BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

(ADJUDICATION ORDER NO: Order/PM/SM/2021-22/13065)

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

In respect of

Richi Consultants Private Ltd.

(CIN: U74140WB2007PTC118230)

In the matter of Voltaire Leasing and Finance Limited

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (SEBI) conducted investigation pursuant to the receipt of reference from the Department of Income Tax, Chandigarh, with respect to the Trading Activities of Certain Entities in the scrip of Voltaire Leasing & Finance Limited **("VLFL/Voltaire/the company")** for the period between August 12, 2014 to July 31, 2015 (hereinafter referred to as 'Investigation Period/IP'). The company is listed on BSE Limited (BSE). During the investigation period, price of the scrip opened at Rs. 2.42 and reached a high price of Rs 32.10 and closed at Rs.32.10. Pursuant to the investigation, it was observed that Richi Consultants Private Ltd. (hereinafter referred to as **Noticee**), along with other entities manipulated the price in the scrip of Voltaire and hence, it is alleged that Noticee violated the provision of regulations 3(a), 3(b), 3(c), 3(d) and regulations 4(1), 4(2)(a) and 4(2)(e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (**PFUTP Regulations, 2003**). Accordingly, SEBI initiated Adjudication Proceedings against the Noticee for the aforesaid violation of the provisions of PFUTP Regulations, 2003.

APPOINTMENT OF ADJUDICATING OFFICER

2. The undersigned has been appointed as the Adjudicating Officer, under section 19 r/w section 15-I of the SEBI Act, 1992 r/w rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereafter referred to as **Adjudication Rules, 1995**) to inquire into and adjudge under the provisions of section 15HA of the SEBI Act, 1992 for the alleged violations of regulations 3(a), 3(b), 3(c), 3(d) and regulations 4(1), 4(2)(a) and 4(2)(e) of PFUTP Regulations, 2003.

SHOW CAUSE NOTICE

3. A Show Cause Notice ref. SEBI/AO-PM/NK/12954/1/2018 dated April 27, 2018 (hereafter referred to as **SCN**) was issued to the Noticee in terms of the provisions of rule 4 of the Adjudication Rules, 1995 requiring the Noticee to show cause as to why an inquiry should not be held against it and why penalty, if any, should not be imposed on it under the provision of section 15HA of the SEBI Act, 1992. The allegations in the SCN are as follows:

*a) Securities and Exchange Board of India (SEBI) conducted investigation pursuant to the receipt of reference from the Department of Income Tax, Chandigarh, with respect to the Trading Activities of Certain Entities in the scrip of Voltaire Leasing & Finance Limited **("VLFL" or "the company")** for the period between August 12, 2014 to July 31, 2015 (hereinafter referred to as 'Investigation Period/IP'). The company is listed on BSE Limited (BSE). During the investigation period, price of the scrip opened at Rs. 2.42 and reached a high price of Rs 32.10 and closed at Rs.32.10.*

b) During the investigation period, the board of directors of the company were as follows:-

(Source : Annual Reports of the company/MCA/Company's Reply)

DIN/PAN	***Name***	***Designation***	***Appointment Date***	***Cessation Date***
01357786/ AAAPP9584A	*Dilip Patodia*	*Independent Director ^*	*29-Oct-2013*	*03-Jun-2016*

00239377/ AMEPM2160M	*Nirmal Kr. Manna*	*Independent Director*	*29-Oct-2012*	*Still continuing*
05165741/ CDVPS3594R	*Ravi Saraswat*	*Independent Director*	*03-Jul-2014*	*Still continuing*
07245292/ AIAPC41772B	*Uma Chatterjee*	*Independent Director*	*28-Mar-2015*	*Still continuing*
00235198/ BEZPS8956R	*Amlesh Sadhu*	*Chairman &Managing Director*	*03-Sept-2012*	*13-Apr-2015*
00434785/ AAAPM8378D	*Harivallabh Mundra*	*Executive Director*	*21-Jun-1990*	*29-Sept-2014*
00434820	*Shreevallabh Mundra*	*Independent director*	*17-Feb-1994*	*29-Sept-2014*

^Chairman & Managing Director from 13/4/ 2015 till 3/3/2016. Dilip Patodia was also Chief Financial Officer till 16/10/2014.

c) *The profits of the company decreased in the F.Y 2014-15 and 2015-16. The Profit After Tax of VLFL is as follows:*

Description	***2013-14***	***2014-15***	***2015-16***
Profit After Tax (Rs. lakhs)	*24.5*	*20.1*	*4.2*

