

BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. EAD-2/DSR/KM/22-30/2013]

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

SANWARIA AGRO OILS LIMITED (PAN No. AACCS1449N)

ANIL AGRAWAL (PAN No. ABBPA9214G)

UNIQUE WAYS REALTORS PVT. LTD. (PAN No. AAACU8719P)

UNIQUE WAYS MANAGEMENT SERVICES (P) LTD. (PAN No. AAACU4719K)

UNIWAYS INFRA PVT. LTD (PAN No. AAACU8718N)

UNIWAYS AGRI COMMODITIES PVT. LTD. (PAN No. AABCU0306P)

UNIWAYS TELEFILMS PVT. LTD. (PAN No. AABCU0272C)

UNI ARC PVT. LTD. (PAN No. AAACU9550G)

RAJESH KAPOOR (PAN No. ACPPK3643Q)

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1. The Securities and Exchange Board of India (hereinafter referred to as "SEBI") carried out an investigation in the dealing of the scrip of M/s Sanwaria Agro Oils Limited (hereinafter referred to as '**SAOL**' or '**the company**') for the period from February 01, 2009 to February 26, 2010 (hereinafter referred to as the '**investigation period**') during which the price of the scrip increased from ₹

22.95 on February 02, 2009 to the high of ₹ 98 on July 08, 2009 and it closed at ₹ 31.45 on February 26, 2010.

2. The Investigation, *inter-alia*, had revealed that the company SAOL (**Noticee 1**), in which Anil Agrawal was a Whole Time Director (**Noticee 2**) had allegedly transferred money to certain connected companies namely viz. Unique Ways Realtors Pvt. Ltd. (**Noticee 3**), Unique Ways Management Services P. Ltd (**Noticee 4**), Uniways Infra Pvt. Ltd. (**Noticee 5**), Uniways Agri Commodities Pvt. Ltd (**Noticee 6**), Uniways Telefilms Pvt. Ltd. (**Noticee 7**) and Uni Arc Pvt. Ltd. (**Noticee 8**) (hereinafter Noticee 3 to Noticee 8 collectively referred to as the "**Uni group**") who were controlled by Anil Agrawal and Rajesh Kapoor (**Noticee 9**). The Uni group in turn allegedly transferred money to Rajesh Kapoor who placed orders at higher prices than the LTP and had impacted the price of the scrip and contributed significantly to the price rise in the scrip of SAOL during the investigation period ranging from ₹ 22.95 on February 02, 2009 to the high of ₹ 98 on July 08, 2009 and closing at ₹ 31.45 on February 26, 2010.
3. SEBI has therefore, initiated adjudication proceedings under the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the 'SEBI Act'), *inter alia*, against the Noticees to inquire into and adjudge the alleged violations of the provisions of Regulation 3(a), (b), (c), (d), 4(1), 4(2)(d) and (e) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as the '**PFUTP Regulations**').

Appointment of Adjudicating Officer

4. I have been appointed as the Adjudicating Officer (AO), in place of previous Adjudicating Officers, vide order dated August 29, 2013 under section 15 I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "SEBI Act") read with Rule 3 of the SEBI (Procedure for Holding Inquiry and

Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as “said Rules”) to inquire into and adjudge under Section 15HA of the SEBI Act, the alleged violation of the provisions of law by the Noticees.

Show Cause Notice, Reply and Personal Hearing

5. A show cause notice dated May 20, 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 be not held and penalty be not imposed on them under section 15 HA of the SEBI Act for the alleged violation of the provisions of Regulation 3(a), (b), (c), (d), 4(1), 4(2)(d) and (e) of the PFUTP Regulations.
6. In order to conduct inquiry, an opportunity of hearing was granted to the Noticees on July 22, 2011. The Noticees sought an adjournment and time to file reply vide their respective letters. Another opportunity of hearing was granted to the Noticees on March 01, 2012. SAOL and Anil Agrawal appeared on the said date through their authorized representative and sought time to file for reply. Rajesh Kapoor failed to attend the hearing. The other Noticees did not attend the hearing and vide their respective letters dated February 27, 2012 sought time to file reply to the SCN. SAOL and Anil Agrawal vide letters dated March 12, 2012 and April 02, 2012 respectively, filed their replies to the SCN. Another opportunity of hearing was granted to the Noticees on January 22 2013. SAOL and Anil Agrawal appeared on the said date through their authorized representative and sought an adjournment to February 05, 2013, wherein they appeared and reiterated the submissions made in their respective replies. The Uni group Noticees were granted an opportunity of hearing on January 22, 2013, February 28, 2013 and March 14, 2013, however, the Notices were undelivered as the Uni group had changed their correspondence address and failed to inform the then Adjudicating Officer of the same. Rajesh Kapoor vide letter dated June 03, 2013 filed his reply to the SCN and an opportunity of hearing was granted to him on June 20, 2013. However, Rajesh Kapoor failed to

