BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER: Order/MC/VS/2021-22/11559-11565]

UNDER SECTION 15-I (2) OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995

In respect of -

1. **Lokeshkumar Chandrashekhar Bhala** (PAN - AIHPB7187L) having address at Room No. 3 Ground Floor Vinayak Sankul Ramdas Peth Opp S B I, Akola, Maharashtra, India, 444001
2. **Durga Chandrashekhar Bhala** (PAN - ABUPB2810L) having address at Rupal Udyog MIDC, Phase 2 Krushi Nagar Plot No F 5 Akola, Maharashtra – 444001
3. **Bharatbhai Gordhanbhai Kakadiya (HUF)** (PAN - AAFHB7878A) having address at 1102-b Paladiyum Jagiri, Wadi Hathi Mandir Road, Katarg Surat, 395004
4. **Bhavnaben Bharatbhai Kakadiya** (PAN - AOWPK9463K) having address at Plot No.805, Adarsh Co. op. society, Bhavnagar, Gujarat – 364003
5. **Roopa Anilkumar** (PAN - ACIPA1547J) having address at House No. 2,9th Main Road, Bsk 2nd Stage, Banashanakari, Bangalore, 560070
6. **Shiv Prasad Bhansali** (PAN - ADQPB4947C) having address at 5, Govind Chandra Dhar Lane, 3rd Floor, Kolkata, 700001
7. **Shiv Prasad Bhansali (HUF)** (PAN - AASHS1298A) having address at 5, Govind Chandra Dhar Lane, 3rd Floor, Kolkata, West Bengal - 700001

In the matter of Pincon Lifestyle Ltd.

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") initiated adjudication proceedings against Lokeshkumar Chandrashekhar Bhala

(hereinafter referred to as "**Noticee 1**"), Durga Chandrashekhar Bhala ("**Noticee 2**"), Bharatbhai Gordhanbhai Kakadiya (HUF) ("**Noticee 3**"), Bhavnaben Bharatbhai Kakadiya ("**Noticee 4**"), Roopa Anilkumar ("**Noticee 5**"), Shiv Prasad Bhansali ("**Noticee 6**") and Shiv Prasad Bhansali (HUF) ("**Noticee 7**") (hereinafter together referred to as "**the Noticees**") under Section 15HA of the SEBI Act, 1992 ("hereinafter referred to as the "**SEBI Act**") for alleged violation of Section 12A (a), (b), (c) of the SEBI Act read with Regulations 3 (a), (b), (c), (d) and 4 (1) and (2) (a) and (e) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 ("**PFUTP Regulations**").

2. Adjudication proceedings in respect of the Noticees were initiated pursuant to investigation into dealings in the scrip of Pincon Lifestyle Ltd (hereinafter referred to as "**Pincon**" or "**the Company**") during the period between March 11, 2015 to September 20, 2016 (hereinafter referred to as "**investigation period**" or "**relevant period"**).

APPOINTMENT OF ADJUDICATING OFFICER

3. The undersigned was appointed as Adjudicating Officer (hereinafter referred to as "AO") under Section 15-I of the SEBI Act, 1992 ("SEBI Act") read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as the "Adjudication Rules"), vide order dated May 14, 2019, to inquire into, and adjudge under Section 15HA of the SEBI Act the aforesaid alleged violations of the Noticees.

4. The appointment of the undersigned as AO was communicated vide order dated May 27, 2019.

SHOW CAUSE NOTICE, REPLY AND HEARING

5. Show Cause Notice No. EAD5/MC/VS/2020/3054 dated January 23, 2020 (hereinafter referred to as "**SCN**") was issued to the Noticees, in terms of Rule 4 (1) of the Adjudication Rules read with Section 15-I of the SEBI Act, to show cause

as to why an inquiry should not be held and penalty not be imposed against the Noticees in terms of Section 15HA of the SEBI Act for the aforesaid alleged violations.

6. The allegations levelled against the Noticee in the SCN are summarized as follows:-

7. Pincon was initially listed on Calcutta Stock Exchange ("CSE") and was then listed on Metropolitan Stock Exchange of India ("MSEI") and Bombay Stock Exchange ("BSE") on January 06, 2015 and March 11, 2015 respectively. The last traded price at CSE was Rs. 5.10 and the price of the scrip discovered through Special Pre-Open Session ("SPOS") was Rs. 189.00 (on February 18, 2015) and Rs. 196.90 (on March 11, 2015) on MSEI and BSE respectively.

8. It was observed that the scrip was not traded on MSEI or CSE during the investigation period. Further, during the investigation period, the trading in the scrip of Pincon was suspended effective from December 24, 2015 by BSE vide notice dated December 21, 2015, and trading in the scrip resumed w.e.f. April 08, 2016.

9. During the course of investigation, it was observed that Pincon had made an allotment of 3 crore shares to 21 preferential allottees (including Lucky Commosales Pvt. Ltd., one of the promoters of Pincon). Based on UCC data from BSE, off-market transaction details from NSDL, CDSL and physical share transaction data received from RTA of Pincon, it was observed that 20 allottees out of the aforesaid 21 preferential allottees were observed to be connected to Pincon.

10. It was observed that 19 entities out of the aforesaid 20 preferential allottees had transferred Pincon shares to 912 entities in off-market through physical and/or demat mode. Out of the aforesaid 912 entities, 304 entities were observed to have sold the shares on BSE in the scrip of Pincon during the investigation period.

11. Further, 28 buyers in the scrip during the investigation period were observed to be connected to the preferential allottees and the company. It was also observed that a director of Pincon had also traded in the scrip during the investigation period.

12. The aforesaid 356 (304 plus 20 plus 2 plus 1 plus 28 plus 1) entities are referred to as “group entities”.

13. During the investigation period, there was a period of price rise from March 11, 2015 to December 23, 2015 from Rs.196.90 to Rs.226.40. During the period from April 08, 2016 to September 20, 2016, the closing price of the price of the scrip fell by Rs. 9.00 compared to the opening price on April 08, 2016, from Rs.227 to Rs.218. Accordingly, the investigation period is divided into two patches i.e. Patch 1 - from March 11, 2015 to December 23, 2015 and Patch 2 - from April 08, 2016 to September 20, 2016. No trades were executed in the scrip of Pincon between December 24, 2015 and April 07, 2016.