(Source: BSE website)

d) *Investigation observed that the company registered decreasing profits during the investigation period. Further, the total shareholding of the company during the period was 41,18,000 shares and the high price during IP was observed as Rs. 32.10 /-. Accordingly, the market capitalization of the VLFL scrip on the high price day was Rs. 13.21 crores. Therefore, the profit of Rs 20.1 lakh and 4.2 lakhs registered by the company during the F.Y 2014-15 and 2015-16 does not justify the price rise in its scrip's price during the investigation period.*

e) *Investigation observed that the company had come out with 3 preferential allotment of shares during the period November 2012 to August 2013.*

f) *Investigation observed, that most of the corporate announcements pertained to shareholding pattern, closure of trading window, change in compliance officer, financial results, open offer, limited review report, board meeting, book closure for AGM, change of CFO, etc. Thus, it is observed that there were no major announcements or developments which could support the price rise in the scrip during the investigation period.*

g) *It was observed that the scrip (VLFL) was suspended by BSE prior to the investigation period, from July 19, 2010 for non-compliance with certain clauses of Listing Agreement. The suspension was revoked w.e.f July 26, 2010. Post-revocation, the scrip was traded for just 2 days i.e on February 28, 2011 and May 31, 2013 for a total traded volume of 700 shares. Thereafter, on August 12, 2014, the scrip opened at Rs.2.42.*

h) *During the investigation period, the shares of VLFL were traded for an average volume of 15 shares per day and a total volume of 1326 shares in a total of 88 trading days. The price movement of the scrip during the investigation is as follows:-*

Period of investigation	*Details*	*Open*	*High*	*Low*	*Close*	*Average Volume*
*Price Rise 12/8/2014 to 26/06/2015**	*Price*	*2.42*	*32.1 (26/6/2015)*	*2.42 (12/8/2014)*	*32.1*	*15*
	Volume	*1*	*65 (29/12/2014)*	*1 (12/8/2014 to 27/8/2014)*	*15*	

**last traded date during investigation period. No trades between 27/6/2015 to 03/08/2015.*

i) *Investigation observed that there were 16 buyers and 22 sellers in the scrip during the investigation period. Further, out of the 22 sellers, a group of 17 sellers was found to be connected on the basis of KYC/UCC data, off-market transactions and MCA data. Out of these 17 connected sellers 14 sellers received shares in the off-market from three other entities namely, Badriprasad Chirpal, Richi Consultants Private Limited and Looklike Trade Private Limited (hereinafter referred to as "**off-market transferors"**) The details of connections of the 17 sellers along with off –market transferors are as follows:*

Table 1

S.n	*Name Of The Entity*	*PAN*	*Basis Of Connection*	*Seller / Off-market transferor*	*Receipt of shares in the off-market by Seller*
1	*Badriprasad Chiripal*	*ADUPC9547M*	*As per SoT provided by NSDL, Badriprasad Chiripal (Entity 1) has received shares in the off market from Looklike Trade Private Limited (Entity 14). He has*	*Off-market transferor*	*Not applicable*

			transferred shares in the off market to Goldensight Traders Private Limited (Entity 2), Richi Consultants Private Limited (Entity 15), Goodness Trading Private Limited (Entity 16) and Reachsmart Dealtrade Pvt.Ltd.(Entity 10).		
2	*Goldensight Traders Private Limited .*	*AAFCG4773J*	*Goldensight Traders Private Ltd. (Entity 2) has received shares in the off-market from Badriprasad Chiripal (Entity 1) and has transferred shares to Chandrakant Mohite (Entity 3), Rajesh Tukaram Dambre (Entity 4) and Mangesh Madhukar Dhotre (Entity 5), Jaya Ramchand Kotwani (Entity 6), Ajay Dadhich HUF (Entity 7) and Ajay N Thaker (Entity 8). Further as per the KYCs provided by CSE, Goldensight Traders (Entity 2) and Reachsmart Dealtrade (Entity 10) have common telephone No.9748808656.*	*Seller*	*Received shares from Badriprasad Chiripal (399), and Looklike Trade Pvt.Ltd. (800).*
3	*Chandrakant B Mohite*	*ANKPM2741H*	*As per transaction statements provided by NSDL and CDSL, Chandrakant Mohite (Entity 3), Rajesh Tukaram Dambre (Entity 4), Mangesh Madhukar Dhotre (Entity 5), Jaya Ramchand Kotwani (Entity 6), Ajay Dadhich HUF (Entity 7) and Ajay N Thaker (Entity 8) have received shares in the off-market from Goldensight Traders Pvt.Ltd. (Entity 2).*	*Seller*	*Received shares from Goldensight Traders Private Limited (100)*
4	*Rajesh Tukaram Dambre*	*AHAPD8240L*		*Seller*	*Received shares from Goldensight Traders Private Limited (100)*
5	*Mangesh Madhukar Dhotre*	*AJPPD8297E*		*Seller*	*Received shares from Goldensight Traders Private Limited (100)*
6	*Jaya Ramchand Kotwani*	*AQUPK1024G*		*Seller*	*Received shares from Goldensight Traders Private Limited (100)*
7	*Ajay Dadhich Huf*	*AALHA7559M*		*Seller*	*Received shares from Goldensight Traders Private Limited (100)*
8	*Ajay N Thaker*	*AEVPT3698G*		*Seller*	*Received shares from Goldensight Traders Private Limited (100)*
9	*Reshma Rajesh Dambre*	*ARNPD4171D*	*Rajesh Tukaram Dambre (Entity 4) has transferred shares in the off-market to Reshma Rajesh Dambre (Entity 9). Further, as per KYCs forwarded by the broker, Wellworth Shares and Stock Broking Ltd., Rajesh Tukaram Dambre and Reshma Rajesh Dambre have*	*Seller*	*Received shares from Rajesh TukaramDambre (25)*

