**BEFORE THE ADJUDICATING OFFICER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**[ADJUDICATION ORDER NO. BM/AO- 40/2012]**

---

**UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 1995**

**In respect of**

**Mr. Ashesh Agarwal.**

**PAN No. (AFBPA6437M )**

**In the matter of Rich Capital & Financial Services Ltd**

---

**FACTS OF THE CASE IN BRIEF**

1. Securities and Exchange Board of India (hereinafter referred to as **"SEBI"**) conducted investigation into trading in the scrip of Rich Capital & Financial Services Ltd (hereinafter referred to as **RCFL**) for the periods between March 27, 2009 to August 12, 2009 (hereinafter referred to as **"Investigation period"**). The shares of the company were listed on January 07, 2003 at Bombay Stock Exchange Ltd (hereinafter referred to as '**BSE**') the shares were listed at the Delhi Stock Exchange Ltd (hereinafter referred to as **'DSE'**) and were also listed at Uttar Pradesh Stock Exchange (hereinafter referred to as **'UPSE'**). The trading in the scrip of the company was investigated due to sharp price rise and trading in heavy volumes in the scrip during the investigation period.

2. During the investigation period the scrip was trade for 138 days. It was observed that the price of the scrip opened at  8.90 on March 27, 2009 and moved to a high of  80.15 on August 12, 2009 and closed at  73.70 on August 12, 2009 with an average volume of

5,258 shares per day. There were no trades executed in the scrip of RCFL at DSE and UPSE during the investigation period.

3. Investigation observed that a group of connected/related clients entered into transactions with each other and executed synchronized trades and circular/reversal trades and created artificial volume. Further these connected clients also executed trades at a price higher than last traded price (LTP) and contributed to new high price and thus created artificial price rise in the scrip. It was observed that Mr. Ashesh Agarwal (hereinafter referred to as the **Noticee**) traded through the trading member M/s. UPSE Securities Ltd. It was alleged that the Noticee executed reversal/circular trade, executed trades at a price higher than LTP and contributed to new high price and thus manipulated the scrip.

4. It is therefore alleged that the Noticee violated Regulation 3, 4(1), 4(2)(a), (b), (e), and (g) of SEBI (Prohibition of fraudulent and Unfair Trade Practices relating to the Securities Market) Regulation, 2003.

## APPOINTMENT OF ADJUDICATING OFFICER

5. I was appointed as Adjudicating Officer vide order dated March 24, 2011 under section 15 I of SEBI Act read with rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as '**Rules'**) to inquire into and adjudge the alleged violations committed by the Noticee.

6. Show Cause Notice No. EAD-6/BM/VRP/19849/2011 dated June 21, 2011 (hereinafter referred to as **"SCN"**) was issued to the Noticee under rule 4(1) of the Rules to show cause as to why an inquiry should not be held against the Noticee and penalty be not imposed under section 15HA of SEBI Act for the alleged violation specified in the said SCN. The SCN was duly acknowledged by the Noticee.

7. It was alleged in the SCN that the Noticee contributed to new high price, entered into trades at a higher price than the last traded price in the scrip and also executed reversal/circular trades thereby created artificial volumes in the scrip of RCFL and

manipulated the price of the scrip which led to manipulative, fraudulent and unfair trade in the scrip during the investigation period.

8. The Noticee vide letter dated August 4, 2011 requested for the following documents:

- Reasonable grounds of believe on the basis of which Board has passed an order of investigation
- Written order of the Board for Investigation
- Investigation Report alongwith annexures.

Noticee was informed that the proceedings before the undersigned was adjudication proceeding and the appointment order of the Board was already forwarded with the SCN as also the relevant documents and the annexures on the basis of which the charges were framed in the SCN. Noticee was also advised to submit his reply to the SCN.

9. In order to conduct an inquiry as per Rule 4 (3) of the Rules, the Noticee was granted an opportunity of hearing on 26.12.2011 at SEBI, NRO, Delhi however at the request of the Noticee hearing was postponed. Second opportunity of hearing was granted on 15.02.2012 at SEBI, NRO, Delhi vide notice dated 16.01.2012 Mr.Tatwesh Agarwak (Advocate) Authorised Representative of the Noticee appeared and submitted that he will file reply to the SCN by 10.04.2012.

10. The Noticee vide its reply vide letter dated 10.04.2012, denied the charges levelled against him in the SCN inter alia stating as follows:

*With reference to your aforesaid notice dated 21.06.2011 and hearing dated 15.02.2012, I am giving my reply as under:-*

*1- That the contents of paragraph no. 1 of notice are formal in nature and needs no comments.*

*2- That the most of contents of paragraph no. 2 are formal in nature and needs no comments. However, with reference to moving of SENSEX mentioned in Annexure 2, it is humbly submitted that SENSEX is based on pricing etc. of only 30 'A' group companies out of which 23.33% companies are government companies. The prices of all the listed companies can never be increased or decreased as per the SENSEX for example if on a particular date SENSEX increased by 2.5% then prices of shares of all listed companies can never be increased by 2.5% even prices of some of shares may be decreased. It is*

*most respectfully submitted that even the prices of shares of those companies on the basis of which SENSEX has been made not always fluctuate as per PERCENTAGE WISE ratio of SENSEX for example that if on a particular day SENSEX decreased by 2% then it is not necessary that prices of shares of all the 30 companies (which creates SENSEX) shall be decreased by 2%. In these circumstances, price volume analysis given in paragraph no. 2 of notice and price volume data on the basis of SENSEX given at Annexure 2 is not fair as well as not applicable in the present matter.*

3- *That the contents of paragraph no. 3 are matter of record which shall be supported by credible evidence.*

4- *That with reference to contents of paragraph no. 4, it is most respectfully submitted that as per the details available on website, the total no. of shares of M/s Rich Capital and Financial Services Ltd. is 72,52,800 out of which I have purchased only 47400 shares and sold only 36845 shares as stated by yourself. The total purchased quantity shall be 0.63% and total sold quantity shall be 0.05% of total shares. Moreover, which is sold and purchased during a long period of 70 days. In this regard, it is humbly submitted that it can never be violation of any provision of law.*

5- *That with reference to paragraph no. 5 of notice, it is most respectfully submitted that as stated in notice during the investigation period price of script increased by Rs. 71.25 out of which the applicant contributed only Rs. 1.95 which is only 2.73%, therefore, it can not be said that the applicant has played any role in contribution of new price high.*

6- *That with reference to paragraph no. 6 of notice, it is most respectfully submitted that in paragraph no. 5, this Learned Officer herself stated total price rise is 71.25 then how increase in trade price to last trade price can be of 313.49. I am unable to understand the contents of paragraph no. 6 due to aforesaid reason. It is necessary to mention that annexure 4 stated only one trade of the applicant, therefore, it can not be said that there is any contribution of the applicant.*

7- *That with reference to paragraph no. 7, 8 and 9 of notice, it is most respectfully submitted as under:-*

(A) *At the time of trading of shares in Bombay Stock Exchange, no one can know who is the second party, due to trading system of Bombay Stock Exchange for example if I decide to purchase 100 shares of a particular scrip, then I have only two options i.e. if there is seller of 100 shares, then I purchase the said shares but could not know in any circumstances that who is the seller and secondly I may placed my order for purchase of shares and any one can sold the shares to me as per order specification but in this circumstances also I could not know in any way who has sold the shares to me.*

*(B) The applicant is simple investor and made jobbing in script of Rich Capital and Financial Services Ltd. the details of his sell and purchase is enclosed herewith as Annexure '1' which demonstrate the clear position.*

*(C) The Annexure 5 of notice is absolutely not admitted as stated. We have enclosed the details of sell and purchase in Annexure '1'. I have not traded in the scrip of M/s Rich Capital and Financial Services Ltd. except mentioned in Annexure 1.*

*(D) In these circumstances, it is wrong to say that the applicant made reversal/circular trades.*

*8- That with reference to contents of paragraph no. 10 of notice, it is most respectfully submitted that I am simple investor and not the person associated with the security market. I have not committed any act which may violate the provisions of any law of the security market. The allegations contained in paragraph no. 10 of notice are without any basis or evidence.*

*9- That with reference to contents of paragraph no. 11 and 12 of notice, it is most respectfully submitted that the allegations of violations of securities law are not admitted and denied. The allegations contained in the notice are not capable to constitute alleged violation of law.*

*10- It is humbly submitted that required documents has not been provided to the applicant till date.*

*It is therefore, respectfully prayed that this Learned Authority may kindly be pleased not to hold any inquiry against the applicant and drop the proceedings*.

Subsequent to the hearing vide letter dated 18.04.2012 the Noticee was provided with the copy of the order log pertaining to his orders placed at new high price and higher than the LTP was advised to offer his comments by 26.04.2012. The Noticee vide letter dated 26.04.2012 replies as under:

*1. With reference to contents of paragraph no 1 of your aforesaid letter, it is humbly submitted that details of all sale and purchases of shares of Rich Capital & Financial Services Ltd., has been given by the applicant as Annexure "1" of reply dated 10.04.2012 and made clear explanation regarding Annexure "1" in my reply.*

*2. That with reference to contents of paragraph no 2, it is humbly submitted that no evidence has been provided till date after repeated demand except contents of allegations and some annexures along with show cause notice.*

*3. That the copy of order log as provided by you is demonstrate that the applicant purchased on 24,480 shares and sold only 16,630 shares .*

*4. It will be appropriated to point out that as per details mentioned in the show cause notice, you himself admitted the total gain of applicant is only Rs 29,844.45.*

**CONSIDERATION OF ISSUES AND FINDING**

11. I have carefully examined the SCN, the reply of the Noticee and other materials available on record. I observe that the allegations in the SCN were as follows:

a. On analyzing the new high price it was observed that the Noticee alongwith connected entities appeared as buyers in 50 trades out of 130 such trades and contributed to  35.85 to the total price rise of  71.25 out of these 50 trades Noticee executed 6 trades and contributed to  1.95 to the price rise of  35.85.

b. LTP analysis revealed that the Noticee alongwith the connected entities bought shares at a price higher than the last traded price (LTP) in the scrip on 287 instances out of total 584 instances and contributed  153.27 out of total cumulative increase in trade price to LTP of  313.49. Out of these 287 instances the Noticee executed 43 trades and contributed  15.2 out of total cumulative increase of  153.27 contributed by the said group.

c. Noticee executed reversal/circular trades with connected entities thereby created artificial volumes in the scrip of RCFL and manipulated the price of the scrip which led to manipulative, fraudulent and unfair trade in the scrip during the investigation period.

