Date	Amount	
	09/09/20	22,59,330	09/09/20	22,59,330	

*Outside IP – To illustrate repetitive pattern and relation/connection between the Entities.

A few instances where the sales proceeds were transferred by Kolkata based entities (Sub Group 3) to Sub Group 3.A entities are shown below:

Table No. 28

	→		→		
Ashika Stock Broking	Sanjay Dey		Midpoint Commodeal		Midpoint Commodeal Pvt Ltd, D K Jain Properties Pvt Ltd and Amuly Suppliers are part of Sub Group 3.A Entities who are connected to Hanif Shekh (discussed later in the Order).
	Date	Amount	Date	Amount	
	23/12/19	37,48,796	23/12/19	30,00,000	
			Amuly Suppliers		
			Date	Amount	
		23/12/19	575,675		
SMC Global Securities*	Suprabhat Laha		D K Jain Properties Pvt Ltd		
	Date	Amount	Date	Amount	
	19/10/20	25,43,573	19/10/20	19,02,169	
Prabhudas Liladhar Pvt Ltd	Arpan Das		Midpoint Commodeal Pvt Ltd		
	Date	Amount	Date	Amount	
	20/12/19	80,00,000	23/12/19	7,50,000	
	27/12/19	25,95,000	15/01/20	70,00,000	
			D K Jain Properties Pvt Ltd		
			Date	Amount	
		15/01/20	21,65,765		

*Outside IP – To illustrate repetitive pattern and relation/connection between the entities.



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38.4. **Attempt to conceal the identity** – As noted in the preceding paragraphs, each and every leg of the *prima facie* scheme is designed in such a way so as to hide the identity of the real perpetrators of the said scheme. Right from the first leg where the PV Influencers were trying to *prima facie* artificially inflate the price and volume in the scrip to the Collaborators who continued to manipulate the trading volumes and prices of the scrip during the SMS period till the transfer of the sales proceeds by the Off Loaders post their exit from the scrip, to the Ultimate Beneficiaries, every attempt was made to conceal the identity of the real and ultimate beneficiaries of the *prima facie* fraudulent scheme, including the attempt that was made to hide the identity of the SMS Sender by giving incorrect name, multiple mobile numbers, by making cash payment etc. At every step, effort was made to mask the connection of the entities who were on paper dealing in the scrip during pre and post SMS period, with the Promoters of the *Company* or with Mr. Hanif Shekh, the SMS Sender. However, as one scrutinizes and looks through the maze of multiple layers of the *prima facie* scheme, the concerted effort which was put in the said scheme by the kingpin, Mr Hanif Shekh to maintain his anonymity and to avoid the regulatory detection, falls apart.

39. The cumulative effects of the afore-discussed deceitful acts that have been committed by different sets of entities through layers of transactions, coupled with the relationship / connections as brought out succinctly in the preceding paragraphs that existed amongst the connected entities based on a preponderance of probabilities, *prima facie* lead to an imposing inference that the *prima facie* scheme which was employed to deal in the scrip of MUL was *prima facie* conceived and implemented to benefit Mr. Hanif Shekh and his connected entities namely, Mr. Kasambhai Shekh, Ms. Hasina Kasambhai Shekh, Robert Resources Ltd, Econo Trade India Ltd, Econo Broking Pvt Ltd and Sai Metal tech LLP and also the Promoters of Mauria Udyog Ltd. namely Mr. Navneet Sureka and Ms. Deepa Sureka and their connected companies viz., Mauria Udyog Ltd. and Vee-Em Infocenter Pvt. Ltd.



Profits

40. As may be observed from the foregoing factual analyses, the *prima facie* scheme that was hatched by the kingpin, Mr. Hanif Shekh along with the Promoters of the *Company* for their fraudulent dealings in the scrip of MUL has *prima facie* resulted in earnings of profits at various levels. The first and the foremost entities who made profits by their fraudulent dealings in the scrip are the PV influencers as noted at Table No. 15 above in this Order, who had entered the scrip at the initial stages of implementation of the *prima facie* scheme. As already discussed in the early part of this Order, these entities had collectively by their manipulative trades in the scrip during pre and post SMS period (majorly during pre-SMS period), have *prima facie* made a profit of INR 7,38,34,535/-. The next set of entities who made profit by their dealings in the scrip, pursuant to the *prima facie* scheme are the Off Loaders. The first group of Off Loaders i.e., Mauria Connected entities (Sub Group 1) post their exit from the scrip had transferred the profits to Mr. Hanif Shekh and his connected entities and also to the entities connected to the Promoters of the *Company*. A summary of such profit earned by the Mauria Connected entities that were transferred through layers of conduits to Mr. Hanif Shekh and his connected entities and also to the entities connected to the Promoters of the *Company* is tabulated below:

Table No. 29

Sl No	Entity Name	Profit Earned (in INR)	Forex Companies (in INR)	Mauria related entities/Mauria Promoter companies (in INR)	Hanif Related entities (in INR)
1.	Jagdish Chahar	34578984	12307000	15024000	941500
2.	Amit Kumar	29014205	0	29645000	0
3.	Jagdish Singh	27893126	16018200	11046500	657700
4.	Mithun Singh	25068716	13140000	12500000	0
5.	Raja Ram	22865791	5768000	10863000	917000



Sl No	Entity Name	Profit Earned (in INR)	Forex Companies (in INR)	Mauria related entities/Mauria Promoter companies (in INR)	Hanif Related entities (in INR)
6.	Govind Ojha	20924993	15170000	3880000	920000
7.	Santosh Raut	20755898	1347000	14959000	0
8.	Rakesh Goel	20620106	12179000	2351000	2832500
9.	Shiv Pal	18743666	8833500	6695500	1635500
10.	Ramajor Ramajor	17117278	9695000	4119500	1886500
11.	Mahavir Prasad	15484653	7446000	2543500	1890000
12.	Haribansh Gupta	10812330	9581000	1479300	0
13.	Govind Singh	10555542	8756500	2044000	0
14.	Sunil Kumar Verma	10554534	10223600	0	0
15.	Arvind Kumar	10241760	1400000	5429000	0
16.	Sukanta Kumar Pala	10169680	4300000	1200000	0
17.	Madhu	10017411	10261000	35400	0
18.	Ravita Devi	9977239	9339500	857100	0
19.	Sukhilal Meena	9818060	10003500	0	0
20.	Hare Ram	9791118	3460000	5752000	0
21.	Meera Devi	9653114	9881500	0	0
22.	Roshan Kumar Jaiswal	9634390	8695400	1111000	0
23.	Jeet Bahadur	9553691	7302000	1893300	0
24.	Madan Prasad	9552781	7905000	1751000	0



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Sl No	Entity Name	Profit Earned (in INR)	Forex Companies (in INR)	Mauria related entities/Mauria Promoter companies (in INR)	Hanif Related entities (in INR)
25.	Krishan Murari Sharma	9534761	215000	9025000	0
26.	Nand Lal Sharma	9437800	3482000	3264900	842300
27.	Hariom Rathore	9182015	0	3103300	2466625
28.	Shiv Shanker	9085729	8285000	0	0
29.	Leelu Singh	8992299	5317400	1994020	0
30.	Kailash Chouhan	8956617	6816900	0	0
31.	Pappu Kumar Ram	8870278	5501000	3466700	0
32.	Seeta Ram	8612116	3612500	4658100	0
33.	Susheel Kumar Arora	8170290	3795000	1405800	876500
34.	Kavita Devi	7218013	6275000	1157500	0
35.	Jitender Nagar	7019225	0	672000	0
36.	Indranand Singh	6219186	0	0	2813500
37.	Dharamwati Chauhan	6199195	0	1323400	1635500
38.	Kesh Ram	6187761	3973000	1930000	0
39.	Mukesh Pandey	6184359	4770000	360000	630500
40.	Prem Chand	6100534	1975000	4050000	0
41.	Devi Singh	5612605	0	4728475	0
42.	Sunil Nagar	5399502	5491000	0	0
43.	Parmanand	5297180	480000	1318000	973000

Interim Order-cum-Show Cause Notice in the matter of Mauria Udyog Ltd., 7NR Retail Ltd., Darjeeling Ropeway Company Ltd., GBL Industries Ltd. and Vishal Fabrics Ltd.

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Sl No	Entity Name	Profit Earned (in INR)	Forex Companies (in INR)	Mauria related entities/Mauria Promoter companies (in INR)	Hanif Related entities (in INR)
44.	Rajesh Kumar	5295025	5423500	0	0
45.	Pramod Ram	5259625	5421500	0	0
46.	Rajesh Giri	4891912	4449000	0	0
47.	Narender	4753497	2895000	2000000	0
48.	Binod Kumar Jha	4705835	1800000	0	0
49.	Mangal Singh	4056926	1425000	850000	869500
50.	Ratindra Nath	3890502	0	1613520	0
51.	Arun Kumar	3590135	1260000	0	876500
52.	Hoshiyar Saini	3148043	0	0	0
53.	Anand Bansal	2811788	0	3210000	0
54.	Bhurey Singh	2662550	450000	500000	0
55.	Rajendra Kumar	2323024	2311000	421000	0
56.	Kuldeep Singh	1684537	1354000	1000000	0
57.	Amarjeet	1545073	1000000	0	500000
58.	Saroj Yadav	1359564	0	0	0
59.	Laxman Yadav	951450	0	14848666	0
60.	Dashrath Yadav	80565	0	0	1427500
61.	Raju Devi	622596	969900	0	0
62.	Mahender Singh	10127	0	83300	0
	Total	57,93,21,306	29,17,60,400	20,21,62,781	2,55,92,125

41. It has been noted in the preceding paragraphs that the forex companies viz., Gemmy Forex Pvt. Ltd., Donum Forex Pvt. Ltd., Malacca Forex Pvt. Ltd. and Velocity Forex Pvt.



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Ltd., etc. were receiving funds from certain companies as mentioned at Sl. Nos. 1-21 at Table No. 22 which were acting as conduits and in turn, the Forex companies were converting the funds so received by them into forex cash. The aforesaid conduit companies which were transferring funds to the Forex companies were receiving funds from the Sub Group 1 (Mauria Connected entities) and from the entities of Sub Group 2.A as well as Sub Group 3.A. It may be noted that entities of Sub Group 2.A were having banking transactions with Ahmedabad based entities [Sub Group 2] and the entities of Sub Group 3.A were having banking transactions with Kolkata based entities [Sub Group 3]. It is noted from the records that similar to the action of Off Loaders like Sub Group 1 in the case of MUL, in case of certain other scrips covered in this matter as well viz., 7NR Retail Ltd. and GBL Industries Ltd., the Off Loaders were seen to be transferring the funds (sales proceeds) to the conduit companies and the only common denominator involved across all these scrips where *prima facie*, similar fraudulent schemes were deployed, is Mr. Hanif Shekh (discussed in subsequent paragraphs). Thus, a pattern can be seen across all such scrips wherein post the exit of the respective Off Loaders from the scrip especially during the SMS period, certain portion of the profits were also transferred to the conduit companies only to be onward transferred to the forex companies. Thus, on a preponderance of probability basis it can be inferred that Mr. Hanif Shekh who is the only constant key element across different scrips where similar scheme was found to be deployed as in the case of the scrip of MUL, and considering the fact that the same set of conduit companies and Forex companies have been used across all these scrips covered in the present proceedings, one is *prima facie* led to a factual conclusion that the conversion of sales proceeds of the shares by the Off Loaders to forex cash was done only on behalf of and for the benefit of Mr. Hanif Shekh. The said inference further gets reinforced from the fact that the Sub Groups 2.A and 3.A which have transferred funds to the conduit companies are in turn connected with Mr. Hanif Shekh, thereby showing proximity of Mr. Hanif Shekh with respect to the said conduit companies, rather than with multiple Off Loaders across the scrips. In other words, there can be no other contrary inference made other than the aforesaid *prima facie* conclusion, which can plausibly explain as



to why not one or two but a majority of the Off Loaders across the scrips, whether or not Promoters of the companies are involved, decided to transfer the sales proceeds of their dealing in that scrip, to the conduit companies for onward transfer of those funds to Mr. Hanif Shekh and his related entities or to the entities related to the Promoters of the company and in most such instances like in the scrip of MUL, the Off Loaders (not necessarily all the Off Loaders) did not have even the requisite financial capacity to deal in the scrip and also were seen to be funded by some other entities.

42. In view of the aforesaid discussion, it can be *prima facie* inferred that the profits made by Mr. Hanif Shekh and his connected entities including Sub Groups 2 and 3 by their dealing in the scrip of MUL aggregate to INR 33,48,04,829/- while the Promoters of MUL along with their connected companies have *prima facie* made a profit of INR 26,19,68,781/-.

43. Before proceeding further to determine the *prima facie* violations of the entities who were involved in the dealings in the scrip of MUL in a fraudulent manner, based on the detailed discussions in preceding paragraphs, I would like to briefly reiterate the broad *modus operandi* of the *prima facie* scheme employed in the scrip of MUL. The same is as follows:

43.1. A certain group of entities (PV Influencers) who are connected to the Company started dealing in the scrip of MUL *inter alia* either by trading amongst themselves or by executing synchronised trades or by accessing the market at regular interval and placing multiple orders on the same day with the primary goal of gradually increasing the price and volume in the scrip.

43.2. In the meantime, Mr. Hanif Shekh obtained multiple sender IDs from the resellers of TSPs which can be used to send bulk SMSs and also created website (www.midcapgains.in) which can be used to give buy recommendation in favour of the scrip once a desired level of price and volume is reached largely with the support of the fraudulent trades of the PV influencers.

43.3. Post the wide circulation of SMSs in which recommendations for buying the scrip was given, a few entities (Collaborators) connected with the SMS Sender,



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collectively as a group tried to maintain the momentum so far created by the PV Influencers in the scrip *inter alia* either by taking turns to deal in the scrip on separate occasions or by executing *intra day* trades even at the cost of making losses in the process, just to ensure that the liquidity can be continuously maintained in the scrip, consequently, increasing the probability of the Off Loaders to exit the scrip with a profit.

43.4. Multiple groups of connected entities (Off Loaders), majority of whom did not have even the financial capacity or were funded by other set of entities, were set up as front entities by the Ultimate Beneficiaries, and such front entities dealt in the scrip by executing both buy and sell trades during the SMS period.

43.5. Due to the concerted effort of the SMS Sender and the Collaborators, the Off Loaders were able to exit the scrip by pocketing a substantial profit after dumping around 30 lakh shares of MUL-, a scrip which, post its listing did not witness any trades for two years and subsequently in spite of the sustained efforts of the PV Influencers, the average volume during pre SMS period remained at 9,423 shares.

43.6. Once the Off Loaders had exited the scrip, the profits were transferred from their accounts to the accounts of the Ultimate Beneficiaries who were none other than the SMS Sender and his connected entities and also the Promoters of the *Company* and their connected entities and such funds transfers were undertaken via several conduits and layers so as to maintain the anonymity of the Ultimate Beneficiaries and also to avoid regulatory detection.

44. Here, it will be relevant to reproduce the text of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(a), (b), (e), (g), (k), (n) and (r) of PFUTP Regulations for ready reference. The same reads as follows:

SEBI Act

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



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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;

PFUTP Regulations

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



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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 manipulative, fraudulent or an unfair trade practice in securities markets.

4 (2) Dealing in securities shall be deemed to be manipulative, fraudulent or an unfair trade practice if it involves any of the following: —

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

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

....

(e) any act or omission amounting to manipulation of the price of a security including, influencing or manipulating the reference price or bench mark price of any securities;

...

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

...

(k) disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading in a reckless or careless manner and which is designed to, or likely to influence the decision of investors dealing in securities;

...

(n) circular transactions in respect of a security entered into between persons including intermediaries to artificially provide a false appearance of trading in such security or to inflate, depress or cause fluctuations in the price of such security;



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

45. From the aforesaid provisions of law, it may be appreciated that the determination of the *prima facie* violations by the entities has two linked but separate parts to it:

45.1. The first is determination of *prima facie* violation of provisions of SEBI Act and PFUTP Regulations and who all are liable for the same.

45.2. The second is to determine the persons who are *prima facie* liable for the proceeds generated by executing the trades that were executed in the scrip *prima facie* in violation of provisions of SEBI Act and PFUTP Regulations.

46. I now proceed to address the first issue. In the instant matter, pursuant to the employment of the *prima facie* scheme, the entities belonging to the category of PV Influencers by way of their manipulative trades have *prima facie* interfered with the market forces of supply and demand in the scrip of MUL by artificially influencing the price and volume of the scrip and have thus, *prima facie* distorted the price discovery mechanism of the Stock Exchange. The said entities have, by frequently trading amongst themselves above the LTP during the pre-SMS period have contributed significantly to the LTP of the scrip and also have executed numerous synchronised trades above LTP amongst themselves wherein, in majority of the trades the time difference between buy orders and sell orders was equal to or less than 10 seconds. Further, the said entities, by trading amongst themselves have created substantial trading volumes in the scrip so as to enhance the liquidity in the scrip which was illicitly achieved by executing multiple trades for a particular order (for example, matching of 1 big buy or sell order with multiple small buy / sell orders) to artificially show market depth in the scrip. It is also noted from the records that the aforesaid entities, by engaging in such manipulative trades in the scrip of the company during the SMS period had also made substantial profits. As noted in preceding paragraphs, matching of a large number of trades between a selected set of persons over a considerable period of time in an illiquid scrip cannot be a matter of market



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coincidence especially when the fundamentals and financials of the *Company* are weak. Furthermore, there were several red flags already available in public domain which could have alerted a genuine investor in the scrip viz., at the peak (December 26, 2019), the *Company* showed a PE ratio of 121.56 in contrast to PE ratio of its peers, Ador Fontech Ltd- 6.90, W.H. Brandy & CO- 4.71. Further, during similar periods the broader market Nifty 50 moved by 30.07 % while the scrip price of MUL moved by 2204%. Therefore, it has to be *prima facie* inferred that the PV Influencers have acted in collusion with the Promoters of the *Company* and have created artificial volumes in the market *inter alia* by trading amongst themselves and have also influenced price of the scrip by placing and executing a large number of orders at a price higher than the last traded price including executing synchronised trades, thereby indulging in unfair trade practices so as to induce/attract the gullible investors to deal in the scrip. Thus, the aforesaid actions of the PV Influencers i.e., Mr. Piyush Agarwal, Juscorp Enterprises Private Limited, A1 Solutions- Prop- Mr. Ajju Kumar, Corredor Services Private Limited, Mr. Sapan Kumar Agarwal, Vepar Solutions Private Limited, Mr. Shyam Kumar Singh, Kamal Gupta HUF, Ms. Chinnu, Mr. Gyanendra Gharti Chhetri and Mr. Aayush Tanwar along with the Promoters of the *Company*, Mr. Navneet Kumar Sureka and Ms. Deepa Sureka with whom the PV Influencers are connected (and *prima facie* for whom they have undertaken those manipulative trades as PV Influencers), have *prima facie* led to the violation of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(a), (b), (e) and (g) of PFUTP Regulations.

47. Next comes the examination of the role played by Mr. Hanif Shekh as SMS Sender and owner of the website, www.midcapgains.in. I note that the examination of the definition of fraud under the PFUTP Regulations envisages, among other things, fraud by way of an “act” so as to have an “effect of inducement” on another person for dealing in securities. The Regulation prohibits employing any device, scheme or artifice in connection with dealing with or issuance of securities. It also prohibits engaging in any acts or course of business which operates as fraud or deceit upon any one in connection with dealing in or issuance of the securities. It is noted from the



records that Mr. Hanif Shekh was *prima facie* instrumental in the creation of sender IDs which were used to send bulk SMSs and website which was used to give buy recommendation to the public at large to buy the scrip. Further, the impact of the said bulk SMSs was also noted on the scrip as pursuant to the circulation of those SMSs, there were significant increase in the volume of shares and marked increase in the price of the scrip that were traded the next day of circulation of such SMSs. Not only the SMS was disseminating misleading information by giving random target price in the scrip but was also spreading false news such as “N.S.E. LISTING IN 12 DAYS- BUY”. Moreover, as noted earlier, after exiting the scrip with profits, the Off Loaders, transferred the proceeds to the Promoter related companies and also to certain conduits so that the said funds can be eventually transferred to Mr. Hanif Shekh. The said acts and conduct involving transfer of funds out of sales proceeds earned by the Off Loaders *prima facie* shows the complicity of the Promoters of the *Company* with Mr. Hanif Shekh. The said involvement of the Promoters of the *Company* when seen along with the fact that when such bulk SMSs were circulating in the market for a considerable period of time, disseminating misleading and false information, no action or clarification was forthcoming from them who were also in charge of the affairs of the *Company*, thereby further strengthening the *prima facie* inference of their collusion with Mr. Hanif Shekh in sending the bulk SMSs. The aforesaid actions of Mr. Hanif Shekh and the Promoters of the *Company*, Mr. Navneet Kumar Sureka and Ms. Deepa Sureka have *prima facie* led to the violation of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(k) and (r) of PFUTP Regulations. Further, as noted in preceding paragraphs, Sambhavanath Traders (Proprietor – Mr. Chandraprakash Valchand Parekh) has *prima facie* played a decisive role in operationalising the website, www.midcapgains.in without which the *prima facie* scheme would not have been able to be implemented at its full vigour. Therefore, the actions of Sambhavanath Traders (Proprietor – Mr. Chandraprakash Valchand Parekh) has *prima facie* led to the violation of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(k) and (r) of PFUTP Regulations.



48. Moving on to the Collaborators who as a group were taking turns to deal in the scrip and were executing *intra day* trades even at the expense of continuous losses just to maintain the positive momentum in the scrip which was created by the PV Influencers, so that the same momentum can be sustained post sending of the SMS, have *prima facie* indulged in a deceitful behavior and unfair trade practices. Their premediated way of accessing the securities market in small units to execute trades in the scrip and also intentionally incurring losses, *prima facie* do not show a genuine trading behavior. Trading is always done with the aim to make profits. But if one party consistently and *prima facie* deliberately, makes losses and the same behavior is repeated across the group members, the same *prima facie* constitutes an unfair trade practice as nobody intentionally trades only for incurring loss. Any intentional trading for incurring losses *per se*, is not a genuine dealing in securities. Moreover, as noted earlier, the trading activities of the Collaborators were undertaken by following a peculiar and unusual pattern that was *prima facie* suggestive of the fact that such trades executed by the Collaborators were undertaken as part of a scheme wherein they had to maintain the liquidity in the scrip over a period so that the next leg of the scheme could be implement wherein the Off Loaders could dump their shares and exit the scrip by making considerable profit. Therefore, when the actions of the Collaborators are seen conjointly in the context of giving effect to the *prima facie* scheme, it is unequivocal that the Collaborators were not trading in the normal and ordinary course. Consequently, it can be *prima facie* inferred that their dealing in the scrip has clearly restricted the free and fair operation of market forces in the scrip and has upset the market equilibrium. Any transaction executed to defeat the market mechanism is illegal and amounts to compromising the integrity of the market. Therefore, the actions of the Collaborators namely, Goenka Business Finance Limited, Mr. Kalpesh Dantani, Mr. Shivam Kumar, Mr. Sanjaybhai Babubhai Solanki, Mr. Chetanbhai Mahendrabhai Dantani, Mr. Suresh Deshaljibhai Vaghela and Mr. Amrutji Gokaji Thakor along with the kingpin of the *prima facie* scheme Mr. Hanif Shekh and the Promoters of the Company, Mr. Navneet Kumar Sureka and Ms. Deepa Sureka, have *prima facie* led to the violation of Sections 12A (a), (b) and (c) of SEBI Act and



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regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(a), (b) and (e) of PFUTP Regulations. Additionally, as observed in the preceding paragraphs that the Collaborators have *prima facie* played their role as part of the *prima facie* scheme hatched by Mr. Hanif Shekh along with the Promoters of the *Company*. Considering the timing of their dealing in the scrip, it would be too much of a coincidence to believe that they dealt in the scrip right at the opportune time when the liquidity in the scrip had to be maintained. Therefore, the coming together of the Collaborators and Mr. Hanif Shekh without the aid of Mr. Malay Bhow *prima facie* cannot be ruled out. Thus, Mr. Malay Bhow is also *prima facie* instrumental in facilitating the execution of the *prima facie* scheme. The said action of Mr. Malay Bhow has led to the *prima facie* violation of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d) and 4(1) of PFUTP Regulations.

49. Similarly, the Off Loaders were also not *prima facie* genuine traders in the scrip as not only the majority of them did not have the financial capacity to deal in huge volumes in the scrip and some of them were also funded by other entities, their only *prima facie* purpose to trade in the scrip was to take undue benefit of the liquidity and the high price created in the scrip by the previous players of the *prima facie* scheme as part of a pre-meditated plan employed in the scrip. Thus, the trades executed by the Off Loaders were *prima facie* not in the normal and ordinary course and were non-genuine trades as they were executed pursuant to the *prima facie* scheme. Therefore, the actions of the Off Loaders were *prima facie* a deliberate unwarranted interference in the operation of ordinary market forces of supply and demand in the scrip and consequently it has not only undermined the integrity and efficiency of the market but has also *prima facie* portrayed a misleading appearance of trading in the scrip thereby inducing the other investors to deal in the scrip. The aforesaid actions of the Off Loaders as highlighted in the Table No. 11 along with the actions of the kingpin of the *prima facie* scheme Mr. Hanif Shekh and the Promoters of the *Company*, Mr. Navneet Kumar Sureka and Ms. Deepa Sureka, have *prima facie* led to the violation of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(a) of PFUTP Regulations. Additionally, as noted in the preceding paragraphs,



the Off Loaders post their exit from the scrip had transferred funds via multiple layers to the Promoters of the *Company* and its connected entities namely, Mauria Udyog Ltd. and Vee Em Infocenter Ltd. The same had enabled Promoters of the *Company* to become the Ultimate Beneficiary of the *prima facie* scheme employed in the scrip. Thus, the actions of Mauria Udyog Ltd. and Vee Em Infocenter Ltd. have *prima facie* led to the violation of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d) and 4(1) of PFUTP Regulations.

50. It is noted from records that entities connected to Mr. Hanif Shekh namely Mr. Kasambhai Shekh, Ms. Hasina Kasambhai Shekh, Robert Resources Ltd., Econo Trade India Ltd., Econo Broking (Erstwhile Bansal Finstock) and Sai Metaltech LLP, entities mentioned at Table 21 and entities mentioned at Table No. 17 have *prima facie* enabled him to encash the benefit of the scheme employed by him along with the Promoters of the *Company* in the scrip as they had facilitated in transferring of funds which were received by them from the other connected entities of Mr. Hanif Shekh namely Sub-groups 2.A, 3 and 3.A who had dealt in the scrip pursuant to the *prima facie* scheme employed in the matter. Thus, the aforesaid actions of the connected entities of Mr. Hanif Shekh have *prima facie* led to the violation of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d) and 4(1) of PFUTP Regulations.

51. With respect to Mr. Deepak Kumar Garg and Mr. Davinder Kumar Gupta, it is observed that Mr. Deepak Kumar Garg had maintained an Excel Sheet wherein all the details of the activities of Off Loaders who were employees of the *Company* viz., details of trades done by them such as number of shares bought/sold, date of trade, pay out date etc. was mentioned along with details of beneficiaries to whom the said entities had transferred their sale proceeds with bank account no., UTR no, date of transfer, amount transferred etc. The said Excel Sheet was sent by him to Mr. Davinder Kumar Gupta. Not only that, the entrenchment of both the aforesaid two entities in the *prima facie* scheme is further borne out from the fact that in the ITR filing of 21 entities (Off Loaders who were employees of the *Company*) as mentioned at Table No. 11, Mr. Davinder Kumar Gupta's email id (dkgupta1087@gmail.com) and mobile number



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(8800772803) has been provided. Moreover, the mobile number of Mr. Deepak Kumar Garg, 9268823641 was common with various Off Loaders (Mithun Singh, Jeet Bahadur, Hare Ram, Roshan Kumar Jaiswal, Sukhilal Meena, Leelu Singh, Arvind Kumar, Krishan Murari Sharma, Binod Kumar Jha, Hoshiyar Saini, Mahender Singh and Narender) and 5 of the Off Loaders recovery email id was same as that of him, lmgupta@mauria.com, as noted from the UCC details. It has already been noted in preceding paragraphs that the Off Loaders who were connected with the *Company* were as per the *prima facie* scheme were the front entities who were dealing in the scrip on behalf of the Promoters of the *Company*. Consequently, it can also be *prima facie* inferred that Mr. Deepak Kumar Garg and Mr. Davinder Kumar Gupta were instrumental in managing the dealing of the Off Loaders who were connected with the *Company* in the scrip and maintaining the records thereof. Thus, the actions of Mr. Deepak Kumar Garg and Mr. Davinder Kumar Gupta which *prima facie* enabled the Promoters of the *Company* to execute the scheme has led to the violation of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d) and 4(1) of PFUTP Regulations.

52. Furthermore, as observed in the preceding paragraphs with respect to flow of funds by entities who have dealt in the scrip pursuant to the *prima facie* scheme that post dealing in the scrip they have transferred funds to entities connected to the Promoters of the *Company* through multiple layers and one such entity was Linkwise Marketing Pvt. Ltd. Thus, Linkwise Marketing Pvt. Ltd. has *prima facie* enabled Promoters of the *Company* to encash the benefit of the scheme employed by them along with Mr. Hanif Shekh in the scrip, as it had facilitated in transferring of funds which were received by it from the other connected entities of Promoters of the *Company* who had dealt in the scrip pursuant to the *prima facie* scheme. The said action of Linkwise Marketing Pvt. Ltd. has *prima facie* led to the violation of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d) and 4(1) of PFUTP Regulations.

53. The issue which now merits discussion is who amongst the aforesaid entities, would be *prima facie* liable for the proceeds generated by the employment of the *prima facie* scheme in the scrip. From the above discussion, I note that the kingpin, Mr. Hanif



Shekh and the Promoters of the *Company*, Mr. Navneet Kumar Sureka and Ms. Deepa Sureka have *prima facie* masterminded and implemented the scheme at its various stages. Not only were they the Ultimate Beneficiaries of the *prima facie* scheme even though they have tried their best to obfuscate the funds trail by executing the funds transactions through multiple layers. Therefore, based on the available records, it is *prima facie* inferred that Mr. Hanif Shekh and his connected entities namely Mr. Kasambhai Shekh, Ms. Hasina Kasambhai Shekh, Robert Resources Ltd., Econo Trade India Ltd., Econo Broking (Erstwhile Bansal Finstock) and Sai Metaltech LLP including Sub Groups 2 and 3 and Promoters of MUL, Mr. Navneet Kumar Sureka and Ms. Deepa Sureka are jointly and severally liable for the wrongful gains generated in the scrip by the employment of the *prima facie* scheme as discussed in preceding paragraphs, to the tune of INR 33,48,04,829/- while the Promoters of MUL, Mr. Navneet Kumar Sureka and Ms. Deepa Sureka along with their connected companies namely, Mauria Udyog Ltd., Vee Em Infocenter Ltd. and Mr. Hanif Shekh and his connected entities namely Mr. Kasambhai Shekh, Ms. Hasina Kasambhai Shekh, Robert Resources Ltd., Econo Trade India Ltd., Econo Broking (Erstwhile Bansal Finstock) and Sai Metaltech LLP are jointly and severally liable for the wrongful gains generated in the scrip by the employment of the *prima facie* scheme as discussed in preceding paragraphs, to the tune of INR 26,19,68,781/-. Furthermore, the PV Influencers (entities at Table No. 6) who have also exited the scrip by making wrongful gains to the tune of INR 7,38,34,535/- are jointly and severally liable for the said wrongful gains generated in the scrip by them.

Vishal Fabrics Ltd.

54. Vishal Fabrics Ltd. (hereinafter referred to as "**VFL / Company**") was incorporated in 1985 and is involved in dyeing, printing and processing of denim, and other wide range of fabrics. VFL got listed on BSE on August 20, 2014. Based on the price and volume movement in the scrip, the trading in the scrip was examined for the period of March 25, 2020 to October 20, 2010 (hereinafter referred to as "**Investigation Period - VFL**"). It is noted that during the period of March 25, 2020 to September 4, 2020 (pre-SMS period), the scrip had opened on BSE at INR 134/- and closed at INR



272/- with a high of INR 291.80/-, with an average daily volume of 10,382 shares, while during the period of September 7, 2020 to October 20, 2020 (during SMS period), the scrip had opened on BSE at INR 274.10/- and closed at INR 369.25/- with a high of INR 369.35/-, with an average daily volume of 91,217 shares. At NSE, during the period of March 25, 2020 to September 4, 2020 (pre- SMS period), the scrip had opened at INR 144.10/- and closed at INR 272/- with a high of INR 299/-, with an average daily volume of 11,701 shares, while during the period of September 7, 2020 to October 20, 2020 (during SMS period), the scrip had opened on NSE at INR 274.10/- and closed at INR 369.20/- with a high of INR 369.40/-, with an average daily volume of 6,63,124 shares. The aforesaid figures show that not only the price in the scrip increased by more than 2.5 times within a brief span of 7 months but there was a massive spurt in the volume of the scrip as well. The Price – Volume chart in the scrip during the aforesaid period is depicted below:

Figure No. 5

BSE PV Chart - VFL

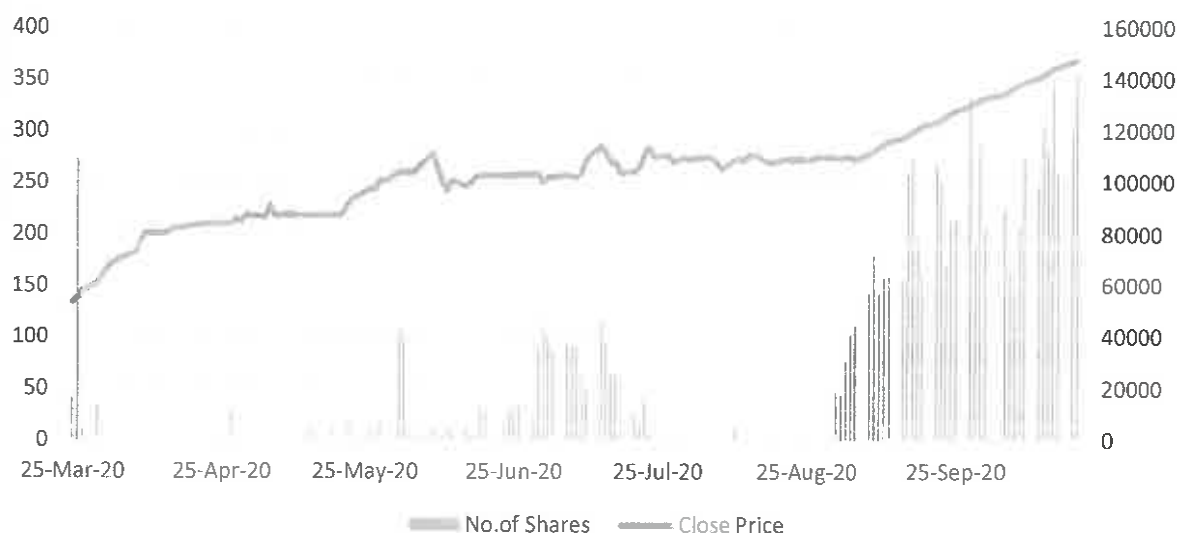
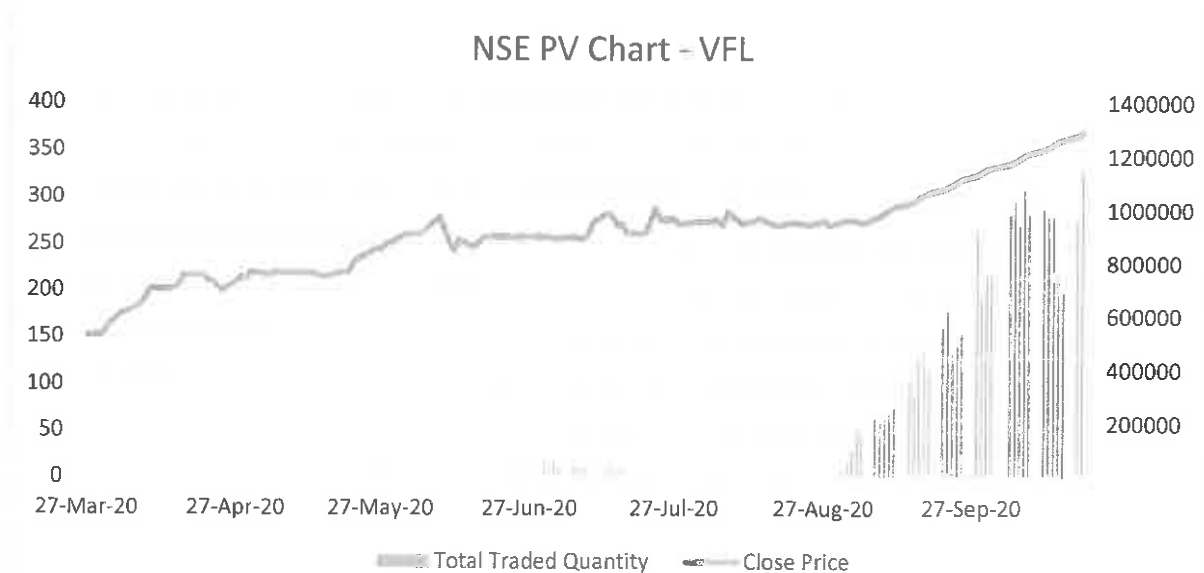


Figure No. 6



55. The aforesaid Price – Volume charts show that from March 2020 onwards till August 2020, there has been a gradual increase in the price and volume of the scrip but in the next two months i.e., during September - October 2020, there has been a noteworthy increase in both price and volume of the scrip. During the investigation period it is noted that there were hardly any major corporate announcements made by VFL. The absence of major corporate announcements by the *Company* has to be seen in conjunction with the bulk SMSs which had started circulating in the scrip with buy recommendations from September 7, 2020 onwards. As noted in the preceding paragraphs, circulation of bulk SMSs is *prima facie* the epicentre of the scheme that was employed in the scrip. The aforesaid factors were compelling enough to examine the dealings in the scrip during the investigation period. Accordingly, the trading in the scrip of VFL has been examined in two phases, one during pre-SMS period (March 25, 2020 to September 4, 2020) and the other during SMS period (September 7, 2020 to October 20, 2020).