			common telephone No. 9320791110 and email ID. rajeshdambre@rediffmail.com.		
10	*Reachsmart Dealtrade Private Limited*	*AAFCR9881C*	*As per MCA data, Reachsmart Dealtrade Pvt. Ltd (Entity 10)., Sebika Commodities Private Limited (Entity 11) and Hanshika Dealers (Entity 12) have common address i.e 4,N S Road,1st Floor, Kolkata WB 700001*	*Seller*	*Received shares from BadriprasadChiripal (100)*
11	*Sebika Commodities Private Limited*	*AARCS9144H*	*Sebika Commodities Private Limited (Entity 11) and Reachsmart Dealtrade (Entity 12) have common email ID.kolkatakolkata1402@gmail.com.*	*Seller*	*Did not received shares in off-market*
12	*Hanshika Dealers Private Limited*	*AADCH3599R*		*Seller*	*Did not received shares in off-market*
13	*Overarching Dealers Private Limited*	*AABCO6949E*	*As per the KYCs, Overarching Dealers Private Limited (Entity 13) and Reachsmart Dealtrade (Entity 10) have common address ie. 12, Kapalitolla Lane, Ground Floor, Kolkata 700012.*	*Seller*	*Did not received shares in off-market*
14	*Looklike Trade Private Limited*	*AACCL2013K*	*From the bank statement of Voltaire Leasing and Finance Ltd. with ICICI Bank (Account No.000405102589), Looklike Trade Private Ltd. is connected to Voltaire Leasing and Finance Ltd. through fund transaction. Further the entity has also received shares in preferential allotment from the company. The entity has also transferred shares to Badriprasad Chiripal (Entity 1)and Richi Consultants (Entity 15) in off market.*	*Off-market transferor*	*Not applicable*
15	*Richi Consultants Private Ltd.*	*AADCR9667C*	*As per MCA data, Richi Consultants Pvt.Ltd. (Entity 15) and Goodness Trading Private Limited (Entity 16) have same email ID workoffice1974@gmail.com. Richi Consultants (Entity 15) also has off market transactions with Looklike Trade Private Limited (Entity 14).*	*Off-market transferor*	*Not applicable*
16	*Goodness Trading Private Limited*	*AACCG8008R*		*Seller*	*Received shares from Badriprasad Chiripal (100)*
17	*Archana Tiwari*	*AHPPT8658M*	*Archana Tiwari (Entity 17), Mukesh Kumar Purohit (Entity 18), Awadhraj Badrinath Chaubey (Entity 19) and Reeta Sanjay Sharma (Entity 20) have received*	*Seller*	*Received shares from Richi Consultants Private Limited (150)*

18	*Mukesh Kumar Purohit*	*ATSPP7576M*	*shares in the off market from Richi Consultants Private Limited (Entity 15).*	*Seller*	*Received shares from Richi Consultants Private Limited (100)*
19	*Awadhraj Badrinath Chaubey*	*AJQPC9829G*		*Seller*	*Received shares from Richi Consultants Private Limited (200)*
20	*Reeta Sanjay Sharma*	*BMWPS6864D*		*Seller*	*Received shares from Richi Consultants Private Limited (100)*

