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

Noticee no. 5 in the SCN	M/s. Sangam Agro Agencies P. Ltd. (PAN No.: AAKCS8583R)
Noticee no. 6 in the SCN	M/s. Miatru Agro Marketing (PAN No.: AAFCM0778B)
Noticee no. 7 in the SCN	Mr.Devang Vyas (PAN No.: AFEPV3982P)
Noticee no. 8 in the SCN	Mr. Rajiv C. Gandhi (PAN No.: ADHPG1536B)
Noticee no. 9 in the SCN	Ms.Geeta Dilip Vyas (PAN No.: AHNPV6889L)
Noticee no. 10 in the SCN	Mr. Ritesh Popli (PAN No.: AKWPP8819L)
Noticee no. 11 in the SCN	M/s. Pawantar Agro Agencies P. Ltd (PAN No.: AAFCP0004P)
Noticee no. 12 in the SCN	Mr. Rrajevv Dililp Vyas (PAN No.: ADIPV3951A)
Noticee no. 13 in the SCN	Mr. Paresh C Doshi (PAN No.: ABVPD4398L)
Noticee no. 14 in the SCN	Mr. Sumit Popli (PAN No.: ANVPP2968A)
Noticee no. 15 in the SCN	Ms. Himmatlal Jethalal Lakhani (PAN No.: AABPL1498E)
Noticee no. 16 in the SCN	Shailesh Shah (PAN No.: AAHPS5149R)

In the matter of
Le Waterina Resorts & Hotels
(PAN No. AAACH2823H)

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India ("SEBI") conducted investigation in the scrip of M/s Le Waterina Hotels and resorts Ltd. (herein after referred as Le Waterina / the company), a company listed at Bombay Stock Exchange Limited ('BSE'), for the alleged violation of the provisions of SEBI Act, 1992 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003("PFUTP Regulations") by suspected entities namely; M/s. Sangam Agro Agencies P. Ltd., M/s. Miatru Agro Marketing, Mr.Devang Vyas, Mr. Rajiv C. Gandhi, Ms.Geeta Dilip Vyas, Mr. Ritesh Popli, M/s. Pawantar Agro Agencies P. Ltd, Mr.Rrajevv Dililp Vyas, Mr. Paresh C Doshi, Mr. Sumit Popli, Ms. Himmatlal Jethalal Lakhani and Shailesh Shah, hereinafter collectively referred to as 'Noticees' or by their respective names as applicable), for trading in the scrip of Le Waterina during the period October 01, 2010 to March 05, 2012 (hereinafter referred to as 'investigation period').

APPOINTMENT OF ADJUDICATING OFFICER

2. An Adjudicating Officer was appointed vide order dated February 07, 2017 under Section 19 read with section 15-I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as 'SEBI Act, 1992') and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rule, 1995 (hereinafter referred to as 'Adjudication Rules'), to inquire into and adjudge under Sections 15HA of the SEBI Act, 1992.
3. Consequent to transfer of AO, the proceedings are now continued vide Office Order dated May 18, 2017, to inquire into and adjudge under Section 15HA of the SEBI Act, 1992, the alleged violations of the provisions of Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Reg. 3(a),

(b), (c), (d), 4 (1) and 4(2) (a), (d) and (g) of SEBI (Prohibition of fraudulent and Unfair Trade Practices relating to the Securities Market) Regulation, 2003 (hereinafter referred to as 'PFUTP Regulation, 2003') by M/s. Sangam Agro Agencies P. Ltd., M/s. Miatru Agro Marketing, Mr. Devang Vyas, Mr. Rajiv C Gandhi, Ms.Geeta Dilip Vyas, Mr. Ritesh Popli, M/s. Pawantar Agro Agencies P. Ltd, Mr.Rrajevv Dililp Vyas, Mr.Paresh C Doshi, Mr.Sumit Popli, Ms.Himmatlal Jethalal Lakhani and Shailesh Shah, as applicable (hereinafter referred to as 'Noticees' unless otherwise specifically mentioned), in the scrip of Le Waterina Resort and Hotels Limited (hereinafter referred to as the 'The Company') during the period of October 01, 2010 to March 05, 2012 (hereinafter referred to as the 'Investigation period / IP').