14. The price volume data of the scrip at BSE is given as follows:-

(Source: BSE website)

Period	**Dates**		**Opening Price (volume) on first day of the period (Rs)**	**Closing price (volume) on last day of the period (Rs.)**	**Low price(volume) during the period (Rs.)**	**High Price(volume) during the period (Rs.)**	**Avg. no. of (shares) traded daily during the period**
Before Investigation period	Scrip was not listed on BSE						
During Investigation Period – Patch 1 (Price Rise)	March 11, 2015 to December 23, 2015	Price	196.90	226.40	191.00 (June 03, 2015)	239.80 (March 25, 2015)	31,132
		Vol	16,256	2,94,300	1 (July 20, 2015)	3,88,400 (December 22, 2015)	
During Investigation Period – Patch 2 **(Price Fall)**	April 08, 2016 to September 20, 2016	Price	227.00	218.00	208.00 (September 20, 2016)	232.00 (May 20, 2016)	50,839
		Vol.	1870	43,974	99 (April 21, 2016)	1,35,455 (August 19, 2016)	

After investigation period	September 21, 2016 to December 21, 2016	Price	225.00	319.25	147.65 (November 25, 2016)	319.30 (December 21, 2016)	35,544
		Vol.	7,615	45,255	2 (November 11, 2016)	1,01,945 (November 18, 2016)	

15. It was observed that the price of the scrip at BSE opened at Rs. 196.90, touched a high of Rs. 239.80, low of Rs. 191.00 and closed at Rs. 225.15 during the investigation period. The scrip closed at Rs. 0.55 at BSE on December 10, 2018. Vide notice dated December 06, 2018, BSE suspended the trading the scrip of Pincon w.e.f. December 11, 2018.

LTP Analysis

Patch-1 (March 11, 2015 to December 23, 2015)

16. During Patch-1 of the investigation period, the price of the scrip at BSE opened at Rs. 196.90, touched a high of Rs. 239.80 and closed at Rs. 226.40, a rise of Rs. 29.50 from the opening price. The net positive LTP contribution by 23 group entities who purchased shares during this patch is given below:-

Sl.No.	Buyer Name	Net LTP			LTP > 0			LTP < 0			LTP = 0		
		LTP impact (all trades) in Rs.	QTY traded (all trades)	No of trades (all trades)	LTP impact in Rs.	QTY traded	No of trades	LTP impact in Rs.	QTY traded	No of trades	QTY traded)	No of trades	% of Pos. LTP to Total Mkt. Pos. LTP
1	Everblink Agency Pvt Ltd	16.30	103958	114	21.90	16570	10	-5.60	3650	7	83738	97	3.80
2	Nugget Steel Trading Pvt Ltd	12.50	114766	193	13.20	20817	16	-0.70	3600	3	90349	174	2.29
3	Eirene Business Solution Private Limited.	7.60	187816	251	7.90	34392	13	-0.30	2500	2	150924	236	1.37
4	Headfirst Vintrade Pvt Ltd	7.40	34500	44	7.40	9515	7	0.00	0	0	24985	37	1.28
5	Darswana Vinmay Pvt Ltd	6.90	89150	54	7.60	11000	8	-0.70	7490	3	70660	43	1.32
6	Richi Consultants Pvt Ltd	6.50	191996	176	11.10	12030	8	-4.60	8450	5	171516	163	1.93

Sl.No.	Buyer Name	Net LTP			LTP > 0			LTP < 0			LTP = 0		
		LTP impact (all trades) in Rs.	QTY traded (all trades)	No of trades (all trades)	LTP impact in Rs.	QTY traded	No of trades	LTP impact in Rs.	QTY traded	No of trades	QTY traded)	No of trades	% of Pos. LTP to Total Mkt. Pos. LTP
7	Realstep Agencies Pvt Ltd	5.60	388234	504	13.00	47873	37	-7.40	25706	15	314655	452	2.26
8	Vinahast Dealcom Pvt Ltd	5.50	70150	45	6.10	16100	7	-0.60	3000	2	51050	36	1.06
9	Surarchita Traders Pvt Ltd	4.90	70146	131	6.60	8100	13	-1.70	2200	3	59846	115	1.15
10	Springtime Engineering Private Limited	4.70	198057	493	12.40	38647	38	-7.70	9385	13	150025	442	2.15
11	Cheroot Vanijya Pvt. Ltd.	2.20	40887	17	2.20	6000	2	0.00	0	0	34887	15	0.38
12	Megma Logistics Pvt Ltd	1.90	116511	288	6.70	10486	15	-4.80	11750	9	94275	264	1.16
13	Greatscope Traders Pvt Ltd	1.80	15500	14	1.80	9500	4	0.00	0	0	6000	10	0.31
14	Archana Bansal	1.00	4	1	1.00	4	1	0.00	0	0	0	0	0.17
15	Asha Devi	1.00	4000	1	1.00	4000	1	0.00	0	0	0	0	0.17
16	Goldensight Vinimay Pvt Ltd	0.60	14500	10	0.70	7000	2	-0.10	2000	1	5500	7	0.12
17	Charamsukh It Marketing Private Limited	0.50	136545	254	5.50	17810	25	-5.00	11810	10	106925	219	0.95
18	Ekaparnik Vintrade Pvt Ltd	0.50	15000	12	0.50	1700	1	0.00	0	0	13300	11	0.09
19	Remac Fabrics Pvt Ltd	0.40	68100	41	0.40	7100	4	0.00	0	0	61000	37	0.07
20	Outstripe Suppliers Pvt Ltd	0.30	26550	37	0.30	3080	3	0.00	0	0	23470	34	0.05
21	Poonam Agarwal	0.20	4	2	0.20	3	1	0.00	0	0	1	1	0.03
22	Onceover Deal Trade Private Limited	0.20	8500	4	0.20	5000	2	0.00	0	0	3500	2	0.03
23	Flyjoy Ditributors P Ltd	0.10	12000	17	0.10	1000	1	0.00	0	0	11000	16	0.02
	Total: Group	**88.6**	**1906874**	**2703**		**287727**	**219**	**-39.2**	**91541**	**73**	**1527606**	**2411**	**22.16**

Sl.No.	Buyer Name	Net LTP			LTP > 0			LTP < 0			LTP = 0		
		LTP impact (all trades) in Rs.	QTY traded (all trades)	No of trades (all trades)	LTP impact in Rs.	QTY traded	No of trades	LTP impact in Rs.	QTY traded	No of trades	QTY traded)	No of trades	% of Pos. LTP to Total Mkt. Pos. LTP
					127.8								
	Total Market	**29.50**	**45,76,394**	**6489**	**576.10**	**6,41,212**	**548**	**-546.60**	**4,06,372**	**490**	**35,28,810**	**5451**	**100.00**