*j) Investigation further observed that trades by 16 sellers contributed to increase in the price from the last trade price (LTP increase). The connected sellers except Ajay Dadhichi HUF (hereinafter referred to as "**16 connected sellers group"**) contributed Rs.28.38 i.e. 95.27% increase in Positive and Net LTP during the price rise. It was observed that trades by Ajay Dadhichi HUF did not contribute to increase in Positive and Net LTP. The LTP contribution by the 16 connected sellers group was analysed. The details are as follows at Table 2:*

Table 2

Sl. No.	***PAN***	***Seller Name***	***Net LTP***				***Positive LTP***			
			LTP (Rs.)	***LTP (%)***	***Traded Qty***	***No.of Trades***	***LTP (Rs.)***	***LTP (%)***	***Traded Qty***	***No. of Trades***
1	*ANKPM2741H*	*Chandrakant Babu Mohite*	*8.32*	*27.93*	*100*	*8*	*8.32*	*27.93*	*100*	*8*
2	*AHAPD8240L*	*Rajesh Tukaram Dambre*	*3.39*	*11.38*	*75*	*9*	*3.39*	*11.38*	*50*	*5*
3	*AHPPT8658M*	*Archana Tiwari*	*2.62*	*8.79*	*70*	*5*	*2.62*	*8.79*	*55*	*4*
4	*AJQPC9829G*	*Awadhraj Badrinath Chaubey*	*2.54*	*8.53*	*185*	*16*	*2.54*	*8.53*	*160*	*14*
5	*ARNPD4171D*	*Reshma Rajesh Dambre*	*2.15*	*7.22*	*25*	*2*	*2.15*	*7.22*	*25*	*2*
6	*AAFCG4773J*	*Goldensight Traders Private Limited*	*2*	*6.71*	*126*	*13*	*2*	*6.71*	*71*	*8*

7	*AAFCR9881C*	*Reachsmart Dealtrade Private Limited*	*1.85*	*6.21*	*93*	*12*	*1.85*	*6.21*	*73*	*10*
8	*ATSPP7576M*	*Mukesh Kumar Purohit*	*1.24*	*4.16*	*100*	*10*	*1.24*	*4.16*	*70*	*7*
9	*BMWPS6864D*	*Reeta Sanjay Sharma*	*1.11*	*3.73*	*100*	*9*	*1.11*	*3.73*	*55*	*5*
10	*AQUPK1024G*	*Jaya Ramchand Kotwani*	*1*	*3.36*	*100*	*8*	*1*	*3.36*	*77*	*6*
11	*AEVPT3698G*	*Ajay Niranjan Thaker*	*0.8*	*2.69*	*70*	*6*	*0.8*	*2.69*	*55*	*5*
12	*AARCS9144H*	*Sebika Commodities Private Limited*	*0.68*	*2.28*	*5*	*5*	*0.68*	*2.28*	*5*	*5*
13	*AJPPD8297E*	*Mangesh Madhukar Dhotre*	*0.25*	*0.84*	*10*	*1*	*0.25*	*0.84*	*10*	*1*
14	*AADCH3599R*	*Hanshika Dealers Private Limited*	*0.16*	*0.54*	*1*	*1*	*0.16*	*0.54*	*1*	*1*
15	*AABCO6949E*	*Overarching Dealers Private Limited*	*0.15*	*0.5*	*1*	*1*	*0.15*	*0.5*	*1*	*1*
16	*AACCG8008R*	*Goodness Trading Private Limited*	*0.12*	*0.4*	*50*	*3*	*0.12*	*0.4*	*20*	*1*
Sub total			***28.38***	***95.27***	***1111***	***109***	***28.38***	***95.27***	***828***	***83***