PV Influencers

56. It is noted from the records that during pre-SMS period (March 25, 2020 to September 4, 2020), the price in the scrip on both the Stock Exchanges has increased gradually



but steadily month on month onwards. The month wise break-up of the increase in the price during this period is indicated below:

Table No. 30

Price			Volume	
BSE				
Month	Closing Price (INR)	% change from closing price on March 24, 2020	Month	Average Volume
Mar-20	158.50	17.84%	Pre-SMS period	10,382
Apr-20	218.05	62.12%		
May-20	251.45	86.95%		
Jun-20	258.00	91.82%		
Jul-20	273.10	103.05%		
Aug-20	274.50	104.09%		
NSE				
Mar-20	158.75	10.24%	Pre-SMS period	11,701
Apr-20	218.50	51.74%		
May-20	251.40	74.58%		
Jun-20	258.00	79.17%		
Jul-20	273.10	89.65%		
Aug-20	274.50	90.63%		

Chiripal Group

57. It will be relevant here to note that the following entities are part of the Promoter / Promoter Group of VFL: Mr. Brijmohan Chiripal Devkinandan, Chiripal Industries Limited, Mr. Deepak J Chiripal, Mr. Jaiprakash D Chiripal, Mr. Jyotiprasad D Chiripal, Ms. Nitika Deepak Chiripal, Ms. Priyanka Brijmohan Chiripal, Mr. Ravindrakumar Bajranglal Bajaj, Mr. Ronak B Agarwal, Ms. Savitridevi V Chiripal, Shanti Exports Pvt Ltd, Tripoli Management Private Limited and Mr. Vedprakash Devkinandan Chiripal. It is noted from the material available on record that the following group (collectively referred to as “**Chiripal Group**”) of connected entities who were *prima facie* directly and / or indirectly connected with the Promoter / Promoter Group of VFL, were frequently trading in the scrip of VFL during the pre-SMS period:



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Table No. 31

Sl. No.	Name of the Entity	Basis of Connection
1	Anil Dhanuka	As per UCC details, it is observed that - Entities at Sr. No 1 and 4 have common contact no. "528518708". As per KYC documents provided by Banks based in UAE (Habib Bank AG Zurich), it is observed that - Entities at Sr. No 1 and 4 are Partners/Directors in Golden Multitrade (FZC). As per submission of Entity at Sr. No. 4, it is observed that - Entity at Sr. No. 1 is a business partner of Entity at Sr No. 4 in UAE.
2	Chiripal Suryansh Hari	As per UCC details, it is observed that Entities at Sr No 2 and 9 have common email Id- sidhsales@gmail.com.
3	Durgeshwari Pradipbhai Chiripal	As per UCC details, it is observed that - Entity at Sr. No. 3 has a common Mobile No- "9974089611" with Deepak J Chiripal, Jaiprakash D Chiripal and Priyanka Brijmohan Chiripal. - Entities at Sr. No. 3, 7 and Tripoli Management Private Limited have common email id maheshadhyaru@chiripalgroup.com. - Brijmohan Chiripal Devkinandan, Entity at Sr. No. 3, Jaiprakash D Chiripal, Jyotiprasad D Chiripal, Nitika Deepak Chiripal, Shanti Exports Pvt Ltd and Entity at Sr. No. 11 have common email id monil@chiripalgroup.com. - Deepak J Chiripal, Entity at Sr. No. 3, Jaiprakash D Chiripal, Ronak B Agarwal, Entity at Sr. No. 8 and Shanti Exports Pvt Ltd have common email id nareshagrawal@chiripalgroup.com. As per bank statement, it is observed that - Entity at Sr No 3 had multiple bank transactions with Entity at Sr No 6. As per submission of Entity at Sr No 3, it is observed that Entity at Sr No 3 had business transactions with Entities at Sr. No. 7, 8, 9, Jyotiprasad D Chiripal, Nitika Deepak Chiripal and Tripoli Management Private Limited.
4	Manuj Ashokkumar Chiripal	As per UCC details, it is observed that - Entities at Sr. No 1 and 4 have common contact no. "528518708". - Entities at Sr. No 4 and 11 have a common address - "A 14 Shivam Apartment, Opp Inductotherm, Bopal, Ahmedabad - 380058". As per KYC documents provided by Banks based in UAE, it is observed that



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Sl. No.	Name of the Entity	Basis of Connection
		- Entities at Sr. No 1 and 4 are Partners/Directors in Golden Multitrade (FZC). As per KYC documents provided by Bank, it is observed that - Entity at Sr No 4 is the son of Entity at Sr No 11. As per submission of Entity No 3, it is observed that - Entity at Sr No. 1 is a business partner of Entity at Sr No. 4 in UAE. - Entity at Sr No 11 is the mother of Entity at Sr No 4. - Golden Multitrade (FZC) had banking transactions with VFL. - Brijmohan Chiripal Devkinandan is the uncle of entity at Sr. No 4. - Entity at Sr. No. 3 is aunt of entity at Sr. No 4.
5	Raaj Ravindrakumar Bajaj	As per the submission of Entities at Sr. No. 10 and 12, it is observed that - Entities at Sr No. 5, 10, 12, 14 and Brijmohan Chiripal Devkinandan are relatives. As per bank statement, it is observed that - Entities at Sr No 5 and 6 had banking transactions.
6	Rushp Trading LLP	As per UCC details, it is observed that - Entities at Sr. No. 6 and 11 have common mobile no. "9925010586" with Jaiprakash D Chiripal and Jyotiprasad D Chiripal. - Entities at Sr. No. 6, 7 and 9 have common mobile no. "9727768088" and common email id-purvee@chiripalgroup.com. - Entities at Sr. No. 6 and 7 have common address- "283 New Cloth Market Ahmedabad". As per bank statement, it is observed that - Entity at Sr No. 6 had multiple banking transactions with Entities at Sr. No. 3, 5, 9, 11, 14, Brijmohan Chiripal Devkinandan and Chiripal Industries Limited. As per MCA data, it is observed that - Entity at Sr No. 11 is a Designated Partner of Entity at Sr No. 6. - Mr Pawankumar Rambilas Agarwal, Designated Partner of Entity at Sr No 6 is a Director in Chiripal Lifestyle Limited along with Brijmohan Chiripal Devkinandan, Jaiprakash D Chiripal and Jyotiprasad D Chiripal. - Entities at Sr. No. 6 and 7 have a common Designated Partner namely Ms Rukmanidevi Agarwal. As per the submission of Entity at Sr No 6, it is observed that - Entity at Sr No 6 has business transactions with Chiripal Industries Limited, Entity at Sr No 3, Jaiprakash D Chiripal, Nitika Deepak Chiripal, Priyanka Brijmohan Chiripal, Ronak



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Sl. No.	Name of the Entity	Basis of Connection
		B Agarwal, Entity at Sr No Entity at Sr No 8, Shanti Exports Pvt Ltd, Entity at Sr No 11, Tripoli Management Private Limited and Entity at Sr No 14.
7	Satrama Trading LLP	As per UCC details, it is observed that - Entities at Sr. No. 6, 7 and 9 have common mobile no. "9727768088" and common email id-purvee@chiripalgroup.com. - Entities at Sr. No. 7, 11 and Tripoli Management Private Limited have common contact no. "9727768083". - Entities at Sr. No. 3, 7 and Tripoli Management Private Limited have common email id maheshadhyaru@chiripalgroup.com. As per bank statement, it is observed that - Entity at Sr No 7 had multiple banking transactions with Chiripal Industries Limited, Entities at Sr No 9 and 15. As per MCA data, it is observed that - Ms Ramdulari Sidhkishor Agarwal is a Designated Partner in Entities at Sr. No. 7 and 9. As per the submission of Entity at Sr No 7, it is observed that - Entity at Sr No 7 had business transactions with Entities at Sr. No. Brijmohan Chiripal Devkinandan, Chiripal Industries Limited, Deepak J Chiripal, Entity at Sr No 3, Jaiprakash D Chiripal, Jyotiprasad D Chiripal, Ronak B Agarwal, Entity at Sr No 8, Shanti Exports Pvt Ltd, Entity at Sr No 11, Tripoli Management Private Limited and Entity at Sr No 14.
8	Savitridevi V Chiripal	As per UCC details, it is observed that - Ankit Naresh Agarwal, Chiripal Industries Limited, Deepak J Chiripal, Jyotiprasad D Chiripal, Nitika Deepak Chiripal, Ronak B Agarwal, Entity at Sr No 8, Shanti Exports Pvt Ltd and Tripoli Management Private Limited have common Mobile No. "9879105115". - Deepak J Chiripal, Entity at Sr. No. 3, Jaiprakash D Chiripal, Ronak B Agarwal, Entity at Sr. No. 8 and Shanti Exports Pvt Ltd. have common email id nareshagrawal@chiripalgroup.com. As per off-market transactions data, it is observed that - Entity at Sr. No. 8 had off-market transaction with Entity at Sr. No. 3 on 18/02/2020 in the scrip of VFL. As per the submission of Vishal Fabrics Limited, it is observed that - Entity at Sr. No. 8 and Entity at Sr. No. 13 are Promoter/Promoter Group/Director of VFL.
9	Shivhari Trading LLP	As per UCC details, it is observed that



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Sl. No.	Name of the Entity	Basis of Connection
		- Entities at Sr. No. 6, 7 and 9 shared a common mobile no. "9727768088" and a common email id-purvee@chiripalgroup.com. - Entities at Sr. No. 5 and 9 have common email id-sidhsales@gmail.com. As per bank statement, it is observed that - Entity at Sr No 9 had multiple banking transactions with Chiripal Industries Limited, Tripoli Management Private Limited, Entities at Sr No 6, 7 and 15. As per MCA data, it is observed that - Ms Rukmanidevi Agarwal is a Designated Partner in Entities at Sr. No. 6 and 9. - Ms Ramdulari Sidhkishor Agarawal is a Designated Partner in Entities at Sr. No. 7 and 9. As per the submission of Entity at Sr No. 9, it is observed that - Entity at Sr No. 9 had business transactions with Brijmohan Chiripal Devkinandan, Chiripal Industries Limited, Entity at Sr No. 2, Deepak J Chiripal, Entity at Sr No. 3, Jaiprakash D Chiripal, Jyotiprasad D Chiripal, Nitika Deepak Chiripal, Priyanka Brijmohan Chiripal, Ronak B Agarwal, Entity at Sr No. 7, Entity at Sr No. 8, Shanti Exports Pvt Ltd, Entity at Sr No. 11, and Tripoli Management Private Limited.
10	Sonali Ateet Bajaj	As per the submission of Entities at Sr. No. 10 and 12, it is observed that Entities at Sr No. 5, 10, 12, 14 and Ravindrakumar Bajranglal Bajaj are relatives.
11	Sushila Ashokbhai Chiripal	As per UCC details, it is observed that - Entities at Sr. No. 6 and 11 have common mobile no. "9925010586" with Jaiprakash D Chiripal and Jyotiprasad D Chiripal. - Brijmohan Chiripal Devkinandan, Entity at Sr No. 3, Jaiprakash D Chiripal, Jyotiprasad D Chiripal, Nitika Deepak Chiripal, Shanti Exports Pvt Ltd and Entity at Sr No. 11 have common email id monil@chiripalgroup.com. - Entities at Sr. No 4 and 11 have common address - "A 14 Shivam Apartment, Opp Inductotherm, Bopal, Ahmedabad - 380058". - Entities at Sr. No. 7 and 11 have common contact no. "9727768083". As per submission of 4, it is observed that - Entity at Sr No 11 is the mother of Entity at Sr No 4. As per MCA data, it is observed that - Entity at Sr No. 11 is a Designated Partner in Entity at Sr No. 6.



Sl. No.	Name of the Entity	Basis of Connection
12	Trisha Vikas Bajaj	As per the submission of Entities at Sr. No. 10 and 12, it is observed that Entities at Sr No. 5, 10, 12, 14 and Ravindrakumar Bajranglal Bajaj are relatives.
13	Vedprakash Devkinandan Chiripal	As per the submission of Vishal Fabrics Limited, it is observed that Part of Promoter/Promoter Group/Director of VFL.
14	Yash Ravi Bajaj	As per UCC details, it is observed that - Entities at Sr. No. 5 and 14 have common contact no. "9825604515" and email id- yashrbajaj@gmail.com. As per the submission of Entities at Sr. No. 10 and 12, it is observed that - Entities at Sr No. 5, 10, 12, 14 and Ravindrakumar Bajranglal Bajaj are relatives. As per the submission of Entity at Sr No 6, it is observed that - Entity at Sr No 6 had business transactions with Entity at Sr. No. 14.
15	Yogeshkumar Anandpal Goyal	As per bank statement, it is observed that Entity at Sr No 15 had banking transactions with Entities at Sr No 7 and 9.

58. It is noted from the factual points presented in the above table that the aforesaid 15 entities are not only connected with the *Company* but are also *inter alia* connected with each other either by way of common mobile no. or having common email id or are relatives of each other or having multiple fund transactions or business transactions amongst themselves. For instance, as per UCC details, Mr. Anil Dhanuka and Mr. Manuj Ashokkumar Chiripal shared a common mobile number viz. "1528518708". Similarly, Rushp Trading LLP, Satrama Trading LLP and Shivhari Trading LLP shared a common mobile number viz. "9727768088" and common email id i.e. "purvee@chiripalgroup.com.". Further, Mr. Yash Ravi Bajaj, Ms. Trisha Vikas Bajaj, Ms. Sonali Ateet Bajaj and Raaj Ravindrakumar Bajaj are relatives. Various fund transfers have been observed amongst Rushp Trading LLP and Ms. Durgeshwari Pradipbhai Chiripal, Mr. Raaj Ravindrakumar Bajaj, Shivhari Trading LLP, Ms. Sushila Ashokbhai Chiripal and Mr. Yash Ravi Bajaj. The aforesaid factual findings *prima facie* show that these entities enjoyed a strong *inter se* connection amongst themselves and when such connection is seen along with the way the said entities have traded in a



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concerted manner and also seen to have traded posing as counterparties to each other's trades in the scrip of VFL during the pre-SMS period (March 25, 2020 to September 7, 2020), it would *prima facie* demonstrate that their dealings in the scrip of VFL was not genuine trades executed in normal course of trading in securities market but instead were undertaken as part of a premediated plan or scheme to perpetrate fraudulent trades in the scrip of VFL. The aforesaid inference is further buttressed from the fact that during the pre-SMS period, it was observed that the Chiripal Group, Ahmedabad based entities (Sub-group 2) and Kolkata based entities (Sub-group 3) were found to be frequently trading amongst themselves in the scrip of VFL. As noted in preceding paragraphs, the Ahmedabad based entities and Kolkata based entities are *prima facie* connected with Mr. Hanif Shekh who is also the *prima facie* the SMS Sender in the scrip of VFL. Thus, the very act of the aforesaid three motley group of entities coming together to deal in the scrip of VFL during the pre-SMS period has to be by design and not by mere coincidence and in all probability, given the preponderance of facts and circumstances, these entities have dealt with the scrip of VFL only pursuant to a *prima facie* fraudulent scheme employed by them for trading in the scrip.

59. Contribution of aforesaid 3 groups i.e., Chiripal Group, Ahmedabad based entities and Kolkata based entities to the price and volume rise in the scrip of VFL during the period March 25, 2020 to September 4, 2020, is shown below:

Table No. 32

Entity Name	Type of entity	Buy Qty	% Buy to total Market Buy Volume	Sell Qty	% Sell to total Market Sell Volume	Net Buy LTP	Net Sell LTP	Total LTP	% contribution to net price rise
BSE									
Rushp Trading LLP	Chiripal Group	112014	10.58%	0	0.00%	-6.95	-	-6.95	-5.04%
Satrama Trading LLP	Chiripal Group	101138	9.55%	0	0.00%	1.00	-	1.00	0.72%
Bajaj Sonali Ateet	Chiripal Group	34300	3.24%	0	0.00%	1.10	-	1.10	0.80%



Entity Name	Type of entity	Buy Qty	% Buy to total Market Buy Volume	Sell Qty	% Sell to total Market Sell Volume	Net Buy LTP	Net Sell LTP	Total LTP	% contribution to net price rise
Shivhari Trading LLP	Chiripal Group	34025	3.21%	5151	0.49%	-2.00	3.75	1.75	1.27%
Manuj Ashokkumar Chiripal	Chiripal Group	31726	3.00%	205759	19.43%	-2.90	-7.90	-10.80	-7.83%
Trisha Vikash Bajaj	Chiripal Group	22000	2.08%	0	0.00%	-2.30	-	-2.30	-1.67%
Vedprakash Devkinandan Chiripal	Chiripal Group	18115	1.71%	0	0.00%	0.00	-	0.00	0.00%
Yash R Bajaj	Chiripal Group	7300	0.69%	0	0.00%	3.00	-	3.00	2.17%
Raaj Ravindrakumar Bajaj	Chiripal Group	7300	0.69%	0	0.00%	0.00	-	0.00	0.00%
Sushila Ashokbhai Chiripal	Chiripal Group	100	0.01%	4000	0.38%	4.00	24.40	28.40	20.58%
Anil Dhanuka	Chiripal Group	0	0.00%	159121	15.03%	-	11.60	11.60	8.41%
Yogeshkumar Anandpal Goyal	Chiripal Group	0	0.00%	18346	1.73%	-	0.00	0.00	0.00%
Savitridevi V Chiripal	Chiripal Group	0	0.00%	18115	1.71%	-	0.00	0.00	0.00%
Durgeshwar i Pradiptbhai Chiripal	Chiripal Group	0	0.00%	2000	0.19%	-	27.70	27.70	20.07%
Prakash Kantilal Vaghela	Ahmedabad Group	4351	0.41%	20	0.00%	7.90	-2.00	5.90	4.28%
Sahilkumar Amrutbhai Vaghela	Ahmedabad Group	2701	0.26%	0	0.00%	7.90	-	7.90	5.72%
Shahrukh Khan Pathan	Ahmedabad Group	2200	0.21%	93	0.01%	0.10	7.50	7.60	5.51%
Lilaben Popatbhai Parmar	Ahmedabad Group	1950	0.18%	0	0.00%	0.00	-	0.00	0.00%
Popatbhai Ramjibhai Parmar	Ahmedabad Group	1900	0.18%	0	0.00%	-26.25	-	-26.25	-19.02%

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Entity Name	Type of entity	Buy Qty	% Buy to total Market Buy Volume	Sell Qty	% Sell to total Market Sell Volume	Net Buy LTP	Net Sell LTP	Total LTP	% contribution to net price rise
Chiragkumar Makwana	Ahmedabad Group	1501	0.14%	202	0.02%	0.00	0.00	0.00	0.00%
Keval Savant	Ahmedabad Group	1501	0.14%	0	0.00%	0.20	-	0.20	0.14%
Hina Barot	Ahmedabad Group	1350	0.13%	100	0.01%	8.75	2.50	11.25	8.15%
Ravi Kannadasan Adidraavid	Ahmedabad Group	1251	0.12%	202	0.02%	0.00	2.50	2.50	1.81%
Dipika Popatbhai Parmar	Ahmedabad Group	1250	0.12%	110	0.01%	0.00	1.00	1.00	0.72%
Pritiben Popatbhai Parmar	Ahmedabad Group	1100	0.10%	100	0.01%	8.85	0.00	8.85	6.41%
Makwana Madhuben	Ahmedabad Group	401	0.04%	102	0.01%	0.00	0.00	0.00	0.00%
Sourav Das	Kolkata Group	30295	2.86%	0	0.00%	-3.00	-	-3.00	-2.17%
Highgrowth Vincom Private Limited	Kolkata Group	28100	2.65%	0	0.00%	0.00	-	0.00	0.00%
Uma Dutta	Kolkata Group	20000	1.89%	0	0.00%	0.00	-	0.00	0.00%
Ujjal Laha	Kolkata Group	17950	1.69%	0	0.00%	-0.05	-	-0.05	-0.04%
Linkup Financial Consultants Private Limited	Kolkata Group	16500	1.56%	0	0.00%	-6.00	-	-6.00	-4.35%
Arun Dutta	Kolkata Group	15890	1.50%	0	0.00%	-1.00	-	-1.00	-0.72%
Debashish Dutta	Kolkata Group	14900	1.41%	0	0.00%	-0.05	-	-0.05	-0.04%
Sanjay Dey	Kolkata Group	12800	1.21%	0	0.00%	1.00	-	1.00	0.72%
Subrata Laha	Kolkata Group	12700	1.20%	0	0.00%	20.00	-	20.00	14.49%
Arun Laha	Kolkata Group	12000	1.13%	0	0.00%	-5.00	-	-5.00	-3.62%
Tapas Laha	Kolkata Group	9000	0.85%	0	0.00%	5.00	-	5.00	3.62%

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Entity Name	Type of entity	Buy Qty	% Buy to total Market Buy Volume	Sell Qty	% Sell to total Market Sell Volume	Net Buy LTP	Net Sell LTP	Total LTP	% contribution to net price rise
Buddhadeb Laha	Kolkata Group	7050	0.67%	0	0.00%	0.00	-	0.00	0.00%
Sumit Laha	Kolkata Group	6000	0.57%	0	0.00%	0.00	-	0.00	0.00%
Minu Mallick	Kolkata Group	739	0.07%	0	0.00%	0.00	-	0.00	0.00%
Priyankar Laha	Kolkata Group	550	0.05%	0	0.00%	0.00	-	0.00	0.00%
Suprabhat Laha	Kolkata Group	400	0.04%	0	0.00%	-8.00	-	-8.00	-5.80%
Total		594348	56.12%	413421	39.04%	5.30	71.05	76.35	55.33%
Trading as a group		307405	29.03%	307405	29.03%	25.80	25.80		18.70%
Market Total		1059004	100.00%	1059004	100.00%	138.00	138.00	138.00	100.00%
NSE									
Shivhari Trading LLP	Chiripal Group	24033	1.96%	1095	0.09%	1.35	-3.00	-1.65	-1.29%
Sushila Ashokbhai Chiripal	Chiripal Group	100	0.01%	0	0.00%	0.00	-	0.00	0.00%
Bajaj Sonali Ateet	Chiripal Group	9820	0.80%	0	0.00%	-0.10	-	-0.10	-0.08%
Chiripal Suryansh Hari	Chiripal Group	6000	0.49%	0	0.00%	-0.90	-	-0.90	-0.70%
Rushp Trading LLP	Chiripal Group	50449	4.11%	0	0.00%	-4.00	-	-4.00	-3.13%
Satrama Trading LLP	Chiripal Group	38652	3.15%	1	0.00%	-5.45	-0.30	-5.75	-4.49%
Trisha Vikash Bajaj	Chiripal Group	31700	2.58%	0	0.00%	-19.30	-	-19.30	-15.08%
Anil Dhanuka	Chiripal Group	0	0.00%	151295	12.31%	-	-26.15	-26.15	-20.43%
Chiripal Manuj Ashokkumar	Chiripal Group	0	0.00%	206086	16.77%	-	-38.15	-38.15	-29.80%
Durgeshwar i P Chiripal	Chiripal Group	0	0.00%	1314	0.11%	-	0.00	0.00	0.00%



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Entity Name	Type of entity	Buy Qty	% Buy to total Market Buy Volume	Sell Qty	% Sell to total Market Sell Volume	Net Buy LTP	Net Sell LTP	Total LTP	% contrib ution to net price rise
Prakash Kantilal Vaghela	Ahmedabad Group	5931	0.48%	182	0.01%	33.10	0.00	33.10	25.86%
Chiragkumar Makwana	Ahmedabad Group	5600	0.46%	0	0.00%	7.50	-	7.50	5.86%
Sahilkumar Amrutbhai Vaghela	Ahmedabad Group	5519	0.45%	8220	0.67%	0.00	3.75	3.75	2.93%
Makwana Madhuben	Ahmedabad Group	4262	0.35%	4	0.00%	-0.70	-0.60	-1.30	-1.02%
Dipika Popatbhai Parmar	Ahmedabad Group	3400	0.28%	4540	0.37%	14.90	39.50	54.40	42.50%
Lilaben Popatbhai Parmar	Ahmedabad Group	1800	0.15%	3750	0.31%	1.00	-2.20	-1.20	-0.94%
Pritiben Popatbhai Parmar	Ahmedabad Group	1799	0.15%	2799	0.23%	8.75	-5.00	3.75	2.93%
Popatbhai Ramjibhai Parmar	Ahmedabad Group	1600	0.13%	3500	0.28%	-13.95	2.95	-11.00	-8.59%
Hina Barot	Ahmedabad Group	1550	0.13%	100	0.01%	0.00	2.50	2.50	1.95%
Ravi Kannadasan Adidraavid	Ahmedabad Group	1351	0.11%	2400	0.20%	0.00	-5.00	-5.00	-3.91%
Shahrukhkhan Pathan	Ahmedabad Group	900	0.07%	3007	0.24%	0.00	11.90	11.90	9.30%
Keval Savant	Ahmedabad Group	5	0.00%	1506	0.12%	0.00	0.00	0.00	0.00%
Dibakar Laha	Kolkata Group	9080	0.74%	0	0.00%	12.10	-	12.10	9.45%
Priyankar Laha	Kolkata Group	4324	0.35%	555	0.05%	0.00	0.10	0.10	0.08%
Ujjal Laha	Kolkata Group	4010	0.33%	2000	0.16%	0.00	2.00	2.00	1.56%
Sanjay Dey	Kolkata Group	3510	0.29%	0	0.00%	0.00	-	0.00	0.00%
Sourav Das	Kolkata Group	2094	0.17%	0	0.00%	0.00	-	0.00	0.00%
Uma Dutta	Kolkata Group	2000	0.16%	0	0.00%	0.00	-	0.00	0.00%

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 Ropeway Company Ltd., GBL Industries Ltd. and Vishal Fabrics Ltd.

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Entity Name	Type of entity	Buy Qty	% Buy to total Market Buy Volume	Sell Qty	% Sell to total Market Sell Volume	Net Buy LTP	Net Sell LTP	Total LTP	% contribution to net price rise
Subrata Laha	Kolkata Group	1300	0.11%	0	0.00%	0.00	-	0.00	0.00%
Buddhadeb Laha	Kolkata Group	1011	0.08%	0	0.00%	0.00	-	0.00	0.00%
Sumit Laha	Kolkata Group	1000	0.08%	0	0.00%	0.00	-	0.00	0.00%
Minu Mallick	Kolkata Group	446	0.04%	0	0.00%	0.00	-	0.00	0.00%
Tapas Laha	Kolkata Group	31	0.00%	0	0.00%	13.00	-	13.00	10.16%
Debashish Dutta	Kolkata Group	5	0.00%	0	0.00%	0.60	-	0.60	0.47%
Total		223282	18.17%	392354	31.93%	47.90	-17.70	30.20	23.59%
Trading as a group		84122	6.85%	84122	6.85%	38.20	38.20		29.84%
Market Total		1228645	100.00%	1228645	100.00%	128.00	128.00	128.00	100.00%

60. As can be seen from the above table, the Chiripal Group along with Ahmedabad based entities (Sub-group 2) and Kolkata based entities (Sub-group 3) collectively have *prima facie* contributed 56.12% to the market buy volume and 39.04% to the market sell volume during the pre-SMS period through their trades on BSE. Further, by trading amongst each other as one seamless group in the scrip of VFL, these entities have contributed 29.03% to the total market traded volume during the pre-SMS period. It is also noticed that on BSE, the aforesaid connected entities have contributed to the tune of INR 76.35/- (55.33%) to the net price rise in the scrip during the pre-SMS period. The trades of the said connected entities were analysed to determine as to how the said connected entities were trying to influence the volume and price in the scrip during the pre-SMS period so as to present the scrip as an attractive proposition for the investors in the securities market. Some illustrations to that effect as noticed from their trades on BSE are as follows:

60.1. On March 25, 2020, Mr. Manuj Ashokkumar Chiripal had placed 1 buy order for 18,353 shares of VFL on BSE at 14:32:58 hours at a price of INR 134/- per share. Subsequently, Mr. Yogeshkumar Anandpal Goyal who is also part of the Chiripal Group, had placed 11 different sell orders cumulatively for 18,346



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shares in the scrip of VFL for INR 134/- per share between 14:33:30 hours to 14:37:26 hours, i.e. within few minutes of placement of the aforesaid single buy order and to be very precise, the time range within which these 11 sell orders were placed was between 30 seconds to 4 minutes and 28 seconds. The aforesaid efforts on the part of the entities to place orders in such a manner led to the matching of 1 buy order of 18,353 shares with 11 different sell orders for different quantities of shares (cumulatively 18,346 shares) at the same price of INR 134/- per share. The aforestated manner of dealing in the scrip apparently resulted into changing hands of 18,346 shares from Mr. Yogeshkumar Anandpal Goyal to Mr. Manuj Ashokkumar Chiripal. These two persons as noted above, belonged to the Chiripal Group and by their act of splitting a single transaction into multiple sub-transactions executed through multiple trades which could have been done in a single trade as well, these entities have *prima facie* exposed their spurious intention while dealing in the scrip of VFL. It is also pertinent to note that the aforesaid action on the part of the said two entities has resulted in execution of the first 11 trades in the scrip on that particular day. It is also pertinent to note here that apart from the afore discussed 11 trades, there was no other trade in the scrip of VFL on BSE on that particular trading day.

60.2. On July 3, 2020, Mr. Manuj Ashokkumar Chiripal (part of Chiripal Group) had placed 1 sell order for 20,000 shares of VFL on BSE at 14:49:50 hours at a price of INR 255.5/- per share having order number as 1593747000000018022. Subsequently, one of the connected entities namely, Linkup Financial Consultants Private Limited from the Sub-group 3, had placed 1 buy order for 3,000 shares in the scrip of VFL for INR 255.5/- at 14:52:51 hours (just 3 minutes after the sell order was placed by Mr. Manuj Chiripal). The said sell order got executed and a trade for 3,000 shares at INR 255.5/- was executed in the scrip. No sooner the aforesaid trade was executed, Linkup Financial Consultants Private Limited immediately after 14 seconds i.e. at 14:53:05 hours, placed another buy order for 3,000 shares at INR 255.5 per share which also matched with the pending sell order of Mr. Manuj Ashokkumar Chiripal. Similar pattern



was followed two more times by Linkup Financial Consultants Private Limited i.e. it placed two separate buy orders (3rd and 4th orders) one after the other for 3,000 shares and 2,500 shares at 14:53:18 hours (13 seconds after his 2nd order) and at 14:53:40 hours (22 seconds after his 3rd order) respectively, which also got matched with the sell order of Mr. Manuj Ashokkumar Chiripal, already pending in the system, thereby matching more than 57% (11,500 shares out of 20,000 shares) of the sell order placed by Mr. Manuj Ashokkumar Chiripal. Then, in order to execute the remaining sell orders placed by Mr. Manuj Ashokkumar Chiripal, another connected entity from the Sub-group 3, namely Mr. Sourav Das, placed a buy order for 3,000 shares of scrip of VFL at INR 255.5/- per share (similar to price offered by Mr. Manuj Ashokkumar Chiripal for his sell order) at 15:09:14 hours, which immediately got executed. Straightaway, Mr. Sourav Das placed his 2nd and 3rd buy orders for 3,000 shares and 2,500 shares respectively at price of INR 255.5/- per share at 15:09:20 hours (5 seconds after his 1st order) and 15:09:25 hours (5 seconds after his 2nd order) in order to match the remaining quantity of the pending sell order of Mr. Manuj Ashokkumar Chiripal. Interestingly, by looking at the market momentum and activities in the scrip and *prima facie* getting enticed by these artificially created volumes, another market participant placed an order and purchased 790 shares from Mr. Manuj Ashokkumar Chiripal and therefore, Mr. Sourav Das could get only 1,710 shares out of 2,500 shares that he planned to buy. The aforesaid actions on the part of the entities led to matching of 1 single sell order for 20,000 shares with 7 different buy orders for different quantities of shares at the same price of INR 255.5/- per share as placed by the seller. The aforesaid trades apparently have resulted into changing hands of 19,210 shares from Mr. Manuj Ashokkumar Chiripal to Linkup Financial Consultants Private Limited and to Mr. Sourav Das and considering that all the three entities are directly / indirectly connected with each other, it can be said that the said sell order could have been matched by the buyer by placing either one or two buy orders as well. It is also important to note that all the aforesaid 8 orders viz. (1 sell and 7 buy orders) placed by these



connected entities, were placed consecutively, in sequence (one after another) ranging from order number 1593747000000018022 to 1593747000000018029 resulting in 7 continuous trades in the scrip from trade numbers 11 to 17, which *prima facie* demonstrates that the aforesaid connected entities have dealt in the scrip in a pre-planned manner only to generate trading activities around the scrip in a concocted manner.

60.3. I note that the aforesaid instance is not a solitary instance since similar pattern of dealing in the scrip wherein one buy / sell order is matched with multiple buy / sell orders has been executed on numerous occasions by the aforesaid Groups in the scrip during the pre-SMS period. For instance, on July 2, 2020, Shivhari Trading LLP (part of Chiripal Group) had placed one buy order for 4,000 shares of VFL at BSE for INR 255/- per share at 11:19:35 hours bearing order number 1593660600000021010, which remained unexecuted for almost 40 minutes till a sell order was placed by Mr. Anil Dhanuka (part of Chiripal Group) for 6,000 shares at INR 255/- per share at 11:58:13 hours (order number 1593660600000021011), which resulted in a trade of 4,000 shares in the scrip of VFL. Immediately, within 5 minutes, i.e. at 12:03:43 hours, another buy order (order number 1593660600000021012) for 2,000 shares (to match with the pending sell order of Mr. Anil Dhanuka) was placed by Shivhari Trading LLP at a price of INR 255/-, which resulted in another trade for 2,000 shares. It is pertinent to mention here that these 2 trades were the 1st two trades in the scrip of VFL on that day, which started the momentum for the trading in the scrip for the rest of the day.

61. The aforesaid illustrations of the trades executed by the PV Influencers (Chiripal Group, Ahmedabad based entities and Kolkata based entities) in the scrip demonstrates the trading pattern of the PV Influencers wherein the buyers and the sellers across the various groups have traded in close proximity of time *inter se* amongst them which means, the orders were being placed on the anonymous exchange trading system in a manner that they matched with each other and was confined to the connected entities of the aforesaid group. The buy and sell orders were



placed within a short time interval and the trades which could have been executed in one or two transactions were broken down into several smaller transactions. By the said act, the entities have not only *prima facie* made an attempt to artificially inflate the number of trades executed in the scrip on a particular trading day thereby trying to artificially create more number of trades but have also deliberately try to set a positive momentum for the trading in the scrip. Further, considering the fact that the counter parties to the trades were mostly connected with each other resulting in the beneficial ownership of the shares so traded, staying within the group, it *prima facie* shows how the PV Influencers were attempting to create artificial volume in the scrip by indulging in such trades. The aforesaid act of the PV Influencers to influence the volume in the scrip becomes further glaring from the fact that the entities were placing orders within few minutes of each other's orders and their orders were almost identical in terms of quantity and price. Thus, the PV Influencers have *prima facie* tried to influence the volume in the scrip by executing their trades in a structured manner wherein the orders were being placed in tandem with each other's orders so as to ensure that the orders placed by the connected entities matched with each other thereby contributing to the trade volumes and price of the scrip in a pre-designed manner. Needless to observe here that the aforesaid trading pattern repeatedly followed by the PV Influencers could not have occurred by accident or by coincidence and rather such an unusual and artificial manner of trade in the scrip of VFL lead me to a *prima facie* inference that there was a prior meeting of minds with a pre-determined plan. Therefore, the aforesaid trades executed in the scrip by PV Influencers to create artificial volume in the scrip were *prima facie* non-genuine trades and were executed in pursuance of a scheme employed in the scrip.

62. It is also observed that the aforesaid method is not the only method employed by the aforesaid connected entities to *prima facie* create an artificial volume in the scrip but was the most frequently used strategy. The pre-determined plan of the PV Influencers to create an artificial volume in the scrip becomes *prima facie* evident, when the trades executed by them are juxtaposed with the total trades executed in the scrip during the pre-SMS period. As per the available records, it is noted that during the



pre-SMS period, a total number of 2,245 trades were executed in the scrip of VFL on BSE which resulted in trading of 10,59,004 shares of VFL. Out of the said 10,59,004 shares of VFL that were traded during the pre-SMS period, the connected entities (PV Influencers) while acting as buyers, have cumulatively traded for 5,94,348 (56.12%) shares of VFL in just 339 trades (14.87% of total trades executed in the scrip during the period). Similarly, for contributing 39.04% of the total volume as sellers, these connected entities have traded in 496 trades (22.09% of the total trades in the scrip). Further, while trading within the group, it is observed that these entities have contributed to trading in 3,07,405 shares (29.02% of total trading volume) in only 176 trades (7.83% of total trades executed in the scrip during the period). Though the connected entities have *prima facie* created substantial volume in the scrip during the pre-SMS period, however, in effect only 17.08% (56.12% - 39.04%) of their traded volume during the said period has resulted in actual change in beneficial ownership while the remaining 39.04% shares were used just to create a *prima facie* artificial volume in the scrip with no change in effective beneficial ownership i.e., the ownership of the shares stayed within the group.

63. It is noted from the material available on record that the PV Influencers have cumulatively contributed to a price rise of INR 76.35/- (55.33%) of the net price rise of INR 138/- seen in the scrip of VFL at BSE during the pre-SMS period. Further, these connected entities, by trading amongst each other, have contributed INR 25.80/- (18.70%) to the net price rise of INR 138/- in the scrip of VFL at BSE during the pre-SMS period. Upon examination of the trade log of the PV Influencers, it was noted that various methods were employed by these entities to *prima facie* influence the price in the scrip viz., structured trades by as pointed out earlier and manipulating the closing price and opening price etc. Few illustrations to that effect are presented below:

63.1. On March 27, 2020, one of the connected entities namely Mr. Sahilkumar Amrutbhai Vaghela (part of Sub - group 2), had placed a buy order at BSE for 200 shares of VFL at INR 144.9/- (at that time the LTP was INR 137) and after 9 minutes, another connected group entity namely Mr. Durgeshwari Pradiqbhai Chiripal (part of Chiripal Group) placed a sell order for 200 shares, exactly at the



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price of INR 144.9/- to match the pending buy order of the connected group entity which resulted in creating a positive LTP of INR 7.9/- (5.77% increase from previous LTP of INR 137). It is important to note that it was the 6th and the last trade of the particular day which was a structured trade and apart from getting the scrip closed at around 4.34% higher than the previous day closing price, the LTP created by this trade also set the positive momentum for the next trading day due to which the scrip opened on a positive note of INR 145/- on the next day.

63.2. On March 26, 2020, the closing price of the scrip of VFL on BSE was INR 138/-. On March 27, 2020 (next trading day), Ms. Durgeshwari Pradipbhai Chiripal (part of Chiripal Group) placed a sell order (order number 1585279802392020000) for 100 shares of VFL at 12:34:23 hours at a price of INR 144/- and after 38 seconds of the aforesaid sell order i.e. at 12:34:23 hours, Ms. Sushila Ashokbhai Chiripal (part of Chiripal Group) placed a buy order (order number 1585279802392020001) for 100 shares at INR 131.1/-. However, due to difference between the offer and ask price, both of these orders remained unexecuted till the buying price and the selling price were modified to INR 142/- by Ms. Sushila Ashokbhai Chiripal and Ms. Durgeshwari Pradipbhai Chiripal respectively. Interestingly, the difference between the time while the aforesaid buy and sell orders were modified was 1 second i.e. the buy order was modified by Ms. Sushila Ashokbhai Chiripal at 12:35:10 hours and the sell order was modified by Ms. Durgeshwari Pradipbhai Chiripal at 12:35:11 hours. It is also pertinent to note that the aforesaid trade was executed at INR 4/- (2.9%) higher than the previous closing price and interestingly this was also the 1st trade of the said trading day.

63.3. It is also noted that on the aforesaid trading day (March 27, 2020) only 6 trades were executed and till the execution of 5th trade, the LTP was INR 137/- which was executed at 14:49:12 hours. However, in order to set the LTP further high for the next trading day, these entities again accessed the market. Mr. Sahilkumar Amrutbhai Vaghela (part of Ahmedabad Group) placed a buy order



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(order number 1585279802392020008) for 200 shares of VFL at 15:09:54 hours at price INR 144.9/- (INR 7.9/- higher than the LTP of INR 137/-) and then Ms. Durgeshwari Pradipbhai Chiripal (part of Chiripal Group) placed a sell order (order number 1585279802392020009) for 200 shares at 15:19:15 hours at INR 144.9/-, which led to matching with the pending buy order of Mr. Sahilkumar Amrutbhai Vaghela and resulted in creation of a positive LTP of INR 7.9/-. Since this was the last trade of the trading day and as no other trade happened during the last 30 minutes of the trading, price of INR 144.9/- became the closing price of VFL on BSE on (March 27, 2020).

63.4. It is also noted that apart from the aforesaid trade on March 27, 2020, various occasions have been noticed when these entities have manipulated the opening price in the scrip of VFL by executing the 1st trade on respective trading days. For instance, on July 8, 2020, sell order placed by one of the Chiripal Group entity namely Mr. Anil Dhanuka at a price of INR 258/- was matched by a buy order placed by another Chiripal Group entity namely Rushp Trading LLP which resulted in creating LTP at INR 258/- (INR 2/- higher than closing price on previous trading day). Such instances by trading at a price higher than the previous trading day's closing price and creating positive LTP through 1st trades by these connected entities were also observed on other trading days including July 8, 2020, July 9, 2020 and July 10, 2020.