attend the said hearing and vide letter dated June 22, 2013 sought for an adjournment. Another opportunity of hearing was granted to the Noticees on September 19, 2013. Rajesh Kapoor appeared on the said date, reiterated the submissions made in his reply dated June 03, 2013 and submitted further reply dated September 18, 2013. The Uni group vide their respective letters dated September 18, 2013 sought another adjournment and further time to file their replies to the SCN. SAOL and Anil Agrawal sought an adjournment and appeared on October 11, 2013 through their authorized representative and reiterated the submissions made in their respective replies. Another opportunity of hearing was granted to the Uni group Noticees on October 10, 2013 and a final opportunity on November 19, 2013, however, they failed to appear and have still sought further time to file their replies. Therefore, I find that enough time and ample opportunities have been given to the Uni group to file their replies and appear before me and have failed to do the same and so I proceed further against the Uni group Noticees, on the basis of the material available on record. The Noticees i.e SAOL, Anil Agrawal and Rajesh Kapoor, inter alia, submitted that they are not connected/related to each other and are therefore not responsible for the actions of the others and have denied every allegation leveled against them.

Consideration of Issues, Evidence and Findings

7. I have perused the charges made against the Noticees mentioned in the SCN, written and oral submissions and the documents available on record. In the instant matter, the following issues arise for consideration and determination:

a) Whether the Noticees have violated the provisions of Regulation 3(a), (b), (c), (d), 4(1), 4(2)(d) and (e) of the PFUTP Regulations?

b) Do the violations, if any, on the part of the Noticees attract any penalty under Section 15HA of the SEBI Act?

c) If yes, what should be the quantum of monetary penalty?

8. Before proceeding, I would like to refer to the relevant provisions of the PFUTP Regulations which reads as under:

Regulation 3: Prohibition of certain dealings in securities

No person shall directly or indirectly –

- a) buy, sell or otherwise deal in securities in a fraudulent manner;*
- b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made 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.*

Regulation 4: Prohibition of manipulative, fraudulent and unfair trade practices

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

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

- (d) paying, offering or agreeing to pay or offer, directly or indirectly, to any person any money or money's worth for inducing such person for dealing in any security with the object of inflating, depressing, maintaining or causing fluctuation in the price of such security;*
- (e) any act or omission amounting to manipulation of the price of a security;*

9. From the investigation it is observed that the scrip of the Company is listed on NSE and BSE. The Company had made net profits of ₹ 12.22 Cr, ₹ 43.32 Cr, ₹ 38.05 Cr and ₹ 38.81Cr in the financial years ended March 2007, March 2008, March 2009 and March 2010 respectively. The net profit for year ended March 2009, during the Investigation Period, has decreased 12.83% as compared to net

profit for the year ended 2008. Subsequently, the net profit for the year ended March 2010 has increased by 1.94% as compared to the year ended March 2009. As per the company's shareholding pattern, it is observed that 70.04% is held by the promoters and promoters' group and the rest 29.96% is held by the non promoters out of which 4 entities hold 19.03% of the share capital.

10. It has been observed that during the investigation period, the price of the scrip has moved from ₹ 21.10 on February 02, 2009 to ₹ 91.45 on June 4, 2009. The price spurt was observed to move from March 9, 2009 onwards and continued the uptrend till June 4, 2009 by then the price of the scrip was ₹ 91.45/- i.e., 433% increase from the price of ₹ 21.10. The average daily volume during this price rise period was around 14500 shares. The price of the scrip then moved down from ₹ 89 on June 5, 2009 to the lower level of ₹ 59 by December 31, 2009. The average daily volume during this price fall period was around 8226 shares. The price then has sharply fallen from ₹ 62 on January 4, 2010 and closed at ₹ 31 on February 26, 2010 i.e., 287% decreased from the price of 89. The average daily volume during this sharp price fall period was around 1.10 lakhs. The open, high, low, close price of the scrip during the period of investigation is as under:

Particulars	Price (₹)	Date
Open	Rs. 20.65	Feb 02, 2009
Period High	Rs. 95.00	July 08, 2009
Period Low	Rs. 13.25	March 02, 2009
close	Rs. 31.35	Feb 26, 2010.

11. The top 5 buyers/sellers based on gross basis for the Investigation Period on the National Stock Exchange (NSE) are listed below.