17. The above mentioned are group entities which contributed to net positive LTP during Patch-1 of the investigation period. The trades amongst the group entities contributed Rs. 85.60 to market positive LTP (14.86% of market positive LTP). The details of positive LTP contribution of the trades amongst the group entities is given as under:-

S.No.	PAN	Entity Name	Pos. LTP Contribution	Traded Quantity	No. of Pos. LTP Trades	% of Pos. LTP to Mkt. Pos. LTP
1	AADCE7290C	Everblink Agency Pvt Ltd	14.99	15560	7	2.59
2	AADCN5213C	Nugget Steel Trading Pvt Litd	12.69	16056	11	2.19
3	AADCR9667C	Richi Consultants Pvt Ltd	10.29	7930	5	1.77
4	AAUCS8602F	Springtime Engineering Pvt. Ltd.	8.29	18500	18	1.42
5	AADCH4164L	Headfirst Vintrade Pvt Ltd	6.69	7515	5	1.15
6	AAUCS2427E	Surarchita Traders Private Limited	5.89	6400	10	1.01
7	AAFCD0788E	Darswana Vinmay Pvt Ltd	5.00	7500	5	0.87
8	AADCE3191N	Eirene Business Solution Pvt. Ltd.	4.70	31392	12	0.82
9	AAHCR2034F	Realstep Agencies Pvt Ltd	4.40	28840	21	0.76
10	AAECV8139N	Vinahast Dealcom Private Limited	4.00	6000	4	0.69
11	AAFCC9332H	Charamsukh It Marketing Pvt. Ltd.	2.40	8950	10	0.42
12	AAECC9285A	Cheroot Vanijya Pvt. Ltd.	2.10	1000	1	0.36
13	AAFCG2861H	Greatscope Traders Pvt Ltd	1.80	9500	4	0.31
14	AOTPB5286Q	Archana Bansal	1.00	4	1	0.17
15	AAICM6743M	Megma Logistics Private Limited	0.60	2265	4	0.10
16	AAFCG6292A	Goldensight Vinimay Private Limited	0.50	2000	1	0.09
17	AFZPA0738F	Poonam Agarwal	0.20	3	1	0.03
18	AACCO0086H	Onceover Dealtrade Pvt Ltd	0.20	5000	2	0.03
19	AAHOR2007A	Remac Fabrics Private Limited	0.20	5800	2	0.03
20	AACCF2181J	Flyjoy Ditributors P Ltd	0.10	1000	1	0.02
21	AACCO0067C	Outstripe Suppliers Private Limited	0.10	180	1	0.02

S.No.	PAN	Entity Name	Pos. LTP Contribution	Traded Quantity	No. of Pos. LTP Trades	% of Pos. LTP to Mkt. Pos. LTP
		Total	**85.60**	**1,81,395**	**126**	**14.86**

18. The details of the counterparties, including Noticees 1, 2 and 5, to the aforesaid positive LTP trades of the trades amongst the group entities is given as under:-

S.No.	Counterparty PAN	Counterparty Name	Pos. LTP Contribution	Traded Quantity	No. of Pos. LTP Trades	% of Pos. LTP to Mkt. Pos. LTP
1	AGUPK5822A	Naveen Kurele	11.5	9500	5	2.00
2	CGFPM0020B	Sehul Shyamkumar Maheshwari	9.4	16151	10	1.63
3	ACPPD9618Q	Asha Devi	8.9	15225	10	1.54
4	AADCE7290C	Everblink Agency Pvt Ltd	7.2	3050	3	1.25
5	AAFCG6723L	Goldensight Commotrade Pvt Ltd	6.9	6716	9	1.20
6	AAFCV0236M	Venera Property Private Limited	4.7	9316	7	0.82
7	ABZPG9177G	Madhavi Gupta	4.3	1600	2	0.75
8	AIHPB7187L	Lokesh Chandrashekhar Bhala	3.1	550	2	0.54
9	ABOPH7847K	Vivek Himat Singka	3	1500	3	0.52
10	AAICM6743M	Megma Logistics Private Limited	2.9	10000	1	0.50
11	AAECV7301C	Varaprada Distributors Pvt. Ltd.	2.6	20177	11	0.45
12	ADLPJ3714G	Pritu Chaudhary	2.5	4900	3	0.43
13	AAFCC5497B	Chandika Infrastructure Pvt Ltd	2.5	9370	9	0.43
14	AWXPM5794Q	Suresh Chand Modi	2.1	1000	1	0.36
15	AALHP5838C	Pandhari Yadav Huf	2	1200	2	0.35
16	AGBPG3807C	Mahesh Kumar Gupta	1.6	1625	3	0.28
17	CWKPS0658C	Nidhi Chaudhary	1.5	4036	2	0.26
18	AAHHM0781R	Manish D Maheshwari Huf	1	6000	3	0.17
19	AQNPK2740G	Saket Kanoria	1	1000	1	0.17
20	AIGPR2430R	Kamal Kishore Rathi	1	2000	1	0.17
21	AABCP2022M	Pensol Industries Ltd	1	1550	3	0.17

S.No.	Counterparty PAN	Counterparty Name	Pos. LTP Contribution	Traded Quantity	No. of Pos. LTP Trades	% of Pos. LTP to Mkt. Pos. LTP
22	AAUCS8602F	Springtime Engineering Pvt. Ltd.	0.7	7390	4	0.12
23	ABUPC0905H	Ramesh Kumar Chaudhary	0.6	8495	5	0.10
24	AUWPS0923J	Ajay Kumar Singh	0.5	800	1	0.09
25	AAOPY1757E	Neeraj Yadav	0.5	944	1	0.09
26	AADCN5213C	Nugget Steel Trading Private Limited	0.5	9000	4	0.09
27	AAFCC9332H	Charamsukh It Marketing Pvt. Ltd.	0.3	3300	2	0.05
28	ARJPA4565G	Harsh Agrawal	0.2	970	2	0.03
29	AAPPC5032M	Sandeep Chhabra	0.2	7380	2	0.03
30	AFXPK6078G	Usha Kothari	0.1	480	1	0.02
31	ADVPB5765H	Deepak Kumar Bhawsingka	0.1	590	1	0.02
32	CGZPS9781F	Divya Singh	0.1	1500	1	0.02
33	AEFPC7078H	Amit Chaudhary	0.1	2000	1	0.02
34	AEUPM8635B	Manju Mohindar	0.1	400	1	0.02
35	AAPPA4547B	Pushkar Chand Agarwal	0.1	800	1	0.02
36	AYRPA5669A	Nikhil Agarwal	0.1	2000	1	0.02
37	ABUPB2810L	Durga Chandrashekhar Bhala	0.1	1000	1	0.02
38	AARHS6696B	Amitkumar	0.1	500	1	0.02
39	AAHCR2034F	Realstep Agencies Pvt Ltd	0.1	4500	1	0.02
40	ACIPA1547J	Roopa Anilkumar	0.1	180	1	0.02
41	AAPPB3322D	Sanjay Baid	0.1	1000	1	0.02
42	ABNPA7916K	Anju Agrawal	0.1	1500	1	0.02
43	AMCPR1204P	Krishna Kant Rathi	0.1	200	1	0.02
		Total	**85.60**	**1,81,395**	**126**	**14.86**