64. The trades of the PV Influencers in the scrip were also examined on NSE. As can be seen from the above table, Chiripal Group along with Ahmedabad based entities (Sub-group 2) and Kolkata based entities (Sub-group 3) collectively as a group have *prima facie* contributed 18.17% of the total market buy volume and 31.93% of the total market sell volume. Further, by trading with each other as group members in the scrip of VFL, these entities have contributed 6.85% of the total market traded volume. It is also noticed that on NSE, the aforesaid connected entities contributed to the tune of INR 30.20/- (23.59%) to the net price rise in the scrip. Similarly, by trading amongst each other, these entities have contributed INR 38.230/- (29.84%) to the net price rise in the scrip of VFL. The trades of the said connected entities were further analysed



to determine as to how the said connected entities were trying to influence the volume and price in the scrip on NSE so as to present the scrip as an attractive proposition for the investors in the securities market. Some illustrations to that effect are as follows:

64.1. On April 30, 2020, one of the Sub-group 2 entity, namely Mr. Parmar Popatbhai had placed a sell order (Order number 1300000007525715) for 250 shares of VFL at NSE at 12:11:49 hours at a price of INR 218.5/- (+ve LTP of INR 0.70/-). It is noted that various connected entities from Sub-groups 2 and 3, placed buy orders in miniscule quantities but at the same price one after the other (within a time difference of few seconds to few minutes) so as to enable execution of multiple trades in the scrip. Details of such entities and their respective trades are tabulated below:

Table No. 33

Trade Date	Buyer Name	Seller Name	Buy Order Last Modified Time	Sell Order Last Modified Time	Trade Time	Trade Price	Buy Order Last Modified Qty	Sell Order Last Modified Qty	Trade Qty
30/04/2020	Sourav Das	Parmar Popatbhai	12:14:14	12:11:49	12:14:14	218.5	4	250	4
30/04/2020	Dibakar Laha	Parmar Popatbhai	12:15:04	12:11:49	12:15:04	218.5	5	250	5
30/04/2020	Sahilkumar Amrutbhai Vaghela	Parmar Popatbhai	12:15:32	12:11:49	12:15:32	218.5	1	250	1
30/04/2020	Priyankar Laha	Parmar Popatbhai	12:15:51	12:11:49	12:15:51	218.5	5	250	5
30/04/2020	Vaghela Prakash Kantilal	Parmar Popatbhai	12:16:46	12:11:49	12:16:46	218.5	1	250	1
30/04/2020	Ravi Kannadasan Adidraavid	Parmar Popatbhai	12:16:53	12:11:49	12:16:53	218.5	1	250	1
30/04/2020	Keval Savant	Parmar Popatbhai	12:16:55	12:11:49	12:16:55	218.5	5	250	5
30/04/2020	Chiragkumar Makwana	Parmar Popatbhai	12:16:58	12:11:49	12:16:58	218.5	1	250	1
30/04/2020	Makwana Madhuben	Parmar Popatbhai	12:17:01	12:11:49	12:17:01	218.5	5	250	5
30/04/2020	Debashish Dutta	Parmar Popatbhai	12:18:14	12:11:49	12:18:14	218.5	5	250	5
30/04/2020	Buddhadeb Laha	Parmar Popatbhai	12:22:25	12:11:49	12:22:25	218.5	5	250	5



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Trade Date	Buyer Name	Seller Name	Buy Order Last Modified Time	Sell Order Last Modified Time	Trade Time	Trade Price	Buy Order Last Mod Qty	Sell Order Last Mod Qty	Trade Qty
30/04/2020	Buddhadeb Laha	Parmar Popatbhai	12:22:31	12:11:49	12:22:31	218.5	1	250	1
30/04/2020	Minu Mallick	Parmar Popatbhai	12:24:46	12:11:49	12:24:46	218.5	15	250	15
30/04/2020	Priyanka Laha	Parmar Popatbhai	12:25:39	12:11:49	12:25:39	218.5	20	250	20
30/04/2020	Dibakar Laha	Parmar Popatbhai	12:28:38	12:11:49	12:28:38	218.5	20	250	20
30/04/2020	Sanjay Dey	Parmar Popatbhai	12:30:55	12:11:49	12:30:55	218.5	10	250	10
30/04/2020	Ujjal Laha	Parmar Popatbhai	12:31:13	12:11:49	12:31:13	218.5	10	250	10
30/04/2020	Buddhadeb Laha	Parmar Popatbhai	12:35:07	12:11:49	12:35:07	218.5	5	250	5

64.2. Another similar instance of continuous trading in the scrip on August 10, 2020 with miniscule quantity and within a short time interval executed by Sub-group 2 entities namely, Mr. Vaghela Prakash Kantilal (VPK), Mr. Chirag Kumar Makwana (CM) and Mr. Makwana Madhuben (MM) acting as buyers and Ms. Parmar Dipika (DP), Ms. Priti Parmar (PP), Ms. Parmar Lilaben Popatbhai (PLP) and Mr. Parmar Popatbhai (PP1) acting as sellers, is shown herein below:

Table No. 34

Buyer	Seller	Trade Time	Buy Order Time	Sell Order Time	Time difference in Buy and Sell Order Time	Traded Qty	Buy Order Qty	Sell Order Qty
VPK	DP	13:00:21	13:00:21	13:00:19	00:00:02	20	20	20
CM	PP	13:01:31	13:01:31	13:01:29	00:00:02	20	20	20
MM	PLP	13:01:43	13:01:43	13:01:42	00:00:01	20	20	20
VPK	DP	13:02:22	13:02:22	13:01:57	00:00:25	20	20	20
CM	PLP	13:03:00	13:03:00	13:02:59	00:00:01	20	20	20
MM	DP	13:03:10	13:03:10	13:03:08	00:00:02	20	20	20
VPK	PP1	13:03:25	13:03:25	13:03:23	00:00:02	20	20	20
CM	PP1	13:03:45	13:03:45	13:03:38	00:00:07	20	20	20
MM	PP	13:04:01	13:04:01	13:03:57	00:00:04	20	20	20
VPK	PLP	13:04:12	13:04:12	13:04:11	00:00:01	20	20	20



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Buyer	Seller	Trade Time	Buy Order Time	Sell Order Time	Time difference in Buy and Sell Order Time	Traded Qty	Buy Order Qty	Sell Order Qty
CM	PP1	13:04:35	13:04:35	13:04:31	00:00:04	20	20	20
MM	PP	13:04:42	13:04:42	13:04:40	00:00:02	20	20	20
CM	PLP	13:04:51	13:04:51	13:04:50	00:00:01	20	20	20
MM	DP	13:05:00	13:05:00	13:04:58	00:00:02	20	20	20
VPK	PP1	13:05:08	13:05:08	13:05:07	00:00:01	20	20	20
VPK	DP	13:05:49	13:05:49	13:05:47	00:00:02	25	25	25
CM	PP1	13:06:05	13:06:05	13:06:05	00:00:00	25	25	25
MM	PP	13:06:15	13:06:15	13:06:14	00:00:01	25	25	25
VPK	PLP	13:06:30	13:06:30	13:06:28	00:00:02	25	25	25
VPK	DP	13:07:13	13:07:13	13:07:12	00:00:01	25	25	25
CM	PP	13:07:29	13:07:29	13:07:28	00:00:01	25	25	25
MM	PLP	13:07:38	13:07:38	13:07:37	00:00:01	25	25	25
VPK	DP	13:07:45	13:07:45	13:07:44	00:00:01	25	280	25
VPK	PP1	13:07:52	13:07:45	13:07:52	00:00:07	25	280	25
VPK	PP	13:08:04	13:07:45	13:08:04	00:00:19	25	280	25
VPK	PLP	13:08:49	13:08:49	13:08:37	00:00:12	25	25	25
CM	PP1	13:09:09	13:09:09	13:09:08	00:00:01	25	25	25
MM	PP	13:09:20	13:09:20	13:09:18	00:00:02	25	25	25
VPK	PLP	13:09:30	13:09:30	13:09:26	00:00:04	25	25	25
CM	PP1	13:09:44	13:09:44	13:09:42	00:00:02	25	25	25
MM	PP	13:09:53	13:09:53	13:09:51	00:00:02	25	25	25
VPK	PLP	13:10:02	13:10:02	13:09:59	00:00:03	25	25	25
CM	PP1	13:10:16	13:10:16	13:10:15	00:00:01	25	25	25
MM	PP	13:10:25	13:10:25	13:10:23	00:00:02	25	25	25
VPK	PLP	13:10:33	13:10:33	13:10:31	00:00:02	25	25	25
CM	PP1	13:10:49	13:10:49	13:10:48	00:00:01	25	25	25
MM	PP	13:10:57	13:10:57	13:10:55	00:00:02	25	25	25
VPK	PP	13:11:09	13:11:09	13:11:07	00:00:02	25	25	25
CM	DP	13:11:27	13:11:27	13:11:25	00:00:02	25	25	25
MM	PP1	13:11:35	13:11:35	13:11:34	00:00:01	25	25	25
VPK	PP	13:11:44	13:11:44	13:11:42	00:00:02	25	25	25
CM	DP	13:12:01	13:12:01	13:12:00	00:00:01	25	25	25
MM	PP1	13:12:11	13:12:11	13:12:09	00:00:02	25	25	25
VPK	PP	13:12:44	13:12:44	13:12:18	00:00:26	25	25	25
CM	PLP	13:12:51	13:12:51	13:12:48	00:00:03	25	25	25
CM	DP	13:15:57	13:15:57	13:15:56	00:00:01	9	9	9
VPK	DP	14:09:08	14:09:08	14:09:07	00:00:01	20	20	20

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Buyer	Seller	Trade Time	Buy Order Time	Sell Order Time	Time difference in Buy and Sell Order Time	Traded Qty	Buy Order Qty	Sell Order Qty
CM	PP	14:09:29	14:09:29	14:09:29	00:00:00	20	20	20
MM	PLP	14:09:36	14:09:36	14:09:36	00:00:00	20	20	20
CM	DP	14:09:46	14:09:46	14:09:45	00:00:01	20	20	20
VPK	PP1	14:09:51	14:09:51	14:09:50	00:00:01	20	20	20
MM	PLP	14:10:04	14:10:04	14:10:03	00:00:01	20	20	20
VPK	DP	14:10:09	14:10:09	14:10:08	00:00:01	20	20	20
CM	PP1	14:10:16	14:10:16	14:10:12	00:00:04	20	20	20
CM	PP	14:10:24	14:10:24	14:10:18	00:00:06	20	20	20
MM	PLP	14:10:29	14:10:29	14:10:23	00:00:06	20	20	20
VPK	DP	14:10:33	14:10:33	14:10:32	00:00:01	20	20	20
MM	PP	14:10:46	14:10:46	14:10:45	00:00:01	20	20	20
CM	PLP	14:10:51	14:10:51	14:10:51	00:00:00	20	20	20
VPK	PP1	14:11:01	14:11:01	14:11:00	00:00:01	20	20	20
VPK	PP	14:11:13	14:11:13	14:11:07	00:00:06	20	20	20
CM	PLP	14:11:20	14:11:20	14:11:18	00:00:02	20	280	20
CM	DP	14:11:24	14:11:20	14:11:24	00:00:04	25	280	25
VPK	PP1	14:11:38	14:11:38	14:11:37	00:00:01	25	25	25
CM	PLP	14:11:54	14:11:54	14:11:53	00:00:01	25	25	25
MM	DP	14:11:59	14:11:59	14:11:58	00:00:01	25	25	25
CM	PP1	14:12:04	14:12:04	14:12:02	00:00:02	25	25	25
VPK	PLP	14:12:24	14:12:24	14:12:23	00:00:01	25	25	25
MM	DP	14:12:29	14:12:29	14:12:28	00:00:01	25	25	25
VPK	PP1	14:12:37	14:12:37	14:12:36	00:00:01	25	25	25
CM	PLP	14:12:57	14:12:57	14:12:55	00:00:02	25	25	25
MM	PP1	14:13:04	14:13:04	14:13:04	00:00:00	25	280	25
MM	DP	14:13:04	14:13:04	14:13:00	00:00:04	25	280	25
VPK	PP	14:13:14	14:13:14	14:13:11	00:00:03	25	25	25
CM	DP	14:13:27	14:13:27	14:13:23	00:00:04	25	25	25
MM	PP1	14:13:32	14:13:32	14:13:28	00:00:04	25	25	25
VPK	PLP	14:13:46	14:13:46	14:13:38	00:00:08	25	25	25
CM	DP	14:13:51	14:13:51	14:13:42	00:00:09	25	25	25
MM	PP1	14:13:59	14:13:59	14:13:47	00:00:12	25	25	25
VPK	PP	14:14:02	14:14:02	14:13:52	00:00:10	25	25	25
CM	DP	14:14:07	14:14:07	14:14:01	00:00:06	25	25	25
MM	PP1	14:14:09	14:14:09	14:14:06	00:00:03	25	25	25
VPK	PP	14:14:13	14:14:13	14:14:11	00:00:02	25	25	25
CM	DP	14:14:26	14:14:26	14:14:21	00:00:05	25	25	25

Interim Order-cum-Show Cause Notice in the matter of Mauria Udyog Ltd., 7NR Retail Ltd., Darjeeling Ropeway Company Ltd., GBL Industries Ltd. and Vishal Fabrics Ltd.

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Buyer	Seller	Trade Time	Buy Order Time	Sell Order Time	Time difference in Buy and Sell Order Time	Traded Qty	Buy Order Qty	Sell Order Qty
CM	PP1	14:14:34	14:14:34	14:14:27	00:00:07	25	25	25
MM	PP	14:14:37	14:14:37	14:14:33	00:00:04	25	25	25
VPK	PLP	14:15:59	14:15:59	14:14:39	00:01:20	25	25	25
CM	PP1	14:16:37	14:16:37	14:16:34	00:00:03	25	25	25
CM	PP	14:16:58	14:16:58	14:16:56	00:00:02	25	25	25
MM	PLP	14:17:06	14:17:06	14:17:05	00:00:01	25	25	25
VPK	PP1	14:17:13	14:17:13	14:17:12	00:00:01	25	25	25
CM	PP1	14:18:34	14:18:34	14:18:06	00:00:28	10	70	10
CM	DP	14:18:34	14:18:34	14:18:00	00:00:34	10	70	10
CM	PLP	14:18:34	14:18:34	14:17:38	00:00:56	25	70	25
CM	PP1	14:18:34	14:18:34	14:17:33	00:01:01	25	70	25

It is pertinent to note from the aforesaid table that the PV Influencers while collectively acting as a group have executed 95 trades at INR 280/- (at LTP) per share in the scrip wherein the time difference between the buy orders and sell orders time was in the range of 0 seconds to 1 minute 20 seconds. Further in 84 trades out of the above illustrated 95 trades, buy quantities placed by the buyers were exactly similar to the sell quantities offered by the sellers.

The aforesaid two illustrations clearly demonstrate the pre-dominant method employed by the PV Influencers wherein the group entities were placing continuous trades within a short span of time, to influence the volume in the scrip. The trading pattern followed by them could be either matching of one single buy / sell order with numerous counterparty orders at one go or it could be matching of miniscule quantity of buy / sell orders with similar size of counterparty order within a matter of few minutes. Thus, execution of miniscule quantities of trades by way of placement of buy orders and sell orders at close proximity to each other on a regular basis, in a scrip which was not highly liquid, that too by the entities that are connected with each other, *prima facie* leads to an inference that the Stock Exchange platform was abused by these connected entities to execute the said structured trades. Such *prima facie* non-genuine trades not only creates



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misleading appearance of trading in the scrip but also creates artificial volume in the scrip thereby painting a misleading picture about the liquidity in the scrip.

64.3. The above narrated structured trades executed by the connected entities not only lead to a *prima facie* inference that the PV Influencers have artificially manipulated the trade volumes in the scrip during the pre-SMS period but also it shows that by placing buy and sell orders for such miniscule quantities for prices per share either above LTP or at LTP, they are either trying to inflate the price or at least are trying to maintain the price in the scrip at a certain level, which is nothing but a *prima facie* an attempt to manipulate the price in the scrip. However, the aforesaid method is not the only method adopted by the PV Influencers to *prima facie* manipulate the price of the scrip. Upon examination of the trades executed by the said entities, it is noted that out of 522 trades executed amongst these connected entities in the scrip of VFL on NSE during the pre-SMS period, in 452 trades, the time difference between placing of buy and sell orders by these connected entities was less than 60 seconds i.e., *prima facie* the trades were synchronised. It is also noted that in the aforementioned 452 trades, these entities have contributed INR 25.45/- to the net LTP (i.e.18.51% of net LTP) in the scrip of VFL during the period. Further, in 364 trades out of the said 452 trades executed amongst each other, the time difference between placing of buy and sell orders by these connected entities was between 0 seconds to 10 seconds and the net LTP contributed through those 364 *prima facie* synchronised trades was INR 32.55/- (i.e. 23.58% of net LTP in the scrip of VFL during the period). Few illustrations of such *prima facie* synchronised trades noticed during the investigation are as follows:

64.3.1. On August 12, 2020, Ms. Dipika Popatbhai Parmar (part of Sub-group 2) placed a sell order (order number 1300000007239079) for 20 shares of VFL at 11:46:07 hours at a price of INR 270/- (INR 6.8/- higher than the LTP of INR 263.2/-) and then Mr. Vaghela Prakash Kantilal (part of Sub-group 2) placed a buy order (order number 1300000007239834) for 20 shares at 11:46:09 hours (2 seconds after the aforesaid sell order) at a price of INR



270/-, which led to matching with the pending sell order of Ms. Dipika Popatbhai Parmar and resulted in creation of positive LTP of INR 6.8 /- (2.52% higher than the previous LTP). Interestingly, this was the 2nd trade of the day and in the 1st trade of the day, the scrip had traded at INR 263.2/- (INR 9.3/- less than the closing price on the previous trading day i.e. on August 11, 2020).

64.3.2. On August 21, 2020, Mr. Pathan Shahrukhkhan (part of Sub-group 2) placed a sell order (order number 1300000006476544) for 20 shares of VFL at 11:41:34 hours at a price of INR 280/- (INR 7/- higher than the LTP of INR 273/-) and then Mr. Vaghela Prakash Kantilal (part of Sub-group 2) placed a buy order (order number 1300000006476761) for 20 shares at 11:41:35 hours (within a second after the aforesaid sell order) at a price of INR 280/-, which matched with the pending sell order of Mr. Pathan Shahrukhkhan and resulted in creation of a positive LTP of INR 7/- (2.5% higher than the previous LTP). Interestingly, this was the 2nd trade of the day and in the 1st trade of the day, the scrip had traded at INR 273/- (INR 7/- less than the closing price on the previous trading day i.e. on August 20, 2020).

64.4. The aforesaid trading pattern demonstrates not only the repeated nature of the transactions which is *prima facie* synchronised in nature but also *prima facie* exposes a prior meeting of minds amongst the said entities. It is observed from the details of the trades executed by the said group and having regard to the anonymised trading system of the Stock Exchanges, matching of such large number of trades between the same parties could not have taken place on such trading platforms, unless the trading system was itself being abused in a manner that the orders placed by the connected entities end up matching with each other. It is further pertinent to note that *prima facie* such trading patterns lead to unnecessary price fluctuations and create false appearance of trading in the securities market and thereby tending to mislead the investors. In other words, the frequency of matching of trades, the proximity of time between the placement of buy orders and sell orders and the inter connectedness between the buyers and the sellers, all conjointly read together *prima facie* show the ill-



conceived intention of the PV Influencers to influence / play the market for the purpose of increasing the price and volumes in the scrip and thereby creating an artificial picture of dealing in the scrip of VFL.

65. It is noted from the records that there was one more entity namely, Goenka Business Finance Limited (hereinafter referred to as “GBFL”) which was *prima facie* found to be manipulating the price of the scrip during the pre-SMS period. The aforesaid entity was trading with Sunflower Broking Pvt. Ltd. whose owner Mr. Malay Bhow was in frequent communication with Mr. Hanif Shekh during the relevant period and as noted in the preceding paragraphs, Mr. Hanif Shekh is the *prima facie* SMS Sender in the scrip. The trades executed by GBFL was examined during the pre-SMS period (March 25, 2020 to September 7, 2020). The summary of the trades executed by the aforesaid entity is shown below:

Table No. 35

Entity Name	Buy Qty	% Buy to total Market Buy Volume	Sell Qty	% Sell to total Market Sell Volume	Net Buy LTP	Net Sell LTP	Total LTP	% contribution to net price rise
BSE								
Goenka Business Finance Limited	19886	1.88%	6382	0.60%	19.95	32.55	52.50	38.04%
Market Total	1059004	100.00%	1059004	100.00%	138.00	138.00	138.00	100.00%
NSE								
Goenka Business Finance Limited	48958	3.98%	18310	1.49%	41.50	-22.75	18.75	14.65%
Market Total	1228645	100.00%	1228645	100.00%	128.00	128.00	128.00	100.00%

66. As can be seen from the above table, GBFL has *prima facie* during the period of March 25, 2020 to September 4, 2020, contributed 38.04% of net market LTP (INR 52.50/- of the actual rise of INR 138/-) through his trades on BSE, and on NSE, its contribution was 14.65% of net market LTP (INR 18.75/- of the actual rise of INR 128/-). The trades of the said entity were analysed to determine as to how this entity which is *prima facie* connected with the SMS Sender was trying to manipulate the price in the



scrip so as to present the scrip as an attractive proposition before the innocent investors in the securities market.

67. Upon examination of the trade log of GBFL for the trades executed on BSE, it is noted that though the contribution to the net LTP in the scrip of VFL by GBFL during the pre-SMS period is INR 19.95/- out of the total rise in LTP in the scrip by INR 138/- during the aforesaid period, it is noted that the total positive contribution by GBFL (on gross basis) through its buy trades was INR 114.8/-. In other words, sans other buy trades executed in the scrip, only GBFL's buy trades if seen on a standalone basis has contributed INR 114.8/- to the rise in the price of the scrip. The same shows that though the prevailing market forces in the scrip were acting contrary to the view taken by the entity, still GBFL through its buy trades placing orders at prices higher than LTPs was able to withstand the headwinds and was able to contribute a net amount of INR 19.95/- to the increase in the price of the scrip. During the pre-SMS period, GBFL had executed 160 buy trades as buyer in the scrip of VFL, but it is pertinent to note that the aforesaid gross contribution of INR 114.8/- to positive LTP was done only through 28 buy trades executed by GBFL in the said scrip. If the aforesaid figures are further scrutinised, it would show that in a scrip such as VFL which was not highly liquid and financially the *Company* was not achieving any significant milestones, GBFL as a buyer was making a considerable effort to acquire the shares to the extent that it was willing to pay on an average of INR 4/- over the LTP in 17.5% of its buy trades. The buy trades of GBFL, when seen in terms of number of shares would show that out of 19,986 shares bought by the entity during the said period, 3,381 shares led to the gross total positive LTP contribution of INR 114.8/-. Thus, the *prima facie* concerted effort and exuberance that was shown by GBFL to acquire the shares of VFL leads to two scenarios; either GBFL was in possession of some material information or foresaw some growth potential which other investors were not able to foresee or there was some other driving force which was motivating GBFL to deal in the scrip in a manner that it was consistently contributing to the positive LTP in the scrip through its repetitive buy trades. In the given facts and circumstances of the case, the latter scenario is highly probable as artificially



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increasing the price of the scrip was one of the primary leg of the *prima facie* scheme that was observed to be employed in the scrip as discussed in detail in the subsequent paragraphs of this order.

68. I also note that out of the 28 buy trades of GBFL wherein positive LTP was contributed, in 9 such trades the counterparties (Mr. Chetanbhai Mahendrabhai Dantani, Mr. Shivam Kumar Patel and Mr. Suresh Deshaljibhai Vaghela) were connected to GBFL (as already recorded in Table No. 8 of this Order) and such 9 trades resulted in contribution of INR 22/- to the positive LTP in the scrip of VFL. Further, out of 28 such positive LTP creating buy trades, 13 buy trades executed by GBFL were the 1st trades of the respective trading days. A few instances of such trades are placed below:

68.1. On July 29, 2020, Mr. Shivam Kumar Patel (an entity connected to GBFL) had placed a sell order for 25 shares at a price of INR 272/- (INR 2/- higher than the LTP on July 28, 2020) in the scrip of VFL at BSE at 10:26:39 hours. After 23 seconds of the aforesaid sell order, i.e. at 10:27:02 hours, a buy order for 10 shares at a price of INR 272/- was placed by GBFL which resulted in execution of the 1st trade in the scrip of VFL on July 29, 2020 and creation of LTP of INR 272/- (0.74% higher than previous LTP).

68.2. On August 20, 2020, Mr. Shivam Kumar Patel (an entity connected to GBFL) had placed a sell order for 50 shares at price of INR 273/- (INR 2.65/- higher than the LTP on previous trading day) in the scrip of VFL at BSE at 15:13:34 hours. After 14 seconds of the aforesaid sell order, i.e. at 15:13:48 hours, a buy order for 50 shares at price of INR 273/- was placed by GBFL which resulted in execution of the 1st trade in the scrip of VFL on August 20, 2020 and creation of LTP of INR 273/- (0.98% higher than previous LTP).

69. The aforesaid illustrations show that GBFL was not only *prima facie* executing synchronised trades with its connected entities above the LTP but also was executing 1st trades in the scrip in order to set the momentum in the trading in the scrip. Upon examination of GBFL's trade log, it was noted that apart from the aforesaid strategies adopted by GBFL to *prima facie* impact the price in the scrip, it had also



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employed another strategy of executing multiple small quantities of trades to match one big counter party order within a short span of time. A sample of the said strategy is given below:

69.1. On June 15, 2020, the closing price in the scrip of VFL at BSE was INR 250/. On June 16, 2020, Ms. Durgeshwari Pradipbhai Chiripal (part of Chiripal Group) had placed a sell order (order number 1592278200003021000) for 2,500 shares of VFL at 09:46:27 hours at a price of INR 250/-. After 14 seconds of the aforesaid sell order i.e. 09:46:41 hours, a buy order (order number 1592278200003021001) for only 5 shares was placed by GBFL at a price of INR 250/-, which matched with the sell order of Ms. Durgeshwari Pradipbhai Chiripal and resulted in execution of the 1st trade of the day in scrip of VFL at BSE. It is pertinent to mention here that the sell order of Ms. Durgeshwari Pradipbhai Chiripal remained partly unexecuted and was lying in the stock exchange's system as a passive order. Subsequently, it is noted that the next trade in the scrip (2nd trade) was executed at a price of INR 234.2/- (INR 15.8/- less than the LTP) and the 3rd trade was also executed in the scrip at price of INR 234.2/-. Interestingly, the aforementioned 2nd and 3rd trades were executed at 14:58:52 hours and 14:59:53 hours respectively and were executed by other market participants (other than the entities mentioned in this Order). It is worthwhile to mention here that the sell order for the 2nd and 3rd trades were lying pending in the Stock Exchange system since 14:03:58 hours and it got matched only at 14:58:52 hours, when the buy orders for a matching price at INR 234.2/- were placed by the buyer of 2nd and 3rd trades.

However, in order to *prima facie* inflate the price of the scrip and in order to ensure that the closing price of the scrip of VFL is higher than INR 234.2/-, so as to not only influence the closing price of the scrip but also to have a positive impact on the next day's opening price, GBFL started placing buy orders in smaller quantities just to match the pending sell order of Ms. Durgeshwari Pradipbhai Chiripal at a price of INR 250/-. Details of such orders and trades executed in the scrip of VFL are tabulated below:



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Table No. 36

Trade Number	Trade Time	Buy Order Time	Sell Order Time	Traded Quantity	Buy Order Quantity	Sell Order Quantity
4	15:02:58	15:02:58	09:46:27	250	250	2500
5	15:03:33	15:03:33	09:46:27	250	250	2500
6	15:03:50	15:03:50	09:46:27	245	245	2500
7	15:08:10	15:08:10	09:46:27	250	250	2500
8	15:10:28	15:10:28	09:46:27	10	10	2500
9	15:10:30	15:10:30	09:46:27	25	25	2500
10	15:10:31	15:10:31	09:46:27	35	35	2500
11	15:10:32	15:10:32	09:46:27	44	44	2500
12	15:10:35	15:10:35	09:46:27	22	22	2500
13	15:10:37	15:10:37	09:46:27	89	89	2500
14	15:10:39	15:10:39	09:46:27	125	125	2500
15	15:10:41	15:10:41	09:46:27	133	133	2500
16	15:10:43	15:10:43	09:46:27	148	148	2500
17	15:14:53	15:14:53	09:46:27	69	69	2500

The aforesaid acts of GBFL have resulted in execution of continuous trades (4th trade to 17th trade) at a price of INR 250/-, which was INR 15.8/- (6.75%) higher than the LTP. It is noted from the trade data that only 17 trades were executed in the scrip of VFL at BSE on that particular trading day (June 16, 2020) and the closing price of the scrip was INR 250/-. The aforesaid trading behaviour on the part of GBFL while acting as buyer, *prima facie* does not inspire confidence, as a buyer would always like to buy shares at a lower price than the LTP. In the present case, despite the fact that the sell orders that resulted in the 2nd and 3rd trades were lying pending in the stock exchange system at an offer price of INR 234.2/- for almost 55 minutes (placed at 14:03:58 hours and executed as trade at 14:58:52 hours), however, no interest was shown by GBFL to buy the shares of VFL at a lower price but within 3 minutes of execution of the aforesaid sell



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orders at INR 234.2/- which resulted in the 2nd and 3rd trades, GBFL promptly accessed the market to buy shares at INR 250/-. Further, despite there being a pending sell order for 2,495 shares (2,500 shares minus 5 shares which were executed as the 1st trade of the day), GBFL chose to buy shares in small quantities only at a price of INR 250/-. Under these facts and circumstances as exhibited above, the act of GBFL was *prima facie* while dealing in the shares of the *Company*, can be said to have been done only to manipulate the price in the scrip of VFL and ostensibly to portray to the market that there are willing buyers of the scrip at a price of INR 250/-. As expected, it is noted that the 1st trade which was executed the next trading day (June 17, 2020) in the scrip was done at price of INR 255/-.

70. Similar kind of strategy was also adopted by GBFL on the selling side in the scrip on BSE. It is noted from the available records that though the contribution to the net LTP in the scrip of VFL by GBFL during the pre- SMS period is INR 32.55/- out of the total rise in LTP in the scrip of INR 138/- during the aforesaid period, it is noted that the total positive contribution by GBFL (on gross basis) through its sell trades was INR 85.05/-. During the pre- SMS period, GBFL had executed 36 sell trades as seller in the scrip of VFL, but it is pertinent to note that the aforesaid contribution of INR 85.05/- to positive LTP was done only through 14 sell trades executed by GBFL in the scrip. Out of the 14 sell trades of GBFL wherein positive LTP was contributed, in 8 such trades the counterparties (Mr. Chetanbhai Mahendrabhai Dantani and Mr. Shivam Kumar Patel) were connected to GBFL (as already recorded in Table No. 8 of this Order) and such 8 trades have resulted in contribution of INR 36.9/- to the positive LTP in the scrip of VFL. A few instances of such trades are placed below:

70.1. On April 22, 2020, GBFL had placed a sell order for 50 shares at a price of INR 210/- (INR 2 higher than the LTP on previous trading day) in the scrip of VFL at BSE at 15:05:17 hours. Interestingly, no trade was executed in the scrip on the aforesaid trading day till a buy order was placed at 15:07:25 hours (2 minutes and 8 seconds after the aforesaid sell order of GBFL) for 50 shares at a price of INR 210/- by Mr. Chetanbhai Mahendrabhai Dantani (an entity



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connected to GBFL) which resulted in the execution of 1st trade in the scrip of VFL on April 22, 2020 and creation of LTP of INR 210/- (2.44% higher than previous LTP).

70.2. On August 10, 2020, Mr. Shivam Kumar Patel (an entity connected to GBFL) placed a buy order for 50 shares at a price of INR 272/- (INR 12/- higher than the LTP) in the scrip of VFL at BSE at 15:21:08 hours. After 63 seconds of the aforesaid sell order, i.e. at 15:22:11 hours, a sell order for 50 shares at a price of INR 272/- was placed by GBFL which resulted in execution of the 5th and the last trade in the scrip of VFL on August 10, 2020 and a creation of LTP of INR 272/- (4.62% higher than previous LTP). Again on the next trading day i.e. on August 11, 2020, the 2nd and last trade of the day was executed between GBFL (as buyer) and Mr. Shivam Kumar Patel (as seller) for 50 shares with a time difference of 32 seconds between buy and sell order which resulted in increasing the LTP to INR 272.5/- (INR 0.5/- higher than the LTP).

The aforesaid pattern wherein GBFL sells 50 shares of VFL to one of its connected entities at INR 272/- (INR 12/- higher than the LTP) on August 10, 2020 in a *prima facie* structured trade and again buys the same quantity of 50 shares of VFL from the same connected entity at INR 272.5/- (INR 0.5/- higher than the LTP) the very next day, through another *prima facie* structured trade, by no stretch of imagination can be said to be a genuine transaction, as the beneficial ownership of the 50 shares of VFL has not been changed, and rather the aforesaid transactions can be cited as a prime example of a reverse trade which was entered into between the connected entities just to inflate the price of the scrip.

71. In the light of the aforesaid discussions, it can be *prima facie* inferred that the sole purpose of GBFL to deal in the scrip of VFL during pre-SMS period was not that it had inherent belief in the growth prospect of the *Company* but was to manipulate the price of the scrip. To that extent, it had employed various strategies viz., executing the first trades in the scrip higher than the LTP, trading with connected entities above the LTP, and executing continuous trades above LTP etc. Whether, it was the buy side or the



sell side, GBFL has always dealt in the scrip on a regular basis in a manner so as to artificially maintain the price in the scrip at a desired level which can be easily deduced from the fact that its gross contribution to the price on the buy side was INR 114.8/- and on the sell side the same was INR 85.05/-. The aforesaid observation about the real intent of GBFL to deal in the scrip of VFL is further strengthened from the fact that similar kind of trading activities by GBFL have also been observed on the platform of NSE.

72. Upon examination of the trade log of GBFL for the trades executed by it on NSE, it is noted that though the contribution to the net LTP in the scrip of VFL by GBFL as a buyer during the pre- SMS period is INR 41.50/- out of the total rise in LTP in the scrip of INR 128/- during the aforesaid period, it is noted that the total positive contribution by GBFL (on gross basis) through its buy trades in the scrip of the *Company* was INR 145.35/-. In other words, sans other buy trades executed in the scrip, if GBFL's buy trades are to be seen on a standalone basis, they will be seen to have contributed INR 145.35/- to the rise in the price of the scrip. This factual revelation shows that though the prevailing market forces in the scrip were acting contrary to the view taken by the entity, still GBFL through its buy trades was able to withstand the opposing market forces and was able to effectively contribute INR 41.50/- to the increase in the price of the scrip. During the pre- SMS period, GBFL had executed 193 buy trades as a buyer in the scrip of VFL, but it is pertinent to note that the aforesaid contribution of INR 145.35/- to positive LTP was done only through 37 buy trades executed by GBFL in the scrip. If the aforesaid figures are further scrutinised, it would show that in a scrip such as VFL which is not highly liquid and financially the *Company* was not doing well at all, GBFL as a buyer was making a considerable effort and showing excessive enthusiasm to acquire the shares to the extent that it was willing to pay on an average of INR 3.9/- over and above the LTP in 19.17% of its buy trades. The buy trades of GBFL when seen in terms of number of shares would show that out of 48,958 shares bought by the entity during the said period, purchase of 1,366 shares led to the gross total positive LTP of INR 145.35/-. Thus, the *prima facie* concerted exuberance shown by GBFL to acquire the shares of VFL leads to two scenarios; either GBFL was in



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possession of some material information or saw some future growth potential which other investors were not able to fathom or there was some other illicit motive behind GBFL to deal in the scrip in the peculiar manner as explained above. In the given facts and circumstances of the case, the latter scenario is highly probable since, artificially increasing the price of the scrip was the first crucial step to implement the *prima facie* scheme that was employed in the scrip which is discussed further in the subsequent paragraphs.

73. I also note that out of the 37 buy trades of GBFL wherein positive LTP was contributed, in 4 such trades the counterparties (Mr. Chetanbhai Mahendrabhai Dantani and Mr. Shivam Kumar Patel) were connected to GBFL (as already recorded in Table No. 8 of this Order) and such 4 trades have resulted in contribution of INR 10.15/- to the positive LTP in the scrip of VFL. Further, out of 37 such positive LTP creating buy trades, 9 buy trades executed by GBFL were the 1st trades of the respective trading days. A few instances of such trades are placed below:

73.1. On April 01, 2020, GBFL sold 100 shares of VFL on NSE at a price of INR 166/-. This was the 2nd and last trade in the scrip on the aforesaid trading day. On the next trading day i.e. on April 03, 2020, GBFL placed a buy order for 700 shares in the scrip of VFL on NSE at a price of INR 174/- (INR 8 more than the previous LTP of INR 166) at 12:07:27 hours. The aforesaid buy order remained pending in the NSE's system for more than 3 hours, till it was matched with the sell order placed by Mr. Chetanbhai Mahendrabhai Dantani (an entity connected to GBFL) for 25 shares at a price of INR 174/- at 15:21:59 hours, which resulted in execution of 1st and the only trade of that trading day (April 03, 200) at a price of INR 174/- (4.6% higher than previous LTP of INR 166/-). It is not clear as to why GBFL, which had sold 100 shares of VFL at a price of INR 166/- on April 01, 2020, again showed interest in buying 700 shares of the same scrip on very next trading day and that too at 4.6% higher price (INR174). Further, the fact that the aforesaid buy order of GBFL for 700 shares at 4.6% higher than LTP was lying unexecuted for more than 3 hours, demonstrates that there was not much liquidity in the scrip of VFL.



73.2. On August 29, 2020, Mr. Shivam Kumar Patel (an entity connected to GBFL) placed a sell order for 25 shares at a price of INR 272/- (INR 2/- higher than the LTP on the previous trading day) in the scrip of VFL on NSE at 10:26:27 hours. After 30 seconds of the aforesaid sell order, i.e. at 10:26:57 hours, a buy order for 10 shares at a price of INR 272/- was placed by GBFL which resulted in execution of the 1st trade in the scrip of VFL on August 29, 2020 and creation of LTP of INR 272/- (0.74% higher than previous LTP).

74. The aforesaid illustrations show that GBFL was not only *prima facie* executing synchronised / structured trades with its connected entities above the LTP but also was executing 1st trades in the scrip in order to artificially set the momentum in the trading of the scrip. Upon examination of GBFL's trade log, it was noted that apart from the aforesaid strategies adopted by GBFL to *prima facie* impact the price in the scrip, it had also employed one more strategy of executing multiple small quantities of trades by way of matching with one big counter party order within a short span of time. A sample of the said strategy is explained below:

74.1. On June 15, 2020, the closing price in the scrip of VFL at BSE was INR 250/-. On June 16, 2020, Ms. Durgeshwari Pradipbhai Chiripal (part of Chiripal Group) had placed a sell order (order number 1592278200003021000) for 2,500 shares of VFL at 09:45:49 hours at price of INR 250/-. After 48 seconds of the aforesaid sell order was placed i.e. 09:46:37 hours, a buy order (order number 1300000002383239) for only 5 shares was placed by GBFL at a price of INR 250/-, which matched with the sell order of Ms. Durgeshwari Pradipbhai Chiripal and resulted in execution of the 1st trade of the day in the scrip of VFL at BSE. It is pertinent to mention here that the sell order of Ms. Durgeshwari Pradipbhai Chiripal remained partly unexecuted and was lying in the Stock Exchange's system as a passive order. However, GBFL again accessed the NSE platform by placing buy orders in smaller quantities just to match the pending sell order of Ms. Durgeshwari Pradipbhai Chiripal at a price of INR 250/-. Details of such orders and trades executed in the scrip of VFL are tabulated below:



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Table No. 37

Trade Time	Buy Order Time	Sell Order Time	Traded Qty	Buy Order Qty	Sell Order Qty
15:19:21	15:19:21	09:45:49	50	50	2500
15:19:23	15:19:23	09:45:49	50	50	2500
15:19:24	15:19:24	09:45:49	50	50	2500
15:19:30	15:19:30	09:45:49	50	50	2500
15:19:32	15:19:32	09:45:49	45	45	2500
15:19:36	15:19:36	09:45:49	50	50	2500
15:19:37	15:19:37	09:45:49	50	50	2500
15:19:39	15:19:39	09:45:49	50	50	2500
15:19:40	15:19:40	09:45:49	50	50	2500
15:19:46	15:19:46	09:45:49	50	50	2500

The aforesaid trade practice of GBFL resulted in execution of 10 trades (within 25 seconds) at a price of INR 250/-. Such a pattern of trading behaviour on the part of GBFL while acting as a buyer, *prima facie* does not inspire confidence as because, a buyer would always like to buy shares at a lower price than the LTP. In the present case however, despite the fact that there was a pending sell order lying in the system for 2,495 shares (2,500 shares minus 5 shares which were executed as the 1st trade of the day), GBFL chose to buy the shares in small quantities at a price of INR 250/-. This act of GBFL was *prima facie* done to ostensibly present to the outside world that there were willing buyers who were ready to buy the scrip at a price of INR 250/-. It is noted that the 1st trade which was executed the next trading day (June 17, 2020) in the scrip was at INR 255/- (INR 5/- higher than the LTP) and the buyer in this trade was Mr. Shivam Kumar Patel, a connected entity of GBFL.



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75. In the view of the aforesaid factual analyses and unearthing of such unusual trading practices being followed by GBFL and other connected entities a *prima facie* pattern that emerges in the way GBFL has dealt in the scrip of VFL on both the Exchanges is that in order to sustain the momentum in the price of the scrip GBFL was *inter alia* either executing *prima facie* synchronised / structured trades with its connected entities above the LTP or was executing 1st trades above the LTP or was executing multiple small trades to match a big order. Executing the aforesaid kind of trades on a frequent basis on both the Exchanges and to be part of such trades executed in the scrip either as a buyer or a seller throughout the pre-SMS period in a scrip which was highly illiquid with the *Company* lacking in any strong fundamentals, *prima facie* shows that there was a pre-meditated and a concerted effort by GBFL to artificially impact the price movement in the scrip of VFL. By engaging in such kind of deceptive trading behaviour which has not only *prima facie* abused the trading system but has also misled the investors to deal in the scrip of VFL.

SMS Period

76. Once a positive momentum was generated in the scrip by sustained dealing in the scrip of VFL so as to maintain the price and volume in the scrip at a desired high level, the next leg of the *prima facie* scheme that was employed in the scrip came into play with the sending of bulk SMSs in the scrip. Out of the several SMS headers used to send SMSs related to scrip of VFL, it was observed that from the SMS header ID-BGAINS, as many as 5,80,241 SMSs were sent to 38,073 mobile numbers during the period from September 7, 2020 to October 20, 2020 (hereinafter referred to as "**SMS Period**"). A few sample of such SMS texts that were circulated in the said scrip and its *prima facie* impact on volume and price in the scrip of VFL, are shown in the table below:



Table No. 38

Sl. No.	SMS Header	Sample SMS Text	Date of SMS circulation	% volume increase from previous trading day	% price increase from previous trading day
1.	QP-BGAINS	Alert:- Look SENSEX Down -600 Points But Our MULTI-BAGGER VISHAL FABRICS Flying High 309++ - We Clearly Told You That If Market Go Down Then Also Our MULTI-BAGGER Stock Will NOT Go Down - IT WILL GO UP UP UP ONLY - BUY MORE FOR TOMORROW TARGET 311++ - THIS WEEK TARGET 320++ - FINAL TARGET 700++	September 21, 2020	1,07,752 shares traded on September 21, 2020 on BSE from 65,698 shares traded on September 18, 2020 i.e. an increase of 64.01%.	Weighted Average price on 18-Sep-2019 was INR 304.32/- and the scrip touched the high of INR 309.35/- on 21-Sep-2019 i.e. the scrip witnessed a movement of 1.65% in its price.
2.	QP-BGAINS	Sure Shot BUY / ADD More VISHAL FABRICS - INTRA-DAY Target 369+ - THIS WEEK Target 377+ - FINAL Target 700+ BONUS Coming on THURSDAY - BUY MAXIMUM QUANTITY NOW	October 21, 2020	3,55,082 shares traded on October 21, 2020 on BSE from 1,42,412 shares traded on October 20, 2020 i.e. an increase of 149.33 %.	Weighted Average price on 20-Oct-2019 was INR 368.42/- and the scrip touched the high of INR 372.15/- on 21-Oct-2019 i.e. the scrip witnessed a movement of 1.01% in its price.

Thus, from the aforesaid table it can be seen that there was a marked increase in the volume of the scrip immediately on the next day of sending of the SMS including an upward movement in the price of the scrip. It is further observed from the records that there has been 779% increase on BSE and 627% increase on NSE in the volume of the scrip during the SMS period vis-à-vis pre SMS period. The price in the scrip also touched a high of INR 369.35/- during the SMS period as compared to the closing price of the pre-SMS period which was INR 272/- i.e., there was a 35 % spike in the price of



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the scrip on BSE. The aforesaid figures *prima facie* accentuates the role played by the bulk SMSs in luring the investors to deal in the scrip. The records reflect that the circulation of bulk SMSs to give buy recommendations was not a solitary instance and was frequently used during the SMS period by using different sender IDs. The same had a noticeable impact on the price and volume movement in the scrip.

Off Loaders

77. Once the bulk SMSs were sent in the scrip by the SMS Sender who has been *prima facie* identified as Mr. Hanif Shekh in the earlier part of this Order, it gave an opportunity to the entities who were connected either with the *Company* or with the SMS Sender, to exit the scrip by dumping the shares on the investors who were *prima facie* lured in by the SMSs and by seeing the meteoritic rise in the price and volume of the scrip during the SMS period (September 7, 2020 to October 20, 2020). As noted in preceding paragraphs, the average daily volume in the scrip during the SMS period vis-a-vis pre-SMS period increased by 779% on BSE and 627% on NSE while the price in the scrip opened at INR 274.10/- and reached a high of INR 369.40/- during SMS period, registering an increase of 34.76% in 1.5 months only (approximately). Such entities who exited the scrip with a profit by taking advantage of the high trading volume and high price of the scrip apparently accentuated by the bulk SMSs, are herein after referred to as Off Loaders.

78. The findings of the investigation *prima facie* show that there are three sets of entities who are Off Loaders in the scrip of VFL during the SMS period, namely entities belonging to Chiripal Group, Sub-group 2 and Sub-group 3. The connection that existed amongst the various entities belonging to the aforesaid respective groups on multiple parameters, have been noted in the preceding paragraphs. Further, as noted from the trade logs and as already highlighted above, there have been frequent trades between the entities across the said 3 groups which were *prima facie* executed to manipulate price and volume in the scrip during pre- SMS period. Mr. Hanif Shekh who is *prima facie* the SMS sender in the scrip has already been noted to be connected with Sub-groups 2 and 3. The inter connections that existed amongst the entities as



already exhibited earlier in this order when seen jointly with the unusual trading pattern (heavy selling) in the scrip of the VFL by the Off Loaders including the timing of their dealing in the scrip, coupled with the fact that some of them were also *prima facie* involved in artificially raising the price and volume in the scrip, it can be *prima facie* inferred that the very act of coming together by the aforesaid entities (Off Loaders) and selling their shares during the same period, was nothing but an act that was performed in accordance with a pre-conceived scheme employed in the scrip.