Broker	Buy (No. of shares)	As a % to Market volume	Sell (No. of shares)	As a % to Market volume	Gross Qty. Buy+Sell	As a % to market gross Qty
HDFC securities ltd.	12,57,516	18.79%	12,53,021	18.72%	25,10,537	18.76%
Angel Broking Ltd	3,10,781	4.64%	2,50,270	3.74%	5,61,051	4.19%
Karvy Stock Broking	2,47,008	3.69%	2,29,485	3.43%	4,76,493	3.56%

Ltd.						
SPFL Securities Ltd	2,26,325	3.38%	2,14,226	3.20%	4,40,551	3.29%
Sykes & Rays Equities (I) Ltd.	2,25,737	3.37%	2,14,150	3.20%	4,39,887	3.29%
Total	2,267,367	33.87%	2,161,152	32.29%	4,428,519	33.09%

12. It is observed that the gross trade of the top 5 brokers is 33.09% of market gross of the scrip during the Investigation Period. Further, it is noticed that HDFC Securities contributed 18.76% of gross market trades of the scrip during the Investigation Period. The Top 5 buy clients on gross basis are as listed below:

Clients Name	Buy (No. of shares)	As a % to Market volume	Sell (No. of shares)	As a % to Market volume	Gross Qty. (Buy + Sell)	As a % to market gross Qty
Rajesh Kapoor	1156402	17.28%	1177930	17.60%	2334332	17.44%
Multi stock broking private limited	222785	3.33%	211036	3.15%	433821	3.24%
Kajal Pankaj Tibrewal	119772	1.79%	120797	1.81%	240569	1.80%
Pankaj Baijnath Tibrewal	103991	1.55%	91179	1.36%	195170	1.46%
Hamon Asset Management Ltd	0	0.00%	189305	2.83%	189305	1.42%
Total	1602950	23.95%	1790247	26.75%	3393197	25.35%

13. It is observed that the major client that traded in the scrip was Rajesh Kapoor through the broker HDFC Securities and had a gross traded quantity of 17.44% to the market gross of the scrip during the Investigation Period. Further, that he was the top buyer till December, 2009 and top seller from January 2010 to February 2010.

14. The Top 5 brokers on the basis of gross traded volume during Investigation Period on the Bombay Stock Exchange (BSE) are listed below:

Broker	Buy (No. of	% Mkt volume	Sell (No. of	% Mkt	Gross Trades	% to Gross
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	shares)		shares)	volume	Volume (Buy+Sell)	Market Qty.
HDFC Securities Ltd.	820259	22.48	630236	17.27	1450495	19.88
Sykes & Ray Equities (India) Ltd.	194316	5.33	205051	5.62	399367	5.47
SPFL Securities Ltd.	188477	5.17	192409	5.27	380886	5.22
Anand Rathi Financial Services Ltd.	85971	2.36	109381	3.00	195352	2.68
Arihant Capital Markets Ltd.	63847	1.75	106885	2.93	170732	2.34
Total	1352870	37.08	1243962	34.10	2596832	35.59

15. The gross trade of the top 5 brokers is 35.59% of market gross of the scrip during the Investigation Period. Further, HDFC Securities contributed 19.88% of gross market trades of the scrip during the Investigation Period. The Top 5 Clients on gross basis are as listed below:

Client	Buy Qty.	As % of total volume	Sale Qty.	As % of total volume	Gross Qty.	As % of gross qty.
Rajesh Kapoor	803571	22.03%	622064	17.05%	1425635	19.54%
Multi Stock Broking Pvt. Ltd.	155352	4.26%	160944	4.41%	316296	4.33%
Kajal Pankaj Tibrewal	105922	2.90%	103751	2.84%	209673	2.87%
Pankaj Tibrewal	72721	1.99%	85577	2.35%	158298	2.17%
The Hamon India Fund Mauritius	0	0.00%	98622	2.70%	98622	1.35%
Total	1137566	31.18%	1070958	29.35%	2208524	30.26%

16. It is observed yet again that the major client traded in the scrip is Rajesh Kapoor through the broker HDFC Securities. It is observed that Rajesh Kapoor was the top buyer till December, 2009 and top seller from January 2010 to February 2010.

17. It is also observed that the entities Rajesh Kapoor, Nitin Goyal, Anita Goyal, Anita Agrawal and Sanjeev Khanna (hereinafter collectively referred to as

“Rajesh Kapoor group”) are related /connected to each other and their relationship /connection have been brought out as under:

Name of the client	PAN	Address	Relationship
Rajesh Kapoor	ACPPK3643Q	E6, MIG-127, Arera Colony Bhopal. AM 2 nd 105 Sukhliya, Indore.	Same Address of Uni Group Co. and Anil Agrawal (Whole time director of SAOL).
Nitin Goyal	AHOPG7934N	E6, MIG-127, Arera Colony Bhopal.	Director of Sanwaria Infrastructures Ltd. (group company of SAOL). Address of Nitin Goyal is same as that of Rajesh Kapoor.
Anita Goyal	AFYPG6243G	E6, MIG-127, Arera Colony Bhopal.	Address same as that of Rajesh Kapoor.
Anita Agrawal	AEOPA7878Q	Gali No4 Jawahar Ganj, Sendhwa.	As same as the address of Ajay Agrawal, director of SAOL
Sanjeev Khanna	ARCPK0522G	AM 2 nd 105 Sukhliya, Indore.	Address same as that of Rajesh Kapoor.