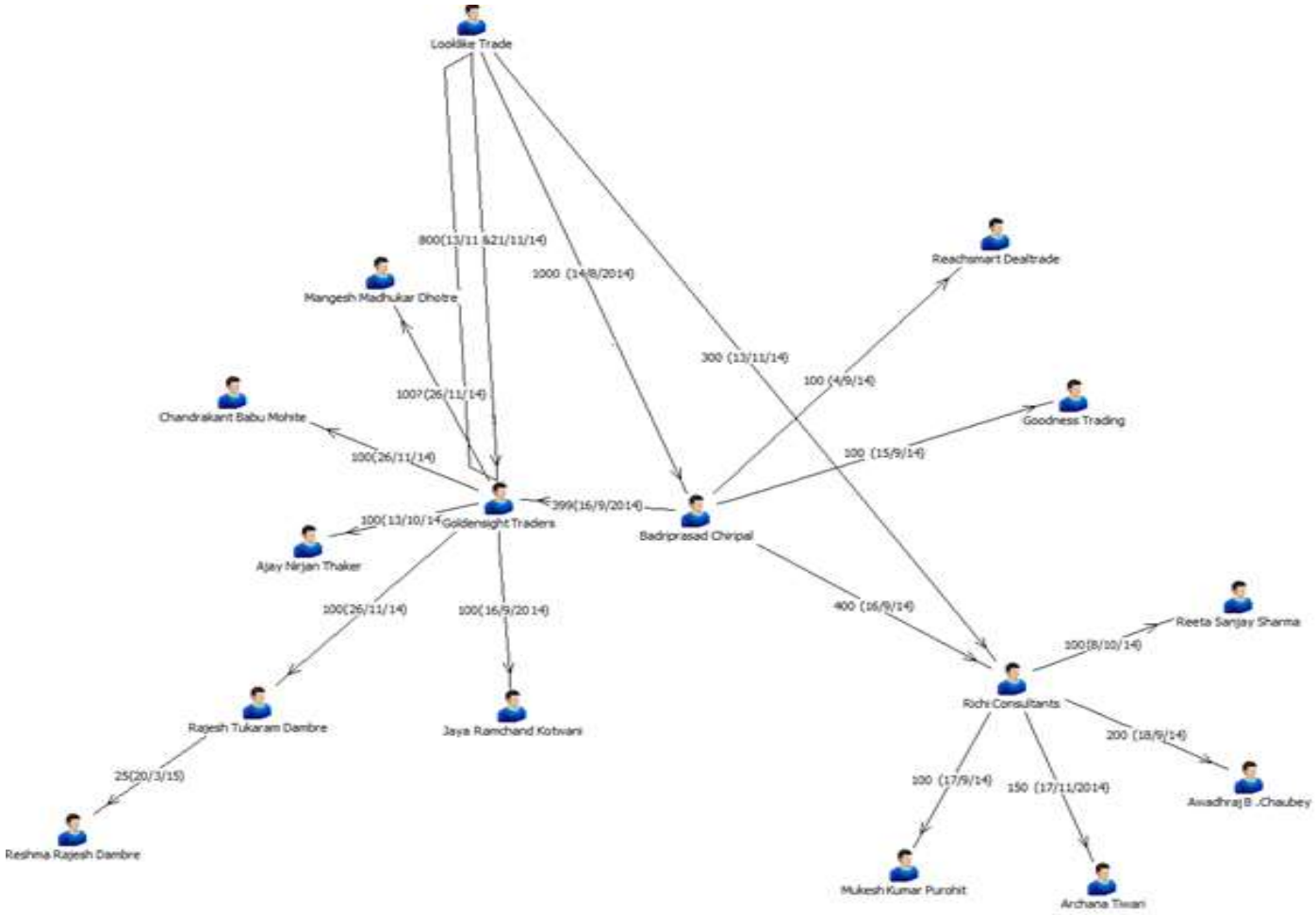
*k) Investigation observed that 13 entities (Sr. Nos. 1-11, 13 and 16 of Table 2), out of the 16 connected sellers group have received shares in the off market from 3 entities namely Badriprasad Chiripal, Richi Consultants Private Limited and Looklike Trade Private Limited (**hereinafter referred to as "3 off market transferors"**)(refer table 1).*

l) It was further observed that Badriprasad Chiripal and Richi Consultants Private Limited also received shares in the off market from Looklike Trade Private Limited who is connected to the company by way of fund transaction. Investigation observed that Looklike Trade Private Limited also received shares in the preferential allotment made by the company.

m) Further, one of the sellers, i.e. Goldensight Traders Private Limited (entity at serial No.6 of Table 2) who received shares in off market from Badriprasad Chiripal and Looklike Trade Private Limited, transferred some

of those shares to 6 other connected sellers as well as traded on the market during the investigation period.

n) *The Pictorial representation of off-market transfers of shares between the 3 off market transferors and the 13 entities is given below:-*



o) *Investigation also observed that these 13 entities who received shares in the off market, sold those shares in the market over a period of 6 months. The details of the shares received by the sellers in the off market and their sale on market thereafter, are tabulated below at Table 3:*