79. The profits made by the Off Loaders by selling their shares of the VFL, are indicated in the table below:

Table No. 39

Profit made by Company connected entities (Chiripal Group)

S.No.	Entity name	BSE Net Sell Value	NSE Net Sell Value	Total Net Sell Value	BSE Profit (INR)	NSE Profit (INR)	Total profit (INR)
1	Durgeshwari Pradipbhai Chiripal	3525928	0	3525928	2120000	0	2120000
2	Manuj Ashokkumar Chiripal	19137889	296240064.8	315377954	12018227	183334613	195352840
3	Rushp Trading LLP	13019297	68802675.4	81821972	2119911	34256177	36376088
4	Satrama Trading LLP	13362064	19891401.43	33253465	2791546	6868484	9660030
5	Shivhari Trading LLP	104509568	- 51628032.05	52881536	58397900	0	58397900
6	Trisha Vikash Bajaj	0	18342500	18342500	0	4399750	4399750
7	Bajaj Sonali Ateet	0	14740144	14740144	0	3294258	3294258
Total		301578340	153554746	366388753	519943500	232153282	309600866

#Wherever, the net sell quantity during SMS period is less than or equal to quantity bought during the Pre-SMS Period, the buy value is calculated by multiplying Net Sell quantity with Average buy price during Pre-SMS Period. In cases, where the net sell quantity during SMS period is more than the quantity bought during the Pre-SMS Period, the buy value is calculated in two steps:

1. by multiplying Net Sell quantity (equals to the net buy quantity during the Pre-SMS Period) with Average buy price during Pre-SMS Period
 2. by multiplying Balance Net Sell quantity with opening price on March 25, 2020 i.e. first day of the investigation period.
- In case of entity at Sl. Nos. 6 and 7, the Net sold quantity during SMS period is equal to the total quantity bought during the Pre-SMS Period across both the exchanges. Hence, profit is calculated considering trading on both the Exchanges.



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Table No. 40
Profit made by Sub-group 2 (Ahmedabad based entities)

S.No.	Entity Name	BSE Net Sell Value	NSE Net Sell Value	Total Net Sell Value	BSE Profit (INR)	NSE Profit (INR)	Total Profit (INR)
1	Chiragkumar Makwana	0	1858681	1858681	0	203894	203894
2	Makwana Madhuben	0	1241892	1241892	0	116051	116051
3	Hina Barot	0	683985	683985	0	119840	119840
4	Prakash Kantilal Vaghela	0	2670060	2670060	0	346746	346746
Total		0	6454618	6454618	0	786531	786531

In case of entities from Sl. Nos. 1 to 4, the Net sold quantity during SMS period is equal to the total quantity bought during the pre-SMS Period across both the exchanges. Hence, profit is calculated considering trading on both the Exchanges.

Table No. 41
Profit made by Sub-group 3 (Kolkata based entities)

S.No.	Entity Name	BSE Net Sell Value	NSE Net Sell Value	Total Net Sell Value	BSE Profit (INR)	NSE Profit (INR)	Total Profit (INR)
1.	Linkup Financial Consultants Private Limited	5016737	0	5016737	828487	0	828487
2.	Highgrowth Vincom Private Limited	0	7025000	7025000	0	1486224	1486224
3.	Sumit Laha	0	1800000	1800000	0	229511	229511
4.	Sanjay Dey	0	4226485	4226485	0	469039	469039
5.	Suprabhat Laha	0	100000	100000	0	22780	22780
6.	Ujjal Laha	0	5252718	5252718	0	1308049	1308049
7.	Buddhadeb Laha	0	2176404	2176404	0	474282	474282
8.	Sourav Das	0	8581724	8581724	0	1820173	1820173
9.	Minu Mallick	0	303478	303478	0	60288	60288



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S.No.	Entity Name	BSE Net Sell Value	NSE Net Sell Value	Total Net Sell Value	BSE Profit (INR)	NSE Profit (INR)	Total Profit (INR)
10.	Arun Dutta	0	4186000	4186000	0	954922	954922
11.	Debashish Dutta	0	3921986	3921986	0	1132300	1132300
12.	Uma Dutta	0	5803000	5803000	0	1349364	1349364
13.	Subrata Laha	0	3737000	3737000	0	999319	999319
14.	Priyankar Laha	0	1159850	1159850	0	179577	179577
15.	Tapas Laha	0	2445370	2445370	0	280631	280631
16.	Arun Laha	0	3163500	3163500	0	618810	618810
17.	Dibakar Laha	1480000	1374760	2854760	161792	305694	467486
Total		6496737	55257275	61754012	990279	11690963	12681242

The Ultimate Beneficiaries

80. As noted in the preceding paragraphs, one of the *prima facie* PV Influencers groups, namely the Chiripal Group, where entities were directly and / or indirectly connected with the Promoter / Promoter Group of VFL were not only seen to be dealing in the scrip of the *Company* amongst themselves but were also found to be executing *prima facie* manipulative trades (as discussed in preceding paragraphs) with the entities who are connected with Mr. Hanif Shekh, namely, the entities belonging to Sub-groups 2 and 3. The other entity which was also *prima facie* involved in artificially impacting the price of the scrip was found to be GBFL which was also connected with Mr. Hanif Shekh. Moreover, Mr. Hanif Shekh is *prima facie* the person who was sending bulk SMSs in the matter with buy recommendations to the public in favour of the said scrip which was traded in a manipulative manner by the PV Influencers groups as well as by GBFL to artificially inflate the volumes and price of the scrip. Thus, a picture now emerges which shows that prior to circulation of bulk SMSs in the scrip, certain entities connected to Promoters and Mr. Hanif Shekh have *prima facie* artificially influenced the price and volume in the scrip and thereafter coinciding with the circulation of bulk SMSs in the scrip which was done by Mr. Hanif Shekh, various entities which are directly and / or indirectly connected with the Promoter /



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Promoter Group of VFL and connected with Mr. Hanif Shekh, exited the scrip riding on the inflated volumes and price of the scrip, after making a substantial profit. In other words, a *prima facie* scheme was employed while dealing in the scrip wherein in each leg of the said scheme, entities related to either Promoters or Mr. Hanif Shekh have played a significant role to successfully execute the scheme. To elaborate further, in the first leg of the scheme, Chiripal Group, Sub-groups 2 and 3 and GBFL have dealt in the scrip so as to maintain the price and volume in the scrip at an elevated level which would be adequate enough to attract investors to deal in the scrip. In the next leg, bulk SMSs were circulated to *prima facie* attract the attention of the investors to the sustained rise in the price and volume in the scrip so that they may decide to invest in the scrip in large numbers and finally, taking advantage of the inflated levels of trading volumes and price of the scrip caused by the trading activities PV Influencers and other connected entities including GBFL as well as triggered by the circulation of bulk SMSs, the entities belonging to Chiripal Group and Sub-groups 2 and 3 have off-loaded their shares to exit the scrip after making significant profit.

81. As one scrutinizes the multiple layers of the aforesaid *prima facie* scheme, one can look through these layers to unravel the real reason as to why the entire scheme was hatched which was nothing but with an illicit intent to *prima facie* benefit the entities belonging to the Promoter / Promoter Group of VFL and to Mr. Hanif Shekh. The same also *prima facie* shows the complicity of the Promoters of the *Company* with Mr. Hanif Shekh. The involvement of entities connected with the Promoter/ Promoter Group of the *Company* in *prima facie* manipulating the price and volume of the scrip *inter alia* by trading with entities connected to Mr. Hanif Shekh when seen along with the fact that when bulk SMSs were circulating in the market for a considerable period of time, disseminating misleading and false information to the public, no action or clarification was ever forthcoming from them who were also at the helms of affairs of the *Company*. Such inaction and non-responsive attitude on the part of the *Company* or its Promoters further reinforces the *prima facie* inference of the collusion between the Promoter/ Promoter Group of the *Company* (Chiripal Group) and Mr. Hanif Shekh in the entire scheme including in the act of sending of the bulk SMSs to entice the public



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to invest in the scrip. Keeping the aforesaid in view, the *prima facie* Ultimate Beneficiaries in the scrip can be identified as follows:

81.1. Entities connected to Promoter/ Promoter Group of the *Company* who not only have *prima facie* acted as PV Influencers but were also Off Loaders namely, Ms. Durgeshwari Pradipbhai Chiripal, Mr. Manuj Ashokkumar Chiripal, Rushp Trading LLP, Satrama Trading LLP, Shivhari Trading LLP, Ms. Trisha Vikash Bajaj and Mr. Bajaj Sonali Ateet.

81.2. Mr. Hanif Shekh – It has already been discussed in preceding paragraphs while considering the dealing in the scrip of MUL that entities pertaining to Sub-groups 2 and 3 were funded by Sub- groups 2.A and 3.A, respectively and in turn Sub-groups 2 and 3 were transferring funds back to Sub- groups 2.A and 3.A. Subsequently, Sub- groups 2.A and 3.A through multiple layers of transactions have been found to have transferred money to Mr. Hanif Shekh. Similarly, in the scrip of VFL also, the entities pertaining to Sub-groups 2 and 3 who *prima facie* not only performed the role of PV Influencers but also as Off Loaders, are found to be nothing but *prima facie* front entities of Mr. Hanif Shekh. Therefore, though the entities pertaining to Sub-groups 2 and 3 made substantial profit in the scrip as noted at Table Nos. 40 and 41, the Ultimate Beneficiary was none other than Mr. Hanif Shekh.

82. Now moving on to the determination of the *prima facie* violations by the entities involved in the scrip of VFL. Considering the fact that the *prima facie* scheme employed in the scrip of VFL is similar to the scheme employed in the scrip of MUL wherein the *modus operandi* is similar and the role of entities as PV Influencers, SMS Sender and Ultimate Beneficiaries, is also similar. Consequently, the rationale for holding each entity liable for the role played by them in the *prima facie* scheme would also be similar. Therefore, for the sake of brevity, the rationale for their *prima facie* violation is not repeated once again.

83. The entities who have played the *prima facie* role of PV Influencers in the scrip and have been mentioned at Table No. 32 are therefore *prima facie* guilty of violation of



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Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(a), (b), (e) and (g) of PFUTP Regulations. Further, the entity who has played the *prima facie* role of PV Influencer in the scrip and has been mentioned at Table No. 35 is therefore *prima facie* guilty of violation of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2) (a), (b) and (e) of PFUTP Regulations.

84. Next comes, the SMS Sender, Mr. Hanif Shekh. As noted in preceding paragraphs, Chiripal Group was also *prima facie* complicit in sending of bulk SMSs along with Mr. Hanif Shekh. Therefore, for the said action of Mr. Hanif Shekh and Chiripal Group, they have *prima facie* violated Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(k) and (r) of PFUTP Regulations.

85. Moving on to the *prima facie* violations of the Off Loaders, it can be stated with conviction that the action of the Off Loaders was nothing but giving final effect to the consequences of the previous legs of the *prima facie* scheme. In other words, their action was the fruition of the scheme employed in the scrip and would not have been possible without the efforts / actions of the Chiripal Group and the kingpin of the *prima facie* scheme, Mr. Hanif Shekh. Therefore, the Off Loaders as mentioned at Table Nos. 39-41 along with the Chiripal Group and Mr. Hanif Shekh have *prima facie* violated Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(a) of PFUTP Regulations.

86. It is noted from records that the entities connected to Mr. Hanif Shekh namely, Mr. Kasambhai Shekh, Ms. Hasina Kasambhai Shekh, Robert Resources Ltd., Econo Trade India Ltd., Econo Broking (Erstwhile Bansal Finstock) and Sai Metaltech LLP, also entities mentioned at Table No. 21 and entities mentioned at Table No. 17 have *prima facie* enabled Mr. Hanif Shekh to encash the benefit of the scheme employed by him along with the Promoters of the *Company* in the scrip, since the Promoters of the *Company* are seen to have facilitated in transferring of funds which were received by them from the other connected entities of Mr. Hanif Shekh namely, the Sub-groups 2.A, 3 and 3.A who had dealt in the scrip pursuant to the *prima facie* scheme employed



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in the matter. Thus, the aforesaid actions of the connected entities of Mr. Hanif Shekh have *prima facie* led to the violation of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d) and 4(1) of PFUTP Regulations.

87. The issue which now merits discussion is who amongst the aforesaid entities, would be *prima facie* liable for the proceeds generated by the employment of the *prima facie* scheme in the scrip. From the above discussion, I note that the kingpin, Mr. Hanif Shekh and Chiripal Group entities who were connected with the Promoters of the Company, were *prima facie* controlling and implementing the scheme at its various stages. Not only that, they were also the Ultimate Beneficiaries of the *prima facie* scheme. Therefore, based on the available records, it is *prima facie* inferred that Mr. Hanif Shekh and his connected entities namely Mr. Kasambhai Shekh, Ms. Hasina Kasambhai Shekh, Robert Resources Ltd., Econo Trade India Ltd., Econo Broking (Erstwhile Bansal Finstock) and Sai Metaltech LLP including entities of Sub Groups 2 and 3 as mentioned at Table Nos. 40 and 41 and members of Chiripal Group as mentioned at Table No. 39, are jointly and severally liable for the wrongful gain generated in the scrip of VFL by employment of the *prima facie* scheme, to the tune of INR 1,34,67,773/- while the Chiripal Group as mentioned at Table No. 39 and entities mentioned at Table No. 20 are jointly and severally liable for the wrongful gains generated in the scrip by the employment of the *prima facie* scheme, to the tune of INR 30,96,00,866/-.

7NR Retail Limited

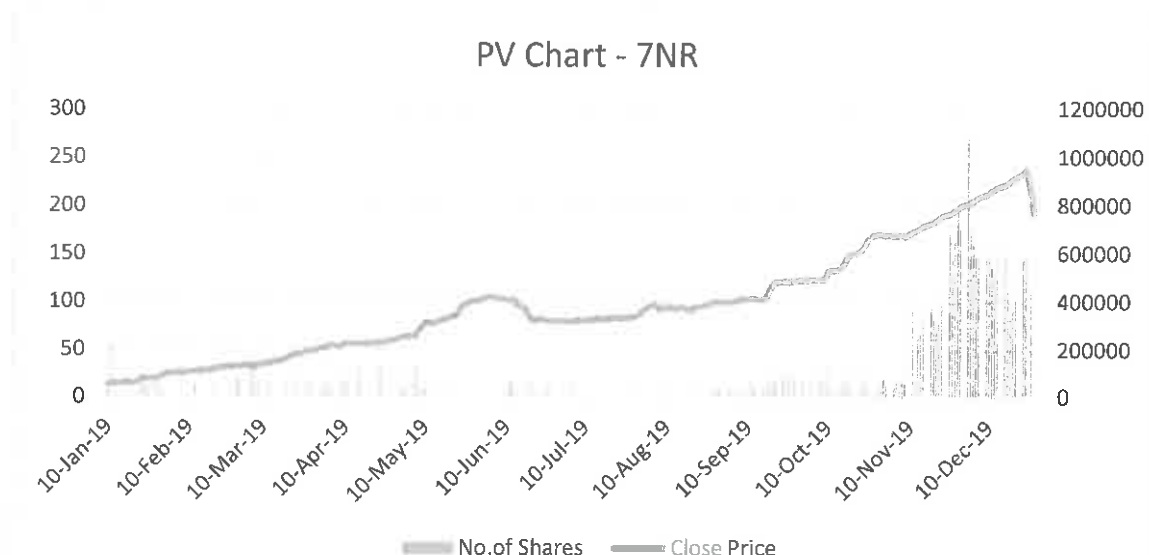
88. 7NR Retail Limited (hereinafter referred to as “**7NR / Company**”) is the company engaged in the business of trading of textiles and mainly deals in the business of branding and selling readymade garments, suiting-shirting, fabrics and other textile products. 7NR got listed on BSE on July 18, 2017. Based on the price and volume movement in the scrip, the trading in the scrip was examined for the period January 10, 2019 to December 27, 2019 (hereinafter referred to as “**Investigation Period - 7NR**”). It is noted that during the period January 10, 2019 to November 8, 2019, the scrip opened on BSE at INR 16.80/- and closed at INR 169/- with a high of INR 173/,



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with an average daily volume of 47,458 shares, while during the period November 11, 2019 to December 27, 2019, the scrip opened on BSE at INR 169/- and closed at INR 193.05/- with a high of INR 239.50/-, with an average daily volume of 5,05,847 shares. The aforesaid figures show that not only the price in the scrip increased by almost 11.5 times within a span of less than 12 months but also there was a huge spurt in the volume of the scrip. The Price – Volume chart in the scrip for that period is depicted below:

Figure No. 7



89. The aforesaid Price – Volume charts show that from January 10 2019 onwards till October, 2019, there has been a gradual increase in the price and volume of the scrip but in the next two months i.e., during November – December 2019, there has been a significant increase in both price and volume of the scrip. During the Investigation Period, it is noted that there were hardly any major corporate announcements or any major change in *Company's* earnings (rather earnings decreased from INR 0.48 crore in quarter ending September 2019 to INR 0.12 crore in quarter ending December 2019). The absence of any fundamental change in the operations of the *Company* has to be seen in conjunction with the bulk SMSs which had started circulating in favour of the scrip with buy recommendations to the recipients of such SMSs from November 11, 2019 onwards. As noted in the preceding paragraphs in connection with



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discussions about other scrips such as MUL and VFL, circulation of bulk SMSs is *prima facie* the core strategy of the scheme employed in the scrip of 7NR. The aforesaid factors were compelling enough to examine the dealings in the scrip during the Investigation Period. Thus, the trading in the scrip of 7NR has been examined in two phases, one during pre-SMS period (January 10 2019 to November 08, 2019) and the other during SMS period (November 11, 2019 to December 27, 2019).

PV Influencers

90. It is noted from the records that during pre-SMS period (January 10 2019 to November 08, 2019), the price and volume in the scrip on BSE has increased significantly. Same is self-evident from the table below:

Table No. 42

Price			Volume	
Date	Closing Price	% change	Daily traded volume	% change
10-Jan-19	12.86	-	36000	-
08-Nov-19	168.55	1211%	82105	128%

Gohil Group and Sub-group 3 (Kolkata based entities)

91. It was noted that the following group (collectively referred to as “**Gohil Group**”) of connected entities were frequently trading in the scrip of 7NR during the pre-SMS period:

Table No. 43

S No	Name	Basis of Connection
1	Shalini Sushil Jain	Entities Shalini Sushil Jain & Devarshi J Shah are Directors of Mehai Technology Limited.
2	Devarshi J Shah	On analyzing the bank statement of the entity Hardik Parmar held with Bandhan Bank having Account No-10180005606277, it was observed that Hardik Parmar had transferred funds to entity Devarshi J Shah who is director in the company, Mehai Technology Ltd.



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S No	Name	Basis of Connection
3	Sayar S Bhandari	On analyzing the bank statement of entity Sayar S Bhandari held with Bandhan Bank bearing Account No-50160003208331, it was observed that the entity had transferred & also received funds from the entity Vimala Ostwal. Sayar S Bhandari also transferred funds to the entity Rekha Bhandari. Sayar S Bhandari had received funds and had also transferred funds frequently to the entity Novex Commercial in which, Jitendra H Gohil & Shilpaben Solanki are Directors.
4	Vimala Anandraj Ostwal Bhandari	As per UCC details, Vimala Anandraj Ostwal Bhandari shared common address viz. '66 Secretariat Colony 2nd Street, Kilpauk, Chennai 600010' with Sudhir Ostwal & Shalini Jain who are Directors of Mehai Technology Ltd.
5	Rekha Ravi Bhandari	
6	Jitendra H Gohil	Jitendra H Gohil is the father of Shrenik Gohil and both shared a common address viz. 'T-1 Jaysurya Flat Vejalpur Ahmedabad 380051'. On analyzing the bank statement of the entity Jitendra H Gohil (who is also observed as Director of Novex Commercial) held with Central Bank of India account no-3321848728, it was observed that said Jitendra H Gohil had made multiple fund transfers to entities Vijay Vasita, Nitesh Pavskar, Dixit Borisa, Mahesh Purabia, Naginbhai Jeshingbhai Maheriya and also received funds from the entities Akshay Brahmabhatt, Kamleshbhai Solanki & ManoharPrasad Ghanshyambhai Vaishnav.
7	Shrenik Jitendrabhai Gohil	
8	Amit Bechu Yadav	
9	Hardik Parmar	On analyzing the bank statement of entity Hardik Parmar held with Bandhan Bank Account No-10180005606277, it was observed that the said entity had transferred funds to entity Devarshi J Shah & Dakshaben Purabiya. Further, Hardik Parmar received funds from entity Shrenik Gohil.



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S No	Name	Basis of Connection
10	Vijay Rajeshbhai Vasita	On analyzing the Bank statement of the entity Vijay Vasita held with Central Bank of India (A/C No: 3958462182) it was observed that the entity had received funds from Novex Commercial (Jitendra H Gohil is Director) and transferred funds to Migent commodeal, Armeva Dealers, Cradon Traders, Sushma J Barot, Chintukumar Pandya, ManoharPrasad Vaishnav, Shrenik JitendraBhai Gohil, Nitesh Pavskar.
11	Chintukumar Vasudevhai Pandya	Also, Vijay Rajeshbhai Vasita had received funds multiple times from entities Akshya Jitendrakumar Brahmabhatt, Mahesh Purabia, Naginbhai Jeshingbhai Maheriya, ManoharPrasad Vaishnav, Prabhavatiben Patliya, Govindbhai Natvarlal Chauhan & Chandrikaben Maheshbhai Chauhan.
12	Nitesh P Pavskar	On analyzing the Bank Statement of entity Nitesh P Pavskar held with Central Bank of India (A/C No: 3488168900), it was observed that he had received funds from entity Novex Commercial. Nitesh P Pavskar had transferred funds to entity Neeta Ganpatbhai Dabhi. Nitesh P Pavskar had also transferred funds to entities Dixit Borisa, Kapilaben Raval, Maheshbhai Purabia, Vijay Vasita, Maheshbhai Purabia, Jitendra Gohil, Akshay Brahmabhatt & Naginbhai Maheriya. Further, Nitesh P Pavskar had received funds from entity Chandrikaben Maheshbhai Chauhan.
13	Akshay Jitendrakumar Brahmabhatt	As per the UCC details, Akshay Jitendrakumar Brahmabhatt & Sushma Jasmin Barot shared common Address Viz. '444 Karnavati Nagar, Amraiwadi Ahmedabad 380026' & contact no. viz.' 9974630757'.
14	Sushma Jasmin Barot	On analyzing the bank statement of the entity Sushma Jasmin Barot held with Bandhan Bank Account no-10180005606457, it was observed that she has received funds from entities Mahesh Purabia, and Vijay Vasita, On analyzing the bank statement of the entity Akshay Jitendrakumar Brahmabhatt held with Central Bank of India bearing Account No 3501322597, it was observed that he has transferred funds multiple times to entities ManoharPrasad Vaishnav, Vijay Vasita, Nitesh Pavskar, Dixit Borisa, Jitendra Gohil, Mahesh Purabia & Prabhavatiben Natvarbhai Patliya.
15	Maheshbhai N Purabia	As per UCC details, Maheshbhai N Purabia & Dakshaben Maheshkumar Purabiya shared a common address viz.'1431 7 Ganeshs Dahelu Mojdiabajar New Madhupura Ahmedabad 380004'. Also, Neeta Ganpatbhai Dabhi and Maheshbhai N Purabia shared a common mobile no i.e. 9714714141.
16	Dakshaben Maheshkumar Purabiya	



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S No	Name	Basis of Connection
17	Neeta Ganpatbhai Dabhi	On analyzing the bank statement of the entity Mahesh Purabia held with Central Bank of India account no 3958457058, it was observed that the entity had transferred funds multiple times to entities Vijay Vasita, Chintukumar Pandya, Sushma J Barot, Nitesh Pavskar, Manoharprasad Vaishnav, Dixit Borisa, Jitendra Gohil, Akshay Brahmabhatt & Chandrikaben Maheshbhai Chauhan & further received funds from the entities Govindbhai Natvarlal Chauhan, Prabhavatiben Natvarbhai Patliya. Further, it was also observed that Neeta Ganpatbhai Dabhi had received funds from the entity Novex Commercial (Jitendra H Gohil is Director) & has transferred funds to the entities Armeva Dealers, Rightview Dealers On analyzing the bank statement of entity Neeta Dabhi held with Central Bank of India account no 3536728881, it was observed that she has transferred funds multiple times to entities viz. Prabhavatiben Natvarbhai Patliya, Shrenik Gohil, Dixit Borisa & Nitesh Pavskar. Further, she has received funds from the entity Novex Commercial (Jitendra H Gohil is Director).
18	Naginbhai Jeshingbhai Maheriya	As per KYC details, Naginbhai Maheriya & Binal Naginbhai Patel shared a common address at 'F 5 Jaysurya Apts Vejalpur Ahmedabad 380051'.
19	Binal Naginbhai Patel	On analyzing the bank statement of the entity Naginbhai Jeshingbhai Maheriya held with Central Bank of India' (A/C No: 3537330299), it was observed that Naginbhai Jeshingbhai Maheriya had received funds from Novex Commercial.
20	Prabhavatiben Natvarbhai Patliya	Naginbhai Jeshingbhai Maheriya had transferred funds to Dixit Borisa, Vijay Vasita, Jitendra Gohil, Maheshbhai N Purabia & Akshay Brahmabhatt.
21	Natvarbhai Patlia	On analyzing the bank statement of entity Binal Naginbhai Patel held with Bandhan Bank bearing account no-10180005606247, it was observed that Binal Naginbhai Patel had received funds from Prabhavatiben Natvarbhai Patliya and transferred funds to the entity Jitendra H Gohil. As per UCC database, the entities Prabhavatiben Natvarbhai Patliya & Natvarbhai Patlia shared a Common Contact No. 9879348947'.
22	Kamleshkumar G Solanki	On analyzing the bank statement of entity Kamleshkumar G Solanki held with Bandhan Bank bearing account no-10190004038623 and held with Central Bank of India bearing account no - 3537330404, it was observed that the entity (Kamleshkumar G Solanki) had transferred funds to Jitendra H Gohil, Maunesh Devara, Vijay Vasita & Nitesh Pavskar.
23	Maunesh Hargovinddas Devara	On analyzing the bank statement of the entity Maunesh H Devara held with State Bank of India bearing account no-30201996995, it was



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S No	Name	Basis of Connection
		observed that the entity (Maunesh H Devera) had received funds from entities Nitesh Pavskar, Shrenik Gohil, Vijay Vasita, Akshay Jitendrakumar Brahmabhatt & Kamleshkumar G Solanki.
24	Manoharprasad Ghanshyambhai Vaishnav	On analyzing the bank statement of the entity Manoharprasad Ghanshyambhai Vaishnav held with Central Bank of India account no-3538644738, it was observed that the entity (Manoharprasad Ghanshyambhai Vaishnav) had received funds from the entity Novex Commercial (Jitendra H Gohil is director), Chandrikaben Maheshbhai Chauhan & Govindbhai Natvarlal Chauhan & has transferred funds to entities Amit Bechu Yadav, Armeva Dealers, Vijay Vasita, Jitendra H Gohil, Nitesh Pavskar, Mahesh Purabia & Akshay Brahmabhatt.
25	Dixit Nareshbhai Borisa	On analyzing bank statement of the entity Dixit Nareshbhai Borisa held with Central Bank of India' (A/C No: 3491131055), it was observed that Dixit Nareshbhai Borisa had received funds from the entity Neeta Ganpatbhai Dabhi. Further the Dixit Nareshbhai Borisa had transferred funds to entities Jitendra Gohil, Vijay Vasita, Nitesh P Pavskar & Akshay Brahmabhatt.
26	Tejal Amitkumar Khatri	On analyzing the bank statement of entity Tejal Amitkumar Khatri held with Central Bank of India' (A/C No: 3211141339), it was observed that Tejal Amitkumar Khatri had transferred funds to the entity Govindbhai Natvarlal Chauhan & Ravindra Raval.
27	Chauhan Chandrikaben Maheshbhai	As per UCC database, Chandrikaben Chauhan & Govindbhai Chauhan shared a common address viz, '2281 Khadayata Ni Khadki Oppcentral Bank Near Raipur Chklaraipur Ahmedabad 380001'.
28	Chauhan Govindbhai Natvarlal	On analyzing the bank statement of the entity Govindbhai Chauhan held with central Bank of India, it was observed that Govindbhai Chauhan had transferred funds to the entities Tejal Kumar Khatri, Mahesh Purabia, Vijay Vasita, Manoharprasad Vaishnav & Shrenik Gohil. On analyzing the bank statement of the entity Chandrikaben Chauhan held with Central bank of India bearing account no 3713055846, it was observed that Chandrikaben Chauhan had transferred funds multiple times to entities Manoharprasad Vaishnav, Nitesh Pavskar, Vijay Vasita, Prabhavatiben Patlia, Mahesh Purabia, Govind Natvarlal Chauhan & Jitendra Gohil.
29	Ravindra Nanalal Raval	As per UCC database, it was observed that the entities Ravindra & Kapilaben Raval shared a common address viz. 'S 5 Jaysurya Apts Opp Vastrapur Rel Station Vejalpur Jivraj Park Ahmedabad 380051'.
30	Kapilaben Ravibhai Raval	



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S No	Name	Basis of Connection
		On analyzing the bank statement of Ravindra Raval held with Bandhan Bank bearing account no-10190002818580, it was observed that Ravindra Raval had received funds from the entity Tejal Kumar Khatri.
		On analyzing the bank statement of Kapilaben Raval held with Bandhan Bank account no-10190002818620, it was observed that Kapilaben Raval had received funds from the entities Nitesh Pavskar & Shrenik Gohil.

92. It is noted from the contents of the above table that the aforesaid 30 entities (Gohil Group) are well connected with each other either by way of common mobile numbers or common addresses or common directorship or are part of the same family or having multiple fund transactions amongst themselves. For instance, Ms. Shalini Sushil Jain and Mr. Devarshi J Shah are Directors in Mehai Technology Limited. Mr. Jitendra H Gohil is the father of Mr. Shrenik Gohil and both of these entities shared a common address viz. 'T-1 Jaysurya Flat Vejalpur Ahmedabad 380051'. Similarly, Mr. Maheshbhai N Purabia & Ms. Dakshaben Maheshkumar Purabiya shared common address viz. '1431 7 Ganeshs Dahelu Mojdiabajar New Madhupura Ahmedabad 380004'. Also, bank transactions have been observed between Mr. Shrenik Jitendrabhai Gohil (Central Bank of India account no-3480690617) with Mr. Akshay Brahmabhatt, Mr. Vijay Vasita, Mr. Naginbhai Jeshingbhai Maheriya, Mr. Amit Bechu Yadav, Mr. Kamleshbhai Solanki, Mr. Hardik Parmar, Ms. Kapilaben Raval, Mr. Maunesh H Devara & Mr. Mahesh Purabia, Ms. Neeta Dabhi, Ms. Prabhavatiben Patliya, Mr. Govindbhai Natvarlal Chauhan, etc. Further, Ms. Neeta Ganpatbhai Dabhi and Mr. Maheshbhai N Purabia shared a common mobile no i.e. '9714714141'. The aforesaid factual findings *prima facie* reveal the close proximity and close connection enjoyed by these entities and when such close connection is examined along with the way the said entities have traded in a concerted manner and also are seen to have traded posing as counterparties to each other's trades in the scrip of 7NR during the pre-SMS period (January 10 2019 to November 08, 2019), it *prima facie* leads me to observe with a lot of conviction that the manner of their dealing in the scrip of 7NR was part of a premediated plan. The aforesaid *prima facie* observation is further strengthened by the fact that the Gohil Group entities have not only traded amongst themselves to



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prima facie influence the price and volume of the scrip during the pre-SMS period (discussed in subsequent paragraphs) but have also traded in a similar manner with the other set of PV Influencers as well viz: with the entities of Sub-group 3 (Kolkata based entities) who as noted in preceding paragraphs of this order, are *prima facie* connected with Mr. Hanif Shekh, the SMS Sender in the scrip of 7NR. It is further noted from the material available on record that not only the Gohil group entities have traded with the entities connected with Mr. Hanif Shekh but have also had funds transactions with the entities connected with Mr. Hanif Shekh, and / or Hanif Entities. For, instance, funds transfers have been observed between the Gohil Group entities viz. Mr. Shrenik Gohil, Mr. Vijay Vasita, Ms. Neeta Dabhi and Mr. Nitesh Pavskar with Hanif entities namely, Frexon Suppliers, Migent Commodeal, Rightview Dealers, Armeva Dealers, Shakti Enterprise, Samukh Trades, Aneel & Co, etc. Thus, the very act of these entities of the aforesaid two motley groups coming together to deal in the scrip of 7NR in a concerted manner during the pre-SMS period signifies that such concerted manner of trading in the scrip of 7NR wherein the connected entities have themselves posed as counterparties to each other's trades, was *prima facie* instigated by a pre-planned design and pursuant to a *prima facie* scheme employed to deal in the scrip.

93. Contribution of the aforesaid 2 groups i.e., Gohil Group and Kolkata based entities to the price and volume rise in the scrip of 7NR during the period from January 10 2019 to November 08, 2019, is shown below:

Table No. 44

Sl No	Entity Name	Buy Qty	%Buy to total Market Buy Volume	Sell Qty	%Sell to total Market Sell Volume	Net Buy LTP	Net Sell LTP	Total LTP	% contribution to net price rise
Gohil group									
1	Akshay Jitendrakumar Brahambhatt	84002	1.22	189395	2.75	2.32	35.55	37.87	24.39



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Sl No	Entity Name	Buy Qty	%Buy to total Market Buy Volume	Sell Qty	%Sell to total Market Sell Volume	Net Buy LTP	Net Sell LTP	Total LTP	% contribution to net price rise
2	Shrenikbhai J Gohil	74792	1.09	113939	1.66	10.20	18.10	28.30	18.23
3	Tejal Amitkumar Khatri	203702	2.96	45700	0.66	10.95	10.75	21.70	13.98
4	Kamleshkumar G Solanki	45220	0.66	70877	1.03	-3.95	16.15	12.20	7.86
5	Amit Bechu Yadav	186000	2.70	0	0.00	11.20	0.00	11.20	7.21
6	Vijay Rajeshbhai Vasita	100621	1.46	273333	3.97	4.40	6.57	10.97	7.07
7	Maheshbhai N Purabia	12001	0.17	104917	1.52	2.60	7.85	10.45	6.73
8	Jitendra H Gohil	3990	0.06	83904	1.22	0.00	9.55	9.55	6.15
9	Chintukumar Vasudevbbhai Pandya	166740	2.42	9810	0.14	9.05	-0.90	8.15	5.25
10	Vimala Anandraj Ostwal	84000	1.22	504000	7.32	0.00	7.85	7.85	5.06
11	Natvarbhai Patlia	55050	0.80	1060	0.02	8.45	-1.05	7.40	4.77
12	Nitesh P Pavskar	31099	0.45	198879	2.89	-2.65	8.80	6.15	3.96
13	Naginbhai Jeshingbhai Maheriya	54000	0.78	106479	1.55	0.00	6.05	6.05	3.90
14	Sushma Jasmin Barot	51664	0.75	4100	0.06	3.50	0.05	3.55	2.29
15	Rekha Ravi Bhandari	306000	4.45	306000	4.45	-1.15	4.42	3.27	2.11
16	Binal Naginbhai Patel	54900	0.80	200	0.00	3.00	0.15	3.15	2.03
17	Govindbhai Natvarlal Chauhan	114000	1.66	61	0.00	3.90	-1.05	2.85	1.84
18	Dixit Nareshbhai Borisa	0	0.00	69020	1.00	0.00	2.70	2.70	1.74
19	Devarshi Jayrajbhai Shah	32700	0.48	1000	0.01	2.70	-0.15	2.55	1.64
20	Ravindra Nanalal Raval	57264	0.83	3250	0.05	2.45	-0.05	2.40	1.55



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Sl No	Entity Name	Buy Qty	%Buy to total Market Buy Volume	Sell Qty	%Sell to total Market Sell Volume	Net Buy LTP	Net Sell LTP	Total LTP	% contribution to net price rise
21	Maunesh Hargovinddas Devara	9700	0.14	0	0.00	1.15	0.00	1.15	0.74
22	Hardik Ramanbhai Parmar	22900	0.33	0	0.00	0.20	0.00	0.20	0.13
23	Chandrikaben Maheshbhai Chauhan	168000	2.44	75	0.00	0.00	0.00	0.00	0.00
24	Dakshaben Maheshkumar Purabiya	28751	0.42	4201	0.06	1.10	-1.10	0.00	0.00
25	Shalini Jain	650	0.01	650	0.01	0.00	0.00	0.00	0.00
26	Sayar S Bhandari	84000	1.22	468000	6.80	-4.05	3.95	-0.10	-0.06
27	Kapilaben Ravibhai Raval	39800	0.58	0	0.00	-1.80	0.00	-1.80	-1.16
28	Manoharprasad Ghanshyambhai Vaishnav	24000	0.35	57910	0.84	-1.85	-1.40	-3.25	-2.09
29	Neeta Ganpatbhai Dabhi	0	0.00	180000	2.62	0.00	-5.45	-5.45	-3.51
30	Prabhavatiben Natvarbhai Patliya	18000	0.26	119420	1.74	-4.20	-2.25	-6.45	-4.15
	Total (A)	2113546	30.71	2916180	42.38	57.52	125.09	182.61	117.62
Kolkata Group									
31.	Highgrowth Vincom Private Limited	138000	2.01	0	0.00	0.00	0.00	0.00	0
32.	Sumit Laha	129000	1.87	0	0.00	-4.45	0.00	-4.45	-3
33.	Dibakar Laha	128600	1.87	0	0.00	-0.25	0.00	-0.25	0
34.	Sanjay Dey	97800	1.42	0	0.00	-0.75	0.00	-0.75	0
35.	Arpan Das	74500	1.08	0	0.00	2.30	0.00	2.30	1
36.	Suprabhat Laha	66550	0.97	5300	0.08	0.25	-0.75	-0.50	0
37.	Ujjal Laha	61100	0.89	0	0.00	-0.05	0.00	-0.05	0
38.	Glorious Vincom Private Limited	48000	0.70	6000	0.09	1.50	0.00	1.50	1
39.	Sourav Das	42000	0.61	0	0.00	1.00	0.00	1.00	1

Interim Order-cum-Show Cause Notice in the matter of Mauria Udyog Ltd., 7NR Retail Ltd., Darjeeling Ropeway Company Ltd., GBL Industries Ltd. and Vishal Fabrics Ltd.

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Sl No	Entity Name	Buy Qty	%Buy to total Market Buy Volume	Sell Qty	%Sell to total Market Sell Volume	Net Buy LTP	Net Sell LTP	Total LTP	% contribution to net price rise
40.	Minu Mallick	37400	0.54	0	0.00	0.45	0.00	0.45	0
41.	Uma Dutta	25457	0.37	11500	0.17	0.20	0.00	0.20	0
42.	Linkup Financial Consultants Private Limited	25000	0.36	0	0.00	3.25	0.00	3.25	2
43.	Arun Dutta	23500	0.34	0	0.00	0.10	0.00	0.10	0
44.	Buddhadeb Laha	18000	0.26	0	0.00	0.05	0.00	0.05	0
45.	Debashish Dutta	13900	0.20	0	0.00	1.65	0.00	1.65	1
46.	Priyankar Laha	12500	0.1	0	0.00	0.00	0.00	0.00	0
47.	Tapas Laha	11950	0.17	0	0.00	0.00	0.00	0.00	0
48.	Subrata Laha	10000	0.15	0	0.00	0.00	0.00	0.00	0
49.	Arun Laha	8500	0.12	500	0.01	0.00	0.00	0.00	0
	TOTAL(B)	971757	14.12 %	23300	0.34%	5.25	-0.75	4.75	3%
	Total (A+B)	3085303	44.83 %	2939480	42.72%	62.77	124.34	187.36	120.62%
	Total (Trading within group)	1418418	20.61 %	1418418	20.61%			18.3	11.79%
	Market Total	6881421	100%	6881421	100%	155.25	155.25	155.25	

94. As can be seen from the above table, the Gohil Group along with the Kolkata based entities (Sub-group 3) have collectively *prima facie* contributed 44.83% of the market-buy volume and 42.72% of the market-sell volume during the pre-SMS period. Further, by trading amongst each other in unison *prima facie* as part of a group strategy in the scrip of 7NR, these entities have contributed 20.61% of the total market traded volume during the pre-SMS period. It is also noticed that the aforesaid connected entities have contributed to the tune of INR 187.36/- (120.62%) to the net price rise in the scrip that was witnessed during the pre-SMS period. The trades of the said connected entities were further analysed to determine as to how the said connected entities were trying to influence the volume and price in the scrip during the pre-SMS period, so as to present the scrip as an attractive investment proposition



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for the investors in the securities market. Some illustrations to that effect are presented as follows:

94.1. On April 23, 2019, Mr. Sourav Das (part of Kolkata based entities) placed 2 different buy orders (order numbers 1555991100005067005 and 1555991100005067006) for 6,000 shares each (total quantity 12,000 shares) at the price of INR 57/- at 13:27:25 hours and 13:27:30 hours, respectively. On the same trading day, Mr. Sumit Laha (part of Kolkata based entities) placed 3 different buy orders (order numbers 1555991100005067007, 1555991100005067008 and 1555991100005067009) for 12,000 shares each (total quantity 36,000 shares) at the price of INR 57/- at 13:30:02 hours, 13:30:29 hours and 13:30:50 hours, respectively. It is pertinent to note that till this time, all the aforesaid 5 buy orders (with cumulative quantity of 48,000 shares) were lying pending / unmatched in the Stock Exchange system. However, at 13:31:39 hours, (after 49 seconds of placement of the 5th order of the aforesaid 5 buy orders), Ms. Vimala Anandraj Ostwal (part of Gohil Group) placed a sell order (order number 1555991100005067010) for 48,000 shares (exactly the same quantity placed for purchases by the entities from Sub-group 3) at the price of INR 57/-, which resulted in matching with the 5 separate pending buy orders and consequently 5 different trades were executed in the scrip of 7NR at a price of INR 57/-. It is also pertinent to mention here that all these 5 trades were the first 5 trades on that particular trading day in the scrip. Interestingly, the 1st trade also resulted in increase of LTP of INR 1/- (1.79%) from the previous closing day LTP of INR 56/-.