19. 58 group entities i.e. (21 buyers + 43 sellers – 6 common entities), including Noticee 1, 2 and 5, allegedly traded amongst themselves at prices higher than LTP and contributed to market positive LTP. Thus Noticees 1, 2 and 5 allegedly indulged in trades that created a misleading appearance of trading and contributed

to price rise in the scrip of Pincon in a manipulative manner during Patch-1 of the investigation period and are hence also alleged to have violated Section 12A (a), (b), (c) of SEBI Act read with Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a), (e) of the PFUTP Regulations.

Patch 2 (April 08, 2016 to September 20, 2016)

20. During Patch-2 of the investigation period, the price of the scrip at BSE opened at Rs. 227.00, touched a low of Rs. 208.00 and closed at Rs. 218.00, a fall of Rs. 9.00 from the opening price.

21. The negative LTP contribution of the group entities during this period was analysed. The trades amongst the group entities contributed negative LTP of Rs. 231.90 to market negative LTP (42.54% of market negative LTP).

22. The details of negative LTP contribution of the trades amongst the group entities is given as under:-

S.No.	PAN	Entity Name	Neg. LTP Contribution	Traded Quantity	No. of Neg. LTP Trades	% of Neg. LTP to Mkt. Neg. LTP
1	AARHS6696B	Amitkumar	-35.7	1418	59	-6.55
2	AAKPA1400A	Vishal Agarwal	-24.7	537	68	-4.53
3	AADHH7918B	Hari Narayan Gupta	-14.1	301	19	-2.59
4	AAZPG8177D	Hari Narayan Gupta	-9.9	148	9	-1.82
5	AFVPB8736N	Bhupendra R Jain	-9.9	217	5	-1.82
6	ABHPP8012B	Rajendra Prasad	-8.4	200	1	-1.54
7	AALPV7856J	Subodh Kumar Verma	-8.2	1099	19	-1.50
8	AEIPG6507J	Shivdayal Gupta	-7.8	453	12	-1.43
9	AICPP1987D	Pooja	-7.3	195	21	-1.34
10	BCSPP4911N	Mausumi Pyne	-7	186	15	-1.28
11	AFZPA0738F	Poonam Agarwal	-7	95	17	-1.28
12	ABLPA0576H	Vinita Agarwal	-5.9	351	2	-1.08
13	AAFHM6584C	Ramesh Mardia Huf	-5.9	5025	5	-1.08
14	AAUCS8602F	Springtime Engineering Pvt. Ltd.	-5.65	13281	12	-1.04
15	BIRPA4051M	Vishwadeep Agarwal	-5	102	13	-0.92

S.No.	PAN	Entity Name	Neg. LTP Contribution	Traded Quantity	No. of Neg. LTP Trades	% of Neg. LTP to Mkt. Neg. LTP
16	AMFPB3009H	Bharat Kumar	-5	100	15	-0.92
17	AAAHU9532R	Uttam Chand Huf	-4.9	10	1	-0.90
18	AADCN5213C	Nugget Steel Trading Pvt Litd	-4.7	8116	13	-0.86
19	AAIPR4214M	Kiran R Jain	-4.5	95	15	-0.83
20	AAMHM1404Q	Mukesh Kumar Huf	-4.5	100	1	-0.83
21	ALBPS5783N	Tara Devi Surana	-4.4	100	8	-0.81
22	AHAPS8708A	Mitesh Shashikant Shah	-4	2000	1	-0.73
23	ACSPJ1868P	Vineet Kumar Jain	-3.8	1	1	-0.70
24	AELPM2684P	Kapil Ram Motwani	-3.25	6000	2	-0.60
25	BNKPS1242L	Priyanka Singh	-3.2	134	7	-0.59
26	AHDPS7603P	Chetankumar Shashikant Shah	-2.8	500	1	-0.51
27	AENPK4251Q	Rashidaben Shambhai Kapadia	-2.7	15	1	-0.50
28	AFCPS1821A	Preeti Mantri	-2.7	550	1	-0.50
29	AYHPS2410D	Pankaj Kumar Singh	-2.65	4258	6	-0.49
30	AAFCG2861H	Greatscope Traders Pvt Ltd	-2.1	7880	4	-0.39
31	AACCF2181J	Flyjoy Ditributors P Ltd	-2	6000	4	-0.37
32	ADQPB4947C	Shiv Prasad Bhansali	-1.2	82	6	-0.22
33	AFJPJ4158G	Rani B Jain	-1.2	90	6	-0.22
34	AGRPB7770R	Vivek Chandratan Binani	-0.65	1000	1	-0.12
35	AKLPA1094K	Sapna Agarwal	-0.6	40	3	-0.11
36	AKJPS3514Q	Annu Surana	-0.6	53	3	-0.11
37	AJOPK2413Q	Rajesh T Kevadia	-0.6	1500	1	-0.11
38	AINPG3403A	Arvind Kumar Gupta	-0.6	18	1	-0.11
39	AASHS1298A	Shiv Prasad Bhansali Huf	-0.55	4000	1	-0.10
40	AAECV7301C	Varaprada Distributors Pvt Ltd	-0.5	5	1	-0.09
41	AAAHU6678J	Uttam Modani & Sons	-0.5	1500	1	-0.09
42	AAFHG7639L	Girish Bhutra Huf	-0.5	540	1	-0.09
43	AOWPK9463K	Bhavanaben B Kakadiya	-0.5	92	1	-0.09
44	ABDPH8148L	Purnima Hoon	-0.4	6000	2	-0.07
45	AACHD0146G	Devendra Kumar Jhunjhunwala Huf	-0.4	500	1	-0.07
46	AAFHB7878A	Bharatbhai Gordhanbhai Kakadiya	-0.35	2440	1	-0.06