Table 3					
Sl. No.	***Name of seller who received shares in off market***	***Period of trading with the LTP contributors***		***Name of Entity who transferred shares to sellers in off market (Qty)***	***Date of receipt***
		Beginning date	***End date***		
	A	***B***	***C***	***D***	***E***
1.	*Chandrakant Babu Mohite*	*11/12/2014*	*26/06/2015*	*Goldensight Traders Private Limited (100)*	*26/11/2014*
2.	*Rajesh Tukaram Dambre*	*01/12/2014*	*12/03/2015*	*Goldensight Traders Private Limited (100)*	*26/11/2014*
3.	*Archana Tiwari*	*20/11/2014*	*12/05/2015*	*Richi Consultants Private Limited (150)*	*17/11/2014*
4.	*Awadhraj Badrinath Chaubey*	*19/09/2014*	*16/12/2014*	*Richi Consultants Private Limited (100) & (100)*	*18/09/2014 & 3/11/2014*
5.	*Reshma Rajesh Dambre*	*25/03/2015*	*06/05/2015*	*Rajesh Tukaram Dambre (25)*	*20/03/2015*
6.	*Goldensight Traders Private Limited*	*19/08/2014**	*18/12/2014*	*Badriprasad Chiripal (399)* *Looklike Trade Pvt.Ltd. (300)* *Looklike Trade Pvt.Ltd. (500)*	*16/09/2014* *13/11/2014* *21/11/2014*
7.	*Reachsmart Dealtrade Private Limited*	*12/08/2014**	*17/11/2014*	*Badriprasad Chiripal (100)*	*04/09/2014*
8.	*Mukesh Kumar Purohit*	*18/09/2014*	*13/11/2014*	*Richi Consultants Pvt.Ltd. (100)*	*17/09/2014*
9.	*Reeta Sanjay Sharma*	*09/10/2014*	*09/12/2014*	*Richi Consultants Private Limited (100)*	*08/10/2014*
10.	*Jaya Ramchand Kotwani*	*17/09/2014*	*10/11/2014*	*Goldensight Traders Private Limited (100)*	*16/09/2014*
11.	*Ajay NiranjanThaker*	*14/10/2014*	*28/10/2014*	*Goldensight Traders Private Limited (100)*	*13/10/2014*
12.	*Mangesh Madhukar Dhotre*	*27/11/2014*	*27/11/2014*	*Goldensight Traders Private Limited (100)*	*26/11/2014*
13.	*Goodness Trading Private Limited*	*15/09/2014*	*24/09/2014*	*Badriprasad Chiripal (100)*	*15/09/2014*

** Entities Goldensight Traders Private Limited and Reachsmart Dealtrade Private Limited did not hold shares at the beginning of the trading and hence shares were auctioned.*

p) Investigation also observed that the remaining 3 entities of the 16 connected sellers group i.e. Sebika Commodities Private Limited, Hanshika Dealers Private Limited and Overarching Dealers Private Limited (mentioned at sr. no. 12,14 and 15 of Table 1) who did not receive shares in the off-market, traded during the first 11 days of the investigation period. These three entities placed sell orders for 1 share each day even though they did not hold shares in their demat accounts during these 11 days. Investigation observed that since they were unable to meet the pay-in

obligations for their transactions, the shares were auctioned by BSE to complete the settlement process. Further, since there was no offer in the auction, those shares went in for close out. Details of the shares traded by the connected group entities which were subsequently auctioned are given below at Table 4:-

Table : 4				
Name of seller	***Dates when entity has traded (sell orders)***	***Qty sold & Shares auctioned***	***Trade Rate (Rs.)***	***LTP (Rs.)***
Reachsmart Dealtrade Private Limited	*12/08/2014*	*1*	*2.42*	*0*
Sebika Commodities Private Limited	*13/08/2014*	*1*	*2.54*	*0.12*
Sebika Commodities Private Limited	*14/08/2014*	*1*	*2.66*	*0.12*
Sebika Commodities Private Limited	*18/08/2014*	*1*	*2.79*	*0.13*
Goldensight Traders Private Limited	*19/08/2014*	*1*	*2.92*	*0.13*
Sebika Commodities Private Limited	*20/08/2014*	*1*	*3.06*	*0.14*
Overarching Dealers Private Limited	*21/08/2014*	*1*	*3.21*	*0.15*
Reachsmart Dealtrade Private Limited	*22/08/2014*	*1*	*3.37*	*0.16*
Hanshika Dealers Private Limited	*25/08/2014*	*1*	*3.53*	*0.16*
Sebika Commodities Private Limited	*26/08/2014*	*1**	*3.7*	*0.17*
Reachsmart Dealtrade Private Limited	*27/08/2014*	*1*	*3.88*	*0.18*
**settlement obligation made from the demat account of Badriprasad Chiripal-connected entity of Group 2.*				

q) *During the investigation, the order book analysis of connected sellers group revealed that there were relatively large demand (buy order quantity) for VLFL shares during the investigation period in which connected sellers group sold VLFL shares in the market. However, it was observed that despite availability of large demand, the connected sellers group repeatedly placed sell orders for smaller quantity (in many instances for 10 shares) at upper limit of daily price band of the VLFL scrip. For instance, analysis of the orders of one of the seller entity, Chandrakant Babu Mohite is given below at Table 5:-*