94.2. After executing the first five trades on April 23, 2019, entities from Sub-group 3 and Gohil group again accessed the market, wherein an entity from Sub-group 3 namely Mr. Sanjay Dey placed a buy order (order number 555991100005067011) for 24,000 shares at price of INR 57/- at 13:32:10 hours, which was followed by a buy order (order number 555991100005067012) from Mr. Ujjal Laha (part of Sub-group 3) for 6,000 shares at a price of INR 57/- at 13:32:29 hours, which was further followed by a buy order (order number



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555991100005067013) from Mr. Sanjay Dey (another entity from Sub-group 3) for 12,000 shares at a price of INR 57/- at 13:33:21 hours. It is pertinent to note that till this time, all the aforesaid 3 buy orders having cumulative buy quantity of 42,000 shares, were lying pending / unmatched in the Stock Exchange system till 13:34:21 hours (i.e. 60 seconds from the placement the 3rd order of the aforesaid 3 buy orders), when an entity from Gohil group namely Mr. Sayar S Bhandari placed a sell order (order number 1555991100005067014) for 42,000 shares (exactly the same amount of shares placed under the 3 pending buy orders) at the price of INR 57/-, which resulted in matching with the 3 pending buy orders and 3 different trades were executed in the scrip of 7NR at the price of INR 57/-. It is worthwhile to mention here that the all the aforesaid 4 orders (3 buy orders and 1 sell order) were placed in a consecutive manner i.e. no other orders were placed on the exchange in the scrip of 7NR in between these 4 orders. It is also noteworthy here that all these 3 trades were the next 3 trades i.e. trade numbers starting from 6, 7 and 8 (executed after the first 5 trades referred to earlier) on the particular trading day in the scrip.

94.3. Subsequent to the execution of the 8th trade of the day (April 23, 2019), certain entities from the aforesaid 2 Groups again accessed the market, wherein 3 different entities from Sub-group 3 namely, Mr. Arpan Das, Mr. Dibakar Laha and Mr. Ujjal Laha placed 3 different buy orders (order numbers 555991100005067015, 555991100005067016 and 555991100005067017 respectively) for 6,000 shares, 24,000 shares and 12,000 shares, respectively at a price of INR 57/-. Interestingly, these 3 buy orders were placed in close proximity of each other i.e. 13:41:03 hours (Mr. Arpan Das), 13:41:42 hours (Mr. Dibakar Laha) and 13:43:29 hours (Mr. Ujjal Laha). Subsequently, all these 3 buy orders were matched with a single sell order placed by Ms. Vimala Anandraj Ostwal (part of Gohil group)) for 42,000 shares (order number 1555991100005067018 and exactly the same quantity of buy orders that were placed by the entities from Sub-group 3) at the price of INR 57/- at 13:47:02



hours. It is also pertinent to mention here that these 3 trades were trade numbers 9 to 11 on that particular trading day in the scrip.

From the aforesaid facts, it can be seen that all the above narrated 11 trades were structured trades (some of which were above LTP of the previous trading day) that were executed in the scrip of 7NR on April 23, 2019 by the entities of these connected groups of entities in a pre-determined or pre-planned manner, which *prima facie* demonstrate that the aforesaid connected entities have dealt in the scrip in such pre-planned manner only to impact the price and volume of the scrip.

94.4. The aforesaid trading pattern followed by the connected entities by taking turns as buyers and sellers thereby increasing the trading volume and contributing to the positive LTP in the scrip has been observed on various other trading days as well. For instance, on May 02, 2019, only 3 trades were executed in the scrip of 7NR and in all the 3 trades, entities from Sub-group 3 viz. Mr. Arpan Das and Highgrowth Vincom Private Limited have acted as buyers while another entity from Gohil group viz. Mr. Sayar S Bhandari has acted as the counterparty seller. All these 3 trades (cumulative quantity of 39,000 shares) were executed at a price of INR 63/- and the 1st trade out of the aforesaid 3 trades itself has resulted in contributing to the positive LTP of INR 2/- (3.28% from previous LTP). Similarly, on May 06, 2019, only 9 trades were executed in the scrip and in all such 9 trades, entities from Sub- group 3 have acted as buyers and entities from Gohil group have acted as sellers. Further, all these 9 trades have resulted in trading of 96,000 shares and were executed at a price of INR 64/- while the 1st trade out of the aforesaid 9 trades resulted in contributing to positive LTP of INR 0.5/- (0.79% from previous LTP).

95. The aforesaid illustrations of the trades executed by the PV Influencers (Gohil Group and Kolkata based entities) in the scrip of 7NR demonstrate the trading pattern of the PV Influencers wherein both of the groups viz., Gohil group and Sub- group 3 (Kolkata based entities) were regularly trading with each other apparently by following a



strategy under which one set of entities was acting as buyer while the other set of entities was acting as the counterparty seller so as to *prima facie* artificially influence the price and volume in the scrip. Further, the trades which could have been executed in one or two transactions were *prima facie* deliberately, broken down into several smaller transactions. By the said act, the entities have not only *prima facie* made an attempt to artificially inflate the number of trades executed in the scrip on a particular trading day thereby trying to artificially set the momentum for the trading in the scrip but also considering the fact that the counter parties to the said trades were connected with each other, such trades did not practically result in any actual change of ownership of shares so traded *inter se*, by the connected entities amongst themselves as the beneficial ownership of these traded shares stayed within the group which further goes on to show the unlawful attempt on the part of the PV Influencers to create artificial volumes in the scrip. The act of the PV Influencers to influence the volume and price in the scrip becomes further glaring from the fact that the orders placed by the entities on the sell side were identical in terms of quantity and price placed in the buy side orders. Thus, the PV Influencers have *prima facie* tried to influence the volume and price in the scrip by executing trades amongst each other in a structured manner which were similar to but falling short of being called synchronized trades. The said trading pattern of the PV Influencers cannot occur by accident or by coincidence on an anonymous trading platform of the Stock Exchanges unless the parties to such trades decide to abuse the trading system. Therefore, by indulging in such deceitful trading patterns, the PV influencers in this scrip have made it obvious that there was a prior meeting of minds of these connected entities with a pre-determined plan to deal in the scrip of 7NR. Therefore, the trades executed in the scrip by the PV Influencers to create artificial volume and to inflate the price in the scrip are considered to be *prima facie* non-genuine trades that were executed in pursuance of a scheme employed in the scrip.

96. It is also noted that while trading amongst each other, these entities (Gohil Group and Kolkata based entities) have traded in close proximity of time *inter se* between them. It is noted from the trade logs that out of 531 trades executed amongst each other by



these 49 entities, (i.e. Gohil Group along with Kolkata based entities), in 54 trades, the time difference between placing of buy order and sell order was 60 seconds or less than 60 seconds. It is worthwhile to mention here that these entities have contributed to trading volume of 3,69,319 shares (5.36% of the total trading volume during the pre-SMS period) in the aforementioned 54 trades which are also *prima facie* found to be synchronised trades.

97. It is clarified that the aforesaid methods are not the only methods employed by these connected entities to *prima facie* create artificial volume in the scrip but was the most frequently used method. A pre-determined plan to create artificial volume in the scrip becomes *prima facie* evident when the trades executed by the PV Influencers are juxtaposed with all the trades executed in the scrip on the Stock Exchange platforms during the pre-SMS period. As per the available records, it is noted that during the pre-SMS period, a total number of 62,575 trades were executed in the scrip of 7NR which resulted in trading of 68,81,421 shares of 7NR. Out of the 68,81,421 shares of 7NR that were traded during the pre-SMS period, the connected entities (PV Influencers) while acting as buyers, cumulatively traded for 30,85,303 (44.83%) shares of 7NR in just 1,039 trades (1.66% of total trades executed in the scrip during the period). Similarly, for contributing 42.72% (29,39,480 shares) of the total volume as sellers, these connected entities traded in 3,287 trades (5.25% of the total trades in the scrip). Further, while trading within the group, it is observed that these entities traded in 14,18,418 shares (20.61% of trading volume) in only 531 trades (0.84% of the total trades executed in the scrip during the period). Though the connected entities have *prima facie* created substantial volumes in the scrip during the pre-SMS period, however, in effect only 2.11% (44.83% - 42.72%) of their traded volumes during the said period resulted in actual change of beneficial ownership while the remaining 42.72% shares were used just to create *prima facie* artificial volumes in the scrip with no change in effective beneficial ownership i.e., the ownership of the shares stayed within the group.

98. It is noted from the materials available on record that the PV Influencers have cumulatively contributed to the price rise by INR 187.36/- (120.62%) of the net price



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rise of INR 155.25/- in the scrip of 7NR during the pre-SMS period. In other words, though the impact of the trades of the PV Influencers on the price of the scrip was INR 187.36/- (net basis) but some of the impact of the trades of PV Influencers was absorbed by the presence of other investors in the securities market, resulting in an overall impact of INR 155.25/- to the price of the scrip of 7NR during the pre-SMS period. Further, these connected entities, by trading amongst each other, have contributed INR 18.30/- (11.79%) to the net price rise of INR 155.25/- in the scrip of 7NR during the pre-SMS period. Upon examination of the trade log of the PV Influencers, it was noted that various methods were employed by these entities to *prima facie* influence the price in the scrip viz., by engaging in structured trades through matching of each other's orders placed in quick succession by the connected entities, indulging in synchronised trades, manipulating the closing price and opening price etc. Few illustrations of these trades are cited below:

- 98.1. On April 09, 2019, the 1st trade was executed in the scrip at 09:32:35 hours at a price of INR 50.5/- (which was INR 1.75/- less than the LTP on April 08, 2019). Then one of the connected entities namely, Mr. Amit Bechu Yadav (part of Sub – group 3), placed a buy order at 09:37:08 hours for 30,0000 shares of 7NR at INR 54.85/- (at that time the LTP was INR 50.5/-) and within less than 2 minutes, another connected group entity namely Ms. Vimala Anandraj Ostwal (part of Gohil Group) placed a sell order for 30,000 shares at 09:38:57 hours exactly at the price of INR 54.85/- to match the pending buy order of the aforesaid connected group entity, which resulted in creating a positive LTP of INR 4.35/- (8.61% increase from previous LTP of INR 50.5/-). It is important to note that it was the 2nd trade of that particular day which was executed in a structured manner and what is important is that apart from getting the scrip traded at a higher price (8.61%) than the LTP, the new LTP created by this trade also tried to portray a positive movement in the price of the scrip. It is pertinent to note that for next more than 5 hours, no other trade (after 2nd trade) was executed in the scrip of 7NR on April 09, 2019. Then, another set of entities from Sub-group 3 and Sub-group 4 approached the market, wherein one of the



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connected entities Mr. Chintukumar Vasudevbhai Pandya (part of Sub-group 3) placed a buy order for 24,0000 shares at 14:53:18 hours (last modified time of order) at a price of INR 54.85/- (already set by the 2nd trade) and the entity namely, Mr. Sayar S Bhandari (part of Gohil Group) matched the aforesaid buy order within 6 seconds i.e. at 14:53:24 hours. The aforesaid acts of the entities trading in a synchronised manner resulted in execution of 3rd and the last trade of the particular day (April 09, 2019) and ensured that the closing price of the day remains at INR 54.85/-. The said closing price set the momentum for the opening price of the scrip of 7NR for the next trading day (April 10, 2019) as well.

98.2. On April 10, 2019, one of the connected entities namely, Mr. Amit Bechu Yadav (part of Sub-group 3), placed a buy order (order number 1554867900022070003) at 10:17:43 hours for 36,0000 shares of 7NR at INR 56.50/- (at that time the LTP previous day was INR 54.85/-) and since no sellers were there on the platform at the said price and quantity, the aforesaid buy order was lying pending in the Stock Exchange system. After 3 minutes of the aforesaid buy order, Mr. Chintukumar Vasudevbhai Pandya (part of Sub-group 3) placed a buy order (order number 1554867900022070004) for 12,000 shares at INR 56.50/- per share. Within less than 2 minutes of the aforesaid 2nd buy order, another connected group entity namely Ms. Vimala Anandraj Ostwal (part of Gohil Group) placed a sell order (order number 1554867900022070005) for 60,000 shares at 10:22:39 hours exactly at the price of INR 56.50/- to match the pending buy orders of the connected group entities which resulted in creating a positive LTP of INR 1.65/- (3.01% increase from previous LTP of INR 54.85/-). It is important to note that these two trades were 1st two trades of the particular day which were structured trades and apart from getting the scrip traded at higher price (3.01%) than LTP, the new LTP created by this trade also tries to portray a positive movement in the price of the scrip. Then, Ms. Binal Naginbhai Patel (part of part of Gohil Group) placed a buy order for 12,0000 shares at 11:45:11 hours (last modified time of order) at a price of INR 56.50/- (already set by the 1st and 2nd trades) and an entity namely Ms. Sayar S Bhandari (part of



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Gohil Group) matched the aforesaid buy order within 12 minutes i.e. at 11:57:26 hours which resulted in execution of the 3rd trade of the day. It is pertinent to note that the next 2 trades (trade nos. 4 and 5) were also structured trades, wherein these Gohil Group entities i.e. Ms. Binal Naginbhai Patel was acting as buyer and Ms. Sayar S Bhandari was acting as seller. Interestingly, only 5 trades were executed in the scrip on April 10, 2019 and all these trades were executed by the connected entities. The aforesaid acts of the entities trading in a structured manner, apart from ensuring that 72,000 shares are traded in the scrip on April 10, 2019, also ensured that the closing price of the day remained INR 56.50/- (higher than the previous days' LTP). The said closing price set a momentum for the opening price of the scrip of 7NR for the next trading day (April 11, 2019). Infact, this is evident from the fact that the 1st trade on April 11, 2019 was executed at INR 58/- (INR 1.5/- higher than previous day's LTP).

99. It is also noted that the entities belonging to these 2 groups (Sub-group 3 [Kolkata based entities] and Gohil group) while trading amongst each other, have cumulatively contributed to the net positive LTP of INR 18.3/-. However, it is noted that while trading amongst each other, on 19 occasions these entities have executed the 1st trade of the particular trading day and such 19 trades have together resulted in creating net positive LTP of INR 15.2/- (83.06% of net LTP creating while trading amongst each other).

100. The aforesaid illustrations / data show that the connected entities belonging to these 2 groups (Sub-group 3 [Kolkata based entities] and Gohil group) were not only *prima facie* executing synchronised / structured trades with other entities of these groups above the LTP, but also were executing the 1st trades in the scrip in order to set the momentum in the trading of the scrip. The said pattern of trade adopted by these entities was not seen in an isolated case but was observed to be followed by them in a consistent manner. Matching of trades within the same set of entities especially in a scrip which is not highly liquid (there are instances as noted above where only the connected entities were available on a particular day to execute trades in the scrip) cannot be *prima facie* termed as normal trading activity. Therefore, the



acts of these entities while trading in the scrip of 7NR *prima facie* do not appear to be genuine acts of trading with a bonafide intention and rather such a trading behaviour repeatedly observed from the way these entities have dealt in the scrip glaringly indicate that these trades were merely undertaken to *prima facie* cause artificial upward price movement in the scrip of 7NR in pursuance of a scheme employed in the scrip.

SMS Period

101. Once a momentum was generated in the scrip by sustained dealing in the scrip of 7NR so as to maintain the price and volume in the scrip at a desired level, the next leg of the *prima facie* scheme commenced with the sending of bulk SMSs in the scrip including using the website www.midcapgains.in to give buy recommendations in the scrip. Out of the several SMS headers used to send SMSs related to the scrip of 7NR, it was observed that from the SMS header ID- MGAINS, SMSs were sent to 61,960 mobile numbers during the November 11, 2019 to December 27, 2019 (hereinafter referred to as "**SMS Period**"). A few sample SMS texts that were circulated in the said scrip and its *prima facie* impact on volume and price in the scrip of 7NR, are shown in the table below:

Table No. 45

Sl. No.	SMS Header	Sample SMS Text	Date of SMS circulation	% volume increase from previous trading day	% price increase from previous trading day
1.	BT-MGAINS	BUY/ADD More 7NR RETAIL (540615) For -INTRA-DAY Target 220+ -Next Week Target 230++ STOCK IS GOING UP SAFELY SO BUY MAXIMUM QUANTITY NOW	December 13, 2019	5,99,139 shares traded on December 13, 2019 from 4,90,076 shares traded on December 12, 2019 i.e. an increase of 22.25 %.	Weighted Average price on 12-Dec-2019 was INR 217.55/- and the scrip touched the high of INR 220/- on 13-Dec-2019 i.e. the scrip witnessed a movement of 1.12% in its price.



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		FOR FINAL TARGET 500++			
2.	BH-MGAINS	BUY/ADD More 7NR RETAIL (540615) For -INTRA-DAY Target 234+ -This Week Target 250++ BIG BULL RUN STARTED - NON STOP TARGET 500++ COMING SOON SO BUY MAXIMUM	December 23, 2019	5,73,274 shares traded on December 23, 2019 from 4,09,996 shares traded on December 20, 2019 i.e. an increase of 39.82 %.	Weighted Average price on 20-Dec- 2019 was INR 229.73/- and the scrip touched the high of INR 234.25/- on 23- Dec-2019 i.e. the scrip witnessed a movement of 1.96% in its price.

Thus, from the aforesaid table it can be seen that there was a marked increase in the volume of the scrip of 7NR immediately on the next day of sending of the SMS. It is further observed from the records that there has been 966% increase in the volume of the scrip during the SMS period vis-à-vis pre SMS period. The price in the scrip also touched a high of INR 238.5/- during the SMS period as compared to the closing price of the pre-SMS period which was INR 168.55/- i.e., there was a 41.5% spike in the price of the scrip on BSE. The aforesaid figures *prima facie* accentuates the role played by the bulk SMSs in luring the investors to deal in the scrip. The records reflect that the circulation of bulk SMSs to give buy recommendations was not a solitary instance and was frequently used during the SMS period by using different sender IDs. The same had a noticeable impact on the price and volume movement in the scrip. Apart from sending scrip specific recommendation in favour of the scrip of 7NR, automatic messages were also received from calling on missed call service number. A sample of such SMS text received from calling missed call service number (926667330) is shown below:

"Thank You For Joining Us For MULTI-BAGGER Stock 2019. Our Executive Will Call You Soon. Please Check Our 100% Successful PAST PERFORMANCE on www.MidcapGains.in".



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Off Loaders

102. Once the bulk SMSs were sent with buy recommendations in the scrip by the SMS Sender who has been *prima facie* identified as Mr. Hanif Shekh in the earlier part of this Order, it gave an opportunity to the entities who were connected with the SMS Sender, to exit the scrip by dumping their shares on the investors who were *prima facie* lured in by the SMSs as well as by seeing the meteoritic rise in the price and volume of the scrip during the SMS period (November 11, 2019 to December 27, 2019). As noted in preceding paragraphs, the average daily volume in the scrip during the SMS period vis-a-vis pre-SMS period increased by 966% on BSE while the price in the scrip opened at INR 169/- and reached a high of INR 239.50/- during SMS period, thereby registering an increase of 41.71% in 1.5 months only (approximately). Such entities who exited the scrip are hereinafter referred to as Off Loaders.
103. The findings of the investigation *prima facie* show that there are two sets of entities who were the Off Loaders in the scrip of 7NR during the SMS period, namely, the entities belonging to Sub-group 3 and the Gohil Group. The connection amongst the various entities belonging to the aforesaid respective groups on multiple parameters have already been highlighted in the preceding paragraphs. Further, the findings from analyses of the trade logs as highlighted and illustrated earlier, there have been trades amongst the entities across the said 2 groups which were *prima facie* executed to manipulate the price and volume in the scrip during pre- SMS period. Mr. Hanif Shekh who is *prima facie* the SMS sender in the scrip has already been noted to be connected with Sub-group 3 and Gohil group. The maze of inter connections that exist amongst the entities which have been explained in detail through tabular presentations earlier, when considered along with the unusual trading pattern (heavy selling) in the scrip of the 7NR by the Off Loaders including the timing chosen by them to offload their shares, coupled with the fact that some of these Off Loaders were also *prima facie* involved in artificially raising the price and volume in the scrip it can be *prima facie* very well inferred that the very act of coming together by the aforesaid entities (Off Loaders) to the market at the same time to sell their shares was in accordance with a pre-conceived scheme employed in the scrip.



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104. The profits earned by the Off Loaders by dumping their shares of 7NR as explained above are indicated in the table below:

Table No. 46
Profit made by Gohil Group entities

Sl No	Entity Name	Buy Qty during IP (A)	Buy Value during IP (B)	Sell Qty during IP (C)	Sell Value during IP (D)	Shares already held before IP (E)= C-A	#Acquisition Price of Shares already held (F)	Total Buy Value (G)=B+F	Net Profit (INR) C-G
1.	Tejal Amitkumar Khatri	107356	23791018	265358	58349100	158002	7470912	31261930	27087170
2.	Chandrikaben Maheshbhai Chauhan	341484	66704077	509409	99774002	167925	6702307	73406383	26367618
3.	Nitesh P Pavskar	40647	8954200	166867	36999458	126220	3552615	12506814	24492644
4.	Naginbhai Jeshingbhai Maheriya	14727	3398951	116827	25871989	102100	2842680	6241631	19630358
5.	Chintukumar Vasudevbbhai Pandya	92980	21330098	194891	44695330	101911	5327163	26657261	18038069
6.	Govindbhai Natvarlal Chauhan	312393	60591696	426332	82699516	113939	4728169	65319864	17379651
7.	Vijay Rajeshbhai Vasita	35000	7851487	129000	27965938	94000	4586847	12438334	15527604
8.	Kamleshkumar G Solanki	1000	205900	85164	19115442	84164	3724548	3930448	15184994
9.	Jitendra Harjivanbhai Gohil	1642	347044	52759	11925654	51117	1290484	1637527	10288127
10.	Ravindra Nanlal Raval	239302	52485288	293316	63375807	54014	4096052	56581340	6794467
11.	Dixit Nareshbhai Borisa	15209	3331341	47504	10458952	32295	542556	3873897	6585055
12.	Natvarbhai Patlia	38736	8057806	92726	19095094	53990	4740896	12798701	6296392
13.	Sushma Jasmin Barot	92165	19355126	139729	29009167	47564	4862377	24217503	4791664
14.	Manoharprasad Ghanshyam	0	0	24105	5195421	24105	947964	947964	4247457



Sl No	Entity Name	Buy Qty during IP (A)	Buy Value during IP (B)	Sell Qty during IP (C)	Sell Value during IP (D)	Shares already held before IP (E)= C-A	#Acquisition Price of Shares already held (F)	Total Buy Value (G)=B+F	Net Profit (INR) C-G
	bhai Vaishnav								
15.	Maheshkumar Nareshkumar Purabia	5726	1248733	24726	5518738	19000	817583	2066317	3452422
	Total	1338367	277652765	2568713	540049608	1230346	56233153	333885914	206163692

#Note: For calculation of F (Buy value for shares bought before SMS circulation period), if shares are bought during IP period, average buy price of shares during Pre-SMS period (within IP) is considered for calculating buy value of shares, otherwise if shares are bought before IP period, opening price on the first day of IP is considered as acquisition price for calculating value of those shares.

Table No. 47

Profit made by Sub-group 3 (Kolkata based entities)

S No	Entity Name	Buy Qty during IP (A)	Buy Value during IP (B)	Sell Qty during IP (C)	Sell Value during IP (D)	Shares already held before IP (E)= C-A	#Acquisition Price of Shares already held (F)	Total Buy Value (G)=B+F	Net Profit (INR) C-G
1.	Highgro with Vincom Private Limited	41963	7984189	179963	35822270	138000	8309250	16293439	19528831
2.	Sumit Laha	269163	52291607	398163	76787391	129000	9402900	61694507	15092884
3.	Dibakar Laha	581915	117880019	710515	142214211	128600	13904687	131784706	10429505
4.	Ujjal Laha	55787	10997178	116887	23102211	61100	4528724	15525902	7576309
5.	Sanjay Dey	112796	21286770	210596	39211707	97800	5825700	27112470	12099238
6.	Suprabhat Laha	173144	34092486	234394	45803528	61250	10879534	44972020	831508
7.	Arpan Das	277157	54862526	351657	68721701	74500	6852200	61714726	7006975
8.	Sourav Das	115504	22703334	157504	30996605	42000	2613000	25316334	5680271
9.	Glorious	217235	46889315	259235	55127834	42000	7903780	54793095	334739



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S No	Entity Name	Buy Qty during IP (A)	Buy Value during IP (B)	Sell Qty during IP (C)	Sell Value during IP (D)	Shares already held before IP (E)= C-A	#Acquisition Price of Shares already held (F)	Total Buy Value (G)=B+F	Net Profit (INR) C-G
	Vincom Private Limited								
10.	Minu Mallick	91288	17644268	128688	24855564	37400	3580395	21224663	3630901
11.	Linkup Financial Consultants Private Limited	95251	20458681	120251	25124010	25000	2096900	22555581	2568429
12.	Arun Dutta	12050	2164783	35550	6346652	23500	3278245	5443028	903624
13.	Buddha deb Laha	3500	628775	21500	3879720	18000	1812600	2441375	1438345
14.	Priyankar Laha	3137	577208	15637	2870972	12500	1685850	2263058	607915
15.	Uma Dutta	255	52109	14212	2586286	13957	1733400	1785509	800777
16.	Tapas Laha	10000	2043000	21950	4231545	11950	1544005	3587005	644540
17.	Subrata Laha	26726	5323584	36726	7171203	10000	1230000	6553584	617619
18.	Debashish Dutta	0	0	13900	2408905	13900	2318141	2318141	90764
	Total	2086871	417879830	3027328	597262315	940457	89499311	507379141	89883174

#Note: For calculation of F (Buy value for shares bought before SMS circulation period), if shares are bought during IP period, average buy price of shares during Pre-SMS period (within IP) is considered for calculating buy value of shares, otherwise if shares are bought before IP period, opening price on the first day of IP is considered as acquisition price for calculating value of those shares.

The Ultimate Beneficiary

105. As noted in the preceding paragraphs of this Order, the *prima facie* PV Influencers namely, the Gohil Group and Sub-group 3 (Kolkata based entities), who are connected with Mr. Hanif Shekh, were executing *prima facie* manipulative trades (as discussed in preceding paragraphs) with each other as part of their *modus operandi* to impact the price and volume in the scrip. Moreover, it has already been factually unearthed that Mr. Hanif Shekh is *prima facie* the person who was sending bulk SMSs with buy



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recommendations in favour of the scrip of 7NR and was also managing the website www.midcapgains.in which was used for giving buy recommendations in the scrip. Given the afore-discussed facts and circumstances in the matter, a picture that clearly emerges now is that, prior to the circulation of bulk SMSs in the scrip, entities connected to Mr. Hanif Shekh have *prima facie* artificially influenced the price and volume in the scrip and thereafter, coinciding with the circulation of bulk SMSs in the scrip which was done by Mr. Hanif Shekh, entities who are directly and / or indirectly connected with Mr. Hanif Shekh, sold their shares and exited the scrip after making substantial profits. In other words, a *prima facie* scheme was employed while dealing in the scrip wherein, at each leg of the said scheme, entities related to Mr. Hanif Shekh have played a significant role. To elaborate further, in the first leg of the scheme, Gohil Group and Sub-group 3 (Kolkata based entities) dealt in the scrip in a manner to maintain the price and volume in the scrip at a level which would be adequate enough to attract investors to deal in the scrip. In the next leg, bulk SMSs were circulated to *prima facie* attract the investors to invest in the scrip which had already been witnessing a sustained rise in the price and volume (due to the trading activities of the PV influencers) and finally, the entities belonging to Gohil Group and Sub-group 3 (Kolkata based entities) taking undue advantage of the rising prices and volumes that was further accelerated by the bulk SMSs, exited the scrip after making a significant amounts of profits. Subsequently, it is noted from the records that the funds (*prima facie* generated out of sales proceeds by the Off Loaders) were transferred by the aforesaid two groups to Mr. Hanif Shekh connected entities via multiple layers of funds transfers, with a view to camouflage the identity of the SMS sender, Mr. Hanif Shekh and also to avoid the regulatory detection.

106. It may be reiterated here that during the execution of the last leg of the *prima facie* scheme wherein the funds were transferred by Off Loaders to Mr. Hanif Shekh connected entities, I have already pointed out with various instances in the preceding paragraphs of this Order while considering the dealing in the scrip of MUL, that the entities pertaining to Sub-group 3 were funded by Sub-group 3.A to trade in the scrip and the Sub-group 3 have in turn, transferred funds back to Sub-group 3.A.



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Subsequently, Sub- group 3.A through multiple layers of funds transfers, were observed to be transferring funds to Mr. Hanif Shekh. Following the same strategy as adopted in the case of the scrip of MUL, in the scrip of 7NR also, the entities belonging to Sub-group 3 have transferred funds to Mr. Hanif Shekh and / or his connected entities in the same manner through layers of intermediate funds transfers. Thus, it can be *prima facie* inferred that though the Sub-group 3 entities were dealing in the scrip of 7NR and have off-loaded shares of 7NR during the SMS-period, but in reality, these entities were just a façade put up by Mr. Hanif Shekh to transact in the scrip to his own benefit and therefore, Mr Hanif Sheikh through his connected entities in the Sub-group 3.A was funding the trades of Sub-group 3 entities. Consequently, post exit from the scrip by the Sub-group 3 entities, the funds realised by them from the sales proceeds were transferred by them to Mr. Hanif Shekh or to his connected entities albeit, through multiple layers. In the given facts and circumstances of the matter, *prima facie* there cannot be any other plausible explanation for the peculiar way in the which the funds have moved back and forth, between Mr. Hanif Shekh connected entities and Sub-group 3 entities (Off Loaders as well as front entities of Mr. Hanif Sheikh). On the other hand, all the Off Loaders belonging to Gohil Group have without fail, transferred the sales proceeds realised by them post their exit from the scrip, to Mr. Hanif Shekh and / or his connected entities and such transfer of proceeds was found to be not limited to this scrip only, but has taken place in respect of off-loading of another scrip namely, GBL Industries Ltd. (discussed in subsequent paragraphs). The transfer of proceeds by the Off Loaders belonging to Gohil Group post exit from both the above noted scrips, viz: 7NR and GBL Industries Ltd. to Mr. Hanif Shekh and / or his connected entities was through Forex companies. It may be recalled that the details of transfers made by certain entities to Mr. Hanif Shekh and / or his connected entities through Forex companies have been discussed in earlier paragraphs of this Order while discussing the dealings in the scrip of MUL. It is no one's guess that a genuine investor who trades in the securities market in normal course of dealing in securities, trades to benefit himself. It is rather strange to note here that it is not one, but all the entities belonging to the Gohil group who have exited the scrip, have



invariably transferred funds (out of sales proceeds) through multiple layers and mostly using the same set of companies as conduits for such transfers (Sub-group 6) before such funds ultimately reached Mr. Hanif Shekh and / or his connected entities. Under the circumstances, such dubious and illogical conduct as displayed by the Gohil group by transferring their sales proceeds to Mr. Hanif Shekh and / or his connected entities soon after exiting the scrip during the SMS period, *prima facie* leads to a compelling inference that the Gohil group of entities were mere front entities of Mr. Hanif Shekh. The details of the funds transferred by the Gohil group entities to the Forex companies from their net sales proceeds (for onward transfer to Mr. Hanif Shekh and / or his connected entities) are indicated below:

Table No. 48

Sl No	Entity Name	Net sell Value (in INR)	Forex Companies (in INR)
1	Jitendra H Gohil	1,15,78,610	61,36,000
2	Vijay Rajeshbhai Vasita	2,01,14,451	1,27,10,000
3	Chintukumar Vasudevabhai Pandya	2,33,65,232	1,04,80,000
4	Nitesh P Pavskar	2,80,45,258	2,44,80,000
5	Naginbhai Jeshingbhai Maheriya	2,24,73,038	1,67,80,000
6	Natvarbhai Patlia	1,10,37,288	49,00,000
7	Kamleshkumar G Solanki	1,89,09,542	1,28,58,744
8	Tejal Amitkumar Khatri	3,45,58,082	2,61,50,000
9	Chauhan Chandrikaben Maheshbhai	3,30,69,925	91,90,000
10	Chauhan Govindbhai Natvarlal	2,21,07,820	68,45,000
11	Ravindra Nanalal Raval	1,08,90,519	55,00,000
12	Dixit Nareshbhai Borisa	71,27,611	58,98,000
13	Manoharprasad Ghanshyambhai Vaishnav	51,95,420	15,00,000
14	Maheshkumar Nareshkumar Purabia	42,70,005	35,05,000
15	Sushma Jasmin Barot	96,54,041	41,50,000
	Total	26,23,96,842	15,10,82,744

107. In the light of the aforesaid discussion, it is noted that the only common denominator between the Sub-group 3 and the Gohil group is none other than Mr. Hanif Shekh. Right from the beginning, records show that both the groups are connected with Mr. Hanif Shekh and both the groups have acted as PV Influencers in



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the scrip. Further, as discussed earlier, Sub-group 3 was funded by Mr. Hanif Shekh, and both Sub-group 3 and the Gohil group have off-loaded their shares in the securities market during the SMS period and post exiting from the scrip, have adopted the same method of transferring of funds (from their sales proceeds) to Mr. Hanif Shekh and / or its connected entities namely, by using Forex companies as intermediate channels and layers so as to obfuscate the funds trail that ultimately led up to Mr Hanif Shekh and his connected entities. Moreover, the very timing of the offloading the shares of the scrips by the said two groups just around the circulation of bulk SMSs whose *prima facie* sender was none other than Mr. Hanif Shekh, further strengthens the inference that it was Mr. Hanif Shekh who was the mastermind of the scheme and was pulling the strings from behind the scene.

108. To sum up, as one traverses through the multiple layers of funds transfers noted above and the roles played by different groups of connected entities in the aforesaid *prima facie* scheme, it becomes abundantly clear that the entire scheme was hatched to *prima facie* benefit the entities belonging to / connected to Mr. Hanif Shekh. Thus, though the entities comprising the Sub-group 3 and Gohil group have on the face of it made substantial profits by exiting from in the scrip as noted at Table Nos. 46 and 47, the Ultimate Beneficiary of such profits was none other than Mr. Hanif Shekh.

109. Now, moving on to the determination of the *prima facie* violations committed by the entities involved in dealing in the scrip of 7NR as discussed aforesaid, one can appreciate the fact that the *prima facie* scheme employed in the scrip of 7NR is very similar to the cases of MUL and VFL as the *modus operandi* followed by the entities is similar and the role played by various entities as PV Influencers, SMS Sender and Ultimate Beneficiary etc. in the scrip of 7NR, is also similar to the facts and circumstances of MUL and VFL. Consequently, the rationale for holding each entity liable for its role in the *prima facie* scheme would also be similar. Therefore, for the sake of brevity, the rationale for holding the entities liable for their *prima facie* violation is not repeated again.



110. The entities who have played the *prima facie* role of PV Influencers in the scrip and have been mentioned at Table No. 44 have by their apparent actions committed violation of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(a), (b), (e) and (g) of PFUTP Regulations.
111. Next comes, the SMS Sender, Mr. Hanif Shekh who was responsible for sending of bulk SMSs in the scrip of 7NR to mislead and wrongfully entice the gullible to invest in the scrip of 7NR including using the website www.midcapgains.in to give buy recommendations in the scrip. Therefore, for the said *prima facie* fraudulent action, Mr. Hanif Shekh has violated Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(k) and (r) of PFUTP Regulations. Further, as noted in preceding paragraphs, Sambhavanath Traders (Proprietor – Mr. Chandraprakash Valchand Parekh) has *prima facie* played a decisive role in operationalising the website, www.midcapgains.in without which the *prima facie* scheme would not have been able to be implemented at its full vigour. Therefore, the actions of Sambhavanath Traders (Proprietor – Mr. Chandraprakash Valchand Parekh) has *prima facie* led to the violation of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(k) and (r) of PFUTP Regulations.
112. Moving on to the *prima facie* violations of the Off Loaders, one can observe that the actions committed by them was to fulfil the objectives of the scheme employed in the scrip and the same would not have been possible without the deceitful efforts / actions of the kingpin of the *prima facie* scheme, Mr. Hanif Shekh. Therefore, the Off Loaders as mentioned at Table Nos. 46 and 47 along with Mr. Hanif Shekh have *prima facie* violated Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(a) of PFUTP Regulations.
113. It is noted from records that the entities connected to Mr. Hanif Shekh namely, Mr. Kasambhai Shekh, Ms. Hasina Kasambhai Shekh, Robert Resources Ltd., Econo Trade India Ltd., Econo Broking (Erstwhile Bansal Finstock) and Sai Metaltech LLP, the entities mentioned at Table No. 21 and the entities mentioned at Table No. 17 have all *prima facie* enabled him to encash the benefit of the scheme employed by him in the



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scrip by facilitating in transferring of funds which were received by them from the other connected entities of Mr. Hanif Shekh namely Sub-groups 2.A, 3 and 3.A who had fraudulently dealt in the scrip pursuant to the *prima facie* scheme employed in the matter. Thus, the aforesaid actions of the connected entities of Mr. Hanif Shekh have *prima facie* led to the violation of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d) and 4(1) of PFUTP Regulations.

114. The issue which now merits discussion is who amongst the aforesaid entities, would be *prima facie* liable for the proceeds generated by the employment of the above discussed scheme in the scrip. From the foregoing discussions, I note that the kingpin, Mr. Hanif Shekh was *prima facie* controlling and implementing the scheme at its various stages. Not only that, as the facts of the matter suggest, he was also the Ultimate Beneficiary of the *prima facie* scheme. Therefore, based on the available records, it can be *prima facie* inferred that Mr. Hanif Shekh and his connected entities namely, Mr. Kasambhai Shekh, Ms. Hasina Kasambhai Shekh, Robert Resources Ltd., Econo Trade India Ltd., Econo Broking (Erstwhile Bansal Finstock) and Sai Metaltech LLP including the relevant entities of Gohil group and those of the Sub-group 3 as mentioned at Table Nos. 46 and 47, are jointly and severally liable for the wrongful gains generated in the scrip by the employment of the *prima facie* scheme, to the tune of INR 29,60,46,866/-.

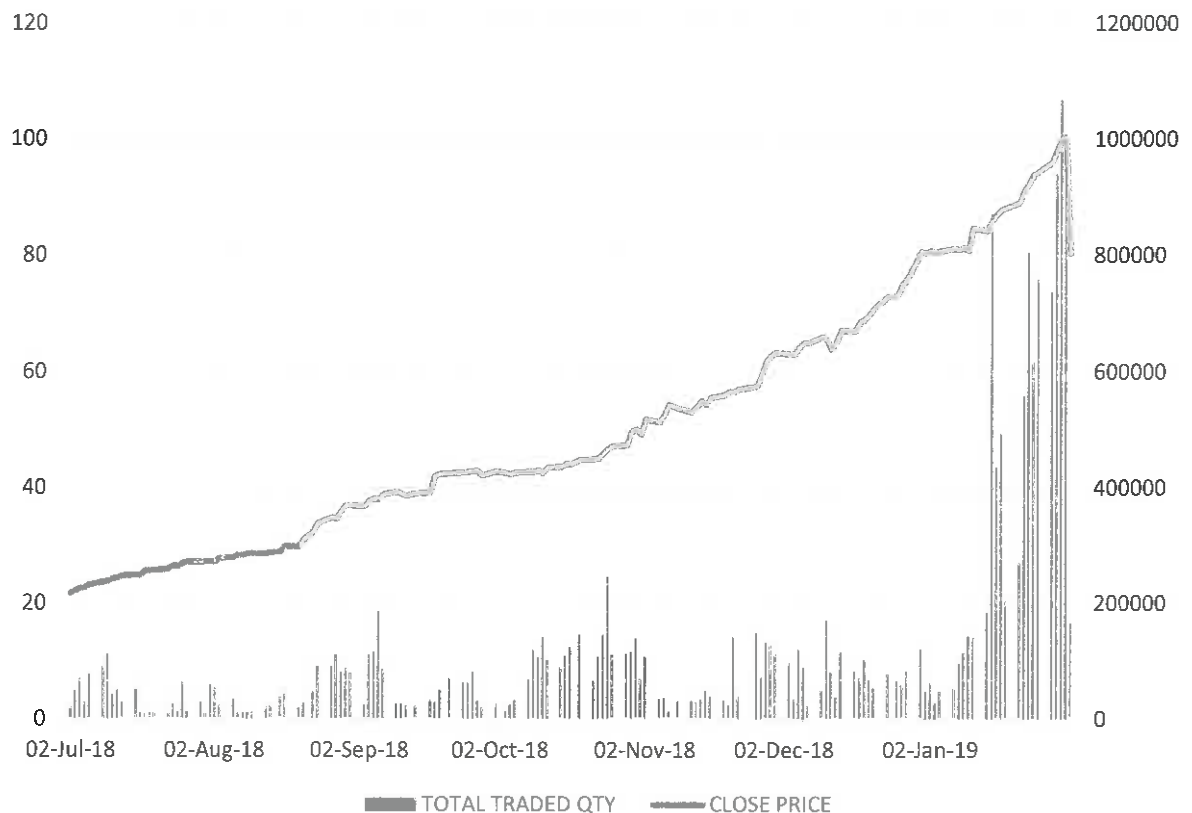
GBL Industries Ltd

115. GBL Industries Limited (hereinafter referred to as "**GBL/ Company**") is the company operating in the infrastructure sector. GBL got listed on BSE on March 16, 2015. Based on the price and volume movement in the scrip, the trading in the scrip was examined for the period from July 02, 2018 to January 31, 2019 (hereinafter referred to as "**Investigation Period – GBL**"). It is noted that during the period July 02, 2018 to January 14, 2019, the scrip had opened on BSE at INR 22/- and closed at INR 84.15/- with a high of INR 89.9/-, with an average daily volume of 68,937 shares, while during the period of January 15, 2019 to January 31, 2019, the scrip had opened on BSE at INR 84.15/- and closed at INR 100.25/- with a high of INR 101/-, with an



average volume of 6,66,854 shares. The aforesaid figures show that not only the price in the scrip increased by almost 4 times within a span of around 7 months but also there was a massive spurt in the trading volumes of the scrip. The Price – Volume chart in the scrip for the aforesaid period is depicted below:

Figure No. 8



116. The aforesaid Price – Volume chart shows that from July 02, 2018 onwards till the first half of January, 2019, there has been a consistent and gradual increase in both, price and volume of the scrip. However, from the second half of January 2019 till the end of January 2019 there was a huge spike in the price and volume of the scrip. During the Investigation Period pertaining to the scrip of GBL, it is noted that there were hardly any major corporate announcements or any major change in *Company's* profit (rather the net profit decreased from INR 0.32 crore in the quarter ending September 2018 to INR 0.13 crore in the quarter ending December 2018) or earnings



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and instead, the revenue of the *Company* had decreased from INR 13.96 crore in quarter ending September 2018 to INR 1.97 crore in quarter ending December 2018. The absence of any fundamental change in the operations or financials of the *Company* has to be seen in conjunction with the bulk SMSs which had started circulating in the scrip with buy recommendations from January 15, 2019 onwards. As noted in the previous discussions in this Order, circulation of bulk SMSs is *prima facie* the core issue to the scheme that was *prima facie* employed in the scrip along with the use of the website www.mbstocks.in to give buy recommendations in the scrip. The aforesaid factors were compelling enough to examine the dealings in the scrip during the Investigation Period. Accordingly, for better understanding, the trading in the scrip of GBL has been examined in two phases, one during pre-SMS period (July 02, 2018 to January 14, 2019) and the other during SMS period (January 15, 2019 to January 31, 2019).