18. The address of Rajesh Kapoor, as per KYC with its broker HDFC Securities and its DP/ bank viz. HDFC bank is - E-6, MIG-127, Arera Colony, Bhopal - 462016. Further, it appears that the email-ID (*saolbhopal@rediffmail.com*) provided to the broker HDFC Securities by Rajesh Kapoor is same as that appearing in the website of the Company as the ‘Contact Us’ details.

19. Further, I find from “**Annexure II**” to the SCN, in the details of shareholding (source MCA website) that the Uni group Noticees are related and their relationship is as under:

Sl. No.	Name of the entity	Name of Directors	Name shareholders	%Holding as on 31/03/2009/ 30/09/2010
1	Uniqueways Managements Services Pvt. Ltd.	Nitin Garg Anil Kumar Vishwakarma	Anil Agrawal Rajesh Kapoor	99.01 00.99
2	Uniways Agri	Nitin Garg	Anil Agrawal	0.32

	Commodities Pvt. Ltd.	Anil Kumar Vishwakarma Bhagwan Das Bansal	Nitin Garg Nitin Goyal Uni Arc Pvt. Ltd.	0.15 0.15 99.38
3	Unique ways Realters Pvt Ltd.,	Nitin Garg Anil Kumar Vishwakarma	Anil Agrawal Nitin Garg Nitin Goyal Uniways Agri Commodities Pvt Ltd	0.24 0.17 0.17 99.42
4	Uniways infra Pvt. Ltd.	Nitin Garg Anil Kumar Vishwakarma	Anil Agrawal Nitin Garg Nitin Goyal Uniways Agri Commodities Pvt Ltd	0.25 0.18 0.15 99.38
5	Uni Arc Pvt Ltd	Ajay Agrawal Nitin Garg Anil Kumar Vishwakarma	Anil Agrawal Nitin Garg Nitin Goyal Uniqueways Managements Services Pvt Ltd	0.17 0.08 0.08 99.67
6	Uniways Telefilms Pvt Ltd	Nitin Garg Anil Kumar Vishwakarma	Anil Agrawal Nitin Garg Nitin Goyal Uniways Agri Commodities Pvt Ltd	0.32 0.15 0.15 99.38

20. From the above, I find that Anil Agrawal holds 99.01% and Rajesh Kapoor holds 0.99% shares in Uniqueways Managements Services Pvt. Ltd. which in turn holds 99.67% shares in Uni Arc Pvt. Ltd. which in turn holds 99.38% shares in Uniways Agri Commodities Pvt. Ltd. Uniways Agri Commodities Pvt. Ltd. in turn holds 99.42% shares, 99.38% shares, and 99.38% shares in Unique ways Realters Pvt. Ltd., Uniways infra Pvt. Ltd and Uniways Telefilms Pvt Ltd respectively. Further, I find from the bank accounts and DP accounts pertaining to the above mentioned Uni group of entities that the authorized signatory is Anil Agrawal. Thus, all these companies are in full control of and owned by Anil Agrawal. Therefore, I find that any direct or indirect dealing in the

securities of SAOL by these entities or at the behest of these entities is decided by and is of Anil Agrawal and Rajesh Kapoor.

21. I find from “**Annexure III**” to the SCN, that as per MCA website, annual report 2009-10, the addresses of the all above Uni group of entities is- E-6, MIG-127, Arera Colony, Bhopal-462016 and the address of Anil Agrawal, Nitin Goyal is also E-6, MIG-127, Arera Colony, Bhopal -462016, as shareholders of the Uni group and the address of Rajesh Kapoor is also the same. It was further noted that the corporate office address of SAOL was in E-6, MIG-127, Arera Colony, Bhopal-462016 till September 2008 and then it was shifted to the present address at E-1/1 Arera colony, Bhopal - 462016. I also find that the email ID of all the above mentioned Uni group of entities is *saolbhopal@rediffmail.com* which is also the same e-mail ID as that of SAOL as per its own website viz. *http://www.sanwariaagro.com* under ‘Contact Us’ details. Further, I find that Uni group of entities had received ₹ 30 lakhs from SAOL prior to Investigation Period and ₹ 2.45 crores during Investigation Period. From the above, it is observed that the above entities are connected /related /associated with SAOL.

22. The trading details of Rajesh Kapoor and group is as under:

Entity	PAN	NSE		BSE	
		Buy Qty	Sell Qty	Buy Qty	Sell Qty
Rajesh Kapoor	ACPPK3643Q	1156402	1177930	803571	622064
Sanjeev Khanna	ARCPK0522G	9350	152	17008	300
Nitin Goyal	AHOPG7934N	25	11037	0	9006
Anita Agrawal	AEOPA7878Q	0	15885	0	22088
Anita Goyal	AFYPG6243G	0	1650	0	1006
Total		1165777	1206654	820579	654464
Total across both exchanges	BUY - 19,86,356 and SELL - 18,61,118				

23. It is observed that Rajesh Kapoor group had purchased and sold a total of 19,86,356 shares and 18,61,118 shares respectively, out of which Rajesh Kapoor had purchased and sold 19,59,973 shares (98.67% of the group’s buy quantity) and 17,99,994 shares (96.72% of the group’s sell qty) respectively. I find from