Table : 5								
Order date	***Order time***	***Order No.***	***Client Name Sell***	***Sell order rate***	***sell order qty***	***pending buy order at this price***	***LTP***	***Shareholding before sell order***
11/12/2014	*14:48:19*	*1418268600001021013*	*Chandrakant Babu Mohite*	*15.64*	*10*	*10406*	*0.30*	*100 (received hares in off market)*

12/12/2014	*15:16:53*	*1418355000001007015*	*ChandrakantBabuMohite*	*15.95*	*10*	*8550*	*0.31*	*90*
12/02/2015	*13:24:47*	*1423711800001040002*	*ChandrakantBabuMohite*	*18.10*	*5*	*2500*	*0.86*	*80*
13/05/2015	*15:21:20*	*1431487800002042002*	*ChandrakantBabuMohite*	*26.50*	*15*	*2200*	*1.25*	*75*
16/06/2015	*14:12:53*	*1434425400008096001*	*ChandrakantBabuMohite*	*27.80*	*15*	*2000*	*1.30*	*60*
22/06/2015	*14:03:48*	*1434943800011113001*	*ChandrakantBabuMohite*	*29.15*	*15*	*2000*	*1.35*	*45*
24/06/2015	*14:42:32*	*1435116600008115006*	*ChandrakantBabuMohite*	*30.60*	*15*	*1840*	*1.45*	*30*
26/06/2015	*14:04:31*	*1435289400006436701*	*ChandrakantBabuMohite*	*32.10*	*15*	*185*	*1.50*	*15*

r) Investigation from the above analysis observed that Chandrakant Babu Mohite was repeatedly placing sell orders for very small quantity as compared to the number of shares held by him when sufficient buy orders were pending. Further, investigation also observed that the sell orders placement by the remaining 15 sellers were similar. Complete trade log and order log for VLFL scrip for the period provided.

s) In view of all of the above, it is observed that the trades of the 16 connected sellers group (Sr. Nos. 1-16 at Table 2) contributed Rs. 28.38 i.e. 95.27% increase to the Positive and Net LTP in 83 trades. These entities were sellers in 83 out of the 88 positive LTP trades during the investigation period when the price increased from Rs.2.42 to Rs.32.10 i.e. an increase of over 1226%. Details of their sell order log analysis provided.

t) In view of all of the above, it was alleged that the 16 connected sellers group along with the three off market transferors were part of a manipulative scheme wherein three off market transferors transferred shares in off-market to the 16 connected sellers who sold these shares in small quantities over a period of 1-6 months at progressively higher prices. The trades were done in a manner to mark a new high price every day with the lowest possible volume. Hence, the 16 connected seller entities

contributed Rs. 28.38 i.e 95.27% increase to the Positive and Net LTP by indulging in manipulative and non-genuine trades as part of a scheme to manipulate the price of VLFL scrip along with 3 connected entities who provided them the shares for indulging in the manipulative trading.

u) *Further, investigation observed that the company had come out with 3 preferential allotments of shares during the period November 2012 to August 2013. Investigation observed that Looklike Trade Private Limited, one of the preferential allottees received 80,000 shares in the allotment and the same were under lock-in up to August 4, 2014. Further, investigation observed that Looklike Trade Private Limited had financial dealings with the company, other than for the preferential allotment. It was observed from the bank account statement of the company with ICICI Bank Limited (Account No. 000405102589) that the company on January 9, 2015 had transferred funds (Rs.27.25 lacs) to Looklike Trade Private Limited*

v) *Investigation observed that upon completion of the lock-in period in respect of the shares allotted in the preferential allotment, Looklike Trade Private Limited transferred shares in the off market to other entities i.e. Badriprasad Chiripal and Richi Consultants Private Limited as well as Goldensight Traders Private Limited who was one of the connected seller. Thereafter, the entities who received shares from Looklike Trade Private Limited transferred those shares to the other connected sellers who then sold shares in small quantities in the market and manipulated the price in the scrip of VLFL scrip as discussed in the above paragraphs.*

w) *In view of all of the above, investigation observed that the company and its non-independent directors were also a part of the scheme for manipulating the price in the scrip of VLFL as one of its connected entity (Looklike Trade Private Limited) has been instrumental in providing shares to the sellers who have then by their trades manipulated the price of the scrip by 1226%.*

x) *In view of all of the above, it is alleged that the company and its directors namely Amlesh Sadhu who was the Chairman and Managing*