PV Influencers

117. It is noted from the records that during pre-SMS period (July 02, 2018 to January 14, 2019), the price and volume in the scrip on BSE had increased significantly, which can be observed from the table below:

Table No. 49

Price			Volume		
Date	Closing Price	% change	Date	Average Volume	% change
July 02, 2018	21.8	-	Pre- SMS Period since listing (July 02, 2018 - January 14, 2019)	68937	
January 14, 2019	84.15	286.01%	SMS Period (January 15, 2019 - January 31, 2019)	666854	867.34%



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The 11 Entities Group and Gohil Group

118. It was noted that the following group (collectively referred to as “**11 Entities Group**”) of connected entities were frequently trading in the scrip of GBL during the pre-SMS period:

Table No. 50

Sl. No.	Name	Connections amongst them
1.	Ramu Jomdar Jsoneya	Sr. No. 1 to 7 had a common phone number 8511341363. Sr. No. 1, 4 to 6 and 8 to 10 had a common phone number 8511362441. Sr. No. 1 and 11 had a common phone number 8140772210.
2.	Patiram Ramkishan	
3.	Rahul Rameshbhai Mehta	
4.	Harishkumar Sakariya	
5.	Preyash Sathvara	
6.	Mukeshkumar Mavjibhai	
7.	Praveen Kumar	
8.	Ankit Jagdishbhai Pithava	
9.	Dipak Ganpatbhai Sakariya	
10.	Rekhaben Harishbhai	
11.	Naresh Mavjibhai Parmar	

119. It is noted from the above table that the aforesaid 11 entities (11 Entities Group) are connected with each other which is evident from their sharing of common mobile numbers. For instance, Mr. Ramu Jomdar Jsoneya and Mr. Naresh Mavjibhai Parmar shared common mobile number viz. “8140772210”. Similarly, entities namely Mr. Ramu Jomdar Jsoneya, Mr. Patiram Ramkishan, Mr. Rahul Rameshbhai Mehta, Mr. Harishkumar Sakariya, Mr. Preyash Sathvara, Mr. Mukeshkumar Mavjibhai and Mr. Praveen Kumar shared a common mobile number viz. “8511341363”. It is also observed during investigation that the other set of PV Influencers in the scrip namely, Gohil Group entities are also found to be connected to the afore-listed 11 Entities



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Group, through funds transfers. For instance, there was fund transfer between Mr. Ramu Jomdar Jsoneya (part of 11 Entities Group) and Mr. Chintukumar Vasudevbbhai Pandya (part of Gohil group) for INR 64 lakh on January 02, 2020. Further, both Mr. Ramu Jomdar Jsoneya and the Gohil group entities have transferred funds to the same set of Forex companies (discussed in subsequent paragraphs). The above noted factual findings *prima facie* show the strength of their *inter se* connections and when these findings are seen conjointly with the way the said entities have traded in a concerted manner who are also seen to have traded posing as counterparties to each other's trades in the said scrip during the said pre-SMS period pertaining to the scrip of GBL (July 02, 2018 to January 14, 2019), it would *prima facie* demonstrate that the pattern of dealings followed by these entities in the scrip of GBL was part of a premediated plan by virtue of which they were *prima facie* trading in that peculiar manner. The aforesaid inference is *prima facie* substantiated by the fact that during the pre-SMS period, it was observed that these 22 connected entities (11 Entities Group and eleven Gohil Group entities) were found to be trading amongst themselves. As already noted in the preceding paragraphs, Gohil Group entities are *prima facie* connected with Mr. Hanif Shekh who is *prima facie* the SMS Sender in the scrip of GBL and was also *prima facie* connected with the 11 Entities' Group. Thus, the very act of coming together by the aforesaid two motley group of entities to deal in the scrip of GBL during the pre-SMS period in a concerted manner and also by trading amongst each other thereby abusing the trading system of the Stock Exchanges, has to be viewed as an act committed by design and pursuant to a *prima facie* pre-planned scheme employed in the scrip.

120. Contributions of aforesaid 2 groups i.e., the 11 Entities' Group and Gohil Group to the price and volume rise in the scrip of GBL during the period of July 02, 2018 to January 14, 2019, are shown below:



Table No. 51

Sl No	Name	Buy Traded Qty	% Buy Traded Qty	Sell Traded Qty	% Sell Traded Qty	Net LTP Contribution as a Buyer	Net LTP Contribution as a Seller	Net Total LTP Contribution	%contribution to net price rise
1.	Akshay Jitendrakumar Brahambhatt	164594	1.81%	180587	1.98%	0.7	-1.3	-0.6	-0.96%
2.	Ankit Jagdishbhai Pithava	93804	1.03%	93804	1.03%	13.15	-3.55	9.6	15.43%
3.	Dipak Ganpatbhai Sakariya	35531	0.39%	35531	0.39%	1.05	-0.25	0.8	1.29%
4.	Dixit Nareshbhai Borisa	60700	0.67%	98571	1.08%	2.25	3.15	5.4	8.68%
5.	Harishkumar Sakariya	56624	0.62%	56624	0.62%	0.35	-0.45	-0.1	-0.16%
6.	Jitendra Harjivanbhai Gohil	18150	0.20%	32500	0.36%	-0.3	0.45	0.15	0.24%
7.	Kamleshkumar G Solanki	42838	0.47%	57509	0.63%	2.55	0.35	2.9	4.66%
8.	Kushvah Patiram Ramkishan	86311	0.95%	86311	0.95%	2.45	4.3	6.75	10.85%
9.	Maheshkumar Nareshkumar Purabia	32382	0.36%	36088	0.40%	3.15	2.05	5.2	8.36%
10.	Manoharprasad Ghanshyambhai Vaishnav	16089	0.18%	83089	0.91%	-1.9	6	4.1	6.59%
11.	Mukeshkumar Mavjibhai Parmar	47489	0.52%	47489	0.52%	-9.7	13.2	3.5	5.63%
12.	Naginbhai Jeshingbhai Maheriya	44694	0.49%	25975	0.29%	1.75	0.65	2.4	3.86%
13.	Naresh Mavjibhai Parmar	165535	1.82%	165535	1.82%	-10.9	-17.65	-28.55	-45.90%
14.	Nitesh P Pavskar	67080	0.74%	16318	0.18%	-1.6	1.5	-0.1	-0.16%
15.	Prabhavatiben Natvarbhai Patliya	16370	0.18%	51590	0.57%	-0.7	1.2	0.5	0.80%
16.	Praveen Kumar	65475	0.72%	65475	0.72%	4.85	2.2	7.05	11.33%



Sl No	Name	Buy Traded Qty	% Buy Traded Qty	Sell Traded Qty	% Sell Traded Qty	Net LTP Contribution as a Buyer	Net LTP Contribution as a Seller	Net Total_LTP Contribution	%contribution to net price rise
17.	Preyash Sathvara	119557	1.31%	119557	1.31%	6.3	-4.95	1.35	2.17%
18.	Rahul Rameshbhai Mehta	190132	2.09%	0	0.00%	6.2	0	6.2	9.97%
19.	Ramu Jomdar Jsoneya	201691	2.22%	201691	2.22%	15.55	-7.5	8.05	12.94%
20.	Rekhaben Harishbhai Sakariya	134990	1.48%	134990	1.48%	0.25	7.15	7.4	11.90%
21.	Shrenikbhai J Gohil	75808	0.83%	78795	0.87%	-3.2	-0.2	-3.4	-5.47%
22.	Vijay Rajeshbhai Vasita	93245	1.02%	140670	1.55%	11.15	17.5	28.65	46.06%
	Total	1829089	20.10%	1808699	19.88%	43.4	23.85	67.25	108.12%
	Total(within group)	746393	8.20%	746393	8.20%			28.3	45.50%
	Market total	9099696	100.00%	9099696	100.00%	62.2	62.2	62.2	100.00%

121. As can be seen from the above table, the 11 Entities' Group alongwith with certain Gohil Group entities have *prima facie* collectively contributed 20.10% of the market buy volumes and 19.88% of the market sell volumes during the pre-SMS period. Further, by trading amongst each other in unison as one single group in the scrip of GBL, these entities have contributed 8.20% of the total market traded volume during the pre-SMS period. It is also noticed that, the aforesaid connected entities have contributed to the tune of INR 67.25/- (108.12%) to the net price rise in the scrip during the pre-SMS period. The trades of the said connected entities were analysed to determine as to how the said connected entities were actually trying to influence the volume and price in the scrip during the pre-SMS period so as to present the scrip as an attractive investment proposition before the investors in the securities market. Some illustrations in this regard are cited as follows:

121.1. On December 27, 2018, Mr. Preyash Sathvara (part of 11 Entities Group) had placed a sell order (order number 1545881400001811772) for 750 shares of GBL at 13:27:54 hours at INR 74.65/- per share and at the same time i.e. at



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13:27:54 hours, Mr. Harishkumar Sakariya (part of 11 Entities Group) placed a buy order (order number 1545881400001811773) for 750 shares at INR 74.65/- per share which resulted in execution of a trade of 750 shares at a price of INR 74.65/- per share. This was the 1586th trade in the scrip of GBL on December 27, 2018. It is noteworthy that the next 3 trades i.e. trades number 1587 to 1589 were executed by these connected entities in a synchronised manner wherein orders containing matching quantities with similar prices were placed in buy and sell sides by the connected entities in quick succession as the difference in time between the placement of respective buy and sell orders was less than 1 second. Details of some such orders are tabulated below:

Table No. 52

Trade Number	Buyer Name	Seller Name	Buy Order Time	Sell Order Time	Trade Time	Buy Order Qty	Sell Order Qty	Trade Qty
1587	Preyash Sathvara	Harishkumar Sakariya	13:28:02	13:28:02	13:28:02	750	750	750
1588	Ramu Jomdar Jsoneya	Harishkumar Sakariya	13:28:17	13:28:17	13:28:17	750	750	750
1589	Harishkumar Sakariya	Ramu Jomdar Jsoneya	13:28:24	13:28:24	13:28:24	750	750	750

121.2. In a similar manner to the above illustration, on various instances, the connected entities have traded in a synchronised manner wherein matching quantities with similar prices were placed in buy and sell orders by the connected entities and again, the difference in time between the respective buy and sell orders was less than 1 second. Details of some of such instances are tabulated below:



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Table No. 53

Trade Date	Buyer Name	Seller Name	Buy Order Time	Sell Order Time	Trade Time	Buy Order Qty	Sell Order Qty	Trade Qty
09/01/2019	Jsoneya Ramu Jomdar	Patiram Ramkishan Kushvah	13:51:58	13:51:57	13:51:58	1500	1500	1500
09/01/2019	Patiram Ramkishan Kushvah	Preyash Sathvara	13:52:14	13:52:14	13:52:14	1500	1500	1500
27/08/2018	Kushvah Patiram Ramkishan	Ankit Jagdishbhai Pithava	14:45:01	14:45:01	14:45:01	1250	1250	1250
28/08/2018	Ramu Jomdar Jsoneya	Rekhaben Harishbhai Sakariya	14:33:57	14:33:57	14:33:57	1250	1250	1250
29/11/2018	Preyash Sathvara	Ramu Jomdar Jsoneya	09:29:31	09:29:31	09:29:31	899	899	899
17/12/2018	Harishkumar Sakariya	Preyash Sathvara	13:41:59	13:41:59	13:41:59	1250	1250	1250

122. I note from the trade log of the scrip that the aforesaid instances are not the only instances when the PV Influencers have traded in a peculiar pattern as illustrated above. There are multiple such instances during the pre-SMS period when the said connected entities are found to have *prima facie* influenced the volumes in the scrip by trading in this fashion. It is clarified that the aforesaid method is not the only method employed in the scrip to *prima facie* create artificial volume in the scrip. Upon examination of the trade log, it was noted that apart from the aforesaid strategies adopted by these 22 entities to *prima facie* impact the volume in the scrip, they have also employed another strategy such as executing only 1 share per trade so as to match one big counter party order within a short span of time. A sample of the said strategy is demonstrated below:

122.1. On December 26, 2018, Mr. Patiram Ramkishan (part of 11 Entities Group) had placed a sell order (order number 1545795000001305118) for 1,500 shares



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of GBL at 11:27:37 hours at INR 72.75/- per share. Within next 3-15 seconds of the placement of the aforesaid sell order, i.e. between 11:27:40 hours to 11:27:52 hours, Mr. Ramu Jomdar Jsoneya (part of 11 Entities Group) placed 1,500 different buy orders for 1 share each at INR 72.75/- per share which resulted in execution of 1,500 trades (trade number 47 to 1546) in the scrip of GBL within a period of 15 seconds which in normal course of trading could have been executed by placing only one buy order for 1,500 shares.

122.2. On January 09, 2019, Mr. Patiram Ramkishan (part of 11 Entities Group) placed a buy order (order number 1547004600001016103) for 1,000 shares of GBL at 10:12:38 hours at INR 81.15/- per share. Within next 1-4 seconds of the placement of the aforesaid buy order, i.e. between 10:12:39 hours to 10:12:42 hours, Mr. Ramu Jomdar Jsoneya (part of 11 Entities Group) placed 1,000 different sell orders for 1 share each at INR 81.15/- which resulted in execution of 1,000 trades (trade number 30 to 1029) in the scrip of GBL within a period of 4 seconds which in ordinary course of trading could have been executed by placing only one sell order for 1,000 shares.

122.3. Again, on January 09, 2019, Mr. Patiram Ramkishan (part of 11 Entities Group) had placed a buy order (order number 1547004600001819047) for 2,000 shares of GBL at 13:47:46 hours at INR 81.05/-. Within next 2-9 seconds of the aforesaid buy order, i.e. between 13:47:48 hours to 13:47:55 hours, Mr. Ramu Jomdar Jsoneya (part of 11 Entities Group) placed 2,000 different sell orders for 1 share each at INR 81.05/- which resulted in execution of 2,000 trades (trade number 1128 to 3127) in the scrip of GBL within a period of 9 seconds which could have been executed by placing only one sell order of 2,000 shares to match the pending buy order.

123. The aforesaid illustrations of the trades executed by the PV Influencers (Gohil Group and 11 Entities Group) in the scrip of GBL demonstrate the unusual trading pattern followed by the PV Influencers wherein both of the groups viz., Gohil group and 11 Entities Group were regularly trading with each other in a manner that showed



that while one set of entities was acting as buyers, the other set of entities was acting as the sellers so as to *prima facie* artificially influence the price and volume in the scrip. Further, the trades which could have been executed in one or two transactions were broken down into several smaller transactions. By the said act, the entities have not only *prima facie* made an attempt to artificially inflate the number of trades executed in the scrip on a particular trading day thereby trying to set a false and misleading momentum for enticing the public to trade in the scrip but also, considering the fact that the counter parties to the trades were connected with each other, the beneficial ownership of the shares that were transacted between the connected counterparties belonging to these two groups, always stayed within the group, which again *prima facie* shows the concerted attempt being made of the PV Influencers during the pre-SMS period to create artificial volume in the scrip. The afore discussed acts of the PV Influencers to artificially influence the volumes and price in the scrip becomes further evident from the fact that out of 9,788 trades executed amongst each other in the scrip of GBL during pre-SMS period, in as many as 7,288 trades (74.45% of the total trades executed amongst the group), these connected entities have dealt in single share in each such trade. Further, these single share trades were *prima facie* executed in a synchronised manner which is evident from the fact that out of above noted 7,288 trades, in respect of 6,858 trades, the time difference between placement of buy order and sell order was between 0 to 10 seconds. The very act of placing thousands of single buy / sell orders within a time gap of 0 to 10 seconds, when opposite orders with significant quantities were already available in the system, *prima facie* establishes the manipulative nature of such trades. Thus, it becomes glaring that the PV Influencers have *prima facie* tried to influence the volumes in the scrip by sometimes executing structured trades amongst themselves that closely resembled synchronized trades while at other times by executing trades with miniscule quantities of shares and sometimes even by executing purely synchronised trades. The aforesaid abnormal trading pattern repeatedly followed by the PV Influencers cannot simply occur by accident or by coincidence. Hence, I am compelled to make a *prima facie* observation that there was a *prima facie* prior



meeting of minds amongst the connected entities of the aforesaid two groups to trade in the scrip as per a pre-determined fraudulent plan. Therefore, the trades executed in the scrip by PV Influencers to create artificial volume in the scrip can be said to be *prima facie* non-genuine trades and were executed on a frequent basis in pursuance of a scheme employed in the scrip.

124. As per the available records, it is noted that the PV Influencers have *prima facie* created artificial volume to the extent of 19.88% of the total trading volume seen in the scrip during the pre-SMS period out of which 8.20% of such trading volume was created by the trades that were executed by the aforesaid group members amongst each other while the remaining 11.68% of the trading volumes was generated by those trades where at least one of the aforesaid entities was on either side of a trade. Upon further examination of the trading activities of the said connected entities, the extent of their inimical trading behaviour was *prima facie* examined. It was observed that although the connected entities had created substantial volumes in the scrip during the aforesaid period, in effect only 0.22% (20.10% - 19.88%) of their traded volume during the said period had resulted in change of beneficial ownership while the remaining 19.88% of their trades was used just to create the *prima facie* artificial volumes with no change in effective beneficial ownership i.e., the ownership of the shares stayed within the group.

125. It is further noted from the available records that the PV Influencers have not only *prima facie* created artificial volume in the scrip of GBL but were also *prima facie* instrumental in creating artificial inflated price in the said scrip. The said connected entities while acting as a group, have contributed INR 28.3/- to the net positive LTP in the scrip of GBL by trading amongst each other in 9,788 trades with a total trading volume of 7,46,393 shares (8.20% of total market volume). Further, out of the aforesaid 9,788 trades, in 9,609 trades (98.17% of total group trades), it is observed that the time difference between placing of buy orders and sell orders was in the range of 0 to 60 seconds only and such trades have resulted in contribution of INR 26.30/- (42.28% of net LTP) to the net positive LTP covering 6,89,061 shares (7.57% of total market volume) that were traded by these 22 entities. Upon further scrutiny of the



trading activities of the PV Influencers, it was noted that out of the above mentioned 9,788 trades, in 8,758 trades (89.47% of total group trades) the time difference between placing of buy orders and sell orders was between 0 to 10 seconds and such trades have resulted in contribution of INR 25.25/- (40.59% of net LTP) to the net positive LTP involving 5,74,570 shares (6.31% of total market volume) that were traded by these 22 entities. Few illustrations showing *prima facie* synchronised trades in the scrip by the said connected entities are shown herein below:

125.1. On July 02, 2018, Mr. Nitesh P Pavskar (part of Gohil Group) had placed a sell order (order number 1530502200001063082) for 300 shares of GBL at 13:57:40 hours at INR 22.20/- per share (at that time LTP was INR 21.20/-). Subsequent to the aforesaid sell order, at 13:58:17 hours (after 36 seconds of the sell order), Mr. Akshay Jitendrakumar Brahambhatt (part of Gohil Group) had placed a buy order (order number 1530502200001063084) for 5 shares at INR 22.20/- per share which resulted in execution of a trade of 5 shares at a price of INR 22.20/- which was INR 1/- (4.72%) higher than the previous LTP.

125.2. On August 24, 2018, Mr. Ankit Jagdishbhai Pithava (part of 11 Entities Group) had placed a sell order (order number 1535081400001038050) for 777 shares of GBL at 10:22:51 hours at INR 33.50/- (at that time LTP was INR 31.10/). Within the next 2 seconds of the aforesaid sell order, i.e. at 10:22:53 hours, Mr. Ramu Jomdar Jsoneya (part of 11 Entities Group) had placed a buy order (order number 1535081400001038051) for 50 shares at INR 33.50/- which had resulted in execution of trade of 50 shares at a price of INR 33.50/- per share which was INR 2.40/- (7.72%) higher than the previous LTP.

125.3. On August 24, 2018, Mr. Ankit Jagdishbhai Pithava (part of 11 Entities Group) had placed a sell order (order number 1535081400001038120) for 613 shares of GBL at 12:47:28 hours at INR 33.50/- per share (at that time LTP was INR 31.05/). Within next 2 seconds of the aforesaid sell order, i.e. at 12:47:30 hours, Mr. Ramu Jomdar Jsoneya (part of 11 Entities Group) had placed a buy order (order number 1535081400001038121) for 900 shares at INR 33.50/-



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which resulted in execution of trade of 900 shares at a price of INR 33.50/- per share which was INR 2.45/- (7.89%) higher than the previous LTP.

125.4. On August 27, 2018, Mr. Patiram Ramkishan (part of 11 Entities Group) had placed a sell order (order number 1535340600001038167) for 999 shares of GBL at 15:11:27 hours at INR 34.95/- per share (at that time LTP was INR 32.30/). Within few microseconds of the aforesaid sell order, i.e. at 15:11:27 hours, Mr. Ankit Jagdishbhai Pithava (part of 11 Entities Group) had placed a buy order (order number 1535340600001038168) for 600 shares at INR 34.95/- per share which resulted in execution of trade of 600 shares at a price of INR 34.95/- which was INR 2.65/- (8.2%) higher than the previous LTP.

126. The aforesaid illustrations, when examined in the light of the fact that approximately 90% of the trades (8,638 trades) within the said group was executed within 10 seconds of placing of buy and sell orders which has not only resulted in net LTP of INR 25.45/- but also constituted approximately 6-7% of the market volume, demonstrate the repeated nature of the transactions that were *prima facie* synchronised in nature apart from indicating a prior meeting of minds amongst the said entities for executing trades in such patterns *prima facie* pursuant to a pre-planned scheme employed in the said scrip. It is observed from the details of the trades executed by the said group that in spite of there being an anonymous electronic trading system on the Stock Exchange platforms the act of matching of such large number of trades between the same connected parties could not have taken place, unless the trading system was being abused by these PV influencers. It is further, pertinent to appreciate that *prima facie* indulgence in such trading patterns leads to price fluctuations that creates false appearance of trading in the securities market and thereby it tends to mislead the investors. In other words, the dubious act of repeated execution of buy and sell orders within the group, the artificial volume generated therefrom and the proximity of time between the placement of buy orders and sell orders, *prima facie* smacks of the deceptive behaviour of the PV Influencers to play foul with the market forces for the purpose of increasing the price and the volume and



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thereby creating an artificial picture of dealing in the scrip of GBL in pursuance of the scheme that was *prima facie*, employed in the scrip.

127. In addition to the above, it is noted that the members of the 11 Entities Group have also carried out circular trading amongst themselves which have resulted in trading of 6,74,410 shares (7.41% of the total market volume by circular trading). It is pertinent to note that the aforesaid volumes generated by the circular trades constituted 66.97% of the total volumes (10,07,007 shares) traded by these 11 Entities Group as sellers in the scrip of GBL, during the pre-SMS period. The materials available on record show that a large number of circular trades were executed by the members of the 11 Entities Group wherein the shares of GBL were traded amongst themselves and the trades were not allowed to go out of the circle. A circular trade does not result in transfer of beneficial ownership in the scrip and since the said circular trades have been executed on the trading screen of the Stock Exchange, it *prima facie* shows that such trades could only be executed successfully only after prior meeting of minds and a pre-mediated effort on the part of those connected entities to bypass the anonymous trading system. It can be therefore *prima facie* inferred that the members of the 11 Entities Group had executed the aforesaid fictitious circular trades to primarily create a false and misleading appearance of trading in the scrip of GBL thereby to lure the lay investors to jump into the fray. A few of such instances of circular trades executed by the members of the 11 Entities Group are cited below:

127.1. On September 12, 2018, Mr. Ramu Jomdar Jsoneya sold 3,334 shares of GBL to Ms. Rekhaben Harishbhai Sakariya. Then, on the same day, Ms. Rekhaben Harishbhai Sakariya sold 3,334 shares of GBL to Mr. Ankit Jagdishbhai Pithava. Subsequently, on September 12, 2018, Mr. Ankit Jagdishbhai Pithava sold 3,334 shares to Mr. Ramu Jomdar Jsoneya. A diagrammatic representation of the aforesaid illustration is given below:



Figure No. 9



127.2. On September 27, 2018, Mr. Ramu Jomdar Jsoneya sold 1,275 shares of GBL to Ms. Rekhaben Harishbhai Sakariya, who in turn sold 1,275 shares of GBL to Mr. Ankit Jagdishbhai Pithava. Subsequently, Mr. Ankit Jagdishbhai Pithava sold 1,275 shares of GBL to Mr. Ramu Jomdar Jsoneya. A diagrammatic representation of the aforesaid illustration is presented below:

Figure No. 10



SMS Period

128. Once a momentum was generated in the scrip by sustained dealing in the scrip of GBL by adopting various illicit methods/strategies as discussed above including by indulging in synchronised trading as well as circular trades as illustrated above so as to maintain the price and volume in the scrip at a desired level as per the pre-planned

scheme, the next move in the *prima facie* scheme was made with the sending of bulk SMSs in respect of the scrip including using the website www.mbstocks.in to give buy recommendations in the scrip. In the SMS headers related to scrip of GBL, it was observed that approximately about 2.10 crore SMSs were sent from the header MD-MULTIB during the period January 05, 2019 to January 31, 2019 i.e., SMS Period. A sample of such SMS texts circulated in favour of the said scrip and its *prima facie* impact on volume and price in the scrip of GBL, are shown in the table below:

Table No. 54

Sl. No.	SMS Header	Sample SMS Text	Date of SMS circulation	% volume increase from previous trading day	% price increase from previous trading day
1.	MD-MULTIB	Buy GBL IND (539009) intraday target 101++. This is 100% safe stock in this volatile market so BUY & HOLD for mega gains- Final TGT 200+ coming soon.	January 23, 2019	8,04,314 shares traded on January 23, 2019 from 5,57,889 shares traded on January 22, 2019 i.e. 44.17% increase.	Weighted Average price on 22-Jan-2019 was INR 90.3/- and the scrip touched the high of INR 93/- on 23-Jan-2019 i.e. the scrip witnessed a movement of approx. 3% in its price.

Thus, from the aforesaid table it can be seen that there was a marked increase in the volumes of the scrip of GBL immediately on the next day of sending of the SMS. It is further noticed from the records that there has been 867% increase in the volume of the scrip during the SMS period vis-à-vis pre-SMS period. The price in the scrip also touched a high of INR 101/- during the SMS period as compared to the closing price of the pre-SMS period which was INR 84.15/- i.e., there was a 20% spike in the price of the scrip. The aforesaid figures *prima facie* accentuates the role played by the bulk SMSs in luring the investors to deal in the scrip. The records reflect that the circulation of bulk SMSs and the use of the website to give buy recommendations was not a solitary instance and was frequently used during the SMS period by using different sender IDs. The same had a noticeable impact on the price and volume movement in the scrip.



Off Loaders

129. Once the bulk SMSs were sent in the scrip by the SMS Sender and the aforementioned website was used to give buy recommendations in the scrip by Mr. Hanif Shekh, as already identified in the earlier part of this Order, it gave an opportunity to the entities who were connected with the SMS Sender, to exit the scrip by off-loading their shares on the investors who were *prima facie* lured in by the SMSs and after witnessing a steady rise in the price and volume of the scrip during the pre-SMS period which got a further boost during the SMS period (January 15, 2019 to January 31, 2019). As noted in preceding paragraphs, the average daily traded volume in the scrip during the SMS period vis-a-vis pre-SMS period increased by 867% while the price in the scrip opened at INR 84.15/- and reached a high of INR 101/-, an approximate increase of 20% during the SMS period. Such entities who exited the scrip are herein after referred to as Off Loaders.
130. The findings of the investigation *prima facie* indicate that there are two sets of entities who acted as Off Loaders in the scrip of GBL during the SMS period, namely, the entities belonging to Kolkata based Group (Sub-group 3) and Gohil Group. The connection that existed amongst the various entities belonging to the aforesaid two groups on multiple parameters have already been highlighted in the preceding paragraphs of this Order. Mr. Hanif Shekh who is *prima facie* the SMS sender in the scrip has already been noted to be connected with Sub-group 3 and the Gohil group. The aforesaid maze of overlapping *inter se* connections amongst the entities which have been noted earlier in this Order, when seen along with the unusual trading pattern (heavy selling) in the scrip of the GBL by the Off Loaders including the timing selected by them to off-load the shares during a common period, coupled with the fact that some of these Off Loaders were also *prima facie* involved in artificially raising the price and volume in the scrip, it can be *prima facie* inferred that the sheer act of these entities by coming together to off-load their shares so as to take exit from the scrip with substantial profits was in accordance with a pre-designed *prima facie* scheme that was employed while dealing in the scrip by the entities.



131. The profits so made by the Off Loaders as discussed above, are indicated in the table below:

Table No. 55

Profit made by Kolkata based entities (Sub-group 3)

Sl No	Entity Name	Buy Qty during SMS period (A)	Buy Value during SMS period (B)	Sell Qty during SMS period (C)	Sell Value during SMS period (D)	Quantities Bought Before SMS Period (E)= C-A	#Buy value Before SMS period (F)	Total_Buy Value (G)=B+F	Net Profit (INR) C-G
1.	Highgrowth Vincom Private Limited	169444	16017388	412587	37973502	243143	17963826	33981214	3992288
2.	Glorious Vincom Private Limited	553814	54093743	725814	69957486	172000	350000	54443743	15513742
3.	Arpan Das	79585	7443650	157385	14258810	77800	5274764	12718413	1540396
4.	Sanjay Dey	0	0	38000	3258000	38000	2487800	2487800	770200
5.	Linkup Financial Consultants Private Limited	66736	6357890	211736	19391581	145000	3510450	9868340	9523241
6.	Ujjal Laha	23000	2017100	90000	6484967	67000	4517500	6534600	-49633
7.	Buddhadeb Laha	263283	24706751	404783	37559203	141500	9246610	33953361	3605842
8.	Arun Dutta	86125	7890367	195625	17865734	109500	7287500	15177867	2687867
9.	Priyankar Laha	5000	456605	5000	458250	0	0	456605	1645
	Total	1246987	118983494	2240930	207207533	993943	50638450	169621943	37585588

#Note: For calculation of F (Buy value for shares bought before SMS circulation period), if shares are bought during IP period, average buy price of shares during Pre-SMS period (within IP) is considered for calculating buy value of shares, otherwise if shares are bought before IP period, opening price on the first day of IP is considered as acquisition price for calculating value of those shares.



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Table No. 56**Profit made by Gohil Group entities (Sub-group 4)**

Sl No	Entity Name	Buy Qty during SMS period (A)	Buy Value during SMS period (B)	Sell Qty during SMS period (C)	Sell Value during SMS period (D)	Quantities Bought Before SMS Period (E)= C-A	#Buy value Before SMS period (F)	Total Buy Value (G)=B+F	Net Profit (INR) C-G
1.	Shrenikbhai J Gohil	0	0	16094	1512274	16094	473133	473133	1039141
2.	Vijay Rajeshbhai Vasita	0	0	16355	1521808	16355	599009	599009	922799
3.	Nitesh P Pavskar	0	0	9164	880302	9164	230314	230314	649989
4.	Akshay Jitendrakumar Brahambhatt	0	0	9289	887499	9289	343103	343103	544396
5.	Maheshkumar Nareshkumar Purabia	0	0	8955	858489	8955	328601	328601	529888
6.	Naginbhai Jeshingbhai Maheriya	0	0	13664	1293382	13664	403624	403624	889758
7.	Kamleshkumar G Solanki	0	0	10448	990461	10448	319968	319968	670493
8.	Manoharprasad Ghanshyambhai Vaishnav	0	0	9234	884867	9234	359227	359227	525640
9.	Dixit Nareshbhai Borisa	0	0	9800	935920	9800	356527	356527	579393
	Total	0	0	103003	9765002	103003	3413506	3413506	6351497

#Note: For calculation of F (Buy value for shares bought before SMS circulation period), if shares are bought during IP period, average buy price of shares during Pre-SMS period (within IP) is considered for calculating buy value of shares, otherwise if shares are bought before IP period, opening price on the first day of IP is considered as acquisition price for calculating value of those shares.

The Ultimate Beneficiary

132. As noted in the preceding paragraphs, *prima facie* PV Influencers namely, the 11 Entities Group and the Gohil Group (connected with Mr. Hanif Shekh were seen to be executing *prima facie* manipulative trades (as discussed in preceding paragraphs). It



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cannot be a mere matter of coincidence that 22 connected entities belonging to the aforesaid two groups were engaged in trading in the scrip of GBL on a regular basis, which was not a highly liquid scrip and by displaying apparent prior meeting of minds, these entities were found to be *prima facie* adopting the same kinds of strategies to manipulate the price and volume in the scrip. Thus, the very act of these entities coming together to deal in the scrip on the Stock Exchange system, when seen along with their timing of placing orders both on buy and sell sides so as to match trades with each other, also the timing of off-loading of shares in the scrip by the Off Loaders, including, the fact that not only there have been funds transfers between the aforesaid two groups but also both the groups are seen to have transferred money to the same set of Forex companies via which the funds have *prima facie* ultimately reached Mr. Hanif Shekh and / or his connected entities, all these *prima facie* unassailable facts cannot be brushed aside as a mere coincidence of events and have to be viewed *prima facie* as acts that were performed by these entities pursuant to a pre-determined scheme drawn up by the said two groups to deal in the scrip in a coordinated manner to achieve their ill-intentioned objectives. Moreover, as per facts on records, Mr. Hanif Shekh is undoubtedly *prima facie* the person who was sending bulk SMSs in the matter and was also the person who was managing the website www.mbstocks.in which was used to give buy recommendations in the scrip. Thus, the picture that emerges from the conspectus of facts, strongly points that prior to circulation of bulk SMSs in the scrip of GBL including buy recommendation in the scrip, the entities connected to Mr. Hanif Shekh have *prima facie* artificially influenced the price and volume in the scrip and thereafter as soon as the circulation of bulk SMSs containing texts with buy recommendations in favour of the scrip was started by Mr. Hanif Shekh, taking advantage of rising volumes and price movements in the scrip, the entities who are directly and / or indirectly connected with Mr. Hanif Shekh, exited the scrip after making substantial profits. In other words, a *prima facie* scheme was employed apparently by Mr. Hanif Shekh in collusion with the other participating entities as have been identified to be belonging to different connected groups while dealing in the scrip wherein, in each leg and at each stage of the said scheme, entities related to



Mr. Hanif Shekh have played a significant role. To elaborate further in the first leg of the scheme, the members of the 11 Entities Group and the Gohil Group dealt in the scrip so as to artificially raise and maintain the price and volume in the scrip at a level which would be adequate enough to pose a credible attraction to the investors to deal in the scrip. In the next leg, bulk SMSs were circulated to *prima facie* further entice the investors to invest in the scrip on the face of the sustained rise in the price and volume in the scrip and finally, taking advantage of the conducive price and volumes that was made possible by the manipulative trades executed on a regular basis by the PV Influencers in the scrip which was further triggered by the bulk SMSs circulated by Mr. Hanif Shekh, the entities belonging to Gohil Group and Sub-group 3 (Kolkata based entities) exited the scrip after making significant profits.

133. To elaborate further on the last leg of the *prima facie* scheme wherein the funds were transferred by Off Loaders to Mr. Hanif Shekh connected entities, I have already noted in the preceding paragraphs of this Order, while discussing the *modus operandi* followed in the dealings in the scrip of MUL, that the trading activities of entities belonging to Sub-group 3 were being funded by the entities of Sub-group 3.A and in turn, the entities of Sub-group 3 were transferring funds back to the entities of Sub-group 3.A. Subsequently, Sub- group 3.A, through multiple layers of conduits, were transferring money to Mr. Hanif Shekh. Similarly, in the scrip of GBL also, I note that the entities comprising the 3.A and few entities of Sub-group 3 have transferred funds to Hanif Shekh and / or his connected entities. Thus, it can be *prima facie* inferred that though the Sub-group 3 entities were dealing in the scrip of GBL but in reality they were just the front entities of Mr. Hanif Shekh used for the purpose of transacting in the scrip. It is *prima facie* for this reason that Mr Hanif Shekh was funding their trades *prima facie* through the entities of Sub-group 3.A. Consequently, post exit from the scrip by the Sub-group 3 entities, funds from the net sales proceeds realised by them were transferred by them to Mr. Hanif Shekh or to his connected entities albeit through multiple layers. In the given facts and circumstances of the matter, *prima facie* there cannot be any other plausible explanation for the peculiar way in the which funds have been transferred by Sub-group 3 entities to Mr. Hanif Shekh or his



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connected entities other than to suggest that Mr. Hanif Shekh was using the other group entities as his front for dealing in the scrip of GBL eventually to benefit and enrich himself. I find that all the Off Loaders belonging to the Gohil Group have also without fail, transferred proceeds post their exit from the scrip to Mr. Hanif Shekh and / or his connected entities and such transfer of proceeds is not limited to this scrip of GBL only but has also taken place in another scrip namely 7NR (already discussed in preceding paragraphs). I note that the transfer of proceeds by the Off Loaders belonging to Gohil Group post their respective exit from both the scrips, 7NR and GBL to Mr. Hanif Shekh and / or his connected entities, was through different Forex companies (the details of transfer through Forex companies have been discussed in the preceding paragraphs of this Order while dealing the scrip of MUL). It is also observed that all the entities belonging to Gohil group who have exited the scrip, have transferred funds through multiple layers and using the same set of companies (Sub-group 6) so that those funds ultimately reach Mr. Hanif Shekh and / or his connected entities. Such an abnormal behaviour on the part of the Gohil group entities who have sold their shares of GBL during the SMS period with profits and yet have transferred their sales proceeds to Mr Hanif Shekh and his connected entities *prima facie* leads to an inescapable inference that they were merely serving as front entities of Mr. Hanif Shekh for dealing in the scrip as part of the scheme that was employed in the said scrip.

134. To sum up, as one deeply looks through the multiple layers of transactions and funds transfers that were entered into before the funds ultimately reached Mr. Hanif Shekh and/or his connected entities as part of the aforesaid *prima facie* scheme, it becomes more clear as to why the entire scheme was hatched, which as the facts of the case strongly point out, was nothing but to *prima facie* benefit the entities belonging to / connected to Mr. Hanif Shekh. Thus, though the entities belonging to the Sub-group 3 and Gohil group have made substantial profit in the scrip as noted at Table Nos. 51 and 56, the Ultimate Beneficiary was *prima facie*, none other than Mr. Hanif Shekh.



135. Now moving on to the determination of the *prima facie* violations committed by the entities involved in the scrip of GBL, the facts of the matter suggest that the *prima facie* scheme employed in the scrip of GBL is similar to the schemes employed in the scrips of MUL, VFL and 7NR, the *modus operandi* followed by the entities who are parties to the said scheme is similar in all the above noted scrips and the roles played by different entities as PV Influencers, SMS Sender and Ultimate Beneficiary, are also similar in all the afore-noted scrips. Consequently, the rationale behind holding each entity liable for their role in the *prima facie* scheme would also be similar. Therefore, for the sake of brevity, the rationale for holding different entities liable for their *prima facie* violations is not repeated once again.

136. Keeping the aforesaid facts and deliberations in view, the entities who have played the *prima facie* role of PV Influencers in the scrip and have been listed out at Table No. 51 have by their actions *prima facie* committed the violation of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(a), (b), (e) and (g) of PFUTP Regulations. Further, the entities mentioned at Table No. 50 who have executed the circular trades in the scrip as pointed out above in this Order, have also violated regulation 4(2) (n) of PFUTP Regulations.

137. Next comes, the SMS Sender, Mr. Hanif Shekh who was responsible for sending those false and misleading bulk SMSs inducing the investors to deal in the scrip of GBL including using the website www.mbstocks.in to give buy recommendations in the scrip. Therefore, for the said fraudulent acts on his part Mr. Hanif Shekh has *prima facie* violated Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(k) and (r) of PFUTP Regulations.

138. Moving on to the *prima facie* violations committed by the Off Loaders, I find the action of the Off Loaders was nothing but encashing the benefits caused by the consequence of the previous legs of the *prima facie* scheme. In other words, the action of the Off Loaders represents the fruition of the scheme employed in the scrip and the same would not have been possible without the efforts / actions of the kingpin of the *prima facie* scheme, Mr. Hanif Shekh who has also been identified as the Ultimate



Beneficiary of the entire scheme. Therefore, the Off Loaders as mentioned at Table Nos. 55 and 56 along with Mr. Hanif Shekh have *prima facie* violated Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(a) of PFUTP Regulations.

139. It is noted from the records that the entities connected to Mr. Hanif Shekh namely, Mr. Kasambhai Shekh, Ms. Hasina Kasambhai Shekh, Robert Resources Ltd., Econo Trade India Ltd., Econo Broking (Erstwhile Bansal Finstock) and Sai Metaltech LLP, the entities mentioned at Table No. 21 and also the entities mentioned at Table No. 17 have *prima facie* enabled him to encash the benefit of the scheme employed by him in the scrip and have facilitated in transferring of funds which were received by them from the other connected entities of Mr. Hanif Shekh namely Sub-groups 2.A, 3 and 3.A, who had dealt in the scrip pursuant to the *prima facie* scheme employed in the matter. Thus, the aforesaid actions on the part of the connected entities of Mr. Hanif Shekh have *prima facie* led to the violation of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d) and 4(1) of PFUTP Regulations.

140. The issue which now merits discussion is who amongst the aforesaid entities, would be *prima facie* be liable for the proceeds unlawfully generated by the employment of the *prima facie* scheme in the scrip. From the above discussion, I note that the kingpin, Mr. Hanif Shekh had *prima facie* masterminded and implemented the scheme at various stages and in every leg of implementation. Not only that, he was also found to be the Ultimate Beneficiary of the *prima facie* scheme. Therefore, based on the available records, it is *prima facie* inferred that Mr. Hanif Shekh and his connected entities namely Mr. Kasambhai Shekh, Ms. Hasina Kasambhai Shekh, Robert Resources Ltd., Econo Trade India Ltd., Econo Broking (Erstwhile Bansal Finstock) and Sai Metaltech LLP including the relevant entities of Sub-group 3 and Gohil group as mentioned at Table Nos. 55 and 56, are jointly and severally liable for the wrongful gains generated in the scrip by the employment of the *prima facie* scheme, to the tune of INR 4,39,37,085/-.