S.No.	PAN	Entity Name	Neg. LTP Contribution	Traded Quantity	No. of Neg. LTP Trades	% of Neg. LTP to Mkt. Neg. LTP
47	ABSPA1121H	Mukut Behari Agarwal	-0.3	3100	3	-0.06
48	AAHPS0650F	Dilip Kumar Saboo	-0.3	1000	1	-0.06
49	AVNPS6128B	Surya Narayan Sahu	-0.3	200	1	-0.06
50	AJMPP9039K	Kavita Patel	-0.3	1000	1	-0.06
51	AGBPG3807C	Mahesh Kumar Gupta	-0.2	300	1	-0.04
52	AANHP0660A	Pawan Kumar & Sons Huf	-0.2	6	1	-0.04
53	AAUPS6287P	Swetha M	-0.2	300	1	-0.04
54	AALHS2869A	Shah Hitesh Chinubhai Huf	-0.2	1500	1	-0.04
55	AUAPM4832C	Nikunjben Mehulbhai Maniar	-0.2	5000	1	-0.04
56	AFGPC3746Q	Gautam Chaudhary	-0.15	4000	1	-0.03
57	AAHHM0781R	Manish D Maheshwari Huf	-0.15	2500	1	-0.03
58	AAMHR0871G	Rajendra Prasad Huf	-0.1	500	1	-0.02
59	ABEPA9496K	Rajendra Agarwal	-0.1	300	1	-0.02
60	ADCPA2905K	Reena Agarwal	-0.1	5000	1	-0.02
61	AAXPM4548C	Moti Lal Maheshwari	-0.1	2000	1	-0.02
62	ADOPJ4733C	Vijay Kumar Jaiswal	-0.1	2000	1	-0.02
63	ACPPD9618Q	Asha Devi	-0.05	800	1	-0.01
64	ACVPJ2757N	Alok Kumar Jhunjhunwala	-0.05	1000	1	-0.01
		Total	**-231.90**	**107833**	**408**	**42.54**

23. The details of the counterparties to the aforesaid negative LTP trades of the trades amongst the group entities is given as under:-

S.No.	Counterparty PAN	Counterparty Name	Neg. LTP Contribution	Traded Quantity	No. of Neg. LTP Trades	% of Neg. LTP to Mkt. Neg. LTP
1	AAFCC5497B	Chandika Infrastructure Pvt Ltd	-49.1	5954	144	-9.01
2	AAFCC9332H	Charamsukh It Marketing Pvt. Ltd.	-48.8	12760	109	-8.95
3	AAFCV0236M	Venera Property Private Limited	-31.45	2897	40	-5.77
4	AAFCG6723L	Goldensight Commotrade Pvt Ltd	-24.5	13726	14	-4.49
5	AAHCR2034F	Realstep Agencies Pvt Ltd	-24.25	17528	48	-4.45
6	AAUCS8602F	Springtime Engineering Pvt. Ltd.	-10.1	7000	5	-1.85
7	AADCE7290C	Everblink Agency Pvt Ltd	-7.9	200	2	-1.45

S.No.	Counterparty PAN	Counterparty Name	Neg. LTP Contribution	Traded Quantity	No. of Neg. LTP Trades	% of Neg. LTP to Mkt. Neg. LTP
8	AAICM6743M	Megma Logistics Private Limited	-7.5	98	7	-1.38
9	AAFCG2861H	Greatscope Traders Pvt Ltd	-6.5	11500	8	-1.19
10	AADCH4445A	Headfirst Vinimay Private Limited	-6.4	2395	2	-1.17
11	AACCF2181J	Flyjoy Distributors Private Limited.	-6.1	9480	7	-1.12
12	AAACY6443N	Youthvision Commodities Pvt. Ltd.	-4.1	1295	14	-0.75
13	AAECV8139N	Vinahast Dealcom Private Limited	-3.95	14000	3	-0.72
14	AADCE6828J	Ekaparnik Vintrade Private Limited	-0.7	3500	2	-0.13
15	AAPCS9015H	Super Mercantiles Private Limited.	-0.4	3000	2	-0.07
16	AACCO0067C	Outstripe Suppliers Private Limited	-0.15	2500	1	-0.03
		Total	**-231.90**	**107833**	**408**	**42.54**

24. Thus, 77 group entities including Noticees 3, 4, 6 and 7 traded amongst themselves at prices lower than LTP and contributed a total of Rs. 231.90 to market negative LTP (42.54% of market negative LTP). Thus the aforesaid group entities including Noticees 3, 4, 6, 7 allegedly indulged in trades that created a misleading appearance of trading and contributed to price fall in the scrip of Pincon in a manipulative manner during Patch-2 of the investigation period and are hence alleged to have violated Section 12A (a), (b), (c) of SEBI Act read with Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a), (e) of the PFUTP Regulations.

25. The SCN was served upon all the Noticees vide e-mails dated 24.01.2020 and 15.10.2020, and on all the Noticees by SPAD as well, between 28.01.2020 and 03.02.2020 as per tracking details obtained from the website of India Post.

26. No reply on merits was received from Noticees 1 and 2.

27. Vide replies dated 05.03.2020 Noticees 3 and 4 submitted the following:-

(a) It is apparent from the SCN itself that there are some persons who are alleged to have actively carried out trades that are supposed to have

increased the price of the shares of the Company. It is also alleged that the Promoters of the Company have also carried out or abetted such trades and transactions. However the Noticees are neither a part of the Promoters nor any of such persons named. Nor do the Noticees have any connections with them. Without demonstrating even a single finding of having carried out any such transactions or being connected with any such person, it has still been alleged that Noticees have carried out such violations.

(b) The SCN makes allegations that Noticees are connected with the Company/Promoters on the ground that they purchased shares from a preferential allottee who, it is alleged, is connected with the Company on account of having purchased shares from the Promoters. However, nothing is brought on record how Noticees could have had knowledge about the alleged connection of the seller with the Company or its Promoters.