In view of the above it was alleged that the Noticee violated Regulations 3, 4(1), 4(2)(a), (b), (e), and (g) of SEBI (Prohibition of fraudulent and Unfair Trade Practices relating to the Securities Market) Regulation, 2003.

**FINDINGS**

12. The issues that arise for consideration in the present case are:

a) Whether the Noticee was connected to the entities in the group as alleged?

b) Whether the Noticee executed reversal/circular trade and influenced the price of the scrip through new high price and last traded price (LTP)?

c) Whether the Noticee violated regulation 3, 4(1), 4(2) (a), (b), (e), and (g) of SEBI (Prohibition of fraudulent and Unfair Trade Practices relating to the Securities Market) Regulation, 2003 in the scrip of RCFL?

d) Does the violations, if any, on the part of the Noticee attract monetary penalty under sections 15 HA respectively of SEBI Act?

e) If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in section 15J of SEBI Act?

13. I now proceed to deal with the findings in connection with the role of the Noticee in the creation of artificial volume and price which led to the alleged manipulation in the scrip RCFL during the investigation period.

14. Before moving forward, it will be appropriate to refer to the relevant provisions of PFUTP regulation which reads as under:

**SEBI (Prohibition of fraudulent and Unfair Trade Practices relating to the Securities Market) Regulation, 2003:**

***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 thereunder;*

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

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

**4. <u>Prohibition of manipulative, fraudulent and unfair trade practices</u>**

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

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

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

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

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

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

15. It was observed that Noticee traded through the broker M/s. UPSE Securities Ltd and its gross purchase was 47,400 which amounted to 10.48% of the total market and his gross sales were 36,845 which amounted to 8.15 % of the total market volume.

16. Investigation observed that a group of clients who were connected to each other were the major clients dealing in the scrip during the investigation period. The basis of connection was observed as follows:

| Client Name | Member Name | Basis of connection |
|---|---|---|
| Big Brokers House Stocks Limited | MTL Share & Stock Brokers Ltd. (952) | They have a common address viz. G-12 First Floor Anand Niketan, New Delhi 110021. Also, Director of Big Brokers House Stocks Ltd viz. Shashwat Agarwal (PAN ABUPA2590C) is also the Chairman of RCFL. Therefore connected to the RCFL. |
| Rich Udyog Network Limited | Shriam Financial Pvt.Ltd. (3039) | |
| Sanjeev Agarwal | MTL Share & Stock Brokers Ltd. (952) | From the KYC of Big Broker House Stocks Ltd., Sanjeev Agarwal and Rajeev Agarwal are the sons of Krishna Kumar Agarwal. Rajeev Agarwal and Shashwat Agarwal (CMD of RCFL) are Directors of Big Broker House Stocks Limited. It was observed that Sanjeev Agarwal is also promoter of Big Broker Stocks Ltd. Therefore these entities are connected to RCFL. |
| Ashesh Agarwal | UPSE Securities Ltd. (298) | It was observed from the KYC of Ashesh Agarwal and Shashwat Agarwal that the name of father for both the entities is Sharat Chandra Agarwal. Therefore connected to each other. |
| Sanjay Agarwal | UPSE Securities Ltd. (298) | From the KYC it was observed that he is the introducer of Ashesh Agarwal. |
| Vasundhara Cap. & Sec. Ltd. | Prabhat Financial Services Ltd. (3073) | They have a common address viz. 16/19 A Civil Lines, Kanpur, Uttar Pradesh. Also, from KYC, it is observed that Subodh Agarwal, Director of Big Brokers House Stocks Limited is also having the same address. Further, the registered office address of the company till May 5, 2007 was also 16/19 A Civil Lines, Kanpur, Uttar Pradesh. |
| Litmus Investments Limited | Prabhat Financial Services Ltd. (3073) | |
| Paramjeet Singh | Prabhat Financial Services Ltd. (3073) | Transferred shares in off Market to Vasundhara Cap. & Sec. Ltd. |
| Rajendra Kaur | Prabhat Financial Services Ltd. (3073) | |

| | | |
|---|---|---|
| Priyanshi Securities Limited | Prabhat Financial Services Ltd. (3073) | Deepa Mittal, Director of Priyanshi Securities Limited, and one Arvind Mittal who transferred shares in off market to Vasundhara Cap. & Sec. Ltd. have common address viz. 26/34 Birhana Road Kanpur. Further, from the KYC of Deepa Mittal, it is observed that her husband's name is Arvind Mittal. |
| Adinath Shares And Commodities Private Limited | Prabhat Financial Services Ltd. (3073) | Transferred shares in off Market to Vasundhara Cap. & Sec. Ltd. |
| Shri Narain Mishra | Bakliwal Financial Services Ltd. (164) | Have same Telephone No. as Adinath Shares and Commodities Private Limited i.e. 3912853 |
| Megha Aromatics Pvt. Ltd. | Prabhat Financial Services Ltd. (3073) | Anil Kumar Kaya and Simmi Kaya (Directors of Megha Aromatics Pvt. Ltd.) have transferred shares in off market to Adinath Shares and Commodities Private Limited. |
| Gaurav Singh | Prabhat Financial Services Ltd. (3073) | Although prima facie no connection of Gaurav Singh with this group could be established, it was observed that he had traded through common trading member viz. Prabhat Financial Services Ltd. Moreover, his orders also were placed from the same location as that of other entities of the group viz. Megha Aromatics Pvt. Ltd. were placed i.e. "Satyam", 4/276, Parwati Bagla Road, Kanpur, U.P. |
| Rupali Mehrotra | Prabhat Financial Services Ltd. (3073) | Transferred shares in off Market to Adinath Shares and Commodities Private Ltd. |
| Rekha Chawla | Prabhat Financial Services Ltd. (3073) | Have common Telephone no. with Paramjeet Singh, Rajendra Kaur and Rupali Mehrotra viz. 3073793 |

17. I would first discuss on the alleged connection among the entities. From the documents available before me I observe that Noticee, Rich Udyog, Sanjeev Agarwal, Big Broker House Stocks Limited, Vaundhara Capital and Litmus Investments Ltd are connected to each other through common directorship, common address etc. Adinath Shares is connected to Vasundhara, Megha Aromatics and Rupali Mehrotra through off market transfers. Adinath is also found connected to Shri Narain Mishra as they have common telephone number. Apart from the same there is nothing before me to show connection of the Adinath with the other entities in the group. Similarly Megha Aromatics is found connected to the Adinath through off market transfers, apart from the same there is nothing before me to show that Megha is connected to the other entities in the group. Parmjeet Singh is found connected to Rajendra Kaur as they are relatives as observed from letter dated 22.06.2010 addressed to Investigation Department. Further they are connected to Vasundhara Capital through off market transfers. Apart from the above

there is nothing before me to show their connection with the other entities in the group. With respect to Priyanshi, and Gaurav I do not find conclusive evidence of connection among themselves and other entities in the group. Rekha Chawla is found connected to Paramjeet Singh, Rajinder Kaur and Rupali Mehrotra through common telephone number but is not found connected to any other entities in the group as observed from the documents available before me. Thus from above it can be concluded that Noticee, Rich Udyog, Sanjeev Agarwal, Big Brokers House Stocks Ltd, Vaundhara Capital and Litmus Investments Ltd are only being considered connected to each other, other relationships are not being considered due to lack of connections.

18. It was alleged that the Noticee, Big Broker House Stocks Limited, Sanjeev Agarwal, Priyanshi Securities, Rekha Chawla, Megha AromaticsPvt. Ltd., Gaurav Singh and Rich Udyog Network Ltd while dealing through their respective brokers appeared as buyers in 50 trades out of 130 such trades and contributed □ 35.85 to the total price rise of □ 71.25 during the investigation period i.e. 50.32% of the total price rise. Out of the above 50 trades the Noticee executed 6 such trades and contributed to 1.95 to the price rise of □ 35.85 by the group.

19. Further while analysing the last traded price it was alleged that the connected entities mainly bought shares at a price higher than the last traded price (LTP) in the scrip on 287 instances out of 584 instances and contributed □ 153.27 out of cumulative rise of □ 313.49.

20. I would now discuss on the alleged role of the Noticee in manipulation in the scrip of RCFL.

As elaborated above Noticee was found connected to Rich Udyog, Sanjeev Agarwal, Big Broker House Stocks Limited, Vaundhara Capital and Litmus Investments Ltd. On analyzing the new high price it was observed that the Noticee alongwith the connected entities Rich Udyog, Sanjeev Agarwal, Big Broker House Stocks Limited appeared as buyers in number of trades and contributed to price rise in the scrip during the investigation period. The details of the trades executed by the Noticee and other connected entities are given below:

| Broker Name (Code) | Client Name (Code) | No. days traded in respect of NHP | No. of Trades | Contribution in new price established (□) |
|---|---|---|---|---|
| MTL Share & Stock Brokers Ltd. (952) | Big Brokers House Stocks Limited. (HMFF20) | 16 | 23 | 20.20 |
| | Sanjeev Agarwal (HMFF4) | 07 | 10 | 9.40 |
| UPSE Securities Ltd. (298) | Ashesh Agarwal (A111) | 05 | 6 | 1.95 |
| Shriam Financial Pvt. Ltd. (3039) | Rich Udyog Network Limited. (E2) | 01 | 1 | 0.30 |
| **Total** | | | **40** | **31.85** |