“**Annexure VI**” to the SCN that the last traded price (LTP) analysis at NSE was carried out for the Investigation Period and it was observed that the LTP variation in the scrip was in the range of -15.87% to 25.28%. Further, there were a total of 482 trades with LTP variation of more than 2% and out of 482 trades, Rajesh Kapoor was the buying client for 105 trades. From “**Annexure -VII**” to the SCN, I find that from the LTP analysis at BSE it is observed that the LTP variation in the scrip was in the range of -19.39% to 19.44%. That there were a total of 376 trades with LTP variation of more than 2%. Further, that out of 376 trades, Rajesh Kapoor was the buying client for 116 trades.

24. I find that the price of the scrip had increased sharply from ₹ 16.1 (close price at NSE) on March 9, 2009 to ₹ 91.45 (close price at NSE) on June 04, 2009. The LTP analysis was carried out for the period of price rise i.e. March 09, 2009 till June 04, 2009 and the LTP variation in the scrip was in the range of -14.38% to 13.90%. There was a total of 95 trades with LTP variation of more than 2% and the total LTP variation by such trades were ₹ 131.1. Out of 95 trades with LTP variation more than 2%, Rajesh Kapoor was the buying client for 45 such trades. It is noted that Rajesh Kapoor had LTP variation of ₹ 57.35 out of total of ₹ 131.1 by such trades. The LTP variation in the scrip was in the range of -9.66% to 9.98% at BSE. I find from "**Annexure IX**" to the SCN that there were a total of 94 trades with LTP variation of more than 2% and the total LTP variation by such trades were ₹ 128.25. Out of 94 trades with LTP variation more than 2%, Rajesh Kapoor was the buying client for 51 such trades. Further, that Rajesh Kapoor had LTP variation of ₹ 75.9 out of total of ₹ 128.25 by such trades.

25. I find from the order logs that Rajesh Kapoor had placed the orders at higher prices than the LTP and had impacted the price of the scrip. Few such illustrations that show that Rajesh Kapoor had contributed significantly to the price rise are as under:

- a. On the opening of the market on April 15, 2009, there was 1 trade at 09:56:38 at ₹ 42 prior to placement of order by Rajesh Kapoor. Rajesh Kapoor had placed his buy order at 09:57:06 at ₹ 43 (2.38% above LTP of ₹ 42) for 250 shares. The sell order was placed by other client subsequently at 10:01:28 at this level i.e. ₹ 43.
 - b. On the opening of the market on May 25, 2009, there were only buy orders in the system and no sell orders in the system. Rajesh Kapoor had placed his buy order at 09:59:44 for ₹ 64 (4.66% above LTP of ₹ 61.15) for 100 shares. The sell order was placed by other client subsequently at 10:02:13 at this level.
 - c. On the opening of the market on May 27, 2009, the first sell order was placed by some other client at 10:01:13 for ₹ 70.65 for 200 shares. Rajesh Kapoor had placed his buy order at 10:01:24 for ₹ 70 (3.86% higher than LTP of ₹ 67.4). The next sell order was placed by other client at 10:03:51 at this level i.e. ₹ 70.
 - d. On the opening of the market on June 04, 2009, Rajesh Kapoor had placed his buy order at 09:56:43 for ₹ 93.5 (4.41% above LTP of ₹ 89.55) for 100 shares. The sell order was placed by other client at 09:58:01 at this level.
26. I find from “**Annexure XII**” to the SCN, that the bank account statements of Rajesh Kapoor for the period Dec 01, 2008 till June 30, 2010 were analyzed and it is observed that Rajesh Kapoor has two bank accounts with HDFC. The bank account that was disclosed in the KYC i.e. A/c No. 00621000116634 was not used for trading purposes. It is observed that he had another account No. 0621000106592 with HDFC Bank, which was used for making payments/receiving money from the broker. I find that there were several credit transactions in his bank account during the Investigation Period.
27. Further, I find from "**Annexure XIII**" and "**Annexure XIV**" to the SCN, the statement of Rajesh Kapoor's Bank Account No. 0621000106592 and copy of

Bank Account statement of Unique ways Realtors Pvt. Ltd. and Unique ways Management Services Pvt. Ltd., that Rajesh Kapoor had received a total of ₹ 7,08,50,000 from the related entities (Uni Group) and had paid himself and to the related entities ₹ 7,27,50,000 . The summary is as under:

Period	Entity Name	To (Debit)	From (Credit)
15/01/2009 To 31/03/2010	Unique ways Realtors Pvt. Ltd.	0	71,00,000
	Unique ways Management Services Pvt. Ltd.	0	1,23,50,000
	Uniways Infra Pvt. Ltd	0	90,00,000
	Uniways Agri Commodities Pvt. Ltd	3,29,00,000	4,43,00,000
	Rajesh Kapoor	3,98,50,000	
	Total	7,27,50,000	7,08,50,000