SHOW CAUSE NOTICE, WRITTEN SUBMISSIONS, PERSONAL HEARING

4. A Show Cause Notices (SCNs) dated September 28, 2017 were issued to sixteen entities under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (AO Rules) in the matter to the Noticees under current proceedings to show cause as to why an inquiry should not be held against the Noticees under Rule 4 of the Adjudication Rules and penalty be not imposed for the alleged violations of Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Reg. 3(a), (b), (c), (d), 4 (1) and 4(2) (a), (d) and (g) of SEBI PFUTP Regulations. This Order is against twelve of the Noticees mentioned herein.
5. The allegations levelled against the Noticee in the SCN are summarized as follows:-
   a. The Noticee namely M/s. Sangam Agro Agencies P. Limited has executed trades with suspected entities and created artificial volume during post-stock split period, leading to false and misleading appearance of trading of the scrip of the company thereby violated Section 12A (a),(b),(c) of SEBI Act, 1992 read with Regulations 3 (a),(b),(c), (d), 4(1), 4(2) (a) and (g) of SEBI (PFUTP) Regulations, 2003.
   b. The Noticee namely M/s. Miatru Agro Marketing P. Limited had executed trades with suspected entities and created artificial volume during post-stock split period, leading to false and misleading appearance of trading of the scrip the company has violated Section 12A (a),(b),(c) of SEBI Act, 1992 read with Regulations 3 (a),(b),(c), (d), 4(1), 4(2) (a) and (g) of SEBI (PFUTP) Regulations, 2003.
   c. The Noticee namely Mr. Devang Vyas had entered into self-trades and created artificial volume in the scrip of the company, leading to false and misleading appearance of trading of the scrip and had executed trades with suspected entities and created artificial volume during pre and post-stock split period, leading to false and misleading appearance of trading of the scrip.has violated Section 12A (a),(b),(c) of SEBI Act, 1992 read with Regulations 3 (a),(b),(c),(d), 4(1),4(2) (a) and (g) of SEBI (PFUTP) Regulations, 2003.
   d. The Noticee namelyMr. Rajiv C Gandhi had executed trades among themselves and created artificial volume during pre and post stock split period, leading to false and misleading appearance of trading of the scrip of the company thereby violated Section 12A (a),(b),(c) of SEBI Act, 1992 read with Regulations 3 (a),(b),(c), (d), 4(1),4(2) (a) and (g) of SEBI (PFUTP) Regulations, 2003.
   e. The Noticee namely Ms. Geeta Dilip Vyas executed trades among themselves and created artificial volume during pre and post stock split period, leading to false and misleading appearance of trading of the scrip of the company thereby violated Section 12A (a),(b),(c)

of SEBI Act, 1992 read with Regulations 3 (a),(b),(c), (d), 4(1),4(2) (a) and (g) of SEBI (PFUTP) Regulations, 2003.

f. The Noticee namely Mr. Ritesh Popli executed trades among themselves and created artificial volume during pre and post stock split period, leading to false and misleading appearance of trading of the scrip of the company thereby violated Section 12A (a),(b),(c) of SEBI Act, 1992 read with Regulations 3 (a),(b),(c), (d), 4(1),4(2) (a) and (g) of SEBI (PFUTP) Regulations, 2003.

g. The Noticee namely M/s. Pawantar Agro Agencies P. Ltd had executed trades with suspected entities and created artificial volume during pre-stock split period, leading to false and misleading appearance of trading of the scrip of the company thereby violated Section 12A (a),(b),(c) of SEBI Act, 1992 read with Regulations 3 (a),(b),(c), (d), 4(1),4(2) (a) and (g) of SEBI (PFUTP) Regulations, 2003.

h. The Noticee namely Mr.Rrajevv Dililp Vyas had executed trades with suspected entities and created artificial volume during pre-stock split period, leading to false and misleading appearance of trading of the scrip of the company therebyhas violated Section 12A (a),(b),(c) of SEBI Act, 1992 read with Regulations 3 (a),(b),(c), (d), 4(1),4(2) (a) and (g) of SEBI (PFUTP) Regulations, 2003.

i. The Noticee namely Mr.Paresh C Doshi had executed trades with suspected entities and created artificial volume during pre-stock split period, leading to false and misleading appearance of trading of the scrip of the company therebyhas violated Section 12A (a),(b),(c) of SEBI Act, 1992 read with Regulations 3 (a),(b),(c), (d), 4(1),4(2) (a) and (g) of SEBI (PFUTP) Regulations, 2003.