It was observed that out of the total price rise of □ 71.25 the connected entities alongwith the Noticee contributed to price rise of □ 31.85 during the investigation period i.e. 44.70% of the total price rise. The details of trades' abstracts of the Noticee from the order log and trade log are as given below:

| Trade Date | Trade Time | Buy Member Name | Buy Client Code | Quantity | Price | LTP | NHP | NHP Diff | % of NHP Diff | Buy Order No | Sell Member Name | Sell Client Code | Sell Order No | Buy Order Time | Sell Order Time | Buy Order Qty. | Sell Order Qty. | Buy Order Rate | Sell Order Rate | Time Diff. | Qty Diff. | Rate Diff. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 24-04-2009 | 13:09:41 | UPSE SECURITIES LTD. | A111 | 100 | 14 | 0.2 | 14.00 | 0.20 | 1.45 | 29802300020230490 | SHRIAM FINANCIAL PVT. L | E2 | 3039001000020214582 | 13:09:40 | 13:08:25 | 100 | 250 | 14 | 14 | 0:01:15 | 150 | 0 |
| 27-04-2009 | 14:58:14 | UPSE SECURITIES LTD. | A111 | 250 | 14.6 | 0.4 | 14.60 | 0.40 | 2.82 | 29802300020230592 | SHRIAM FINANCIAL PVT. L | E2 | 3039001000020214755 | 14:58:14 | 11:18:21 | 250 | 250 | 14.6 | 14.6 | 3:39:53 | 0 | 0 |
| 04-06-2009 | 10:10:24 | UPSE SECURITIES LTD. | A111 | 25 | 25 | 0.55 | 25.00 | 0.55 | 2.25 | 23000043003688 | PRABHUDAS LILLADHER PVT. | 601458 | 1200004200 1993 | 10:10:24 | 10:03:04 | 25 | 1000 | 25 | 25 | 0:07:20 | 975 | 0 |
| 22-06-2009 | 10:02:01 | UPSE SECURITIES LTD. | A111 | 500 | 30.75 | 0.25 | 30.75 | 0.10 | 0.33 | 14000042002522 | MTL SHARE & STOCK BROKERS | HMFF4 | 1400004200 2262 | 10:02:01 | 10:00:57 | 1500 | 500 | 31 | 30.75 | 0:01:04 | 1000 | 0.25 |
| 22-06-2009 | 10:02:01 | UPSE SECURITIES LTD. | A111 | 500 | 31 | 0.25 | 31.00 | 0.25 | 0.81 | 14000042002522 | MTL SHARE & STOCK BROKERS | HMFF4 | 1700003900 2861 | 10:02:01 | 10:01:44 | 1500 | 500 | 31 | 31 | 0:00:16 | 1000 | 0 |
| 28-07-2009 | 9:59:58 | UPSE SECURITIES LTD. | A111 | 300 | 53 | 1 | 53.00 | 0.45 | 0.86 | 23000044001911 | MTL SHARE & STOCK BROKERS | HMFF20 | 1600003400 2267 | 9:59:48 | 9:59:57 | 300 | 300 | 53 | 53 | 0:00:09 | 0 | 0 |

21. Further on further analyzing the trade and order and order log the role of the Noticee in contributing to new high price vis –a-vis the market were observed as follows:

| | Ashesh Agarwal as Buyer | | | | | | | | | | Market | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | All Trades by Ashesh Agarwal | | NHP by Ashesh Agarwal | | | | | | | | NHP by All Clients | | | Trading by All Clients | | |
| Trade Date | No. of Trades | Quantity Traded | No. of Trades Executed at NHP | Sum of Diff NHP to Prev NHP | New High Price Range | | Minimum Quantity Traded at NHP | Maximum Quantity Traded at NHP | No. of Trades with Counterparty Connected entities | Counter party Connected Clients | No. of Trades Executed at NHP | Sum of Diff NHP to Prev NHP | Contribution by HMFF4 to the market | Minimum Price | Maximum Price | Quantity Traded |
| 24-04-2009 | 1 | 100 | 1 | 0.2 | 14 | 14 | 100 | 100 | 1 | Others | 2 | 0.4 | 50% | 14 | 14.2 | 500 |
| 27-04-2009 | 1 | 250 | 1 | 0.4 | 14.6 | 14.6 | 250 | 250 | 1 | Others | 1 | 0.4 | 100% | 14.6 | 14.6 | 250 |
| 04-06-2009 | 3 | 1025 | 1 | 0.55 | 25 | 25 | 25 | 25 | 0 | Others | 4 | 1.2 | 46% | 25 | 25.65 | 3469 |
| 22-06-2009 | 3 | 1500 | 2 | 0.35 | 30.75 | 31 | 500 | 500 | 2 | Sanjeev Agarwal | 6 | 0.95 | 37% | 30.5 | 31.6 | 5850 |
| 28-07-2009 | 11 | 1500 | 1 | 0.45 | 53 | 53 | 300 | 300 | 1 | Big Boroker | 4 | 2.05 | 22% | 52 | 54.6 | 9604 |
| **Total** | **19** | **4375** | **6** | **1.95** | | | | | **5** | | **17** | **5** | **39%** | | | **19673** |

22. The integrated trade and order log giving the details of his trades and the order log pertaining to the new high price and LTP was given to the Noticee as annexures to the SCN and vide subsequent letter dated April 18, 2012. It was observed from the above table that during the period 24.04.2009 to 28.07.2009 there were total 17 instances where trades were executed at new high price (NHP) wherein the contribution of the Noticee was in 06 instances to the price rise of the day. It was also observed that the price during the period rose from  14 on 24.04.2009 to  54.6 on 28.07.2009 i.e by 40.6 and the contribution of the Noticee was  1.95 to the price rise during the period. Further it is observed that out of 5 days on 2 days the counter parties were the connected entities i.e., Sanjeev Agarwal and Big Brokers House Stocks Limited. Noticee as well as the connected entities were doing internet trading and were thus placing the orders themselves. It is too much of a coincidence that the orders were getting matched in with the connected entities. Noticee in his reply has not denied the relationship with the connected entities hence Noticee's role cannot be taken in isolation and has to be considered alongwith the

other connected entities. Thus Noticee alongwith the connected entities were instrumental in influencing the price through new high price.

23. It was alleged that the out of the 584 instances of LTP variation, Noticee alongwith the connected entities Sanjeev Agarwal, Big Brokers House Stocks Limited, Vaundhara Capital, Litmus Investments Ltd and Rich Udyog Network Ltd executed trades at a price higher than the LTP in 248 instances and contributed to price rise during the investigation period. The details of such trades by the Noticee along with the connected entities are as given below:

| **Name of Broker** | **Name of Client (code)** | **No. of trades executed at higher price to Last traded price.** | **Cumulative increase in trade Price to Last traded Price (□)** |
|---|---|---|---|
| MTL SHARE & STOCK BROKERS LTD. | Big Brokers House Stocks Ltd. (HMFF20) | 139 | 89.3 |
| | Sanjeev Agarwal (HMFF4) | 61 | 33.72 |
| UPSE SECURITIES LTD. | Ashesh Agarwal (A111) | 43 | 15.2 |
| PRABHAT FINANCIAL SERVICES LTD | Vasundhara Capital & Sec. Ltd.(K051) | 3 | 0.8 |
| | Litmus Investments Limited (K658) | 1 | 0.05 |
| SHRIAM FINANCIAL PVT. LTD. | Rich Udyog Network Ltd. (E2) | 1 | 0.9 |
| ***Total*** | | ***248*** | ***139.97*** |

24. It was further observed that the Noticee out of these 248 instances by the connected entities Noticee contributed in 43 instances and contributed to cumulative price rise of □ 15.2. The details of such abstracts of trades executed by the Noticee is as follows:

| Trade Date | Trade Time | Buy Member Name | Buy Client Code | Quantity | Price | LTP | % of LTP | NHP | NHP Diff | % of NHP Diff | Buy Order No | Sell Member Name | Sell Client Code | Sell Order No | Buy Order Time | Sell Order Time | Buy Order Qty. | Sell Order Qty. | Buy Order Rate | Sell Order Rate | Time Diff. | Qty Diff. | Rate Diff. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 21-04-2009 | 15:22:30 | UPSE SECURITIES LTD. | A111 | 100 | 12.7 | 0.52 | 4.27 | 12.78 | 0.00 | 0.00 | 2980230002023034 3 | SHRIAM FINANCIAL PVT. L | E2 | 3039001000202140 75 | 15:22:30 | 15:18:16 | 100 | 500 | 12.7 | 12.7 | 0:04:14 | 400 | 0 |

| | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 24-04-2009 | 13:09:41 | UPSE SECURITIES LTD. | A111 | 100 | 14 | 0.2 | 1.45 | 14.00 | 0.20 | 1.45 | 29802300020230490 | SHRIAM FINANCIAL PVT. L | E2 | 3039001000202145 82 | 13:09:40 | 13:08:25 | 100 | 250 | 14 | 14 | 0:01:15 | 150 | 0 |
| 27-04-2009 | 14:58:14 | UPSE SECURITIES LTD. | A111 | 250 | 14.6 | 0.4 | 2.82 | 14.60 | 0.40 | 2.82 | 29802300020230592 | SHRIAM FINANCIAL PVT. L | E2 | 3039001000202147 55 | 14:58:14 | 11:18:21 | 250 | 250 | 14.6 | 14.6 | 3:39:53 | 0 | 0 |
| 28-05-2009 | 15:29:42 | UPSE SECURITIES LTD. | A111 | 100 | 21.94 | 0.04 | 0.18 | 22.99 | 0.00 | 0.00 | 13000038030190 | MTL SHARE & STOCK BROKERS | HMF F4 | 1400004202940 47 | 15:22:44 | 15:29:41 | 100 | 100 | 21.94 | 21.94 | 0:06:57 | 0 | 0 |
| 29-05-2009 | 15:29:51 | UPSE SECURITIES LTD. | A111 | 100 | 22.95 | 0.05 | 0.22 | 22.99 | 0.00 | 0.00 | 21000043035628 | MTL SHARE & STOCK BROKERS | HMF F4 | 2100004300381 1 | 15:29:51 | 10:06:27 | 1000 | 100 | 22.99 | 22.95 | 5:23:24 | 900 | 0 |
| 29-05-2009 | 15:29:51 | UPSE SECURITIES LTD. | A111 | 100 | 22.99 | 0.04 | 0.17 | 22.99 | 0.00 | 0.00 | 21000043035628 | MTL SHARE & STOCK BROKERS | HMF F4 | 2100004300382 9 | 15:29:51 | 10:06:36 | 1000 | 100 | 22.99 | 22.99 | 5:23:15 | 900 | 0 |
| 04-06-2009 | 10:10:24 | UPSE SECURITIES LTD. | A111 | 25 | 25 | 0.55 | 2.25 | 25.00 | 0.55 | 2.25 | 23000043003688 | PRABHU DAS LILLADHER PVT. | 601458 | 1200004200193 93 | 10:10:24 | 10:03:04 | 25 | 1000 | 25 | 25 | 0:07:20 | 975 | 0 |
| 04-06-2009 | 15:28:35 | UPSE SECURITIES LTD. | A111 | 500 | 25.65 | 0.65 | 2.60 | 25.65 | 0.00 | 0.00 | 23000043026318 | HDFC SECURITIES LTD. | 548933 | 2300005600386 86 | 14:37:52 | 15:28:34 | 1000 | 500 | 25.65 | 25.65 | 0:50:42 | 500 | 0 |
| 12-06-2009 | 10:38:19 | UPSE SECURITIES LTD. | A111 | 200 | 25.25 | 0.65 | 2.64 | 26.95 | 0.00 | 0.00 | 13000038008694 | MTL SHARE & STOCK BROKERS | HMF F20 | 2300004300820 92 | 10:38:19 | 10:38:19 | 500 | 200 | 25.25 | 25.25 | 0:03:08 | 300 | 0 |
| 15-06-2009 | 12:34:23 | UPSE SECURITIES LTD. | A111 | 1000 | 26.35 | 0.05 | 0.19 | 26.95 | 0.00 | 0.00 | 15000036019414 | MTL SHARE & STOCK BROKERS | HMF F4 | 2000004202579 0 | 12:34:23 | 12:31:04 | 2000 | 1000 | 26.35 | 26.35 | 0:03:19 | 1000 | 0 |
| 18-06-2009 | 12:32:22 | UPSE SECURITIES LTD. | A111 | 250 | 28.7 | 0.2 | 0.70 | 29.50 | 0.00 | 0.00 | 18000040020337 | MTL SHARE & STOCK BROKERS | HMF F4 | 2200004402202 82 | 12:32:22 | 12:32:22 | 250 | 500 | 28.7 | 28.6 | 0:01:15 | 250 | 0 |
| 22-06-2009 | 10:02:01 | UPSE SECURITIES LTD. | A111 | 500 | 30.5 | 0.3 | 0.99 | 30.65 | 0.00 | 0.00 | 14000042002522 | MTL SHARE & STOCK BROKERS | HMF F4 | 1500003600247 3 | 10:02:01 | 10:02:01 | 1500 | 500 | 31 | 30.5 | 0:01:51 | 1000 | 0 |
| 22-06-2009 | 10:02:01 | UPSE SECURITIES LTD. | A111 | 500 | 30.75 | 0.25 | 0.82 | 30.75 | 0.10 | 0.33 | 14000042002522 | MTL SHARE & STOCK BROKERS | HMF F4 | 1400004200226 2 | 10:02:01 | 10:00:57 | 1500 | 500 | 31 | 30.75 | 0:01:04 | 1000 | 0 |
| 22-06-2009 | 10:02:01 | UPSE SECURITIES LTD. | A111 | 500 | 31 | 0.25 | 0.81 | 31.00 | 0.25 | 0.81 | 14000042002522 | MTL SHARE & STOCK BROKERS | HMF F4 | 1700003900280 61 | 10:02:01 | 10:01:44 | 1500 | 500 | 31 | 31 | 0:00:16 | 1000 | 0 |
| 02-07-2009 | 12:11:50 | UPSE SECURITIES LTD. | A111 | 100 | 33.5 | 0.25 | 0.75 | 35.00 | 0.00 | 0.00 | 20000040009786 | MTL SHARE & STOCK BROKERS | HMF F4 | 1300003801557 1 | 12:11:50 | 12:00:11 | 300 | 100 | 33.75 | 33.5 | 0:11:38 | 200 | 0 |
| 02-07-2009 | 12:11:51 | UPSE SECURITIES LTD. | A111 | 100 | 33.75 | 0.25 | 0.75 | 35.00 | 0.00 | 0.00 | 20000040009786 | MTL SHARE & STOCK BROKERS | HMF F4 | 1900004301718 7 | 12:11:50 | 12:00:02 | 300 | 100 | 33.75 | 33.75 | 0:11:48 | 200 | 0 |
| 07-07-2009 | 13:23:53 | UPSE SECURITIES LTD. | A111 | 100 | 32 | 0.5 | 1.59 | 35.00 | 0.00 | 0.00 | 17000040021001 | MTL SHARE & STOCK BROKERS | HMF F20 | 1600003302070 9 | 13:23:21 | 13:23:53 | 1600 | 100 | 32 | 32 | 0:02:06 | 1500 | 0 |
| 09-07-2009 | 10:24:55 | UPSE SECURITIES LTD. | A111 | 50 | 32.75 | 0.2 | 0.61 | 35.00 | 0.00 | 0.00 | 17000038006075 | MTL SHARE & STOCK BROKERS | HMF F20 | 2200004200564 7 | 10:24:38 | 10:24:54 | 100 | 50 | 32.75 | 32.75 | 0:00:16 | 50 | 0 |
| 10-07-2009 | 10:54:51 | UPSE SECURITIES LTD. | A111 | 200 | 35.95 | 0.05 | 0.14 | 36.35 | 0.00 | 0.00 | 20000041003597 | MTL SHARE & STOCK BROKERS | 13A02 | 1500003600956 6 | 10:54:08 | 10:54:51 | 200 | 200 | 35.95 | 35.95 | 0:00:43 | 0 | 0 |
| 13-07-2009 | 11:41:39 | UPSE SECURITIES LTD. | A111 | 130 | 36.25 | 0.2 | 0.55 | 37.20 | 0.00 | 0.00 | 23000043010665 | MTL SHARE & STOCK BROKERS | HMF F20 | 1800003901086 1 | 11:40:06 | 11:41:39 | 1300 | 130 | 36.25 | 36.25 | 0:01:32 | 1170 | 0 |
| 17-07-2009 | 10:48:00 | UPSE SECURITIES LTD. | A111 | 2 | 42 | 0.05 | 0.12 | 43.40 | 0.00 | 0.00 | 14000041010828 | MTL SHARE & STOCK BROKERS | HMF F20 | 1700004000868 6 | 10:47:59 | 10:34:58 | 200 | 2 | 42.5 | 42 | 0:13:01 | 198 | 0 |
| 17-07-2009 | 10:48:00 | UPSE SECURITIES LTD. | A111 | 93 | 42.25 | 0.25 | 0.60 | 43.40 | 0.00 | 0.00 | 14000041010828 | MTL SHARE & STOCK BROKERS | HMF F20 | 1500003401140 8 | 10:47:59 | 10:41:08 | 200 | 93 | 42.5 | 42.25 | 0:06:52 | 107 | 0 |
| 17-07-2009 | 10:48:00 | UPSE SECURITIES LTD. | A111 | 100 | 42.5 | 0.25 | 0.59 | 43.40 | 0.00 | 0.00 | 14000041010828 | MOTILAL OSWAL SECURITIES | NT6010 | 1900004400610 1 | 10:47:59 | 10:12:38 | 200 | 1050 | 42.5 | 42.5 | 0:35:22 | 850 | 0 |
| 17-07-2009 | 13:28:04 | UPSE SECURITIES LTD. | A111 | 2400 | 42 | 0.05 | 0.12 | 43.40 | 0.00 | 0.00 | 14000041025334 | UPSE SECURITIES LTD. | 015SAH | 1100004101908 2 | 13:27:55 | 13:28:04 | 2400 | 2400 | 42 | 42 | 0:00:09 | 0 | 0 |
| 21-07-2009 | 14:22:04 | UPSE SECURITIES LTD. | A111 | 100 | 45.7 | 0.05 | 0.11 | 45.90 | 0.00 | 0.00 | 21000043031426 | SPFL SECURITIES LIMITED | CC43 | 1400004002249 4 | 14:22:04 | 12:30:40 | 600 | 200 | 45.7 | 45.7 | 1:51:24 | 400 | 0 |
| 21-07-2009 | 15:04:11 | UPSE SECURITIES LTD. | A111 | 300 | 45.15 | 0.2 | 0.44 | 45.90 | 0.00 | 0.00 | 12000039046042 | MTL SHARE & STOCK BROKERS | HMF F20 | 1700003703948 4 | 15:00:39 | 15:04:10 | 300 | 300 | 45.15 | 45.15 | 0:03:31 | 0 | 0 |

| | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 24-07-2009 | 10:47:09 | UPSE SECURITIES LTD. | A111 | 500 | 49 | 1 | 2.08 | 50.00 | 0.00 | 0.00 | 13000037010904 | FAIR INTERMEDIATE INVEST | 10418 | 2300430090020 | 10:47:09 | 10:37:57 | 500 | 500 | 49 | 49 | 0:09:12 | 0 | 0 |
| 24-07-2009 | 11:48:12 | UPSE SECURITIES LTD. | A111 | 200 | 48.8 | 0.7 | 1.46 | 50.00 | 0.00 | 0.00 | 13000037017344 | ANAND RATHI FINANCIAL SER | DNS411 | 2300430129037 | 11:48:12 | 11:27:19 | 400 | 200 | 48.8 | 49.2 | 0:20:52 | 200 | 4 |
| 24-07-2009 | 13:49:52 | UPSE SECURITIES LTD. | A111 | 100 | 49.95 | 0.05 | 0.10 | 50.00 | 0.00 | 0.00 | 23000043021796 | SHAREKHAN LTD. | 57031 | 1500003300417979 | 13:49:52 | 10:03:33 | 700 | 100 | 50 | 50.45 | 3:46:19 | 600 | 5 |
| 24-07-2009 | 13:49:52 | UPSE SECURITIES LTD. | A111 | 20 | 50 | 0.05 | 0.10 | 50.00 | 0.00 | 0.00 | 23000043021796 | RELIANCE SECURITIES LIMIT | R0008373 | 1800039000326 | 13:49:52 | 10:02:16 | 700 | 200 | 50 | 50 | 3:47:36 | 500 | 0 |
| 28-07-2009 | 9:59:58 | UPSE SECURITIES LTD. | A111 | 300 | 53 | 1 | 1.92 | 53.00 | 0.45 | 0.86 | 23000044001911 | MTL SHARE & STOCK BROKERS | HMF20 | 1600003400226767 | 9:59:48 | 9:59:57 | 300 | 300 | 53 | 53 | 0:00:09 | 0 | 0 |
| 29-07-2009 | 13:07:47 | UPSE SECURITIES LTD. | A111 | 400 | 55.25 | 0.2 | 0.36 | 56.75 | 0.00 | 0.00 | 15000046028248 | MTL SHARE & STOCK BROKERS | HMF20 | 1300004903428888 | 13:06:47 | 13:07:47 | 900 | 400 | 55.25 | 55.05 | 0:01:00 | 500 | 2 |
| 03-08-2009 | 11:06:36 | UPSE SECURITIES LTD. | A111 | 100 | 63.8 | 0.3 | 0.47 | 64.85 | 0.00 | 0.00 | 21000057010200 | PRABHAT FINANCIAL SERVICE | K658 | 2300580015000 | 11:05:31 | 10:26:36 | 100 | 800 | 63.8 | 64.85 | 0:38:55 | 700 | 5 |
| 03-08-2009 | 11:11:34 | UPSE SECURITIES LTD. | A111 | 200 | 64 | 0.4 | 0.63 | 64.85 | 0.00 | 0.00 | 12000056002935 | CALCUTTA STOCK EXCHANGE A | M0860S004 | 1400590131023 | 11:11:34 | 11:02:08 | 200 | 200 | 64 | 64 | 0:09:25 | 0 | 0 |
| 10-08-2009 | 10:00:21 | UPSE SECURITIES LTD. | A111 | 50 | 72.95 | 0.95 | 1.32 | 78.40 | 0.00 | 0.00 | 13000038004518 | CHIMANLAL MANEKLAL SECURI | OWN | 1200004100339898 | 10:00:21 | 9:59:45 | 200 | 50 | 73 | 72.95 | 0:00:36 | 150 | 5 |
| 10-08-2009 | 10:00:21 | UPSE SECURITIES LTD. | A111 | 150 | 73 | 0.05 | 0.07 | 78.40 | 0.00 | 0.00 | 13000038004518 | BALANCE EQUITY BROKING (I | 37618 | 2100430030333 | 10:00:21 | 9:59:03 | 200 | 690 | 73 | 73 | 0:01:17 | 490 | 0 |
| 10-08-2009 | 10:32:55 | UPSE SECURITIES LTD. | A111 | 100 | 74 | 0.9 | 1.23 | 78.40 | 0.00 | 0.00 | 13000038013583 | HEM SECURITIES LTD. | 59B41 | 1400004200959595 | 10:32:54 | 10:32:03 | 2000 | 100 | 74.85 | 74 | 0:00:51 | 1900 | 5 |
| 10-08-2009 | 10:32:55 | UPSE SECURITIES LTD. | A111 | 250 | 74.5 | 0.5 | 0.68 | 78.40 | 0.00 | 0.00 | 13000038013583 | MTL SHARE & STOCK BROKERS | RDDS3 | 1300003800950606 | 10:32:54 | 10:15:26 | 2000 | 250 | 74.85 | 74.5 | 0:17:29 | 1750 | 5 |
| 10-08-2009 | 10:32:55 | UPSE SECURITIES LTD. | A111 | 150 | 74.8 | 0.3 | 0.40 | 78.40 | 0.00 | 0.00 | 13000038013583 | GEOJIT FINANCIAL SERVICE | EHD006 | 1200004100395454 | 10:32:54 | 10:01:19 | 2000 | 150 | 74.85 | 74.8 | 0:31:35 | 1850 | 5 |
| 10-08-2009 | 10:32:55 | UPSE SECURITIES LTD. | A111 | 1 | 74.85 | 0.05 | 0.07 | 78.40 | 0.00 | 0.00 | 13000038013583 | CHIMANLAL MANEKLAL SECURI | OWN | 1400004300129696 | 10:32:54 | 9:56:08 | 2000 | 1 | 74.85 | 74.85 | 0:36:47 | 1999 | 0 |
| 12-08-2009 | 10:32:15 | UPSE SECURITIES LTD. | A111 | 40 | 76 | 1 | 1.33 | 80.15 | 0.00 | 0.00 | 12000041011427 | J. L. SHAH SECURITIES PVT | K041 | 1700003900810818 | 10:32:14 | 10:30:39 | 100 | 250 | 76 | 76 | 0:01:35 | 150 | 0 |
| 12-08-2009 | 15:23:17 | UPSE SECURITIES LTD. | A111 | 325 | 74.25 | 1.25 | 1.71 | 80.15 | 0.00 | 0.00 | 12000041044001 | SMC GLOBAL SECURITIES LTD | SSS0032 | 1900004304866161 | 15:23:17 | 15:23:16 | 500 | 325 | 74.35 | 74.25 | 0:00:00 | 175 | 1 |
| 12-08-2009 | 15:23:17 | UPSE SECURITIES LTD. | A111 | 100 | 74.3 | 0.05 | 0.07 | 80.15 | 0.00 | 0.00 | 12000041044001 | MTL SHARE & STOCK BROKERS | HMF4 | 1300003900783737 | 15:23:17 | 15:21:47 | 500 | 100 | 74.35 | 74.3 | 0:01:30 | 400 | 5 |

25. From the order log and trade log it was observed that during the investigation the Noticee in all executed 219 trades for 47,400 shares out of which 43 trades for 10,886 shares were at a higher price than the last traded price and the increase in price to the last traded price was  15.20. It was further observed that out of the total 43 trades of LTP instances of the Noticee 23 instances were executed with the counter parties who were connected viz, Big Brokers House Stocks Ltd (9 trades) and Sanjeev Agarwal (11trades). The cumulative price increase by the trades of the Noticee and the connected entities was observed to be  139.97 out of total cumulative rise of  313.49 through LTP i.e. 44.6%.

26. Thus from the above analysis of the order flow and the trade logs it is observed that the Notice along with the related/connected entities played a substantial role in increasing the price. This coupled with the uncanny co-incidence that the orders were getting matched in most of the cases with the connected entities only. The pattern of trading clearly brings out the ominous role played by the Noticee with the connected entities in influencing the price in the scrip.

27. It was alleged that the Noticee, Mr. Sanjeev and Big Brokers House Stocks Ltd entered into reversal/circular trades for 35 days out of the 86 trading days for 82,142 shares during the investigation which accounted for 25.72% of the total trades of 3,19,302 shares during the above 35 days. The above clients bought and sold shares during the investigation period as follows:

| Name of Client & client Code | No. of Traded Days | No. of Trades | Total Buy Qty | No. of Traded Days | No. of Trades | Total Sell Qty | % of Total Gross Mkt. Volume |
|---|---|---|---|---|---|---|---|
| The Big Brokers House Stock Ltd. | 37 days | 611 | 1,01,796 | 28 days | 214 | 37,765 | 15.43% |
| Sanjeev Agarwal | 41 days | 356 | 53,891 | 40 days | 300 | 41,605 | 10.56% |
| The Noticee Ashesh Agarwal | 34 days | 219 | 47,400 | 21 days | 90 | 36,845 | 9.31% |
| Total | | | 2,03,087 | | | 1,16,215 | 35.30% |

28. Details of circular/reversal trades by the Noticee alongwith the connected entities are as tabulated below:

| **Buy Client Name (Code)** | **Sell Client Name (Code)** | | | |
|---|---|---|---|---|
| | Ashesh Agarwal (A111) | Sanjeev Agarwal (HMFF4) | Big Brokers House Stock Ltd. (HMFF20) | **Total** |
| Brokers House Stock Ltd. (HMFF20) | 20692 | 8416 | 250 | **29358** |
| The Noticee Big Ashesh Agarwal (A111) | - | 20270 | 8700 | **28970** |

| | | | | |
|---|---|---|---|---|
| Sanjeev Agarwal (HMFF4) | 10394 | - | 13420 | **23814** |
| **Total** | **31086** | **28686** | **22370** | **82142** |

29. It is observed form the extract of the Trade and Order Log of the scrip that the reversal of trades mostly used to happen on the same day for the same quantity contributing to artificial volumes.

30. The Noticee had engaged in complete reversal/circular of trades where the counter party clients were the connected entities Big Brokers House Stocks Ltd and Sanjeev Agarwal in the scrip of RCFL on 28/05/09, 29/05/09, 12/06/09,15/06/09,16/06/09, 17/06/09, 18/06/09, 19/06/09, 22/06/09, 24/06/09, 25/06/09, 29/06/09, 30/06/09, 02/07/09, 06/07/09, 07/07/09, 09/07/09, 10/07/09, 13/07/09, 14/07/09, 15/07/09, 16/07/09, 17/07/09, 20/07/09, 21/07/09, 23/07/09, 24/07/09, 27/07/09, 28/07/09, 29/07/09, 30/07/09, 31/07/09, 06/08/09, 10/08/09 and 12/08/09.