(c) The SCN has been issued to 120 persons. The alleged role as per the SCN itself of different categories of persons is substantially and glaringly different. Each group has been ascribed certain violations/frauds. One category, for example, is the Company itself that has allegedly done several wrongs. Then there are the directors/Promoters who control the Company. Then there are persons who have been allotted shares by the Company through preferential allotment. There are also persons who have allegedly carried out price manipulation of the shares of the Company. There are persons like Noticees who have only purchased shares, on arm's length basis from a person who is not in any manner apparently connected with the Company or its Promoters, and then had sold such shares. No judicial and mindful differentiation has been made and thus the proceedings and the allegations are wholly arbitrary.

(d) Noticee's transaction of purchase of shares was one-time. Purchase of shares alone cannot make one connected to the selling entity.

(e) From the first transaction till the conclusion of disposition of shares, Noticees carried out each of the steps in the ordinary course of business

without having any connection with the Promoters or the company. Noticees' transactions involved, wherever applicable, their regular registered stock brokers, bankers, demat authorities, etc. without having any concern, transaction or connection whatsoever with the company, its Promoters, the Transferees, the Exit Providers or any other person alleged to be involved in any of the allegedly irregular activities described in the SCN.

(f) Noticees purchased the shares of Pincon from Pincers Commodities Private Limited, received delivery of shares from them and made the payment of the purchase consideration to them by account payee cheque. Noticees were not connected directly or indirectly to such person whether by way of personal relations or having common directors/shareholders, etc. Their only connection was purchase of shares from them in ordinary course of business.

(g) Noticees sold the shares through their regular broker through the stock exchange during market hours and through the normal opaque market mechanism. They duly received the sale proceeds from their stock broker.

(h) Noticees sold the shares through reputed and registered stock brokers M/s. ISE Securities & Services Ltd. The transactions were conducted at the ruling market price in BSE. Counterparties from all section of the public were eligible to buy the shares that Noticees offered. It was not possible for Noticees to know and they do not know who are the counter parties.

(i) The SCN does not refer to any loss caused to any person pursuant to the transactions carried out by the parties as stated therein.

(j) Noticees sold their investments in Pincon at the ruling market price.

(k) Noticees' holding and dealing in shares of Pincon is just a small fraction of their total holding in other companies. The Noticees regularly deal in shares for the long-term.

(l) Based on a tip received, and since the amount involved was really miniscule in comparison of Noticees' total net worth, Noticee 1 readily invested the required sum of Rs. 200000. Even if Noticee had totally lost

the amount, it would not have mattered. It was worth a risk considering the upside tipped in this company which was expected to make a turn around.

(m) It is apparent that even on a lower benchmark of preponderance of probabilities, there is no basis in fact or law to conclude that Noticees are connected or involved in the alleged price manipulation, fraud, etc.

(n) It is thus a false allegation that Noticees have made investment without any rationale. This again arises because bulk and common order is passed against hundreds of investors without examining individual facts. The allegations against Noticees thus fail.

28. During the hearing conducted on 23.02.2021 in respect of the Noticees 1 and 2 by videoconferencing through WebEx, the Noticee-in-person (Noticee 1) appeared for the hearing on behalf of himself and Noticee 2, stating that he is a regular investor who bought 8000 shares and after holding the shares for a year, sold them for profit at Rs. 223/-. The Noticee stated that he had availed Long Term Capital Gains in respect of the said sell trades in a tax compliant manner. The Noticee further submitted that he owns a factory for processing of pulses. His mother Durga C. Bhala also bought and sold shares in a similar manner, but the Noticee undertook to provide details of Durga C. Bhala's purchase of shares of Pincon Lifestyle Ltd. and trades in Pincon shares. The said bank account details and demat statements reflecting purchase and sale of the impugned Pincon shares were subsequently submitted by the Noticees.

29. Vide reply dated 05.02.2021, Noticee 5 submitted the following:-

(a) The present proceedings have been initiated by SEBI with an inordinate delay and on this ground alone the SCN is liable to be set aside. Trades were executed by Noticee 5 in the scrip of Pincon between the period 27th November, 2015 to 10th December, 2015 and the SCN has been issued after a period of more than 4 years.

(b) On 03rd July, 2014 Noticee 5 purchased 10000 (Ten Thousand) share of Modi Udyog Ltd. (now known as Pincon) from Matarani Dealer Pvt.

Ltd. at a price of Rs. 10 per share. She was informed that Pincon is a good Company having bright prospects and that the shares would fetch a good price when listed on the exchange platform. Copy of Bill dated 03rd July, 2014 was annexed with the reply as Annexure 1.

(c) The shares were later sent to the Company for getting them transferred in Noticee's name vide letter dated 24th July, 2014. Copy of letter dated 24th July, 2014 was annexed as Annexure 2 to the reply.

(d) The shares were later transferred in Noticee's name on 31st July, 2014. Copy of letter dated 31st July, 2014 sent by Modi Udyog Ltd. (now known as Pincon) was annexed as Annexure 3 to the reply.

(e) The 10,000 shares were dematerialized by Noticee 5 during September 2015. Copy of Dematerialisation Request Form was annexed as Annexure 4.

(f) Noticee 5 sold 4,000 share of Pincon on 27th November, 2015 through 41 trades at a price of Rs. 227.70 per share. She sold 3,000 shares of Pincon on 02nd December, 2015 through 15 trades at a price of Rs. 229.90 per share. She again sold 3,000 shares of Pincon on 10th December, 2015 through 15 trades at a price of Rs. 229 per share. Copy of Contract Notes was annexed as Annexure 5.

(g) SCN has alleged that out of the total 71 trades executed by Noticee 5 in the scrip of Pincon, 1 trade contributed Rs 0.1 to the LTP. Such allegation is based on the finding that Noticee 5 is forming part of a group of 356 entities mentioned in the SCN as "group entities" and the reason for her forming part of the "group entities" is that, she had purchased 10,000 shares of Pincon from Matarani Dealers Pvt. Ltd. in off market.

(h) Off-market trades are per se not illegal and apart from stating that Noticee 5 had purchased shares in off-market from Matarani Dealers Pvt. Ltd., no document has been provided by SEBI to prove the connection between 356 "group entities". Therefore the details of

connection provided along with the SCN cannot be relied upon while adjudicating the SCN.

(i) It is also not the case that the counter party to Noticee 5 trades was Matarani Dealers Pvt. Ltd.