j. The Noticee namely Mr.Sumit Popli had executed trades with suspected entities and created artificial volume during post-stock split period, leading to false and misleading appearance of trading of the scrip of the company thereby violated Section 12A (a),(b),(c) of SEBI Act, 1992 read with Regulations 3 (a),(b),(c), (d), 4(1),4(2) (a) and (g) of SEBI (PFUTP) Regulations, 2003.

k. The Noticee namely Ms. Himmatlal Jethalal Lakhani had executed trades with suspected entities and created artificial volume during post-stock split period, leading to false and misleading appearance of trading of the scrip of the company thereby has violated Section 12A (a),(b),(c) of SEBI Act, 1992 read with Regulations 3 (a),(b),(c), (d), 4(1),4(2) (a) and (g) of SEBI (PFUTP) Regulations, 2003.

l. The Noticee namely Shailesh Shah had executed trades with suspected entities and created artificial volume during post-stock split period, leading to false and misleading appearance of trading of the scrip of the company thereby has violated Section 12A (a),(b),(c) of SEBI Act, 1992 read with Regulations 3 (a),(b),(c), (d), 4(1),4(2) (a) and (g) of SEBI (PFUTP) Regulations, 2003.

6. The aforesaid SCNs were successfully delivered to all the Noticees except M/s. Sangam Agro Agencies P. Ltd. (Noticee no. 5), M/s. Miatru Agro Marketing (Noticee no. 6) and M/s. Pawantar Agro Agencies P. Ltd (Noticee no. 11).

7. Since, the aforesaid SCNs issued against Noticee 5, 6 and 11 were returned undelivered with a remark "Left". The copy of the said SCN was resent at another address available on record, vide letter Ref. No. EAD-8/JS/VRP/OW/27024/2017 dated November 03, 2017 to Noticee no. 5, vide letter Ref. No. EAD-8/JS/VRP/OW/27033/2017 dated November 03, 2017 to Noticee no. 6 and vide letter Ref. No. EAD-8/JS/VRP/OW/27035/2017 dated November 03, 2017 to

Noticee no. 11. This time also, the SCNs had returned undelivered with a remark "Left". Thereafter, scanned copy of the aforesaid SCNs were sent through email to all the Noticees 5, 6 and 11 at email id: tapasda3@gmail.com, as was available on the website of Ministry of Corporate Affair at www.mca.gov.in.

8. Simultaneously, the SCNs were issued to Noticee no. 5, 6 and 11 by way of paper publication, in terms of rule 7(d) of AO rules, in Mumbai Edition of Times of India in English language, Navbharat Times in Hindi language and Maharashtra Times in Marathi language on January 12, 2018, affording them opportunity of personal hearing on January 25, 2018 at SEBI, Head Office, Mumbai. However, no communication has been received from any of the Noticees no. 5, 6 and 11 till date.
9. Since, during the instant proceedings despite giving ample opportunity to the Noticees to file reply to the SCN and to appear for personal hearing on several occasions, Noticees no. 5, 6 and 11 have neither submitted their reply to the SCN nor availed opportunity of personal hearing till the date of passing of order in the current proceedings. In view of the same, the matter is being proceeded *ex-parte in terms of Rule 4(7) of AO Rules 1995.*
10. At this juncture, it relevant to refer to the observation of the Hon'ble SAT in the matter of Dave Harihar Kiritbhai v. Securities and Exchange Board of India (Appeal No. 181 of 2014 dated December 19, 2014), wherein, it was observed that, *"…further, it is being increasingly observed by the Tribunal that many persons/entities do not appear before SEBI (Respondent) to submit reply to SCN or, even worse, do not accept notices/letters of Respondent and when orders are passed ex-parte by Respondent, appear before Tribunal in appeal and claim nonreceipt of notice and do not appear and/or submit reply to SCN but claim violation of principles of natural justice due to not being provided opportunity to reply to SCN or not provided personal hearing. This leads to unnecessary and avoidable loss of time and resources on part of all concerned and should be eschewed, to say the least. Hence, this case is being decided on basis of material before this Tribunal…"*