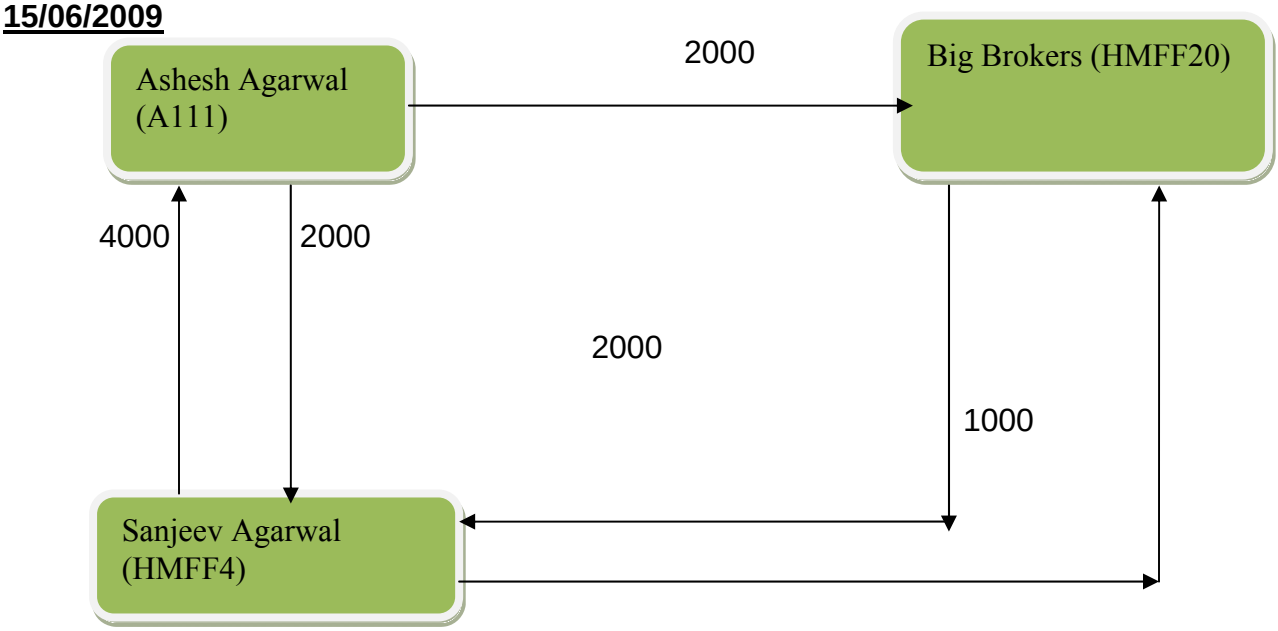
Few instances of such reversal/circular of trades executed among the Noticee, Big Brokers House Stocks Ltd and Sanjeev Agarwal on 15.06.2009, 16.06.2009 and 19.06.2009 are as given below in tabular form and Pictorial diagram:

**Reversal/circular of trades executed on 15.06.2009**

| Trade Date | Trade Time | Traded Quantity | Traded Price | Buy Member Name | Buy Client Code | Sell Member Name | Sell Client Code | Buy Order Time | Sell Order Time | Buy Order Qty. |
|---|---|---|---|---|---|---|---|---|---|---|
| 6/15/2009 | 12:34:23 | 1000 | 26.3 | UPSE SECURITIES LTD. | A111 | MTL SHARE & STOCK BROKERS | HMFF4 | 12:34:23 | 12:32:51 | 2000 |
| 6/15/2009 | 12:34:23 | 1000 | 26.35 | UPSE SECURITIES LTD. | A111 | MTL SHARE & STOCK BROKERS | HMFF4 | 12:34:23 | 12:31:04 | 2000 |
| 6/15/2009 | 14:23:10 | 2000 | 26.3 | UPSE SECURITIES LTD. | A111 | MTL SHARE & STOCK BROKERS | HMFF4 | 14:23:10 | 14:21:10 | 2000 |
| 6/15/2009 | 13:57:05 | 1000 | 26.35 | MTL SHARE & STOCK BROKERS | HMFF20 | UPSE SECURITIES LTD. | A111 | 13:57:05 | 13:43:50 | 1000 |
| 6/15/2009 | 13:57:23 | 1000 | 26.35 | MTL SHARE & STOCK BROKERS | HMFF20 | UPSE SECURITIES LTD. | A111 | 13:57:22 | 13:43:50 | 1000 |
| 6/15/2009 | 11:15:01 | 100 | 26.3 | MTL SHARE & STOCK BROKERS | HMFF20 | MTL SHARE & STOCK BROKERS | HMFF4 | 11:15:00 | 11:14:35 | 100 |
| 6/15/2009 | 11:15:11 | 100 | 26.3 | MTL SHARE & STOCK BROKERS | HMFF20 | MTL SHARE & STOCK BROKERS | HMFF4 | 11:15:11 | 11:14:35 | 100 |
| 6/15/2009 | 11:15:20 | 100 | 26.3 | MTL SHARE & STOCK BROKERS | HMFF20 | MTL SHARE & STOCK BROKERS | HMFF4 | 11:15:19 | 11:14:35 | 100 |
| 6/15/2009 | 11:15:28 | 200 | 26.3 | MTL SHARE & STOCK BROKERS | HMFF20 | MTL SHARE & STOCK BROKERS | HMFF4 | 11:15:28 | 11:14:35 | 200 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 6/15/2009 | 11:15:37 | 500 | 26.3 | MTL SHARE & STOCK BROKERS | HMFF20 | MTL SHARE & STOCK BROKERS | HMFF4 | 11:15:37 | 11:14:35 | 500 |
| 6/15/2009 | 13:00:36 | 500 | 26.35 | MTL SHARE & STOCK BROKERS | HMFF4 | UPSE SECURITIES LTD. | A111 | 13:00:36 | 12:59:17 | 500 |
| 6/15/2009 | 13:00:55 | 500 | 26.35 | MTL SHARE & STOCK BROKERS | HMFF4 | UPSE SECURITIES LTD. | A111 | 13:00:54 | 12:59:17 | 500 |
| 6/15/2009 | 13:01:05 | 1000 | 26.35 | MTL SHARE & STOCK BROKERS | HMFF4 | UPSE SECURITIES LTD. | A111 | 13:01:04 | 12:59:17 | 1000 |
| 6/15/2009 | 12:13:04 | 100 | 26.25 | MTL SHARE & STOCK BROKERS | HMFF4 | MTL SHARE & STOCK BROKERS | HMFF20 | 12:13:03 | 12:12:46 | 100 |
| 6/15/2009 | 12:13:13 | 400 | 26.25 | MTL SHARE & STOCK BROKERS | HMFF4 | MTL SHARE & STOCK BROKERS | HMFF20 | 12:13:12 | 12:12:46 | 400 |
| 6/15/2009 | 15:20:48 | 500 | 26.25 | MTL SHARE & STOCK BROKERS | HMFF4 | MTL SHARE & STOCK BROKERS | HMFF20 | 12:41:42 | 15:20:48 | 500 |
| 6/15/2009 | 15:22:45 | 20 | 26.25 | MTL SHARE & STOCK BROKERS | HMFF4 | MTL SHARE & STOCK BROKERS | HMFF20 | 12:41:42 | 15:22:45 | 500 |
| 6/15/2009 | 15:22:45 | 480 | 26.25 | MTL SHARE & STOCK BROKERS | HMFF4 | MTL SHARE & STOCK BROKERS | HMFF20 | 11:24:18 | 15:22:45 | 1000 |
| 6/15/2009 | 15:23:09 | 20 | 26.25 | MTL SHARE & STOCK BROKERS | HMFF4 | MTL SHARE & STOCK BROKERS | HMFF20 | 11:24:18 | 15:23:08 | 1000 |
| 6/15/2009 | 15:23:09 | 480 | 26.2 | MTL SHARE & STOCK BROKERS | HMFF4 | MTL SHARE & STOCK BROKERS | HMFF20 | 12:41:28 | 15:23:08 | 1000 |