28. I find that the money received from the related entities was used for making the payments to his broker for the trades done by him in the scrip of SAOL. An example is as under:

Name of entity from whom money received	Date	Amount	Payments made by Rajesh Kapoor to broker HDFC Securities Ltd.		
			Bank Balance after credit	Date	Paid Amount
Uniways Management Services P Ltd	02/03/09	10,00,000	25,29,219	02/03/09 to 17/03/09	24,62,148 - pay in to NSE BSE
Uniways Management Services P Ltd	18/03/09	1,50,000	2,17,604	19/03/09	1,35,130- pay in to NSE BSE
Uniways Management Services P Ltd	19/03/09	15,00,000	15,81,933	20/03/09 to 23/03/09	7,70,626 - pay in to NSE BSE
Uniways Management Services P Ltd	23/03/09	10,00,000	18,11,305	24/03/09 to 25/03/09	14,89,123- pay in to NSE BSE

29. I also find that during the period Jan to Feb 2010, Rajesh Kapoor was the net seller in the market and the proceeds/money received from the broker was transferred by him to the Uni group of entities. An example is as under:

Date	Amount received from the broker	Name of the entity to whom the amount paid
19/01/2010	NSE payout BSEpayout 1,13,05,591.88 60,88,308.91	
20/01/2010	-	-
20/01/2010	NSE Payout BSE Payout 45,16,243.80 22,33,818.66	1,75,00,000 paid to Uniways Agri Commodities P Ltd
21/01/2010	-	-
21/01/2010	NSE Payout BSE payout 23,77,773.07 11,17,437.39	68,00,000 paid to Uniways Agri Commodities P Ltd
22/01/2010	-	-
		35,00,000 paid to Uniways Agri Commodities P Ltd

30. Vide "**Annexure XV**" to the SCN, I find from the Transaction Statement and Equity Derivative Ledger of the DP Account of Rajesh Kapoor that he had transferred and also received shares in off-market to the group entities. I find that Rajesh Kapoor had transferred the shares in off-market to the Uni group of entities, who had given money/funding to Rajesh Kapoor for trading in the scrip on many instances during the Investigation Period as mentioned before. the details of off-market transfers are as under:

Date	DP A/c and entity name	No of shares
31/03/2009	(To): 10913655 - Uniways Telefilms	1,33,000
06/01/2010	(To): 10751428 - UniArc Pvt. Ltd.	75,000
08/02/2010	(From): 0876719 Uniways Ari Commodities	3,49,000
10/02/2010	(From): 10913655 Uniways Telefilms	8,00,000

31. I find from "**Annexure -XVI**" to the SCN, that from the corporate announcements made by SAOL dated Sept 14, 2009 (Notice of AGM to be held on Sept 30, 2009), Sept 30, 2009 (Outcome of AGM) and Dec 24, 2009 (Outcome of EGM) that SAOL had plans to raise upto ₹ 200 crores by way of private placement including QIPs during the Investigation Period and the same was withdrawn later by board of directors in the meeting held on Aug 13, 2010. As already discussed in the aforementioned paras, I find that Rajesh Kapoor had

played a significant role in creating momentum/breathe in the market and increased the price of the scrip in the intervening period, to ensure raising of said amount through private placement by SAOL.

32. Rajesh Kapoor vide letters dated June 03, 2013 and September 18, 2013, inter alia, submitted that all the transactions executed by him in the shares of SAOL are on the floor of the exchange carried out through the SEBI registered broker HDFC Securities Limited in compliance with all the prudential norms of the Broker and Exchange and no grievance of any nature was ever raised by any authority during the relevant period. Further, that all the trades are attributed/considered to have been executed by him and not by or for any other person named in the SCN and that neither has he dealt in any synchronized trades and that no charge of LTP variation is sustainable on facts and in law against him. Rajesh Kapoor had sought further documents and after providing him the same (which was already provided with the SCN), was granted time to file further submissions during the hearing dated September 19, 2013 but has however, till date not filed any further submissions.

33. I find that Rajesh Kapoor has simply denied all the allegations against him and has submitted that he has traded in the normal course on the floor of the exchange. He has simply denied any relation/connection with the other Noticees and has not refuted the detailed connection between the group entities, Anil Agrawal, Uni group entities, SAOL and him as clearly brought out in the aforementioned paras and also in the SCN. As already discussed in paras 19 to 21 above, the connection of Rajesh Kapoor with all the Noticees is clearly undeniable as all of them including SAOL have/had the same address and same email address. Further, Rajesh Kapoor has not disputed any relation/connection with Anil Agrawal to the Uni group entities. As brought out in para 20 above, I find that Anil Agrawal and Rajesh Kapoor together control the Uni Group entities. I have already discussed in detail how Rajesh Kapoor had placed the

orders at higher prices than the LTP and had impacted the price of the scrip in paras 26 to 29 above and since Rajesh Kapoor has not refuted any of the said allegations as also provided in detail in the SCN, I find that it is unnecessary for me to dwell into it again. I find that Rajesh Kapoor has simply submitted in his letter dated September 18, 2013 that in almost all cases the order time of the counter party sale order precedes his buy order at NSE and that the alleged variation in LTP is within the high and low price of the day. I find his submissions irrelevant and immaterial. As detailed in paras 23 to 25, I find that there have been sufficient instances to establish that Rajesh Kapoor had placed orders at higher prices than the LTP and impacted the price of the scrip by contributing significantly to the price rise.