(j) SEBI has not issued any show cause notice to Matarani Dealers Pvt. Ltd. and no adverse inference is drawn in the SCN against Matarani Dealers Pvt. Ltd. The reason for Noticee 5 being part of the alleged "group entities" was that she had an off-market transaction with Matarani Dealers Pvt. Ltd. in the scrip of Pincon, however in the absence of any adverse finding against Matarani Dealers Pvt. Ltd the link is broken and therefore Noticee cannot be alleged to be forming part of "group entities". The Hon'ble Securities Appellate Tribunal in the matter of Manish Suresh Joshi vs. SEBI (Appeal No. 2 of 2020, Date of decision 13th January, 2020) has held "*Once the link in the chain is broken, there was no other connection between the appellant with that of the PPG Entities. The only link through which the appellant was found guilty was that the appellant was connected with Ganatra who, in turn, was connected with the 28 entities of PP Group. Once the Ganatra link is broken, there was no evidence to show that the appellant was in any way connected directly or indirectly with the PPG Entities*. In the light of the aforesaid, the charge of connivance of the appellant with the counter party, namely, PPG Entities cannot be proved".

(k) Details of the single impugned trade of Noticee 5 are as follows:-

Date	Buyer Name	Sell Order Time	Buy Order Time	Trade Time	LTP Contribution (Rs.)	Trade rate
27.11.2015	Outstripe Suppliers Pvt. Ltd.	01:53:57	03:23:18	03:23:21	+ 0.1	227.7

(l) The price of the scrip of Pincon for the period between 19th November, 2015 to 27th November, 2015 was between Rs. 227 to Rs. 228. The price data as downloaded from the from the official BSE Ltd. website is as under:

Date	Open Price	High Price	Close Price
19.11.2015	227.90	227.90	227.80
20.11.2015	225	227.80	227.60
23.11.2015	227.70	228	228
24.11.2015	227.5	227.5	227.5
26.11.2015	227.80	227.90	227.80

(m) From the above it is clear that the sell order price placed by Noticee 5 was in accordance with the prevailing market price during that period, that also with a very minor LTP contribution of Rs. 0.1. Such minuscule LTP contribution is normal in the market scenario where the price of any liquid scrip is fluctuating regularly.

(n) Before the alleged 1 trade got executed on 27th November, 2015, 26 trades at a price of Rs. 227.7 were already executed on the exchange. Out of this 26 trades 20 trades were trades of Noticee 5, which contributed Rs. 0 to the LTP. Therefore it cannot be alleged that her trades led to any price manipulation. All her sell trades (4000 shares) on 27th November, 2015 were placed at a price of Rs. 227.7 only.

(o) Further for the alleged 1 trade, the buyer was Outstripe Suppliers Pvt. Ltd., however no adverse finding has been made against Outstripe Suppliers Pvt. Ltd. in the SCN neither any collusion or meeting of mind has been alleged with the said counter party. For an allegation of price manipulation it is necessary to prove nexus or meeting of minds between the buyer and seller.

(p) Securities Appellate Tribunal in the matter of Nishit M. Shah HUF vs. SEBI (Appeal No. 97 of 2019, Date of decision 16th January, 2020) held as under:

"*If trading in miniscule amount leads to an increase in the price of the scrips one can presume or infer that the trading is manipulative but such*

trading cannot happen unilaterally. There must be evidence to show collusion between the buyer and the seller. In the instant case there is none. The principle of preponderance of probability cannot be exercised in the absence of any connection between the seller and the buyer."

30. During the opportunity of personal hearing provided to Noticee 5 on 10.02.2021 by videoconferencing through WebEx, the Authorised Representative of the Noticee 5 submitted that the Noticee had bought 10000 shares of Pincon Lifestyle Ltd. off-market from Matarani Dealers Pvt. Ltd. at Rs. 10 per share, and then sold them at prices of around Rs. 227-228, which was the prevailing market price at the time. It was further stated that the Noticee was advised to buy the shares by an acquaintance who also used to visit their broker Karvy. It was stated that no connection to counterparty clients has been alleged. Further, it was submitted that only one trade for 180 shares was impugned in the SCN, for contribution to positive LTP, when 4000 shares were sold on that day by the Noticee. On the same day, 20 trades with zero LTP contribution were executed by the Noticee before the impugned single positive LTP trade. The Noticee is a housewife, and her husband is in the construction business based out of Bangalore.

31. Vide letters dated 14.02.2020, Noticees 6 and 7 submitted that they had purchased shares of Modi Udyog Ltd., made payment for the same by account payee cheque, and sold the said shares through the market through M/s Shree Bahubali International Ltd. It was submitted that Noticees 5 and 6 had no connection whatsoever with the management or the promoter company, its representative and intermediaries involved in rigging alleged price of the shares of the company M/s Modi Udyog Ltd.

32. During the hearing conducted in respect of the Noticees by videoconferencing through WebEx on 12.02.2021, the Authorised Representative of the Noticees submitted that each of the Noticees had bought and then sold on a single day 4000 shares of Pincon from Newedge Vinimay Pvt. Ltd. at prices ranging from Rs. 224-228 per share. The Noticees were in the business of garments trading.

33. In the light of the allegations contained in the SCN, the Noticees' submissions in respect of the allegations made in the SCN and relevant material available on record, I hereby proceed to decide the case on merits.

CONSIDERATION OF ISSUES AND FINDINGS

34. The issues arising for consideration in the instant proceedings before me are:-

I. Whether the provisions of Section 12 A (a), (b), (c) of SEBI Act read with Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a), (e) of the PFUTP Regulations have been violated by the Noticees

II. If yes, whether the Noticees are liable for imposition of monetary penalty under Section 15 HA of the SEBI Act?

III. If yes, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in Section 15 J of the SEBI Act read with Rule 5 (2) of the Adjudication Rules?

I. Whether the provisions of Section 12A (a), (b), (c) of SEBI Act read with Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a), (e) of the PFUTP Regulations have been violated by the Noticees

35. The allegations levelled against the Noticees in the SCN pertain to creation of misleading appearance of trading and contribution to price-rise in a manipulative manner in Patch 1 (Noticee 1, 2 and 5) and price-fall in a manipulative manner in Patch 2 (Noticees 3, 4, 6 and 7). The *modus operandi* attributed to the Noticees is that they belonged to a "group" of entities indirectly or directly connected to each other and/or to the Company through fund transactions or off-market transfers or common directors or addresses, and that their trades with connected counterparties contributed to price-rise in Patch 1 and price-fall in Patch 2 of the investigation period.