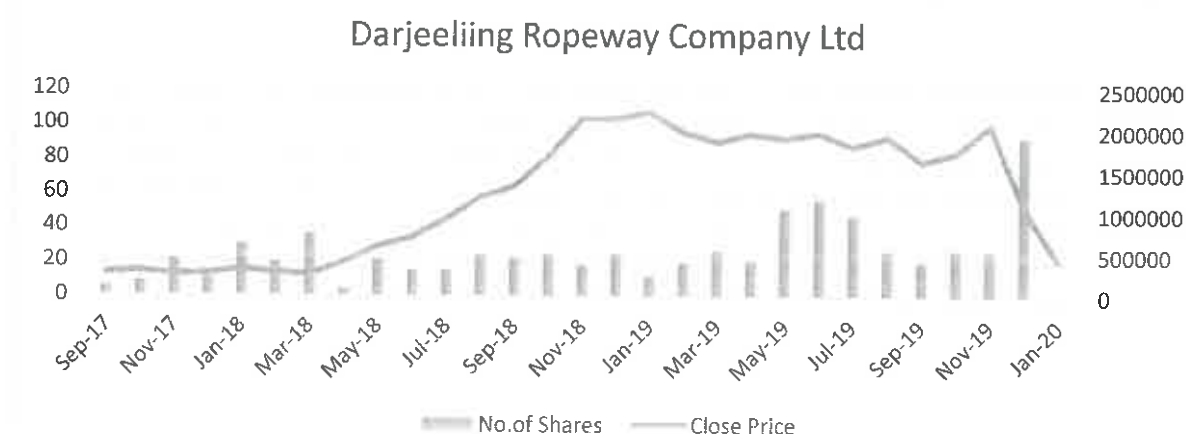


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Darjeeling Ropeway Company Ltd.

141. Darjeeling Ropeway Company Limited (hereinafter referred to as “**Darjeeling/ Company**”) is engaged in construction, purchase, leasing and repairs of ropeways, tramways and other forms of electrical transport projects. Darjeeling got listed on BSE on March 28, 2016. Based on the price and volume movement in the scrip, the trading in the scrip was examined for the period of April 02, 2018 to December 27, 2019 (hereinafter referred to as “**Investigation Period – Darjeeling**”). It is noted that during the period of April 02, 2018 to December 22, 2019, the scrip had opened on BSE at INR 11.9/- and closed at INR 103/- with a high of INR 112.40/-, with an average volume of 26,098 shares, while during the period of December 23, 2019 to December 27, 2019, the scrip had opened on BSE at INR 102.10/- and closed at INR 64.65/- with a high of INR 103.50/-, with an average daily volume of 3,68,210 shares. The aforesaid figures show that not only the price in the scrip increased by almost 8.5 times but also there was a vast spurt in the volume of the scrip during the investigation period pertaining to Darjeeling. The Price – Volume chart in the scrip as noticed during the aforesaid period is depicted below:

Figure No. 10



142. During the investigation period of Darjeeling, it is noted that there were hardly any major corporate announcements or any major change in *Company's* profit (net profit marginally increased by INR 0.02 crore in quarter ending September 2019 as



compared to quarter ending June 2019) or earnings (revenues marginally increased by INR 0.4 crore quarter ending September 2019 as compared to quarter ending June 2019). The absence of any fundamental change in the operations or financials of the Company has to be seen in association with the bulk SMSs which had started circulating pertaining to the scrip with buy recommendations from December 23, 2019 onwards including the buy recommendations which was given in the scrip using the website, www.midcapgains.in. As noted, while discussing matters pertaining to the other scrips in the foregoing sections of this Order, circulation of bulk SMSs was *prima facie* the central issue to the scheme that was *prima facie* employed in the scrip during the investigation period. The aforesaid preliminary observations were compelling enough to examine the dealings in the scrip in detail, during the investigation period of Darjeeling. Accordingly, the trading in the scrip has been examined in two phases, one during pre-SMS period (April 02, 2018 to December 22, 2019) and the other during the SMS period (December 23, 2019 to December 27, 2019).

PV Influencers

143. It is noted from the records that during pre-SMS period (April 02, 2018 to December 22, 2019), the price and volume in the scrip had increased significantly. The same is tabulated below:

Table No. 57

Price			Volume	
Month	Closing Price	% change from closing price on listing day	Daily trading volume	% change
02-April-18	13	-	31	-
22-Dec-19	103	692%	136955	441690%



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Darjeeling Group

144. It was noted that the following group (collectively referred to as “**Darjeeling Group**”) of 15 connected entities were frequently trading in the scrip of Darjeeling during the pre-SMS period:

Table No. 58

Sl No	Name	Connection between the Entities
1.	Aakash Dilip Doshi	1. Son of CFO of the Company – Dilip Doshi. According to submission of Aakash Doshi his father has diamond business and knew the MD and Promoter of the <i>Company</i> , Himanshu Shah through religious congregation. 2. S No. 2 is wife of S No.1. According to her statement, her account is operated by Aakash Doshi.
2.	Rajvi Naresh Shah	
3.	Ramnaresh Dashadeen Nirmal	3. S No. 4 to 7 are part of same family. <u>According to submission of Bhavin Shah, he operates all trading and bank accounts of his father – Arvind Shah, mother- Bharati Shah and wife Rupal Shah.</u> 4. S No. 5 is nephew of Bhavin Shah and grand-son of S No. 4 and S No. 7. 5. There are multiple funds transactions between S No. 3 and S No. 1,4,5,6. Also, there are multiple e-mail communications between S No. 3 and S No. 4,6.
4.	Arvind Shantilal Shah	
5.	Yash Manish Mehta	
6.	Rupal Bhavin Shah	5. Received funds from Entity at S No. 6.
7.	Bharati Arvind Shah	
8.	Dhavani Jayantkumar Shah	6. Ms. Kruti Kevin Kapadia received funds from Entity at S No. 6. 7. Entity No. 9 and 10 have the same address i.e. “A3 8 Amrapali Tower, Nava Sharda Mandir Road, Paldi, Ahmedabad, Gujarat – 380007” and are family members i.e. Kruti Kevin Kapadia is Daughter-in-law of Shashikant Kapadia. According to submission of Aakash Dilip Doshi, his payment to Shashikant Kapadia was done actually to his friend Kevin Kapadia. Kevin Kapadia is husband of Kruti Kapadia and son of Shashikant Kapadia. In response to the summons issued for statement
9.	Kruti Kevin Kapadia	
10.	Shashikant C Kapadia	



Sl No	Name	Connection between the Entities
		recording, Kruti Kapadia requested to advance the date as her husband Kevin Kapadia was not available. It points to the fact that Kevin Kapadia was acting in concert/on behalf of Kruti Kapadia and Shashikant Kapadia.
11.	Ankur Suresh Mehta	8. Received funds from Entity No. 10. 9. Off-market transfers /Loan agreement with Entity at S No. 9
12.	Bhashit Deepak Shah	10. Received funds from Entity No. 10.
13.	Mehul Hasmukh Shah	11. Entity at S No. 13 and S No. 14 have common address.
14.	Vidhi Mehul Shah	12. Entity at S No. 13 and S No. 14 received funds from Entity at S No. 10.
15.	Himanshu Shah	13. Promoter and MD of the company Darjeeling Ropeway Company Ltd.

145. It is noted from the above table that the aforesaid 15 entities (Darjeeling Group) are connected with each other either by way of common addresses or having multiple fund transactions amongst themselves or through email communications or are part of the same family or off market transfers or being related to Darjeeling. For instance, Mr. Aakash Dilip Doshi is the son of CFO of Darjeeling i.e. Mr. Dilip Doshi and as per his (Mr. Aakash Dilip Doshi) deposition made before SEBI on March 01, 2023, Mr. Dilip Doshi knows Mr. Himanshu Shah (Promoter and MD of Darjeeling). Further, Ms. Rajvi Naresh Shah is the wife of Mr. Aakash Dilip Doshi. Similarly, Mr. Arvind Shantilal Shah and Ms. Bharati Arvind Shah are parents of Mr. Bhavin Shah. It is also noted that Ms. Rupal Bhavin Shah is the wife of Mr. Bhavin Shah. Regarding funds transactions, it is observed that Mr. Ankur Suresh Mehta, Mr. Bhashit Deepak Shah, Mr. Mehul Hasmukh Shah and Ms. Vidhi Mehul Shah have received funds from Mr. Shashikant Chinubhai Kapadia. It is further noted that Mr. Mehul Hasmukh Shah and Ms. Vidhi Mehul Shah are husband and wife and both have received funds from Mr. Shashikant Chinubhai Kapadia. Similarly, Ms. Kruti Kevin Kapadia and Mr. Shashikant Chinubhai Kapadia shared relationship of daughter-in-law and father-in-law respectively. The aforesaid illustrations *prima facie* shows the closeness of their *inter se* connections and when



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these connections are seen along with the peculiar and abnormal manner in which the said entities have traded in a concerted manner and are also seen to have traded posing as counterparties to each other's trades in the scrip of Darjeeling during the pre-SMS period (April 02, 2018 to December 22, 2019), the same would *prima facie* indicate that their dealings in the scrip of Darjeeling was not in ordinary course of dealings in securities but was done as part of a premediated plan. Under the circumstances, the very act of these connected entities coming together to deal in the scrip of Darjeeling during the pre-SMS period in a concerted manner has to be viewed as an act that was performed under a pre conceived design and pursuant to a *prima facie* scheme employed in the scrip, then by any genuine objective to trade in the scrip in normal course of trading in the securities market.

146. The contribution by the members of the aforesaid group i.e., Darjeeling group entities to the price and volume rise in the scrip of Darjeeling by way of their trading during the period from April 02, 2018 to December 22, 2019 along with Sub- groups 2 and 3 (*prima facie* Mr. Hanif Shekh connected entities), is shown below:

Table No. 59

Entity Name	Buy Quantity	% Buy to total Market Buy Volume	Sell Quantity	% Sell to total Market Sell Volume	Net Buy LTP	Net Sell LTP	Total Net LTP	% contribution to net price rise
Arvind Shantilal Shah	450481	4.07%	607699	5.49%	-19.8	-15.6	-35.4	-39.55%
Shashikant C Kapadia	815533	7.37%	846568	7.65%	229.71	-27.34	202.37	226.09%
Himanshu Shah	10925	0.10%	744723	6.73%	-3.6	-19.65	-23.25	-25.97%
Ramnaresh Dashadeen Nirmal	237112	2.14%	193385	1.75%	-62.4	27.25	-35.15	-39.27%
Aakash Dilip Doshi	73206	0.66%	271202	2.45%	9.9	-4.12	5.78	6.46%
Dhavani Jayantkumar Shah	126192	1.14%	69036	0.62%	-1.9	1.55	-0.35	-0.39%
Ankur Suresh Mehta	55863	0.50%	92443	0.84%	26.2	-11.2	15	16.76%



Entity Name	Buy Quantity	% Buy to total Market Buy Volume	Sell Quantity	% Sell to total Market Sell Volume	Net Buy LTP	Net Sell LTP	Total Net LTP	% contribution to net price rise
Mehul Hasmukh Shah	195590	1.77%	102864	0.93%	-41.55	14.9	-26.65	-29.77%
Bharati Arvind Shah	233085	2.11%	220473	1.99%	-15.2	21	5.8	6.48%
Vidhi Mehul Shah	25000	0.23%	0	0.00%	-0.25	0	-0.25	-0.28%
Rupal Bhavin Shah	17932	0.16%	9721	0.09%	-0.45	0.65	0.2	0.22%
Kruti Kevin Kapadia	617834	5.58%	516069	4.66%	50.75	-21.9	28.85	32.23%
Rajvi Naresh Shah	9000	0.08%	9500	0.09%	0.9	-0.75	0.15	0.17%
Bhashit Deepak Shah	127679	1.15%	119350	1.08%	-0.4	2.5	2.1	2.35%
Yash Manish Mehta	120719	1.09%	84739	0.77%	-34.85	10.15	-24.7	-27.59%
Total (A)	3116151	28.16%	3887772	35.13%	137.06	-22.56	114.5	127.92%
Sahilkumar Amrutbhai Vaghela	7000	0.06%	0	0.00%	0	0	0	0.00%
Ravi Kannadasan Adidraavid	5833	0.05%	0	0.00%	0	0	0	0.00%
Pritiben Popatbhai Parmar	7340	0.07%	0	0.00%	0	0	0	0.00%
Manishkumar Rajput	5500	0.05%	0	0.00%	0.65	0	0.65	0.73%
Chiragkumar Makwana	4532	0.04%	0	0.00%	0	0	0	0.00%
Makwana Madhuben	4286	0.04%	0	0.00%	0	0	0	0.00%
Lilaben Popatbhai Parmar	5939	0.05%	0	0.00%	0	0	0	0.00%
Popatbhai Ramjibhai Parmar	3637	0.03%	0	0.00%	0	0	0	0.00%
Hina Barot	8594	0.08%	0	0.00%	-0.05	0	-0.05	-0.06%
Dipika Popatbhai Parmar	4540	0.04%	0	0.00%	0	0	0	0.00%
Shahrukhkhan Pathan	4600	0.04%	0	0.00%	0	0	0	0.00%

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Entity Name	Buy Quantity	% Buy to total Market Buy Volume	Sell Quantity	% Sell to total Market Sell Volume	Net Buy LTP	Net Sell LTP	Total Net LTP	% contribution to net price rise
Karan Birjubhai Sanghvi	1000	0.01%	0	0.00%	0	0	0	0.00%
Krusha Birjukumar Sanghvi	1600	0.01%	0	0.00%	-0.55	0	-0.55	-0.61%
Fuldeep Popatbhai Sehgal	1000	0.01%	0	0.00%	-0.25	0	-0.25	-0.28%
Keval Savant	5533	0.05%	0	0.00%	0	0	0	0.00%
Total(B)	70934	0.64%	0	0.00%	-0.2	0	-0.2	-0.22%
Highgrowth Vincom Private Limited	62500	0.56%	0	0.00%	-0.2	0	-0.2	-0.22%
Linkup Financial Consultants Private Limited	66580	0.60%	4600	0.04%	-0.55	-1.5	-2.05	-2.29%
Glorious Vincom Pvt. Ltd.	12988	0.12%	0	0.00%	-0.1	0	-0.1	-0.11%
Dibakar Laha	28500	0.26%	0	0.00%	0.95	0	0.95	1.06%
Tapas Laha	9150	0.08%	630	0.01%	0.5	0.25	0.75	0.84%
Subrata Laha	1500	0.01%	0	0.00%	-0.35	0	-0.35	-0.39%
Arun Laha	15700	0.14%	140	0.00%	-0.45	0.05	-0.4	-0.45%
Suprabhat Laha	34960	0.32%	27160	0.25%	0.25	1.45	1.7	1.90%
Ujjal Laha	11393	0.10%	390	0.00%	-2.9	0	-2.9	-3.24%
Sumit Laha	13050	0.12%	7000	0.06%	-0.65	-0.6	-1.25	-1.40%
Sanjay Dey	1500	0.01%	0	0.00%	-0.35	0	-0.35	-0.39%
Arpan Das	30468	0.28%	11011	0.10%	-3.2	-5.6	-8.8	-9.83%
Uma Dutta	15550	0.14%	14000	0.13%	-5.05	-1.8	-6.85	-7.65%
Debashish Dutta	19800	0.18%	0	0.00%	0.2	0	0.2	0.22%
Minu Mallick	30578	0.28%	20050	0.18%	-0.6	6.05	5.45	6.09%
Total (C)	354217	3.20%	84981	0.77%	-12.5	-1.7	-14.2	-15.86%
Total (A+B+C)	3541302	32.00%	3972753	35.90%	124.36	-24.26	100.1	111.83%
Total (Within Group)	1432725	12.95%	1432725	1432725	12.95%		-21.87	-24.43%
Market Total	11065900	100.00%	11065900	100.00%			89.51	

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147. As can be seen from the above table, the Darjeeling group entities have *prima facie* collectively contributed 32% of the market buy volumes and 35.90% of the market sell volume during the pre-SMS period along with Sub- groups 2 and 3. Further, by trading amongst each other by posing counterparties to each other's trade orders, these entities have contributed 12.95% of the total market traded volumes of the scrip during the pre-SMS period. It is also noticed that the aforesaid connected entities have contributed to the tune of INR 100.10/- (111.83%) to the net price rise of INR 89.51/- seen in the scrip of Darjeeling during the pre-SMS period. In other words, though the impact of the trades of the PV Influencers on the price of the scrip was INR 100.10/- (net basis) but some of the impact of the trades of PV Influencers was also absorbed by the presence of other investors in the securities market, resulting in an overall impact of INR 89.51/- on the price of the scrip of Darjeeling during the pre-SMS period. The trades of the said connected entities were further analysed to determine as to how the said connected entities were trying to influence the volumes and price in the scrip during the pre-SMS period so as to present the scrip as an attractive proposition before the investors in the securities market. Some illustrations of such artificial trades executed by these connected entities are as follows:

147.1. On June 13, 2018, Mr. Shashikant Chinubhai Kapadia had placed a sell order (order number 1528860600002304097) for 13,000 shares at the price of INR 33.50/- per share at 15:28:35 hours and after two seconds of the placement of the aforementioned sell order i.e. at 15:28:37 hours, a buy order (order number 1528860600002304098) was placed by Ms. Kruti Kevin Kapadia for 13,000 shares at a price of INR 33.50/-, resulting into execution of trade of 13,000 shares in the scrip of Darjeeling.

147.2. On April 12, 2019, Mr. Arvind Shantilal Shah had placed a sell order (order number 155558200002610048) for 10,000 shares at the price of INR 92/- per share at 14:41:14 hours and after one second of the placement of the aforementioned sell order i.e. at 14:41:14 hours, a buy order (order number 555558200002610049) was placed by Ms. Kruti Kevin Kapadia for 10,000



shares at price of INR 92/-, resulting into execution of trade of 10,000 shares in the scrip of Darjeeling.

147.3. On June 21, 2019, Ms. Bharati Arvind Shah had placed a sell order (order number 1561087800002316060) for 15,000 shares at the price of INR 94.40/- at 09:59:28 hours, which was subsequently modified by the entity to INR 97/- at 10:21:39 hours and after one second of the modification of the said sell order i.e. at 10:21:40 hours, a buy order (order number 1561087800002316066) was placed by Mr. Shashikant Chinubhai Kapadia for 15,000 shares at price of INR 97/-, resulting into execution of trade of 15,000 shares in the scrip of Darjeeling. The aforesaid trade apart from contributing to the trading volume by 15,000 shares also resulted in contributing to the positive LTP by INR 0.85/- (0.88% of LTP).

147.4. On April 12, 2019, Ms. Kruti Kevin Kapadia (part of Darjeeling Group) had placed a sell order (order number 1555039800002597030) for 3,181 shares at a price of INR 93/- per share (previous day's LTP was INR 91.6/-) at 09:28:47 hours and after five seconds of the placement of the aforementioned sell order i.e. at 09:28:52 hours, a buy order (order number 1555039800002597031) was placed by Mr. Shashikant Chinubhai Kapadia for 3,181 shares at a price of INR 93/-, resulting into execution of trade of 3,181 shares in the scrip of Darjeeling. The aforesaid trade, apart from contributing to the trading volume by 3,181 shares has also resulted in contributing to the positive LTP by INR 1.40/- (1.53% of LTP). It is also pertinent to note that this was the 1st trade of the day which also set the momentum for a positive movement in the price of the scrip on that particular day. It is noted that the next two trades (2nd and 3rd trades) were executed at higher prices i.e. at INR 93.05/- and INR 93.10/- per share.

148. It is also noted from the above cited illustrations and from the trade log of the scrip that while trading amongst each other, these entities (Darjeeling Group) have traded in close proximity of time *inter se* between them. It is noted from the trade log that out of 570 trades executed amongst each other by these 15 entities (Darjeeling Group), in



178 trades, the time difference between placing of buy order and sell order was within 0 seconds to 60 seconds. It is worthwhile to mention here that in the aforementioned *prima facie* 178 synchronised trades, these entities have contributed to trading volume of 6,16,259 shares (5.56% of total trading volume and 55.10% of the total number of shares traded amongst the Darjeeling group during the pre-SMS period). It is noted from the trade log that out of 570 trades executed amongst each other by these 15 entities (Darjeeling Group), in 98 trades, the time difference between placing of buy order and sell order was within 0 second to 10 seconds. It is worthwhile to mention here that in the aforementioned 98 synchronised trades, these entities have contributed to trading volume of 4,70,046 shares (4.24% of total trading volume and 42.02% of total number of shares traded amongst the Darjeeling group during the pre-SMS period). By the said act, the entities have not only *prima facie* made an attempt to artificially inflate the volume in the scrip on a particular trading day thereby trying to set the momentum for the trading in the scrip but considering the fact that the counter parties to the trades were connected with each other, the beneficial ownership of the shares that were traded by these connected entities amongst each other practically stayed within the group, which *prima facie* shows that these trades executed by the members of the Darjeeling group were nothing but concerted attempts on the part of the PV Influencers (Darjeeling group) to create artificial volume in the scrip. It is clarified that the aforesaid strategy of executing *prima facie* synchronised trades may not be the only method adopted by the Darjeeling group of entities to manipulate the volume in the scrip but it was the predominant method adopted by them.

149. As noted above, the Darjeeling group of entities were also executing *prima facie* synchronised trades above the LTP and were also executing first trades of the day above the previous day's closing price. The said act of the entities is not an isolated case but was being committed in a consistent manner over many such trades. Matching of trades within the same set of entities on a regular basis that too within a time difference of few seconds, especially in a scrip which was not highly liquid, *prima facie* leads to an inference that the principle of anonymity of counter parties while



dealing in any scrip, which is one of the hallmarks of trading on a Stock Exchange platform, has been subverted by these connected entities as they were *prima facie* trading in an unusual manner apparently pursuant to their pre-determined plan and prior meeting of minds. The trading practices followed by the PV Influencers to influence the volume and price in the scrip becomes further glaring from the fact that the entities were placing their buy and sell orders for identical quantities and price so as to ensure that their orders match with each other. Therefore, the acts of these entities while trading in the scrip of Darjeeling *prima facie* does not appears to be genuine trades executed with bonafide intention in due course of trading in the scrip and rather were being executed to *prima facie* cause artificial upward movement in the volumes and price of the scrip in pursuance of the scheme employed in the scrip. It is further observed that the aforesaid strategy of executing *prima facie* synchronised trades may not be the only method adopted by the Darjeeling group of entities to manipulate the volume in the scrip but was the predominant strategy adopted by them.

150. In addition to the Darjeeling group of entities, it is noted that entities belonging to Sub-group 2 and Sub-group 3 were also trying to influence the volume and price in the scrip during the pre-SMS period so as to give a misleading presentation of the scrip to other investors as an attractive proposition for investment in the securities market. Illustrations of some such trades are presented as follows:

150.1. On July 23, 2019, Linkup Financial Consultants Private Limited (part of Sub-group 3) had placed a buy order (order number 1563852600002368126) for 11,000 shares at the price of INR 92.10/- per share at 12:55:06 hours and after two seconds of the placement of the aforementioned buy order i.e. at 12:55:08 hours, a sell order (order number 1563852600002368127) was placed by Mr. Suprabhat Laha (part of Sub-group 3) for 11,000 shares at a price of INR 92.10/- per share, resulting in the execution of trade for 11,000 shares in the scrip of Darjeeling. It is pertinent to mention here that the aforesaid trade apart from contributing to the trading volume by 11,000 shares also resulted in contributing to the positive LTP by INR 0.10/- (0.11% of LTP).



150.2. On September 24, 2019, Ms. Uma Dutta (part of Sub-group 3) had placed a sell order (order number 1569295800002358085) for 6,950 shares at the price of INR 80.10/- per share at 13:44:36 hours and almost at the same time i.e. at 13:44:36 hours, a buy order (order number 1569295800002358086) was placed by Mr. Suprabhat Laha (part of Sub-group 3) for 6,950 shares at a price of INR 80.10/-, resulting in the execution of trade for 6,950 shares in the scrip of Darjeeling. It is pertinent to mention here that the aforesaid trade, apart from contributing to the trading volume by 6,950 shares also resulted in contributing to the positive LTP by INR 0.10/- (0.13% of LTP).

150.3. On May 27, 2019, Mr. Sumit Laha, Ms. Minu Mallick, Mr. Arpan Das and Mr. Suprabhat Laha (all part of Sub-group 3) placed seven different buy orders for a cumulative quantity of 38,000 shares, at the price of INR 90/- per share between 15:02:55 hours to 15:13:23 hours. The aforesaid seven buy orders were matched with 4 different sell orders placed by Mr. Himanshu Ramniklal Shah between 15:12:17 hours to 15:14:48 hours for a cumulative quantity of 40,000 shares at a price of INR 90/- per share, resulting in the execution of 10 trades for a cumulative quantity of 33,510 shares in the scrip of Darjeeling. Details of these 10 trades executed on May 27, 2019 are tabulated below:

Table No. 60

Trade Number	Buyer Name	Seller Name	Buy Order Time	Sell Order Time	Trade Time	Buy Order Qty	Sell Order Qty	Trade Qty
112	Arpan Das	Himanshu Ramniklal Shah	15:02:55	15:12:17	15:12:17	3000	10000	3000
113	Sumit Laha	Himanshu Ramniklal Shah	15:04:10	15:12:17	15:12:17	6000	10000	4509
118	Sumit Laha	Himanshu Ramniklal Shah	15:04:10	15:14:31	15:14:31	6000	10000	1491
119	Minu Mallick	Himanshu Ramniklal Shah	15:07:21	15:14:31	15:14:31	5000	10000	5000
120	Suprabhat Laha	Himanshu Ramniklal Shah	15:10:01	15:14:31	15:14:31	5000	10000	3010



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Trade Number	Buyer Name	Seller Name	Buy Order Time	Sell Order Time	Trade Time	Buy Order Qty	Sell Order Qty	Trade Qty
122	Suprabhat Laha	Himanshu Ramniklal Shah	15:10:01	15:14:39	15:14:39	5000	10000	1990
123	Suprabhat Laha	Himanshu Ramniklal Shah	15:10:05	15:14:39	15:14:39	5000	10000	4510
124	Suprabhat Laha	Himanshu Ramniklal Shah	15:10:05	15:14:48	15:14:48	5000	10000	490
125	Suprabhat Laha	Himanshu Ramniklal Shah	15:10:10	15:14:48	15:14:48	5000	10000	5000
126	Arpan Das	Himanshu Ramniklal Shah	15:10:10	15:14:48	15:14:48	9000	10000	4510

150.4. The aforesaid trading pattern wherein certain Sub-group 3 entities acted as buyers and the Promoter of Darjeeling (Mr. Himanshu Shah) acted as a seller for creating huge volumes in the scrip of Darjeeling is not a single instance. The aforesaid pattern was further observed on various other occasions. For instance, on August 29, 2019, it was noticed that Mr. Himanshu Shah had placed a sell order (order number 1567049400002360195) for 50,000 shares of Darjeeling at 14:49:49 hours at price of INR 94/- per share. It is noticed that the aforesaid sell order was partly matched with 38 different buy orders trades placed by 20 entities belonging to Sub-group 2 and Sub-group 3 and resulted into 38 different trades for a cumulative quantity of 36,150 shares at a price of INR 94/ per share. Details of the aforesaid 38 buy orders and trades are tabulated below:

Table No. 61

Trade Number	Buyer Name	Sub Group	Order Number	Buy Order Time	Trade Time	Time difference between previous buy order	Buy Order Qty	Trade Qty
121	Vaghela Prakash Kantilal	2	1567049400002360198	14:59:14	14:59:14	-	1200	1200



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Trade Number	Buyer Name	Sub Group	Order Number	Buy Order Time	Trade Time	Time difference between previous buy order	Buy Order Qty	Trade Qty
123	Krusha Birjukumar Sanghvi	2	156704940000 2360200	14:59:26	14:59:26	00:00:12	500	500
124	Ravi Kannadasan Adidraavid	2	156704940000 2360201	14:59:34	14:59:34	00:00:08	1100	1100
125	Chiragkumar Makwana	2	156704940000 2360202	14:59:49	14:59:49	00:00:15	250	250
126	Makwana Madhuben	2	156704940000 2360203	14:59:59	14:59:59	00:00:10	250	250
127	Dipika Popatbhai Parmar	2	156704940000 2360204	15:00:36	15:00:36	00:00:37	2000	2000
129	Popatbhai Ramjibhai Parmar	2	156704940000 2360206	15:00:45	15:00:45	00:00:09	1000	1000
130	Hina Barot	2	156704940000 2360207	15:00:50	15:00:50	00:00:05	1000	1000
132	Pritiben Popatbhai Parmar	2	156704940000 2360209	15:00:59	15:00:59	00:00:08	1000	1000
134	Sahilkumar Amrutbhai Vaghela	2	156704940000 2360211	15:01:07	15:01:07	00:00:08	2000	2000
135	Lilaben Popatbhai Parmar	2	156704940000 2360212	15:01:09	15:01:09	00:00:03	1000	1000
138	Arun Laha	3	156704940000 2360215	15:02:02	15:02:02	00:00:53	1000	1000
139	Arun Laha	3	156704940000 2360216	15:02:06	15:02:06	00:00:04	700	700
140	Manishkumar Rajput	2	156704940000 2360217	15:02:14	15:02:14	00:00:09	500	500
141	Manishkumar Rajput	2	156704940000 2360218	15:02:48	15:02:48	00:00:34	500	500
142	Keval Savant	2	156704940000 2360219	15:02:49	15:02:49	00:00:01	1000	1000
144	Vaghela Prakash Kantilal	2	156704940000 2360221	15:03:05	15:03:05	00:00:16	200	200



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Trade Number	Buyer Name	Sub Group	Order Number	Buy Order Time	Trade Time	Time difference between previous buy order	Buy Order Qty	Trade Qty
146	Ravi Kannadasan Adidraavid	2	156704940000 2360223	15:03:22	15:03:22	00:00:17	200	200
147	Vaghela Prakash Kantilal	2	156704940000 2360224	15:03:44	15:03:44	00:00:22	200	200
148	Dipika Popatbhai Parmar	2	156704940000 2360225	15:03:47	15:03:47	00:00:03	1000	1000
150	Hina Barot	2	156704940000 2360227	15:04:00	15:04:00	00:00:14	1000	1000
151	Vaghela Prakash Kantilal	2	156704940000 2360228	15:04:16	15:04:16	00:00:16	750	750
152	Uma Dutta	3	156704940000 2360229	15:04:20	15:04:20	00:00:04	1550	1550
153	Hina Barot	2	156704940000 2360230	15:04:38	15:04:38	00:00:17	1000	1000
154	Hina Barot	2	156704940000 2360231	15:04:45	15:04:45	00:00:07	1000	1000
156	Hina Barot	2	156704940000 2360233	15:04:54	15:04:54	00:00:09	1000	1000
157	Ravi Kannadasan Adidraavid	2	156704940000 2360234	15:04:59	15:04:59	00:00:05	250	250
158	Keval Savant	2	156704940000 2360235	15:05:11	15:05:11	00:00:12	250	250
159	Sumit Laha	3	156704940000 2360236	15:05:41	15:05:41	00:00:30	500	500
160	Suprabhat Laha	3	156704940000 2360237	15:06:59	15:06:59	00:01:18	500	500
161	Ujjal Laha	3	156704940000 2360238	15:07:06	15:07:06	00:00:07	2100	2100
162	Sumit Laha	3	156704940000 2360239	15:07:15	15:07:15	00:00:09	500	500
163	Sumit Laha	3	156704940000 2360240	15:07:24	15:07:24	00:00:08	50	50
164	Arpan Das	3	156704940000 2360241	15:07:27	15:07:27	00:00:03	5000	5000
165	Debashish Dutta	3	156704940000 2360242	15:07:58	15:07:58	00:00:31	500	500

Interim Order-cum-Show Cause Notice in the matter of Mauria Udyog Ltd., 7NR Retail Ltd., Darjeeling Ropeway Company Ltd., GBL Industries Ltd. and Vishal Fabrics Ltd.

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Trade Number	Buyer Name	Sub Group	Order Number	Buy Order Time	Trade Time	Time difference between previous buy order	Buy Order Qty	Trade Qty
166	Suprabhat Laha	3	156704940000 2360243	15:08:42	15:08:42	00:00:44	500	500
167	Suprabhat Laha	3	156704940000 2360244	15:08:46	15:08:46	00:00:04	950	950
169	Debashish Dutta	3	156704940000 2360247	15:11:33	15:11:33	00:02:47	5150	2150

150.5. From the aforesaid table, a clear pattern is indicated where under, the aforesaid entities are seen to be taking turns one after the other, for placing buy orders wherein entities from Sub-group 2 and 3 are placing orders within a few seconds of each other's orders to ensure that the sell orders placed by Mr. Himanshu Shah gets executed by matching with their buy orders. It is also noticed that though the time difference between the sell order of Mr. Himanshu Shah (14:49:49 hours) and 1st buy order (out of 38 buy orders) placed by Mr. Vaghela Prakash Kantilal (14:59:14 hours) was 9 minutes and 25 seconds, however, the time difference between every order in the said 38 buy orders was mostly within seconds (less than 1 minute). Notably also, the aforesaid 1st buy order (out of 38 buy orders) placed by Mr. Vaghela Prakash Kantilal also resulted in contribution of positive LTP of INR 1/- (1.08% higher than previous LTP of INR 93/-).

151. It is noted from the records that in 118 trades, entities belonging to Sub-group 2 and 3 who are *prima facie* connected with Mr. Hanif Shekh, were acting as buyers and Mr. Himanshu Shah who is the Promoter and Managing Director of Darjeeling was acting as seller and through such 118 trades, Mr. Himanshu Shah has sold 2,17,335 shares to the entities from Sub-group 2 and 3. From further analysis, it is noted that these 118 trades were executed on only 6 trading days wherein a similar trading pattern as discussed above at paragraph no. 150.4 of this Order (illustration of August 29, 2019) was observed as the entities from Sub-group 2 and 3 were found to be taking turns one after the other for placing buy orders consecutively within the time



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difference of a few seconds of each other's orders to ensure that the sell order placed by Mr. Himanshu Shah surely gets matched with their buy orders. Details of such 118 trades are tabulated below:

Table No. 62

Date	Number of Buy Orders placed by Hanif Connected Entities	Number of Sell Orders placed by Himanshu Shah	Time difference between sell order and the 1 st buy order (range)	Number of Trades	Number of Shares traded
27.05.2019	7	4	01 minute 25 seconds to 10 minutes 21 seconds	10	33510
07.06.2019	10	2	43 seconds to 6 minutes 05 seconds	10	41000
14.06.2019	7	1	02 seconds to 03 minutes 02 seconds	7	41457
21.08.2019	23	1	01 minute 09 seconds to 16 minutes 51 seconds	23	27750
23.08.2019	30	1	14 minutes 02 seconds to 24 minutes 51 seconds	30	37468
29.08.2019	38	1	21 minutes 25 seconds to 21 minutes 44 seconds	38	36150
Total				118	2,17,335

152. The aforesaid trade practices followed by the PV Influencers to influence the volumes and price while trading in the scrip of Darjeeling *prima facie* do not appear to be leading to execution of any genuine trades backed by any bonafide intention to trade in the scrip in due course of dealing in securities. Instead, such a dishonest trading pattern as was followed by the PV Influencers, was apparently undertaken with an aim to *prima facie* increase the trading volumes and price in the scrip in pursuance of a *prima facie* pre-decided scheme employed in the scrip. Further, as noted in the case of the other scrips discussed earlier in this Order, the aforesaid strategy of executing *prima facie* synchronised trades and / or structured trades and / or placing of multiple small orders to match a single big order may not be the only



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method adopted by Sub-groups 2 and 3 entities to manipulate the volume and price in the scrip, but I find these are the predominant methods adopted by them to artificially influence the volumes and price of the scrip. Interestingly, in the aforesaid process of *prima facie* manipulating the price and volume in the scrip, the entities belonging to Sub-groups 2 and 3 are also seen to have provided exit to the Promoter and Managing Director of the *Company*, Mr. Himanshu Shah from the scrip of his own *Company*. It is noted that in the process of *prima facie* manipulating the scrip of Darjeeling, the Darjeeling Group (15 entities) have also made *prima facie* wrongful gains. The records indicate that majority of their sell trades through which the *prima facie* wrongful gains were generated were undertaken during the pre-SMS period, therefore, their complete share of *prima facie* wrongful gains are considered as wrongful gains while acting as PV Influencers.

SMS Period

153. Once a momentum was generated in the scrip by the dealings in the scrip of Darjeeling by the PV Influencers in a sustained manner so as to maintain the price and volume in the scrip at a desired level to attract the market participants, the next vital step to fructify the scheme employed in the scrip was taken by the mastermind behind the said scheme, viz: Mr. Hanif Shekh by his act of sending bulk SMSs with buy recommendations in the scrip and also making use of the website, www.midcapgains.in to give buy recommendations in the scrip. A few sample of such SMS texts circulated in the said scrip and their *prima facie* impact on volume and price in the scrip of Darjeeling, are highlighted in the table below:

Table No. 63

Sl. No.	SMS Header	Sample SMS Text	Date of SMS circulation	% volume increase from previous trading day	% price increase from previous trading day
1.	BH-MGAINS	JACKPOT Call: Buy DARJEELING ROPEWAY (539770) For INTR-DAY Target 105+	December 26, 2019	12,12,928 shares traded on December 26, 2019 from 1,83,318 shares	Weighted Average price on 24-Dec-2019 was INR 97.74/- and the



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Sl. No.	SMS Header	Sample SMS Text	Date of SMS circulation	% volume increase from previous trading day	% price increase from previous trading day
		-TOMORROW Target 110+ -FINAL Target 125+ in 1 WEEK EVERYDAY PRICE WILL GO UP MINIMUM 5%		traded on December 24, 2019 i.e. 561.65 % increase.	scrip touched the high of INR 103.4/- on 26-Dec-2019 i.e. the scrip witnessed a movement of 5.79% in its price.
2.	BH-MGAINS	OPEN CHALLENGE: BUY BUY BUY AS MUCH AS YOU CAN DARJEELING (539770) NOW@81 101% STOCK WILL CROSS 105++ LEVEL TODAY- BEST OPPORTUNITY- EARN 20% PROFIT IN 1 DAY.			

Thus, from the aforesaid table it can be seen that there has been a marked increase in the volume of the scrip noticed immediately on the next day of sending of the SMS including an upward movement in the price of the scrip. It is further observed from the records that there has been 1310% increase in the volume of the scrip during the SMS period vis-à-vis pre-SMS period. The aforesaid figures *prima facie* accentuates the role played by the bulk SMSs in luring the investors to deal in the scrip. The records reflect that the circulation of bulk SMSs and the use of the website to give buy recommendations was not a solitary instance and was frequently used during the SMS period by using different sender IDs. The same had a noticeable impact on the volume movement in the scrip. Apart from sending the afore-quoted scrip specific recommendation in scrip of Darjeeling, automatic messages were also received by public from calling on missed call service number. A sample of such a SMS text received from calling missed call service number (926667330) is reproduced below:

"Thank You For Joining Us For MULTI-BAGGER Stock 2019. Our Executive Will Call You Soon. Please Check Our 100% Successful PAST PERFORMANCE on www.MidcapGains.in".