Director, Dilip Patodia, who initially was CFO and later became the Chairman and Managing Director as well as Harivallabh Mundhra, Executive Director of the company during the investigation period, were part of the scheme to manipulate the price of this scrip. Therefore, it is alleged that the Noticee has violated the provisions of Regulations 3(a), 3(b), 3(c), 3(d) and Regulation 4(1), 4(2)(a) and 4(2)(e) of SEBI (PFUTP) Regulations, 2003.

4. I find that the Show Cause Notice dated April 27, 2018, which was issued to the Noticee had returned undelivered. Subsequently**,** during the course of the proceedings, the status of the Noticee was ascertained from the Ministry of Corporate Affairs (MCA) website. It was observed that the name of the Noticee has been struck off from the list of companies by the Office of Registrar of Companies, West Bengal (RoC) as on October 25, 2019. As per the Public Notice (Form No. STK-7), which was downloaded from the MCA website, a list of 5521 companies were attached as per the Notification issued by RoC, in terms of sub-section (5) of section 248 of the Companies Act, 2013 and rule 9 of the Companies (Removal of Names of companies from the Register of Companies) Rules , 2016. I find that the name of the Noticee was mentioned in the said list (at sl.no. 5351 under CIN U74140WB2007PTC118230). The Notification downloaded from the Ministry of Corporate Affairs (MCA), Government of India, (www.mca.gov.in) website inter alia, mentioned the following:

   "…..Notice is hereby published that pursuant to sub-section (5) of Section 248 of the Companies Act, 2013 the names of 5521 no. of Companies as per list attached as Annexure "A" have this day i.e. 25th day of October, 2019 been struck off from the Register of the companies and the said companies are dissolved."

5. It is an established fact that when a company's name is struck-off from the RoC list and the company is also dissolved, then it is a non-existing company and the adjudication proceedings against the non-existing company is thus

nullity. In this context, I would like to draw reference to a judgment of the Hon'ble Delhi High Court in the case of Commissioner of Income Tax (CIT) vs Vived Marketing Services (P) Ltd., ITA NO. 273/2009 dated September 17, 2009 in which it was held that - *"When the Assessing Officer passed the order of assessment against the respondent company, it had already been dissolved and struck off the register of the Registrar of companies under Section 560 of the Companies Act. In these circumstances, the Tribunal rightly held that there could not have been any assessment order passed against the company which was not in existence as on that date in the eyes of law it had already been dissolved. We are of the opinion that the view taken by the Tribunal is perfectly valid and in accordance with law."*

6. Further, Black's Law Dictionary explains 'dissolution' as termination or winding up. It further clarifies that the dissolution of a corporation is the termination of its legal existence. Strike off essentially means removing the name of the company from the Register maintained by the Registrar of Companies. It is like closure of the company and the company will not be in existence after being struck- off and cannot perform any operations.

7. It is pertinent to note that, in the context of the alleged manipulation in the scrip of Voltaire, in exercise the powers conferred under Sections 11, 11(4) and 11B of the SEBI Act, 1992, an order dated April 13, 2020 has already been passed by SEBI against certain persons/entities, including the Noticee, wherein SEBI had restrained the Noticee from accessing the securities market. The Noticee was also prohibited from buying, selling or otherwise dealing in the securities, directly or indirectly, in any manner, for a period of one (1) year from the date of the said order.

8. Therefore, in view of the facts and circumstances noted in the preceding paragraphs and also the fact that the Noticee's name has been struck-off from

the RoC list and also ‘dissolved’ as on October 25, 2019 as per the RoC notification, I conclude that the present adjudication proceedings initiated against the Noticee vide SCN dated April 27, 2018 cannot be proceeded with.

ORDER

9. In view of the above observations/findings and in exercise of the powers conferred upon me under section 15-I of the SEBI Act, 1992 read with rule 5 of the Adjudication Rules, 1995, I hereby dispose of the Adjudication Proceedings initiated against the Noticee viz. Richi Consultants Private Ltd. vide SCN dated April 27, 2018.

10. In terms of the provisions of rule 6 of the Adjudication Rules, 1995, copy of this order is being sent to the Noticee and also to the Securities and Exchange Board of India.

Place: Mumbai **Prasanta Mahapatra**

Date: August 20, 2021 **Adjudicating Officer**