**15/06/2009**

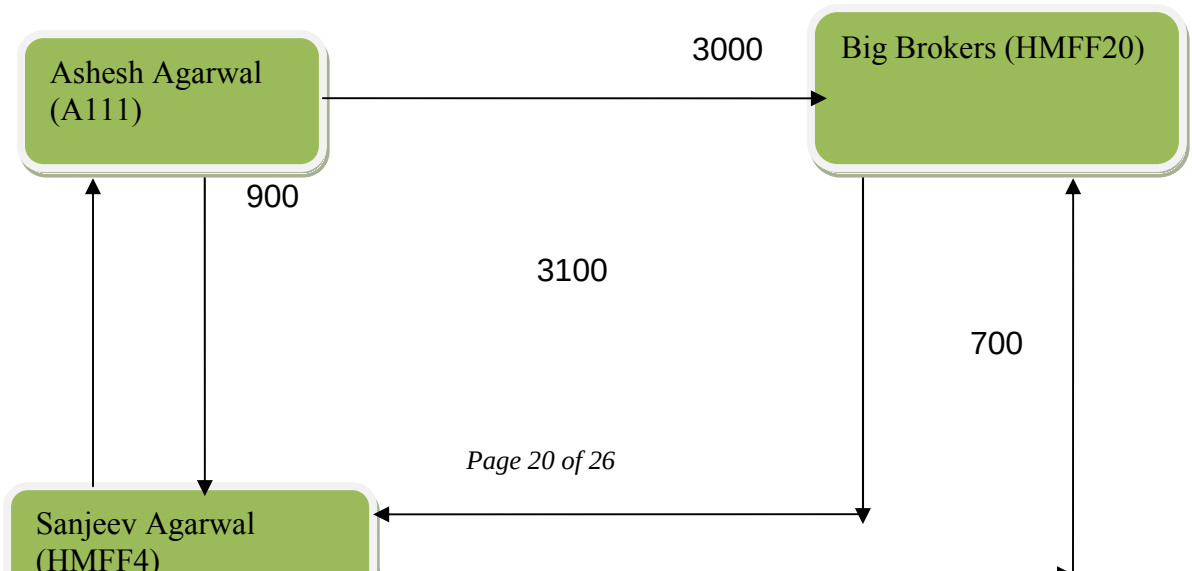



## Reversal/circular of trades executed on 16.06.2009

| Trade Date | Trade Time | Traded Quantity | Traded Price | Buy Member Name | Buy Client Code | Sell Member Name | Sell Client Code | Buy Order Time | Sell Order Time | Buy Order Qty. | Sell Order Qty. | B C R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6/16/2009 | 14:18:03 | 400 | 27.2 | UPSE SECURITIES LTD. | A111 | MTL SHARE & STOCK BROKERS | HMFF4 | 14:17:13 | 14:18:02 | 4000 | 400 | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6/16/2009 | 14:18:14 | 1000 | 27.2 | UPSE SECURITIES LTD. | A111 | MTL SHARE & STOCK BROKERS | HMFF4 | 14:17:13 | 14:18:14 | 4000 | 1000 | |
| 6/16/2009 | 14:18:31 | 1000 | 27.2 | UPSE SECURITIES LTD. | A111 | MTL SHARE & STOCK BROKERS | HMFF4 | 14:17:13 | 14:18:30 | 4000 | 1000 | |
| 6/16/2009 | 14:18:46 | 400 | 27.2 | UPSE SECURITIES LTD. | A111 | MTL SHARE & STOCK BROKERS | HMFF4 | 14:17:13 | 14:18:46 | 4000 | 400 | |
| 6/16/2009 | 14:18:59 | 1000 | 27.2 | UPSE SECURITIES LTD. | A111 | MTL SHARE & STOCK BROKERS | HMFF4 | 14:17:13 | 14:18:58 | 4000 | 1000 | |
| 6/16/2009 | 14:19:11 | 100 | 27.2 | UPSE SECURITIES LTD. | A111 | MTL SHARE & STOCK BROKERS | HMFF4 | 14:17:13 | 14:19:11 | 4000 | 100 | |
| 6/16/2009 | 14:19:19 | 100 | 27.2 | UPSE SECURITIES LTD. | A111 | MTL SHARE & STOCK BROKERS | HMFF4 | 14:17:13 | 14:19:19 | 4000 | 100 | |
| 6/16/2009 | 13:58:08 | 1500 | 27.3 | MTL SHARE & STOCK BROKERS | HMFF20 | UPSE SECURITIES LTD. | A111 | 13:58:07 | 13:56:06 | 2000 | 1500 | 2 |
| 6/16/2009 | 13:58:08 | 500 | 27.35 | MTL SHARE & STOCK BROKERS | HMFF20 | UPSE SECURITIES LTD. | A111 | 13:58:07 | 13:55:57 | 2000 | 1500 | 2 |
| 6/16/2009 | 13:58:32 | 1000 | 27.35 | MTL SHARE & STOCK BROKERS | HMFF20 | UPSE SECURITIES LTD. | A111 | 13:58:32 | 13:55:57 | 1000 | 1500 | 2 |
| 6/16/2009 | 10:04:21 | 50 | 26.75 | MTL SHARE & STOCK BROKERS | HMFF20 | MTL SHARE & STOCK BROKERS | HMFF20 | 10:04:20 | 10:03:14 | 50 | 200 | 2 |
| 6/16/2009 | 10:25:10 | 200 | 27 | MTL SHARE & STOCK BROKERS | HMFF20 | MTL SHARE & STOCK BROKERS | HMFF4 | 10:25:10 | 10:15:21 | 700 | 200 | 2 |
| 6/16/2009 | 10:25:10 | 200 | 27.25 | MTL SHARE & STOCK BROKERS | HMFF20 | MTL SHARE & STOCK BROKERS | HMFF4 | 10:25:10 | 10:12:26 | 700 | 200 | 2 |
| 6/16/2009 | 10:25:10 | 200 | 27.5 | MTL SHARE & STOCK BROKERS | HMFF20 | MTL SHARE & STOCK BROKERS | HMFF4 | 10:25:10 | 10:18:46 | 700 | 200 | 2 |
| 6/16/2009 | 10:25:10 | 100 | 27.55 | MTL SHARE & STOCK BROKERS | HMFF20 | MTL SHARE & STOCK BROKERS | HMFF4 | 10:25:10 | 10:15:10 | 700 | 200 | 2 |
| 6/16/2009 | 10:35:46 | 200 | 27.1 | MTL SHARE & STOCK BROKERS | HMFF4 | UPSE SECURITIES LTD. | A111 | 10:35:46 | 10:31:56 | 200 | 1000 | |
| 6/16/2009 | 10:35:53 | 200 | 27.1 | MTL SHARE & STOCK BROKERS | HMFF4 | UPSE SECURITIES LTD. | A111 | 10:35:53 | 10:31:56 | 200 | 1000 | |
| 6/16/2009 | 10:36:03 | 500 | 27.1 | MTL SHARE & STOCK BROKERS | HMFF4 | UPSE SECURITIES LTD. | A111 | 10:36:02 | 10:31:56 | 500 | 1000 | |
| 6/16/2009 | 14:55:43 | 300 | 27.3 | MTL SHARE & STOCK BROKERS | HMFF4 | MTL SHARE & STOCK BROKERS | HMFF20 | 14:43:02 | 14:55:42 | 300 | 300 | |
| 6/16/2009 | 15:09:44 | 250 | 27.25 | MTL SHARE & STOCK BROKERS | HMFF4 | MTL SHARE & STOCK BROKERS | HMFF20 | 14:39:28 | 15:09:43 | 250 | 1000 | 2 |
| 6/16/2009 | 15:09:44 | 250 | 27.25 | MTL SHARE & STOCK BROKERS | HMFF4 | MTL SHARE & STOCK BROKERS | HMFF20 | 14:39:38 | 15:09:43 | 250 | 1000 | 2 |
| 6/16/2009 | 15:09:44 | 500 | 27.25 | MTL SHARE & STOCK BROKERS | HMFF4 | MTL SHARE & STOCK BROKERS | HMFF20 | 14:39:50 | 15:09:43 | 500 | 1000 | 2 |
| 6/16/2009 | 15:10:11 | 200 | 27.2 | MTL SHARE & STOCK BROKERS | HMFF4 | MTL SHARE & STOCK BROKERS | HMFF20 | 14:38:36 | 15:10:11 | 200 | 1500 | |
| 6/16/2009 | 15:10:11 | 400 | 27.2 | MTL SHARE & STOCK BROKERS | HMFF4 | MTL SHARE & STOCK BROKERS | HMFF20 | 14:38:55 | 15:10:11 | 400 | 1500 | |
| 6/16/2009 | 15:10:11 | 400 | 27.2 | MTL SHARE & STOCK BROKERS | HMFF4 | MTL SHARE & STOCK BROKERS | HMFF20 | 14:39:09 | 15:10:11 | 400 | 1500 | |
| 6/16/2009 | 15:10:11 | 300 | 27.2 | MTL SHARE & STOCK BROKERS | HMFF4 | MTL SHARE & STOCK BROKERS | HMFF20 | 14:41:39 | 15:10:11 | 300 | 1500 | |
| 6/16/2009 | 15:10:11 | 200 | 27.2 | MTL SHARE & STOCK BROKERS | HMFF4 | MTL SHARE & STOCK BROKERS | HMFF20 | 14:42:17 | 15:10:11 | 400 | 1500 | |
| 6/16/2009 | 15:12:45 | 200 | 27.2 | MTL SHARE & STOCK BROKERS | HMFF4 | MTL SHARE & STOCK BROKERS | HMFF20 | 14:42:17 | 15:12:45 | 400 | 200 | |
| 6/16/2009 | 15:29:02 | 100 | 27.4 | MTL SHARE & STOCK BROKERS | HMFF4 | MTL SHARE & STOCK BROKERS | HMFF20 | 15:29:01 | 15:28:49 | 100 | 100 | |

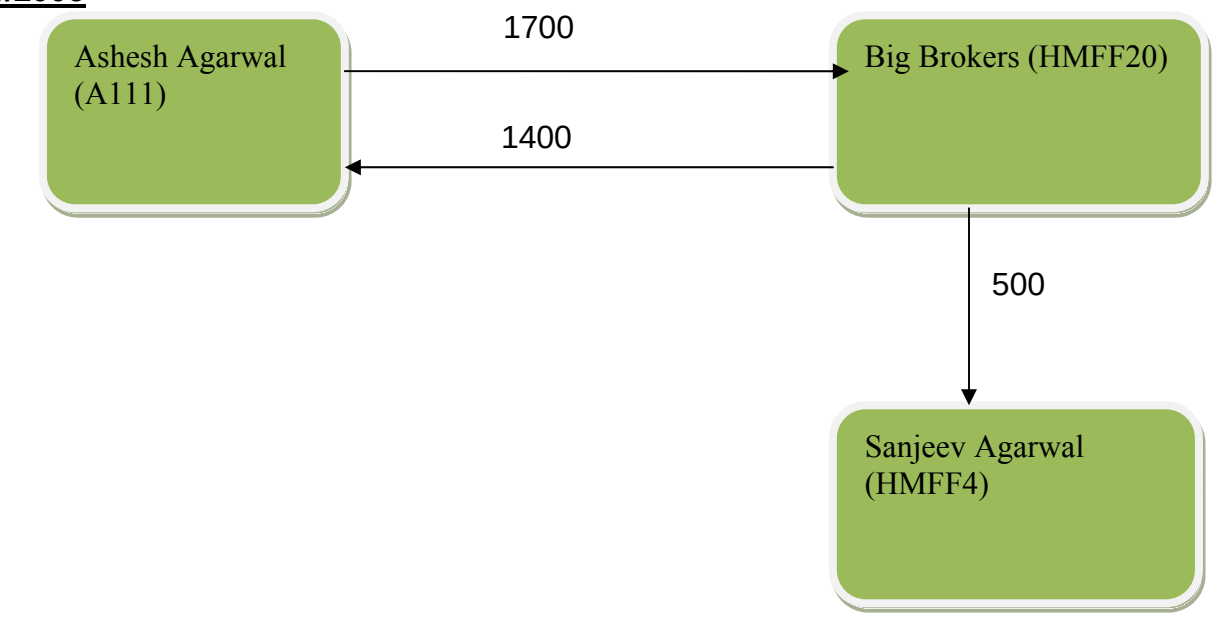
**16/06/2009**

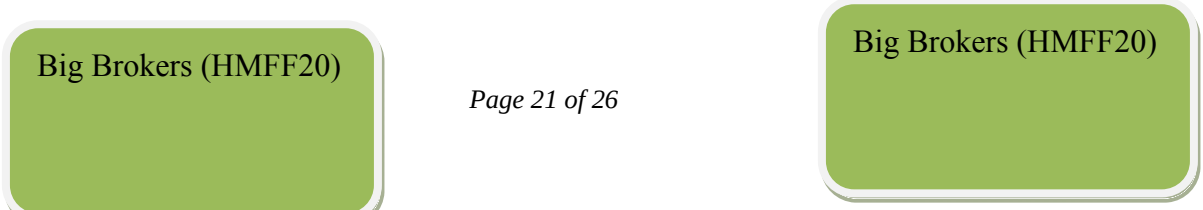


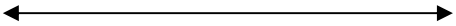
## Reversal/circular of trades executed on 19.06.2009