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Off Loaders

154. It is noted from the material available on record that in the scrip of Darjeeling, bulk SMSs circulation period was limited to 4 days only (December 23, 2019 to December 27, 2019), as the scrip of Darjeeling was brought under SMS framework surveillance of Stock Exchange for dealing with unsolicited messages on December 27, 2019 by timely regulatory intervention. Since, the scrip was put under the active surveillance framework and was monitored closely by the Exchange, it became a public knowledge serving as a big red flag for the general investors and as a consequence of that the price of the scrip started falling. Consequently, the *prima facie* scheme employed in the scrip by Mr. Hanif Shekh apparently could not yield in giving the intended fruition of elevating the price and volume (though there was spurt in the volume of the scrip) in the scrip to a high level as per the pre-design of the said scheme, as a result of which it is seen that the Off Loaders had to exit the scrip at prices lower than the expected. The Off Loaders in the scrip are those entities which belonged to Sub-groups 2 and 3. The details of trading done by the Off Loaders during the SMS period are presented as follows:

Table No. 64

Profits made by Sub-group 2

S No	Entity name	Buy Value during IP (A)	Sell Value during IP (B)	Profit during IP (C)=(B)-(A)
1.	Sahilkumar Amrutbhai Vaghela	1228100	1166550	-61550
2.	Hina Barot	811727	858137.1	46410.1
3.	Pritiben Popatbhai Parmar	696320	743451	47131
4.	Lilaben Popatbhai Parmar	562724.5	585646.35	22921.85
5.	Ravi Kannadasan Adidraavid	552643.5	575431.95	22788.45
6.	Vaghela Prakash Kantilal	532343.5	554098.2	21754.7
7.	Keval Savant	524443.5	545952.45	21508.95
8.	Manishkumar Rajput	521175	540457.5	19282.5
9.	Shahrukhkhan Pathan	438800	465465	26665
10.	Dipika Popatbhai Parmar	428570	461586	33016



S No	Entity name	Buy Value during IP (A)	Sell Value during IP (B)	Profit during IP (C)=(B)-(A)
11.	Chiragkumar Makwana	430349	447622.8	17273.8
12.	Makwana Madhuben	406852	421634.4	14782.4
13.	Popatbhai Ramjibhai Parmar	344033.5	369592.05	25558.55
14.	Krusha Birjukumar Sanghvi	151900	157224	5324
15.	Fuldeep Popatbhai Sehgal	95500	98265	2765
16.	Karan Birjubhai Sanghvi	95500	98265	2765
	Total			268397.3

Table No. 65

Dealings of Sub-group 3

S No	Entity name	Buy Value during IP (A)	Sell Value during IP (B)	Profit during IP (C)=(B)-(A)
1.	Linkup Financial Consultants Private Limited	6365651.65	4445672	-1919979.65
2.	Highgrowth Vincom Private Limited	6069685	4531350	-1538335
3.	Suprabhat Laha	3142026.95	3321620.8	179593.85
4.	Minu Mallick	2796637.7	3052895	256257.3
5.	Arpan Das	2766682.65	2796391.45	29708.8
6.	Dibakar Laha	2789619.2	2387775	-401844.2
7.	Debashish Dutta	1899190	1825320	-73870
8.	Arun Laha	1415562.5	1585105	169542.5
9.	Uma Dutta	1258700	1270248.05	11548.05
10.	Sumit Laha	1151200	1171050	19850
11.	Glorious Vincom Private Limited	1168920	839674.2	-329245.8
12.	Ujjal Laha	992722.6	1148954	156231.4
13.	Tapas Laha	820050	921463	101413
14.	Subrata Laha	132355	151980	19625
15.	Sanjay Dey	132692.5	151500	18807.5
	Total			-3300697.25



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The Ultimate Beneficiary

155. As noted in the earlier paragraphs of this Order, one set of Off Loaders, namely, Sub-group 2 (Ahmedabad based entities) have made profit by exiting the scrip while another set of Off Loaders, namely, Sub-group 3 (Kolkata based entities) have suffered losses while exiting the scrip during the SMS period. The reason for the same as noted above, is that the last leg of the *prima facie* scheme employed in the scrip (circulation of bulk SMSs to induce investors to the scrip and giving of buy recommendations in the scrip by using the website, www.midcapgains.in) did not pan out the way it was pre-planned by Mr. Hanif Shekh and his connected entities, since the scrip came under surveillance measure by the Stock Exchange as soon as the bulk SMSs started getting circulated. However, *prima facie* there is no room for doubt that, but for the surveillance measures, the *prima facie* scheme would have followed the same successful trajectory as it has followed in the other four scrips and would have brought huge monetary benefits to the mastermind and perpetrators of such a scheme, viz: Mr. Hanif Shekh and his connected entities in the same manner as it did for the other scrips discussed earlier. The above noted new developments surrounding this scrip all the more emphasise the invaluable role played by the bulk SMSs as one of the leg of the *prima facie* scheme of the fraudulent trade practices employed in the aforesaid scrips to make the scheme a thumping success by way of generating huge amounts of wrongful gains. The facts and circumstances based on which the aforesaid *prima facie* inferences have been drawn are as follows:

155.1. There is an uncanny resemblance in the way the *prima facie* scheme has unfolded in the other four scrips and in the scrip of Darjeeling. In other words, the first leg of the *prima facie* scheme across all the afore-discussed five scrips was that of manipulating the price and volume in the scrip so as to generate momentum and positive sentiment about the scrip in the market for dealing in the scrip. Having achieved a certain attractive level of volumes and price in the scrips through the manipulative trades engaged in by the set of connected entities who performed the role of PV Influencers, as per the pre-conceived scheme, the next leg of sending out bulk SMSs with buy recommendation in those



scrips was to commence in a big way including using websites to give buy recommendations in the scrip and subsequent to circulation of such bulk SMSs, certain entities connected either to the Company or the SMS sender were to exit the scrip predictably and expectedly, by making profits. Finally, post exiting the scrip, the said entities called in this Order as Off Loaders, would transfer the sales proceeds to the Company related entities or to the SMS sender and / or his connected entities through a series of layered transactions so that the real identities of the ultimate recipients of those sales proceeds would remain hidden behind those layered transactions. All the legs of the *prima facie* scheme have played out exactly in the same manner across the five scrips including Darjeeling.

155.2. I find that not only the *prima facie* scheme employed in Darjeeling is the same as that of other four scrips, even some of the entities involved in the said scheme pertaining to Darjeeling are the same who have also played a part in other four scrips. For instance, PV Influencers in the scrip of Darjeeling namely, entities belonging to Sub-groups 2 and 3 were also the PV Influencers in the scrips of VFL and 7NR (Sub-group 3), the *prima facie* SMS sender, Mr. Hanif Shekh is the common active link and single source of bulk SMSs across the five scrips, the Off Loaders in Darjeeling namely, the entities belonging to Sub-groups 2 and 3 were also the Off Loaders in the scrips of MUL, VFL, 7NR (Sub-group 3) and GBL (Sub-group 3) and last but not the least, the Ultimate Beneficiary in Darjeeling (discussed in subsequent paragraphs) remains Mr. Hanif Shekh and / or his connected entities as is the case in other four scrips.

156. It is noted from the records that Mr. Himanshu Shah who is the Promoter and Managing Director of Darjeeling was not only involved in the *prima facie* manipulation of price and volume in the scrip as part of the Darjeeling group but also he has exited from the scrip by mostly trading (2,74,487 shares out of 7,44,723 shares) with entities of Sub-groups 2 and 3, i.e. the entities which played the role of not only PV Influencers in the scrip but were also the Off Loaders in the scrip apart from being *prima facie* connected with Mr. Hanif Shekh. Thus, Mr. Himanshu Shah has *prima facie* played the same role as was being played by other entities of Sub-groups 2 and 3 and in fact the



said role is *prima facie* played by most of the Darjeeling group entities. Therefore, the very act of all these entities of the aforesaid three groups coming together to deal in the scrip in the market in a concerted manner as an united group, when critically examined with their timing of coming together to deal in the scrip including the fact that all of them have *prima facie* played the same kind of role while dealing in the scrip, cannot be brushed aside as a mere coincidence of events and such a role played by these entities in a coordinated and pre-orchestrated manner was bound to be played only pursuant to a *prima facie* pre-determined plan. It further shows the complicity of the *Company* connected entities in the *prima facie* scheme along with Mr. Hanif Shekh. As noted from the facts and evidence earlier, Mr. Hanif Shekh is undoubtedly the person who was sending bulk SMSs in all the aforesaid five scrips and was managing the website www.midcapgains.in to give buy recommendations in the scrip. A comprehensive scrutiny of all the relevant facts and circumstances of the matter now throws up a compelling scenario which shows that prior to circulation of bulk SMSs in the scrip of Darjeeling, entities connected to the *Company* and Mr. Hanif Shekh have *prima facie* artificially influenced the price and volume in the scrip and thereafter, coinciding with the circulation of bulk SMSs in the scrip which was done by Mr. Hanif Shekh, entities connected directly and / or indirectly with Mr. Hanif Shekh, exited the scrip. However, unlike other four scrips, the Off Loaders connected with Mr. Hanif Shekh could not make huge profits due to timely surveillance measure taken by the Stock Exchange which prevented the general investors to jump into the fray by getting induced by the artificially elevated volumes and price of the scrip. However, the entities connected with the *Company* had started exiting the scrip when the price in the scrip was substantially high compared to its past performance. The details of the profits so made by the *Company* connected entities are provided in the table below:



Table No. 66**Profits made by the Darjeeling Group**

Sl No	Entity Name	Buy Qty	Buy Value (INR) (A)	Sell Qty	Sell Value (INR) (B)	Net Profit (INR) (A)- (B)
1.	Shashikant Chinubhai Kapadia	815535	71117598	849068	61324319	-9793279
2.	Kruti Kevin Kapadia	620334	44239778	532069	47130561	2890784
3.	Arvind Shantilal Shah	511385	33389145	703830	56733153	23344008
4.	Bharati Arvind Shah	267474	20250074	272473	26118880	5868806
5.	Ramnaresh Dashadeen Nirmal	237112	21536058	242518	22436289	900231
6.	Mehul Hasmukh Shah	203893	16911670	116117	17293482	381812
7.	Dhavani Jayantkumar Shah	157173	14484940	69036	11807501	-2677439
8.	Bhashit Deepak Shah	127679	9719111	125050	9971966	252855
9.	Yash Manish Mehta	120719	10958055	140739	12622677	1664622
10.	Aakash Doshi	73206	9170506	271202	18761902	9591396
11.	Ankur Suresh Mehta	55863	5314239	92443	8821836	3507597
12.	Rupal Bhavin Shah	37936	4838002	188251	15852032	11014029
13.	Vidhi Mehul Shah	25000	2266489	0	1616250	-650239
14.	Himanshu Shah	11190	9485701	744988	67108263	57622563
15.	Rajvi Naresh Shah	9000	845852	9500	899451	53599
	Total	3273499	274527216.2	4357284	378498562	103971344

157. I have already noted in the preceding paragraphs of this Order, while discussing the dealing in the scrip of MUL, that the entities pertaining to Sub-groups 2 and 3 were funded by Sub-groups 2.A and 3.A and in return, Sub-groups 2 and 3 were found to



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transferring funds back to Sub-groups 2.A and 3.A from the sales proceed received by them after off-loading the shares of the scrip during the SMS period. Subsequently, Sub-groups 2.A and 3.A, through multiple layers of funds transfers were observed to be transferring money (so received back from Sub-groups 2 and 3) to Mr. Hanif Shekh. In similar lines and by following similar *modus operandi*, in the scrip of Darjeeling also, the entities pertaining to Sub-group 2 have transferred funds to Hanif Shekh and / or his connected entities. Thus, it can be *prima facie* inferred that though the Sub-group 2 entities were found to be actively dealing in the scrip of Darjeeling but in reality they were *prima facie*, just acting as front entities of Mr. Hanif Shekh to transact in the scrip and therefore, the latter, i.e. Mr Hanif Shekh (through his connected entities of Sub-groups 2.A and 3.A) was funding their trades. Consequently, after off-loading their shares of Darjeeling during the SMS period, the Sub-group 2 entities have transferred funds out of the sales proceeds received by them by way of exiting the scrip, to Mr. Hanif Shekh or to his connected entities albeit through multiple layers of conduit channels. In the given facts and circumstances of the matter, *prima facie* there cannot be any other plausible explanation for the peculiar way in the which the funds have flown from the accounts of Sub-group 2 entities to Mr. Hanif Shekh and/or his connected entities, other than for sending the remitting the gains so made by implementing the scheme to the ultimate mastermind as well as the main beneficiary of the said scheme.

158. To sum up the aforesaid discussion, as one wades through the multiple layers and multiple stages of implementation the aforesaid *prima facie* scheme that was *prima facie* employed in all the five scrips including Darjeeling, the facts and circumstances of the matter come back with a great force of clarity as to why the entire scheme was hatched which was apparently nothing but to *prima facie* benefit the entities connected with the *Company* and Mr. Hanif Shekh and / or his connected entities.

159. Now moving on to the determination of the *prima facie* violations committed by the entities involved in the scrip of Darjeeling, I find from that facts that *prima facie* the scheme for engaging in fraudulent trades as employed in the scrip of Darjeeling is almost identical to the schemes employed while dealing in the scrips of MUL, VFL, 7NR



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and GBL, wherein the *modus operandi* followed by the involved entities is also similar and the role of different groups of entities such as PV Influencers, SMS Sender and Ultimate Beneficiary etc., is also similar. Consequently, the justification for holding each entity liable for its role played in the *prima facie* scheme in Darjeeling would also be similar to that of other four scrips. Therefore, for the sake of brevity, the rationale behind holding these entities liable for their *prima facie* violations is not repeated once again.

160. The entities who have played the *prima facie* role of PV Influencers in the scrip and have been mentioned at Table No. 59 including Mr. Bhavin Shah (*prima facie* trading on behalf of his mother, father and wife who are *prima facie* PV Influencers in the scrip) and Mr. Kevin Kapadia (*prima facie* trading on behalf of wife who is *prima facie* PV Influencer in the scrip) have by their manipulative acts of dealing in the scrip have *prima facie* violated the provisions of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(a), (b), (e) and (g) of PFUTP Regulations.

161. Next comes, the SMS Sender, Mr. Hanif Shekh who was responsible for sending of bulk SMSs in the scrip including using the website www.midcapgains.in to give buy recommendations in the scrip. The complicity of the Promoter and Managing Director of Darjeeling namely, Mr. Himanshu Shah in the *prima facie* scheme has already been noted in the preceding paragraphs. Therefore, for the said actions, Mr. Hanif Shekh and Mr. Himanshu Shah have *prima facie* violated Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(k) and (r) of PFUTP Regulations. Further, as noted in preceding paragraphs, Sambhavanath Traders (Proprietor – Mr. Chandraprakash Valchand Parekh) has *prima facie* played a decisive role in operationalising the website, www.midcapgains.in without which the *prima facie* scheme would not have been able to be implemented at its full vigour. Therefore, the actions of Sambhavanath Traders (Proprietor – Mr. Chandraprakash Valchand Parekh) has *prima facie* led to the violation of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(k) and (r) of PFUTP Regulations.



162. Moving on to the *prima facie* violations committed by the Off Loaders, I find that the action of the Off Loaders was nothing but giving finality to the consequence of the previous legs of the *prima facie* scheme. In other words, their action of off-loading the shares by dealing the scrip in a fraudulent manner by playing their assigned role as part of the entire scheme would not have been possible without the efforts / actions of the kingpin of the *prima facie* scheme, Mr. Hanif Shekh. Therefore, the Off Loaders as mentioned at Table Nos. 64 and 65 along with Mr. Hanif Shekh have *prima facie* violated Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d), 4(1) and 4(2)(a) of PFUTP Regulations.

163. It is noted from records that the entities connected to Mr. Hanif Shekh namely Mr. Kasambhai Shekh, Ms. Hasina Kasambhai Shekh, Robert Resources Ltd., Econo Trade India Ltd., Econo Broking (Erstwhile Bansal Finstock) and Sai Metaltech LLP, the entities mentioned at Table No. 21 and also the entities mentioned at Table No. 17 have *prima facie* actively aided, abated and enabled Mr Hanif Shekh to encash the benefit of the scheme employed by him along with the Promoters of the *Company* in the scrip as these entities have facilitated in transferring of funds which were received by them from the other connected entities of Mr. Hanif Shekh namely Sub-groups 2.A, 3 and 3.A, who had dealt in the scrip pursuant to the *prima facie* scheme employed in the matter. Thus, the aforesaid actions on the part of the connected entities of Mr. Hanif Shekh have *prima facie* led to the violation of Sections 12A (a), (b) and (c) of SEBI Act and regulations 3 (a), 3 (b), 3 (c), 3(d) and 4(1) of PFUTP Regulations.

164. The issue which now merits discussion is who amongst the aforesaid entities, would be *prima facie* held liable for the proceeds wrongfully generated by the employment of the *prima facie* scheme in the scrip. From the above discussions, I note that the kingpin and mastermind, Mr. Hanif Shekh was *prima facie* pulling the strings from behind for successfully implementing the scheme at its various stages along with active support and collusion of the Promoter and Managing Director of Darjeeling namely, Mr. Himanshu Shah. Not only that, among others entities, they were also the major Ultimate Beneficiaries of the said *prima facie* scheme. Therefore, based on the available records, it is *prima facie* inferred that Mr. Hanif Shekh and his connected



entities namely, Mr. Kasambhai Shekh, Ms. Hasina Kasambhai Shekh, Robert Resources Ltd., Econo Trade India Ltd., Econo Broking (Erstwhile Bansal Finstock) and Sai Metaltech LLP including the relevant entities of Sub-group 2 and 3 as mentioned at Table No. 64 and 65 and Mr. Himanshu Shah, are jointly and severally liable for the wrongful gains generated in the scrip by the employment of the afore-discussed *prima facie* scheme, to the tune of INR 2,68,397/-. Further, the entities as mentioned at Table No. 66 along with Mr. Hanif Shekh are jointly and severally liable for the wrongful gains generated in the scrip by the employment of the *prima facie* scheme, to the tune of INR 10,39,71,344/-.

165. Before proceeding further, it will be appropriate here to recapitulate the *prima facie* findings in the matter. It has been exhaustively discussed in the foregoing paragraphs of this Order, the intricate details of the *prima facie* scheme employed across all the five scrips which, apart from certain minor variations in terms of particulars of the parties involved, essentially envisaged the same pre-conceived design and steps to fraudulently deal in all the afore-noted five scrips to generate wrongful gains. To begin with, a group of connected entities who have been named as PV Influencers in this Order, have deliberately placed orders over a period in a manner to *prima facie* manipulate the price and volume in the said scrips and to sustain the rise in price and volume in the scrip over the pre-SMS period so as to create a momentum of positive market perception about those scrips. The frequency of such trades amongst the connected entities did not continue for merely one or two stray incidents, but went on consistently with much more frequency in a manner to ensure that there are sustained trading activities in the scrip over a period of time. In the second leg of implementation of the scheme that unfolded with the circulation of bulk SMSs with buy recommendations in favour of the aforesaid five schemes including using websites to give buy recommendations in the said scrips, one can get a glimpse of the *prima facie* ingenious mastermind who worked behind such a well-crafted scheme, viz: Mr. Hanif Shekh. As the materials before me suggest, in order to evade regulatory detection and to maintain anonymity, Mr. Hanif Shekh possessed multiple mobile numbers under different names and by subscribing in cash, he was



already owning multiple SMS sender IDs. The said sender IDs were used to send bulk SMSs during different periods for different scrips, to thousands of mobile phone owners therein recommending to buy the aforesaid scrips. Further, he also made use of certain websites to give buy recommendations in the scrip. Post the circulation of such bulk SMSs, the *prima facie* scheme entered its final phase wherein the entities connected either with the kingpin, Mr. Hanif Shekh or in case of some scrips, related to the Promoters of the Company, had exited the scrip by offloading their shares (acquired previously) on the innocent investors who were *prima facie* induced to invest in those scrips by witnessing the steady rise in the price and volume in the scrip over a period which got further amplified by the SMSs that were being circulated in relation to these scrips.

166. Going by the unabated misconduct of the connected entities (PV Influencers) as demonstrated by their sustained *prima facie* manipulative trading activities in these five scrips over a period as discussed aforesaid and moreover, the desperate attempt by the kingpin and / or Promoters of the Company, to put up front entities and in some cases the entities connected to them, to deal in the scrip in a fraudulent manner including off-loading the shares during the SMS period with huge amounts of wrongful gains, when seen along with the *prima facie* fact that post off-loading of such shares, the wrongful gains were transferred to the Ultimate Beneficiaries (the kingpin and / or Promoters of the Company) using clandestine channels, show the meticulous effort put in by the kingpin, Mr. Hanif Shekh and in some cases by the Promoters of the Company to ensure that the *prima facie* scheme succeeds in its objective of bring home bountiful of wrongful gains to the Ultimate Beneficiaries of the scheme.

167. SEBI Act was enacted to protect the interests of investors in the securities market. Protection of interest of investors should necessarily include prevention of misuse of the market. Orchestrated trades are a misuse of the market mechanism which affects the market integrity. Ordinarily, the trading would have taken place between anonymous parties on the Stock Exchange platform and the price and the volume would have been determined by the market forces of demand and supply. In the instant case however, the entities did not stop at *prima facie* executing synchronised



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trading over a sustained period. Their intent behind dealing in the scrips as indicated by the facts gathered during investigation, goes beyond that. The particulars of the trade in this case indicate that the connected parties of different groups who engaged in apparent ingenuine trades during the pre-SMS period and thereafter primarily to influence the price and volume of the scrips, did not intend to transfer the beneficial ownership of the shares that were traded between them, since by trading amongst themselves as a group or being a counterparty to other connected entities' trades, the entities have ensured that the ownership of the shares stays within the group or amongst the other connected entities. The facts reveal that whenever such trades were not *prima facie* synchronizing, the entities were executing either *prima facie* structured trades or first trades above the closing price of the previous day or were placing several small orders to match one big counterparty order or were executing only miniscule trades or were attempting to manipulate the closing price. The aforesaid methods of trading in the scrips *prima facie* give a strong indication that the entities primarily intended to play with the market forces of demand and supply and were not behaving like regular prudent investors behaving in normal course of dealing in any securities.

168. A unique feature of the Stock Exchange is that, unlike other moveable properties, securities are bought and sold amongst the unknowns who never get to meet and the securities are traded at prices determined by the forces of demand and supply. While the screen-based trading system keeps the identity of the parties anonymous, it will be too naive to rest the findings on the said basis which overlooks a meeting of minds elsewhere. To put it differently, a lip service can be paid to a screen based trading system when the trading entities decide in advance to employ a well-planned scheme to deceitfully deal in a particular scrip on the Stock Exchange platform. Direct proof of such meeting of minds elsewhere would rarely be forthcoming. The test is one of preponderance of probabilities. The proof of manipulation in the circumstances always depends on inferences drawn from a mass of factual details. Findings must be gathered from patterns of trading data and the nature of the transactions etc. Several circumstances of a determinative character coupled with the inference arising from



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the conduct of the parties in a major market manipulation could reasonably lead to a conclusion that the entities have indulged in distorting the price and volume in a scrip. The inference of non-genuine trades in the instant matter has been drawn based on the cumulative effect of a host of attending circumstances viz., nature of transactions which were *prima facie* synchronized or were structured trades or were miniscule trades or were multiple trades to match one big order etc., the frequency with which such transactions were undertaken which was on a regular basis and between the same set of entities over a period of time, the value of the transactions which as noted above was beyond the financial capacity of some of the entities as they were either being funded by some other individuals or were *prima facie* front entities of the Promoters of the Company and also the conditions then prevailing in the market especially in the peer group companies which showed that the impugned scrips were trading differently than the peer group scrips while there were no material corporate announcements made by the companies involved in the instant matter. This list of factors, in the very nature of things, cannot be exhaustive. As the market grows, ingenuous means of manipulation are employed. There can be several such situations but some of the recurrently used methods by the entities in the instant matter have been discussed at length in the preceding paragraphs of this Order.

169. In the light of the aforesaid factors, it can be *prima facie* inferred that the entities by repeatedly carrying out the impugned trades in the scrips have not allowed the market forces to operate in their natural course and thereby depriving the other market players from having the correct picture about the performance of those five scrips while taking a call about dealing in those respective five scrips. Not only the *prima facie* deceptive behavior of the entities have affected the price discovery system but also had an adverse impact on the fairness, integrity and transparency of the stock market.
170. Securities market is wide spread and via its screen based trading system, it gives a common platform to all the traders to come together and deal in various scrips. It is through the trading screens of the Stock Exchanges that a potential investor is able to track a scrip and is able to gauge whether a particular scrip is active or not, whether



it is trading in large volumes and whether the price is going up or down. Thus, when a potential investor decides to invest in a scrip or to sell his holding in a scrip, among other things, also considers the aforesaid factors before making an informed decision. But when an individual either of his own or as part of a group, deals in the scrip with the sole purpose of artificially influencing its price and volume, the said deceptive behavior invariably influences the decision of the other investors in the market to deal in the scrip depending upon how the volume and price of the impugned scrip has been manipulated by the former. It goes without saying that any transaction executed to defeat the market mechanism would be illegal. In the instant matter the impugned transactions which were part of a well calculated scheme have subverted the Stock Exchange platform to benefit a few individuals at the expense of other investors in the scrip and the same deserves to be dealt with a firm hand.

171. Further, in the Indian securities market, stock brokers play a crucial role in initiating and hand holding the investors and in channelizing their investments into the securities market. In this context, reputed and established brokerage houses who cater to lakhs of investors play the role of credible gateways for the investors to enter into the securities market. In such a scenario, when an investor receives a recommendation from the end of a reputed stock broker, he is most likely to act upon such recommendation. In the instant matter, if the IDs (BT-ZROHDA, BT-ICISEC, etc.) from where the SMSs were sent giving buy recommendations in the five afore-stated scrips are examined including the website namely www.midcapgains.in, one can clearly ascertain that the SMSs sender / website owner was trying to deceive the innocent investors by using the Sender IDs in such a manner that closely resembled some of the major brokerage houses viz. Zerodha Broking Ltd., ICICI Securities, etc. Such a deceptive behaviour of the kingpin, Mr. Hanif Shekh, did not stop merely at *prima facie* manipulating the volumes and prices of the aforementioned five scrips in inducing investors through the SMSs, but he went ahead and attempted to impersonate the big brokerage houses in order to *prima facie* give credence to the historical price movement in the said five scrips (mainly caused by the PV Influencers) as well as to reinforce the authenticity of the misleading buy recommendations made



through those bulk SMSs. In the said process, the kingpin alongwith his connected entities as well as with other set of entities including Promoters of some of these Companies generated huge amount of wrongful gains by employing the afore-discussed *prima facie* scheme while dealing in the aforesaid five scrips. The following table succinctly chalks out the details of scrip wise aggregate amount of wrongful gains earned by various entities in the process of implementing the afore discussed *prima facie* manipulative and fraudulent scheme:

Table No. 67

Scrip	Wrongful gains earned the relevant entities (amount in INR)
Mauria Udyog Ltd	67,06,08,145
Vishal Fabrics Ltd	32,30,68,639
7NR Retail Ltd	29,60,46,866
GBL Industries Ltd	4,39,37,085
Darjeeling Ropeway Company Ltd	10,42,39,741
Total	1,43,79,00,476 (One hundred forty-three crore seventy nine lakh and four hundred seventy six only)

Directions

172. Keeping in view the aforesaid facts and circumstances and the detailed deliberations on the fraudulent trade practices indulged in by different entities, and also keeping in view the *prima facie* commission of the alleged violation of securities laws by the entities through their acts in the aforesaid five scrips, which have *prima facie* led to unlawful enrichment of the entities in the manner discussed as above, I observe that it is a fit case to pass interim directions to insulate the securities market from the mischievous acts of the entities and also to urgently prevent these entities from continuing with their *prima facie* fraudulent activities while dealing in the securities market. Further, there is an urgency to protect the wrongful gains from getting siphoned off beyond the regulatory reach. Accordingly, I, in exercise of the



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powers conferred upon me under Sections 11, 11 (4), 11B (1) read with Section 19 of the SEBI Act hereby by way of the present *interim order* issue the following directions, which shall remain in force until further order:

In the scrip of Mauria Udyog Ltd

- 172.1. The entities mentioned at Table No. 12, Table No. 13, Table No. 14 and Table No. 20 alongwith Mr. Navneet Kumar Sureka (Entity no. 8), Ms. Deepa Sureka (Entity no. 9), Mauria Udyog Ltd. (Entity no. 10) and Vee Em Infocenter Ltd. (Entity no. 11) are restrained from buying, selling or dealing in the securities market or associating themselves with the securities market, either directly or indirectly, in any manner whatsoever until further orders. If the aforesaid entities have any open position in any exchange traded derivative contracts, as on the date of the order, they can close out /square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. The entities are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this Order.
- 172.2. An amount of INR 33,48,04,829/- being the wrongful gains generated in the scrip of MUL by the employment of the *prima facie* scheme as discussed in preceding paragraphs is impounded, jointly and severally from the entities mentioned at Table No. 13, Table No. 14 and Table No. 20 alongwith Mr. Navneet Kumar Sureka (Entity no. 8) and Ms. Deepa Sureka (Entity no. 9).
- 172.3. An amount of INR 26,19,68,781/- being the wrongful gains generated in the scrip of MUL by the employment of the *prima facie* scheme as discussed in preceding paragraphs is impounded, jointly and severally from the Mr. Navneet Kumar Sureka (Entity no. 8), Ms. Deepa Sureka (Entity no. 9), Mauria Udyog Ltd. (Entity no. 10), Vee Em Infocenter Ltd. (Entity no. 11) and entities mentioned at Table No. 20.



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In the scrip of Vishal Fabrics Ltd

172.4. The entities mentioned at Table No. 20, Table No. 39, Table No. 40 and Table No. 41 are restrained from buying, selling or dealing in the securities market or associating themselves with the securities market, either directly or indirectly, in any manner whatsoever until further orders. If the entities have any open position in any exchange traded derivative contracts, as on the date of the order, they can close out /square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. The entities are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this Order.

172.5. An amount of INR 1,34,67,773/- being the wrongful gains generated in the scrip of VFL by the employment of the *prima facie* scheme as discussed in preceding paragraphs is impounded, jointly and severally from the entities mentioned at Table No. 20, Table No. 39, Table No. 40 and Table No. 41.

172.6. An amount of INR 30,96,00,866/- being the wrongful gains generated in the scrip of VFL by the employment of the *prima facie* scheme as discussed in preceding paragraphs is impounded, jointly and severally from the entities mentioned at Table No. 20 and Table No. 39.

In the scrip of 7NR Retail Ltd

172.7. The entities mentioned at Table No. 20, Table No. 46 and Table No. 47 are restrained from buying, selling or dealing in the securities market or associating themselves with the securities market, either directly or indirectly, in any manner whatsoever until further orders. If the entities have any open position in any exchange traded derivative contracts, as on the date of the order, they can close out /square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. The entities are permitted



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to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this Order.

172.8. An amount of INR **29,60,46,866/-** being the wrongful gains generated in the scrip of 7NR by the employment of the *prima facie* scheme as discussed in preceding paragraphs is impounded, jointly and severally from the entities mentioned at Table No. 20, Table No. 46 and Table No. 47.

In the scrip of GBL Industries Ltd

172.9. The entities mentioned at Table No. 20, Table No. 55 and Table No. 56 are restrained from buying, selling or dealing in the securities market or associating themselves with the securities market, either directly or indirectly, in any manner whatsoever until further orders. If the entities have any open position in any exchange traded derivative contracts, as on the date of the order, they can close out /square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. The entities are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this Order.

172.10. An amount of INR **4,39,37,085/-** being the wrongful gains generated in the scrip of GBL by the employment of the *prima facie* scheme as discussed in preceding paragraphs is impounded, jointly and severally from the entities mentioned at Table No. 20, Table No. 55 and Table No. 56.

In the scrip of Darjeeling Ropeway Company Ltd

172.11. The entities mentioned at Table No. 20, Table No. 64 and Table No. 65 alongwith Mr. Himanshu Shah (Entity no. 167) are restrained from buying, selling or dealing in the securities market or associating themselves with the securities market, either directly or indirectly, in any manner whatsoever until further orders. If the entities have any open position in any exchange traded derivative contracts, as on the date of the order, they can close out /square off



such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. The entities are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this Order.

172.12. An amount of INR 2,68,397.3/-being the wrongful gains generated in the scrip of Darjeeling by the employment of the *prima facie* scheme as discussed in preceding paragraphs is impounded, jointly and severally from the entities mentioned at mentioned at Table No. 20 and Table No. 64 alongwith Mr. Himanshu Shah (Entity no. 167).

172.13. The entities as mentioned at paragraph 172.2, 172.3, 172.5, 172.6, 172.8, 172.10 and 172.12 above are directed to credit/deposit the aforesaid respective amount of wrongful gains into an interest bearing Escrow Account or Savings a/c with a lien marked in favour of SEBI created specifically for the purpose in a Nationalized Bank. The Escrow Account(s) and/or Savings Account(s) shall create a lien in favour of SEBI and the monies kept therein shall not be released without permission from SEBI. The credit/deposit of aforesaid unlawful gains in the Escrow Account(s) and/or Savings Account(s) shall be made within a period of 15 days from the date of the Order.

172.14. Banks are directed that no debits shall be made, without permission of SEBI, out of the bank accounts held jointly or severally by the entities as mentioned at paragraph 172.2, 172.3, 172.5, 172.6, 172.8, 172.10 and 172.12, except for the purposes of transfer of funds to the Escrow Account(s) and/or Savings Account(s) to be created as directed above at paragraph no. 172.13. Further, the Depositories are also directed that no debit shall be made, without permission of SEBI, in the demat accounts held by the aforesaid persons (mentioned at paragraph 172.1, 172.4, 172.7, 172.9, and 172.11). However, credits, if any, into the bank accounts and demat accounts maybe allowed. Banks and the Depositories are directed to ensure that all the aforesaid directions are strictly enforced. However, debits in the bank accounts may also be allowed in



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the event the amounts available in the said accounts are in excess of the amount directed to be impounded above at paragraph nos. 172.2, 172.3, 172.5, 172.6, 172.8, 172.10 and 172.12. Banks are allowed to debit the accounts for the purpose of complying with this Order. It is clarified that once the impounding amount has been deposited by the entities as directed in this Order, the Banks would defreeze their accounts held by them.

172.15. The Registrar and Transfer Agents are directed to ensure that, they neither permit any transfer nor redemption of the securities, including Mutual Funds units, held by the entities (mentioned at paragraph 172.1, 172.4, 172.7, 172.9, and 172.11).

172.16. The entities (mentioned at paragraph 172.2, 172.3, 172.5, 172.6, 172.8, 172.10 and 172.12) are directed not to dispose of or alienate any of their assets/properties/securities, till such time the amount of wrongful gains is credited to Escrow Account(s) and/or Savings Account(s) as directed at paragraph no. 172.13 above, except with the prior permission of SEBI. In case of failure to deposit the amounts within the timelines as directed at paragraph no. 172.13 above, such entities are further directed to provide a full inventory of all their assets whether movable or immovable, or any interest or investment or charge in any of such assets, including property, details of all their bank accounts, demat accounts, holdings of shares/securities if held in physical form and mutual fund investments and details of companies in which they hold substantial or controlling interest within 7 working days from the date of completion of 15 days given to open an Escrow Account(s) and/or Savings Account(s) to deposit the wrongful gains as directed at paragraph no. 172.13 above.

173. The *prima facie* observations/findings contained in this Order are made on the basis of the materials available on record. In the light of the alleged violations of the provisions of the SEBI Act and PFUTP Regulations by the entities as stated in this order, this Order shall be treated as a show cause notice under Sections 11(1), 11(4), 11(4A), 11B (1), 11B (2) and 11(5) of SEBI Act, read with SEBI (Procedure for Holding



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Inquiry and Imposing Penalties) Rules, 2005, calling upon all the entities to show cause as to why certain directions including some as proposed below shall not be passed against them, as proposed hereunder:

173.1. Direction to disgorge an amount equivalent to the total wrongful gains (as mentioned in table below) made on account of the alleged manipulative and fraudulent trades, along with interest @ 12% per annum, if any thereon;

Table No. 68

Scrip	Amount of wrongful Gains (in INR)	Entities jointly and severally liable for wrongful gains
MUL	7,38,34,535	Entities mentioned at Table No. 15 alongwith Mr. Navneet Kumar Sureka (Entity no. 8) and Ms. Deepa Sureka (Entity no. 9)
	33,48,04,829	Entities mentioned at Table No. 13, Table No. 14 and Table No. 20 alongwith Mr. Navneet Kumar Sureka (Entity no. 8) and Ms. Deepa Sureka (Entity no. 9).
	26,19,68,781	Entities mentioned at Table No. 20 alongwith Mr. Navneet Kumar Sureka (Entity no. 8), Ms. Deepa Sureka (Entity no. 9), Mauria Udyog Ltd. (Entity no. 10) and Vee Em Infocenter Ltd. (Entity no. 11).
VFL	1,34,67,773	Entities mentioned at Table No. 20, Table No. 39, Table No. 40 and Table No. 41
	30,96,00,866	Entities mentioned at Table No. 20 and Table No. 39
7NR	29,60,46,866	Entities mentioned at Table No. 20, Table No. 46 and Table No. 47
GBL	4,39,37,085	Entities mentioned at Table No. 20, Table No. 55 and Table No. 56.
Darjeeling	10,39,71,344	Entities mentioned at Table No. 20 and Table No. 66 alongwith Mr. Bhavin Shah (Entity no. 201) and Mr. Kevin Kapadia (Entity no. 202).
	2,68,397.3	Entities mentioned at Table No. 20 and Table No. 64 alongwith Mr. Himanshu Shah (Entity no. 167).

173.2. Direction to restrain them from accessing the securities market and prohibiting them from buying, selling or otherwise dealing in securities for an appropriate period:



- 173.3. Direction to restrain them from associating themselves with the securities market, either directly or indirectly, in any manner and
- 173.4. Directions for imposition of monetary penalty under Sections 11B (2) and 11(4A) read with Section 15HA of the SEBI Act as may be deemed appropriate under SEBI Act.
174. The entities may file their reply with SEBI within 21 days from the date of receipt of this Order and avail an opportunity of personal hearing in the matter, if they so desire.
175. This Order is without prejudice to any other action that SEBI may initiate under the securities laws, as deemed appropriate, against the above mentioned persons/ entities.
176. This Order shall come into force with immediate effect and shall be in force till further Order.
177. A copy of this Order shall be forwarded to the entities, Stock Exchanges, Depositories, Registrar and Share Transfer Agents and Banks to ensure necessary compliance.



DATE: JUNE 19, 2023

PLACE: MUMBAI


S. K. MOHANTY

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA

List of Enclosures:

Sl. No.	Particulars
1.	Godaddy Replies
2.	FEPL Replies

Sl. No.	Particulars
3.	Awadh Info Replies
4.	Spark TG Replies
5.	Newrise securities Replies
6.	Hanif Shekh – UCC details
7.	Hanif Shekh communication with SEBI
8.	CDR- location
9.	Indigo Submission
10.	Yahoo- Hanif email id
11.	CDR- 9537570268- Call wth Awadh Info, Spark TG
12.	Same IMEI Number -CDR
13.	Make My Trip Replies
14.	Swiggy Replies
15.	Forgot Password – dgfindia website
16.	Mauria Udyog Ltd PV data
17.	MKSKA – partners and Bank statement
18.	Address of MKSKA, Vepar and Juscorp
19.	E-mail of Juscorp – MCA, directorship- Supriya Agarwal
20.	Bank statements of Mauria Group-01 -LTP contributors
21.	Bank statement of Mauria Group-02 -LTP contributors
22.	UCC of Kalpesh Dantani and Goenka Business
23.	Fund transfer from Mauria Employees to Kalpesh Dantani



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Sl. No.	Particulars
24.	Shyam Kumar Singh- KYC, address
25.	Director details of Corredor services
26.	Fund transfer among Group-01 LTP Contributors
27.	K M Enterprise Bank statement
28.	Fund transfer between MKSKA&CO and Group-01 LTP Contributors
29.	Kamal Gupta and Piyush Agarwal friends
30.	Mauria Trade Log
31.	Scrips under ASM LT Stage -1
32.	Darjeeling price movement – SMS period
33.	Mauria – Reply – Employee List
34.	Mauria connected entities- Bank KYC
35.	Mauria connected entities- Bank account- Union Bank
36.	CBDT Reply- ITR
37.	Gmail reply- Google
38.	Linkwise Marketing Pvt Ltd- Rent Agreement -Sign Deepak Garg
39.	UCC details of all entities
40.	UCC- Deepak Kumar Garg
41.	Ahmedabad –Subgroup 02 bank statements
42.	Ahmedabad Bank KYC
43.	Mauria Bank statements
44.	Net Sellers trading pattern across SMS scrips.



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Sl. No.	Particulars
45.	Glorious and Highgrowth address and director
46.	Kolkata –Subgroup 3 Bank Statements
47.	DK Jain, Econo Trade, Linkup Address
48.	Arun Laha n group Bank- IP address
49.	Arun Laha n group broker data- IP address
50.	Linkup Gmail data
51.	Shareholding pattern – Kolkata entities
52.	Sub-group 2 and Sub-group 2.A bank statement
53.	Ahmedabad- Sub-group 2.A bank statement
54.	Kolkata- Sub-group 3.A bank statement
55.	D K Jain, Amuly, MR Merchants shareholding
56.	Reply of Hanif Shekh
57.	Robert resources Ltd, Sai Metaltech LLP details
58.	Econo Trade India Details
59.	Econo broking details
60.	Hanif@bansalonline.com details
61.	Bank statement of Hanif entities
62.	Android device id of Briya, Purple, Kanungo
63.	Replies of Supreme securities and Ebixcash World Money
64.	Bank statement of Forex Companies
65.	Bank transfer between Samukh Trade and Mauria Entities



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Sl. No.	Particulars
66.	Bank transfer between Armeva/Frexon and Mauria Entities
67.	Bank transfer between K M Enterprise and Forex Companies
68.	Forex and hanif related fund transactions(Ahmedabad and Kolkata entities)
69.	Fund transfer between Ahmedabad and Kolkata entities - Bank statement of Sub-group 2.A and 3.A
70.	Kolkata entities IP address- Bank provided
71.	Common director- Nandu Shaw
72.	Relation/connection between Gemmy, Donum, Velox, Malacca
73.	Bank statement of Nilratan, Briya, Kanungo, Lagan barter, Purple
74.	Forex replies - No bills
75.	7 NR and Aneel& CO, Samukh Trade transfers
76.	7 NR and Kolkata entities
77.	Trading details of Kolkata entities across scrip
78.	Address- DK Jain and Econo Trade
79.	Fund transactions between Kolkata entities(Linkup, Glorious, Highgrowth) and Hanif entities (Nilratan, Lagan barter,
80.	Forex and Kolkata bank statement
81.	7 N R Retail Ltd related entities- bank statements.
82.	Forex Companies KYC-Bank, RBI approval letter
83.	Forex- Authorised representative submission
84.	Trading pattern Mauria entities
85.	Forex GST registrations
86.	Trading pattern of Ahmedabad based entities



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Sl. No.	Particulars
87.	Kolkata entities bank transaction with hanif related entities
88.	ITR- Complete- Incommensurate Income
89.	Shareholding pattern- Ahmedabad based
90.	No reply to Summons
91.	Complaints- Zerodha
92.	SMS-headers compilation-CDR
93.	Vishal- SMS details
94.	PV- GBL
95.	PV- Darjeeling Ropeway
96.	Profit- Mauria Connected
97.	Connection of Darjeeling Group
98.	Profit- Ahmedabad based
99.	Profit- Kolkata based
100.	Profit- Gohil group
101.	Profit- Vishal group
102.	Profit- Mauria LTP contributors
103.	Profit- Darjeeling LTP contributors
104.	Combined bank statement
105.	Vishal- Popular Softtech reply
106.	Sai Metaltech LLP – OBC/PNB and SBI
107.	Hanif statement recording



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Sl. No.	Particulars
108.	Vishal- Zomato Reply
109.	Vishal- Hotel Hilton Reply
110.	Trade Log- 7NR
111.	Trade Log- Darjeeling
112.	PV-7NR
113.	PV-GBL
114.	Fund transfer- Ramu Jsoneya and Chintukumar Pandya
115.	PV-Vishal
116.	Trade log- GBL
117.	Connection table- Vishal
118.	Trade Log- Vishal – NSE and BSE
119.	Fund Flow- Gohil group- 7 NR
120.	Vishal- Dubai Fund flow
121.	Impact on Retail Investors
122.	Submission- Sub-group 01
123.	E-mail – D.K. Gupta- Contractor shares
124.	Submission- Sub-group 02
125.	Submission- Sub-group 2.A
126.	Submission- Sub-group 3
127.	Submission- Sub-group 3.A
128.	Submission- Sub-group 4



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Sl. No.	Particulars
129.	Submission- Sub-group 5
130.	Submission- Sub-group 5.A
131.	Submission- Sub-group 6
132.	Submission- Sub-group 7
133.	Submission- LTP-Mauria –Group 01
134.	Submission- LTP-Mauria –Group 02
135.	Submission- LTP-Darjeeling
136.	Submission- LTP-7 NR
137.	Submission- LTP-GBL
138.	Submission- LTP-Vishal
139.	Connection-7 NR Retail Ltd



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