34. Anil Agrawal vide letter dated April 02, 2012, inter alia, submitted that he has no relation of any nature at all with Rajesh Kapoor except shareholding in Unique Ways Management Services P. Ltd. and cannot be inferred to be connected or be held responsible for the actions of Rajesh Kapoor. That he has no control over the other Uni group entities because he wasn't holding any shares in those companies directly or indirectly and the said observation by SEBI is based on incomplete and incorrect information gathered from MCA. With regard to all the Noticees having the same address, he submitted that "...a big sized apartment was shared by number of persons/entities but use of a common premises for the purpose of residence and the business activity of other notices cannot be a basis to decide that I had any relation with either noticee no. 9 and/or having control over Uni Group companies." Further, with regard to payments made by SAOL to the Uni group entities and then to Rajesh Kapoor, he submitted that "I submit that after receipt of SCN I made enquiry with uni group companies and they have informed me that they had not given any loan/advances to Noticee No. 9 out of amount they have received from SAOL. In view of this your linking of advance given by SAOL to Uni group with the purchases of shares of SAOL by Noticee No. 9 is wrong."

35. I find that submissions made by Anil Agarwal to be inconsequential and merely a means to reply to the SCN. As already discussed in paras 20 to 24 above, I find that Anil Agarwal was holding 99% shareholding in Uniqueways Management Services P. Ltd. which in turn had a chain of control over the other Uni group entities. Secondly, he was a shareholder in each Uni group company and most importantly he was the authorized signatory for all the Uni group companies. He has conveniently not dealt with the fact that he was the authorized signatory for all the Uni group companies in his reply to the SCN. I find his submission with regard to all the Noticees having the same address to be absurd and irrelevant. It cannot be with such great coincidence that all the Noticees have the same address and the same email address and then claim to have no connection to each other especially when Anil Agarwal himself is the director of SAOL and majority shareholder/controller and authorized signatory for the Uni group companies. Further, I find it preposterous that he enquired with the Uni group companies who informed him that they had not given any loan/advance to Rajesh Kapoor and then submit that SEBI is therefore wrong to link the entities. The contention of Anil Agrawal is untenable in the absence of any documentary proof of correspondence between Anil Agrawal and the Uni group entities especially when Anil Agrawal is the authorized signatory for all the Uni group entities and would have known if any loan/advance was transferred. Further, none of the Uni group entities have replied or responded to the SCN or attended any hearing in the matter.

36. Further, I find that Anil Agarwal has submitted that on February 03, 2009, UMSPL had liquidated 2990000 equity shares (99.67%) in Uni Arc Pvt. Ltd (UAPL) and submitted the balance sheet of UMSPL for the year ended March 31, 2009 showing shareholding of UAPL as nil. However, I find from the annual returns of UAPL as on September 20, 2010 given in "Annexure-2" to the SCN, that UMSPL still having 99.67% share holding in UAPL. Therefore, I find that the argument of Anil Agrawal is devoid of facts.

37. SAOL vide letter dated March 12, 2012 have at the outset submitted that they have no relation of any nature with the Uni group entities nor with Rajesh Kapoor and cannot be liable for their actions. That SEBI's linking of corporate announcement with the traded volume of shares of the company on that date with the market rate fluctuation is wrong because all corporate announcements were made to comply with provisions of the listing agreement and Companies Act, 1956. They further submitted that they had in the normal course of business advanced certain amounts of ₹ 30 lakhs and ₹ 2.45 crores to Unique Ways Management Services Pvt. Ltd. and Uniways Agri Commodities Pvt. Ltd. that have been invested in Mutual Funds. That they are not aware of other engagements of the company director Mr. Anil Agrawal and his connection with other companies and categorically deny having done anything which can be construed as manipulation of price of scrip of their company and deny that they have misled investors and acted as fraud on the genuine investors.
38. As already reiterated, I find that SAOL is also connected to Rajesh Kapoor and the Uni group entities. SAOL had the same address with other Noticees. This is also evident from the account statement of SAOL dated April 29, 2009 in Reliance Mutual Fund, submitted by them during the hearing on October 11, 2013, wherein, the address of SAOL is still given as E-6/MIG 127, Arera Colony, Bhopal, Madhya Pradesh, which is the same as the other Noticees. With regard to loan/advance of ₹ 30 lakhs and ₹ 2.45 crores made to UMSPL and UACPL, SAOL has submitted in their reply that they made enquiries with UMSPL for utilization of funds they had borrowed from them and received a clarification that the sum of ₹ 30 lakhs was invested in Mutual Fund on March 23, 2009 on behalf of SAOL and that ₹ 2.30 crores was invested in UTI Mutual Fund. However, I find from the ledger account of UMSPL submitted by SAOL that ₹ 2.45 crores advanced on February 03, 2009 was, if at all invested, not invested in UTI Mutual Fund but in Reliance Mutual Fund. The submissions made in their

reply dated March 12, 2012 and the documents submitted on October 11, 2013 by SAOL are contrary to each other and I find it suspicious that the said loans/advance was apparently invested on behalf of SAOL in mutual funds.