| Trade Date | Trade Time | Traded Quantity | Traded Price | Buy Member Name | Buy Client Code | Sell Member Name | Sell Client Code | Buy Order Time | Sell Order Time | Buy Order Qty. | Sell Order Qty. | B C R |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6/19/2009 | 15:23:11 | 1000 | 30.2 | UPSE SECURITIES LTD. | A111 | MTL SHARE & STOCK BROKERS | HMFF20 | 15:06:56 | 15:23:11 | 1900 | 1000 | |
| 6/19/2009 | 15:23:26 | 400 | 30.2 | UPSE SECURITIES LTD. | A111 | MTL SHARE & STOCK BROKERS | HMFF20 | 15:06:56 | 15:23:26 | 1900 | 400 | |
| 6/19/2009 | 15:23:47 | 200 | 30.2 | UPSE SECURITIES LTD. | A111 | MTL SHARE & STOCK BROKERS | HMFF4 | 15:06:56 | 15:23:47 | 1900 | 200 | |
| 6/19/2009 | 15:24:13 | 200 | 30.2 | UPSE SECURITIES LTD. | A111 | MTL SHARE & STOCK BROKERS | HMFF4 | 15:06:56 | 15:24:12 | 1900 | 200 | |
| 6/19/2009 | 15:26:02 | 100 | 30.2 | UPSE SECURITIES LTD. | A111 | MTL SHARE & STOCK BROKERS | HMFF4 | 15:06:56 | 15:26:02 | 1900 | 100 | |
| 6/19/2009 | 11:21:43 | 500 | 29.65 | MTL SHARE & STOCK BROKERS | HMFF20 | UPSE SECURITIES LTD. | A111 | 10:27:27 | 11:21:43 | 500 | 500 | 2 |
| 6/19/2009 | 14:58:05 | 500 | 30.5 | MTL SHARE & STOCK BROKERS | HMFF20 | UPSE SECURITIES LTD. | A111 | 14:58:05 | 14:57:40 | 500 | 1200 | 3 |
| 6/19/2009 | 14:58:17 | 700 | 30.5 | MTL SHARE & STOCK BROKERS | HMFF20 | UPSE SECURITIES LTD. | A111 | 14:58:16 | 14:57:40 | 700 | 1200 | 3 |
| 6/19/2009 | 15:22:18 | 200 | 30.3 | MTL SHARE & STOCK BROKERS | HMFF20 | MTL SHARE & STOCK BROKERS | HMFF20 | 15:22:18 | 15:21:51 | 200 | 229 | |

## 19/06/2006





200

31. The above pattern of circular/reversal trades continued for 35 days from 28.05.2009 to12.08.2009 out of 86 trading days during the investigation period and their circular/reversal trades constituted 25.72% (82142 shares) of total traded shares i.e 319302 shares for 35 days. In all the transactions it was observed that there was a time difference of few seconds and the price at which the buy orders and sell orders were placed were matching in almost all the cases with the same counterparties. The above pattern of trading which continued for a number of days and did not happen in one or two occasions are proof enough to establish the existence of reversal/circular of trades. The fact that such transactions took place repeatedly over a period of time reinstates the fraudulent nature of such trades. Such trades are meant only to increase the volumes on the screen of the exchange which generates investor interest. It is on such account of trades and increase in volumes that the lay investors get trapped. Therefore the Noticee undoubtedly created artificial volume in the scrip, thereby creating an artificial demand in the scrip and creating false or misleading appearance of trading in the securities market with respect of the scrip. It can thus be conclusively said that the Noticee executed reversal/circular trades and indulged in non-genuine or fraudulent transactions in the scrip of RCFL.

32. In the light of facts and circumstances of the present case, it becomes necessary to quote the judgment of the Hon'ble Securities Appellate Tribunal (hereinafter referred to as 'SAT'), in the case of Ashok K Chaudhary v SEBI, (Appeal No 69 of 2008), dated November 5, 2008, the Hon'ble SAT observed that "such large number of reverse trades cannot take place through the mechanism of the system. These have obviously been manipulated. Moreover, reverse trades are fictitious trades meant to increase volumes on

the screen of the trading system as there is no change of beneficial ownership in the traded shares".

Further in case of Galaxy Broking Ltd V SEBI (Appeal No.3 of 2010) dated January 29, 2010 Hon'ble SAT observed that "It is a clear instance of reverse trades which cannot happen on the trading system unless the client and the brokers are in league with each other. This is not a solitary instance. There are several such trades executed by the appellant".

33. I have noted the submission made by the Noticee. Noticee in its reply denied all the charges. Noticee has not denied the relationship/connection brought out in the SCN. The Noticee in its reply dated 10.04.2012 that he has purchased 90,493 shares and sold 26233 shares from the period 01.03.2009 to 30.09.2009. The trade and order log revealed that the Noticee purchased 47,400 shares and sold 36,845 shares from the period 21.04.2009 to 21.08.2009 and the copy of the trade and order log giving details of his trades was sent as Annexure 5 to the SCN. The same was also brought to the notice of the Noticee vide letter dated April 18, 2012. Noticee further submitted that it was mentioned in the SCN that total gain by the Noticee was  29,844.45, however no such figure or statement was given in the SCN. During the adjudication proceedings Noticee requested to provide written order of the board for investigation and investigation report. The Noticee was informed that the relevant portion of the investigation report and relevant documents in respect of the Noticee on the basis on which the charges have been framed was already forwarded to him along with the SCN. At this juncture it becomes necessary to quote the judgment of the Hon'ble Securities Appellate Tribunal (hereinafter referred to as 'SAT'), in the case of Mayrose Capfin Private Limited V/s. Securities and Exchange Board of India (Appeal No. 20 of 2012) dated 30.03.2012, The Hon'ble SAT observed that "The principles of natural justice require that the inquiry officer should make available such document and material to the delinquent on which reliance is being placed in the inquiry. It is not necessary for the inquiry officer to make available all the material that might have been collected during the course of investigation but has not been relied upon for proving charge against the delinquent. No prejudice can, therefore, be said to have been

caused to the appellant on this count". All the relevant documents in respect of the Noticee on the basis on which the charges were framed was forwarded to him along with the SCN and vide letter dated 17.04.2012 and thus the principle of natural justice was met with. Hence the submissions made by the Noticee is not accepted.

34. In the light of the above facts, I am of the firm belief that the Noticee alongwith the connected entities created artificial volume in the market by executing reversal/circular trades and also influenced the price of the scrip by placing new high prices and placing buy orders at a price higher than the LTP. I therefore find the Noticee guilty of violating the provisions of Regulation 3, 4(1), 4(2)(a), (b), (e) and (g) of SEBI (Prohibition of fraudulent and Unfair Trade Practices relating to the Securities Market) Regulation, 2003.

35. The Hon'ble Supreme Court of India in the matter of SEBI Vs. Shri Ram Mutual Fund [2006] 68 SCL 216(SC) held that "once the violation of statutory regulations is established, imposition of penalty becomes sine qua non of violation and the intention of parties committing such violation becomes totally irrelevant. Once the contravention is established, then the penalty is to follow".

36. Thus, the aforesaid violations by the Noticee makes him liable for penalty under Section 15HA of SEBI Act, 1992 which read as follows:

***15HA.Penalty for fraudulent and unfair trade practices.-***

*If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty of twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher."*

37. While determining the quantum of penalty under section 15HA, it is important to consider the factors stipulated in section 15J of SEBI Act, which reads as under:-

***"15J. Factors to be taken into account by the adjudicating officer***

*While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely:-*
*(a)the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;*
*(b)the amount of loss caused to an investor or group of investors as a result of the default;*
*(c) the repetitive nature of the default."*

It is difficult, in cases of such nature, to quantify exactly the disproportionate gains or unfair advantage enjoyed by an entity and the consequent losses suffered by the investors. I have noted that the investigation report also does not dwell on the extent of specific gains made by the Noticee. Further the amount of loss to an investor or group of investors also cannot be quantified on the basis of available facts and data. Suffice to state that keeping in mind the practices indulged in by the Noticee, gains per se were made by the Noticee in that he traded in the scrip in a manner meant to create artificial volumes and liquidity which is an important criterion, apart from price, capable of misleading the investors while making an investment decision. In fact, liquidity/volumes in particular scrip raise the issue of 'demand' in the securities market. The greater the liquidity, the higher is the investors' attraction towards investing in that scrip. Hence, anyone could have been carried away by the unusual fluctuations in the volumes and been induced into investing in the said scrip. Besides, this kind of activity seriously affects the normal price discovery mechanism of the securities market. People who indulge in manipulative, fraudulent and deceptive transactions, or abet the carrying out of such transactions which are fraudulent and deceptive, should be suitably penalized for the said acts of omissions and commissions. With regard to repetitive nature, I find that there were substantial number of such trades, hence the default was repetitive in nature.

**ORDER**

38. After taking into consideration all the facts and circumstances of the case, I impose a penalty of  7,00,000/- (Rupees Seven Lakh only) under section 15HA on the Noticee which will be commensurate with the violations committed by him.

39. The Noticee shall pay the said amount of penalty by way of demand draft in favour of "SEBI -Penalties Remittable to Government of India", payable at Mumbai, within 45 days of receipt of this order. The said demand draft should be forwarded to Shri. Suresh Gupta, Chief General Manager, Investigations Department-05, SEBI Bhavan, Plot No. C – 4 A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.

40. In terms of rule 6 of the Rules, copies of this order are sent to the Noticee and also to the Securities and Exchange Board of India.

**Date :31.07.2012**
**Place: Mumbai**

**BARNALI MUKHERJEE**
**ADJUDICATING OFFICER**