36. Patch 1 period is from March 11, 2015 to December 23, 2015 and Patch 2 is from April 08, 2016 to September 20, 2016. From the trade log, I note that the price opened at BSE at Rs.196.60 in SPOS and remained in the range of Rs. 200 till around June 2015, except for 2 trades at 239.80 on 25/03/2015. From 03.06.2015 to 30.06.2015, the price moved up from 191 to 221, a significant increase of Rs.30. Thereafter, the price remained between Rs. 220 to 230 till the end of investigation period except for slight falls in September 2015, April-May 2016 and September 2016. Even then, the price largely remained above Rs.210.

37. Further, with respect to the allegation regarding price fall of Rs. 9 (from Rs. 227 on 08.04.2016 to Rs. 218 on 20.09.2016), I find that the closing price on 20.09.2016 was Rs. 225.15 as per price volume data obtained available on the BSE website, although the last trade on 20.09.2016 happened at Rs.218. The closing price is a weighted average of the last 30 minutes trades, which substantiates that there was no significant price fall in Patch 2, and the price was largely stable between Rs.220 and Rs.230. Opening price in Patch 2 is Rs.227 and closing price is Rs.225.15, indicating stable price.

38. Based on a perusal of the trade log and nature of price increase in the scrip as discussed above, I find merit in the submissions of the Noticees that their trades took place at prevailing market prices with miniscule or minor LTP contributions.

39. In the case of Noticee 1, I find that all his impugned sell trades for total traded quantity of 8000 shares took placed on three days at prices ranging from Rs. 223.8 to Rs. 224.7. Three of twenty sell trades of Noticee 1 had total positive LTP contribution of Rs. 6.1, while the remaining 17 trades had no LTP contribution. None of the trades were synchronised in terms of time. Similarly, in the case of Noticee 2, all 9 of her sell trades in the scrip for a total traded quantity of 8000 shares were carried out at a trade rate of Rs. 227.9, with 2 out of the 9 trades contributing Rs. 4.20 to positive LTP and the remaining trades having nil LTP contribution.

40. Noticee 5 carried out 71 sell trades, selling 10000 shares of Pincon at trade rates ranging from Rs. 227.7 to Rs. 229.9. It is seen that 2 out her 71 sell trades had net negative LTP contribution of Rs. 0.7 (negative Rs. 0.8, positive Rs.0.10) while all her remaining trades in the scrip had no LTP contribution.

41. In view of the above, the trading pattern of Noticees 1, 2 and 5 does not indicate manipulation of scrip price or generation of artificial volume through sell trades.

42. I further note that in respect of all Noticees, only the sell trades are impugned. All these Noticees received shares off-market at Rs. 10 per share and sold the said shares at between Rs. 220 to Rs.230. Considering that the shares were held for more than a year, and that the price of the scrip was fixed during the SPOS sessions by some of the connected group entities, as also averred by the Authorised Representative of Noticees 1 and 2 during the hearing, the Noticees have availed of Long Term Capital Gains benefit through the sell trades carried out by them. The quantity of shares sold by each of the Noticees is between 4,000 to 20,000 shares. However, only a few of their sell trades have been impugned in the SCN for alleging price rise or price fall, thereby ignoring the total impact of their trades, or the fact that the trades appear to be exits at a price which was artificially discovered during SPOS.

43. Noticees 3, 4, 6 and 7 have sold in Patch 2 which was alleged to be a price fall patch. As noted above, the price fall in Patch 2 was negligible at Rs.1.85. During Patch 2, the price of the scrip has remained fairly stable, with an opening price of Rs.227 on 08/04/2016 and a closing price of Rs. 225.15 on 20/09/2016. Thus, as seen from the closing price on 20/09/2016, it cannot be said that the trades by the Noticees 3, 4, 6 and 7 led to an artificial price fall in the scrip. It is an established position of law that mere LTP contribution alone, without any corroborative evidence in terms of significant price movement and collusion, cannot serve to sustain charges of fraud or manipulation.

44. Further, I note that purchase of shares off-market by Noticees from entities which were indirectly connected to the Company through common addresses or off-

market transactions and sale of shares to entities indirectly connected to Pincon cannot by itself be considered to have rendered the Noticees' trades misleading and leading to manipulation in price of a security in the absence of any significant movement in the price of the scrip, either due to Noticee's trades or in general during Patch 2.

45. Therefore, in view of the trading pattern of the Noticees, the fact that the price did not see any significant fall during Patch 2 as described above, and in the absence of any material to show that the Noticees connived with their counterparties to the impugned trades to cause artificial price-rise or price-fall, allegations of price-rise caused by Noticees 1, 2 and 5, and of price-fall caused by Noticees 3, 4, 6 and 7 are not supported by facts.

46. In view of the above, I find that the allegation that Noticee 1, 2 and 5 violated Section 12A (a), (b) and (c), and Regulations 3(a), (b), (c) and (d), and 4 (1) and 2 (a) and (e) of the PFUTP Regulations by creating misleading appearance of trading and causing price rise in the scrip in a manipulative manner, is not established.

47. Further, I find that the allegation that Noticees 3, 4, 6 and 7 violated Section 12A (a), (b) and (c), and Regulations 3(a), (b), (c) and (d), and 4 (1) and 2 (a) and (e) of the PFUTP Regulations by creating misleading appearance of trading and causing price fall in the scrip in a manipulative manner, is not established.

48. As the alleged violations by the Noticees are not established, Issues II and III do not merit consideration.

ORDER

49. In light of the findings noted hereinabove, the adjudication proceedings initiated against the Noticees i.e. Lokeshkumar Chandrashekhar Bhala ("Noticee 1"), Durga Chandrashekhar Bhala ("Noticee 2"), Bharatbhai Gordhanbhai Kakadiya (HUF) ("Noticee 3"), Bhavnaben Bharatbhai Kakadiya ("Noticee 4"), Roopa Anilkumar ("Noticee 5"), Shiv Prasad Bhansali ("Noticee 6") and Shiv Prasad Bhansali (HUF) ("Noticee 7") vide SCN dated January 23, 2020 are disposed of.

50. Copies of this Adjudication Order are being sent to the Noticees and also to SEBI in terms of Rule 6 of the Adjudication Rules.

MANINDER CHEEMA

Digitally signed by MANINDER CHEEMA
Date: 2021.04.28 17:32:17 +05'30'

DATE: APRIL 28, 2021 **MANINDER CHEEMA**

PLACE: MUMBAI **ADJUDICATING OFFICER**