39. I find it very suspicious that none of the Uni group entities have replied or attended a single hearing, especially given that Anil Agarwal is in control of the Uni group companies as a majority shareholder and authorized signatory and has replied and appeared before me. From the aforementioned paras, I find that it is established beyond doubt that Anil Agarwal, Rajesh Kapoor, SAOL and the Uni group entities are connected. I find that SAOL and Anil Agrawal have denied in their respective replies that the corporate announcements made by SAOL led to fluctuations in the market price of the shares of SAOL. However, I find that such allegation has not been leveled in the SCN and therefore the same need not be dealt with .

40. Therefore, I conclude that Anil Agrawal and Rajesh Kapoor are connected entities, shareholders and in control of Uni group of entities which are connected with the Company SAOL through the Whole time director of SAOL, Anil Agrawal. The Uni group of entities have transferred and received shares of SAOL from Rajesh Kapoor through off market during the Investigation Period. That Uni group of entities received money of over ₹ 2.45 crores from SAOL during the investigation period. That the Uni group of entities, for whom Anil Agrawal is the authorized signatory, had made payments of more than ₹ 7 crores to Rajesh Kapoor which was used by him for the trading purposes in the market and proceeds were also remitted to Uni group. That Rajesh Kapoor, through the money funded by SAOL and the Uni group entities, had traded in large volumes in the scrip creating momentum/ breathe in the scrip (avg. volume prior to investigation period was 8,491 shares at NSE which increased to 25,640 shares during investigation period) and has also manipulated the price of the scrip, thereby misleading the investors and committed a fraud on the

genuine investors. In view of the above, considering the movement of shares, funds and proceeds of sale of shares amongst SAOL, Uni group and Rajesh Kapoor, I conclude that these manipulative trades are attributed to SAOL, Anil Agrawal, Uni group and Rajesh Kapoor and the noticees have, therefore, violated /contravened the provisions of Regulation 3(a), (b), (c), (d), 4(1), 4(2)(d) and (e) of the PFUTP Regulations and are liable for penalty under section 15HA of the SEBI Act.

41. While imposing penalty it is obligatory to consider the factors stipulated in Section 15J of the 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.*

42. It is noted that no quantifiable figures are available on record to assess the disproportionate gain or unfair advantage made as a result of the default. The amount of loss caused to an investor or group of investors also cannot be quantified on the basis of the facts and data available on record. The default is repetitive in nature.

ORDER

43. In view of the above, after considering all the facts and circumstances of the case and exercising the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Rules, I hereby impose the following penalties under Section 15HA of the SEBI Act on each of the Noticees.

Sr. No.	Noticee	Penalty amount
1	Sanwaria Agro Oils Limited	₹ 1 crore (Rupees one crore only)
2	Anil Agrawal	₹ 1 crore (Rupees one crore only)
3	Unique Ways Realtors Pvt. Ltd.	₹ 25 lakhs (Rupees twenty five lakhs only)
4	Unique Ways Management Services Pvt. Ltd	₹ 25 lakhs (Rupees twenty five lakhs only)
5	Uniways Infra Pvt. Ltd.	₹ 25 lakhs (Rupees twenty five lakhs only)
6	Uniways Agri Commodities Pvt. Ltd	₹ 25 lakhs (Rupees twenty five lakhs only)
7	Uniways Telefilms Pvt. Ltd.	₹ 25 lakhs (Rupees twenty five lakhs only)
8	Uni Arc Pvt. Ltd.	₹ 25 lakhs (Rupees twenty five lakhs only)
9	Rajesh Kapoor	₹ 1 crore (Rupees one crore only)

In my view, the penalties imposed on the Noticees are commensurate with the defaults committed by them.

44. The above penalty amount shall be paid by the Noticees through a duly crossed demand draft drawn in favour of “SEBI – Penalties Remittable to Government of India” and payable at Mumbai, within 45 days of receipt of this order. The said demand drafts should be forwarded to The Divisions Chief, IVD-7, Securities and Exchange Board of India, Plot No. C4-A, ‘G’ Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.

45. In terms of the Rule 6 of the Adjudication Rules, copies of this order are sent to the Noticees and also to Securities and Exchange Board of India.

Date: December 18, 2013

D. SURA REDDY

Place: Mumbai

ADJUDICATING OFFICER