    Keeping the aforesaid in mind, the adjudication proceedings against the Noticee are undertaken ex-parte on the basis of material available on record.
11. Also, separate Hearing Notices (HNs) dated November 01, 2017, were issued to all other Noticees namely; Mr.Devang Vyas, Mr. Rajiv C. Gandhi, Ms.Geeta Dilip Vyas, Mr. Ritesh Popli, Mr.Rrajevv Dililp Vyas, Mr. Sumit Popli, Ms. Himmatlal Jethalal Lakhani and Shailesh Shah, in terms of Rule 4(3) of AO rules, affording them opportunity of personal hearing on November 17, 2017. Noticee no. 13 namely Mr. Paresh C Doshi, vide letter dated October 16, 2017, acknowledged receipt of the SCN on October 06, 2017 and sought of inspection of documents replied upon in the instant proceedings while issuing SCN.
12. The Noticee no. 13, vide letter dated November 20, 2017, was granted inspection of documents relied upon in the matter and was subsequently, advised to file reply to the SCN before December 15, 2017, after availing opportunity of inspection of documents. Thereafter, the Noticee was provided with relevant set of documents from Enforcement Department of SEBI vide letter dated November 30, 2017.
13. Entity wise details of the personal hearing and submissions of the Noticees are given below;

    I. Mr. Devang Vyas, Mr. Rajiv C. Gandhi, Ms.Geeta Dilip Vyas, Mr. Rrajevv Dililp Vyas and Shailesh Shah (Noticee no. 7, 8, 9, 12 and 16)

    a. Shailesh Shah, Geeta Dilip Vyas and Devang Vyas i.e. Noticee no. 7, 9and 16, vide their letter dated October 09, 2017, Rajiv C. Gandhi i.e. Noticee no. 8, vide his letter dated October 13, 2017 and Mr. Rrajevv Dililp Vyas i.e. Noticee no. 12, vide his letter dated October 05, 2017 acknowledged receipt of aforesaid SCN. Further Noticee no. 8, 9, 12 and 16 sought time till

November 15, 2017 and Noticee no. 7 sought time till November 28, 2017 to file their replies to the SCN.

b. Subsequently, Hearing Notices (HNs) dated November 01, 2017, were issued to Noticee no. 7, 8, 9, 12 and 16 under Rule 4(3) of AO Rules, affording them opportunity of personal hearing in terms of principles of natural justice on November 17, 2017. However, none of the Noticees availed opportunity of personal hearing. Subsequently, Noticee no. 8, 12 and 16, vide their letters dated November 08, 2017 and Noticee no. 8 vide his letter dated November 10, 2017, sought for adjournment of personal hearing.

c. Thereafter, another HNs dated November 22, 2017, were issued to the Noticees affording them opportunity of personal hearing on December 14, 2017. However, this time also, none of the Noticees availed opportunity of personal hearing. Subsequently, all the Noticees i.e. Noticee no. 7, 8, 9, 12 and 16, vide their letter dated December 12, 2017, sought for another adjournment of hearing in the matter. Also Noticee no. 7, 9, 12 and 16 vide their letters dated December, 12, 2017 and Noticee no. 8 vide his letter dated December, 13, 2017, submitted their replies to the SCN.

d. In the interest of natural justice principles, third opportunity of personal hearing was granted to the Noticees on January 08, 2018, vide HN dated December 14, 2017.

e. On the scheduled date of hearing Authorized Representatives(ARs) of the Noticees, appeared for hearing and reiterated Noticees submissions made vide letters dated December, 12, 2017 and December, 13, 2017. Moreover, during the hearing, the ARs of the Noticees were advised to submit following documents to comprehend the contentions / submissions of the Noticees;

- Status of ongoing legal proceedings (for Noticee no. 9 and 12)
- Proof of termination of services from M/s. Guiness Securities and duration of employment (for Noticee no. 7)
- Trading details in other scrips during the investigation period (for Noticee no. 16)

14. The ARs on behalf of Noticee no. 16, informed to submit additional written submissions with respect to off-market trades and on behalf of Noticee no. 8, the ARs submitted requested to consider that fact that the Noticee was a victim of unauthorized acts of Kamal Kothari, Managing Director of M/s. Guiness Securities, as a mitigating factor.

15. Thereafter, vide letter dated January 22, 2018, Noticee no. 9 and vide letter dated January 23, 2018, Noticee no. 12, submitted that *"the matter is still under investigation and no concrete steps have been taken in the matter."*

16. Noticee no. 7, vide his letter dated January 22, 2018, submitted that *"I do not have any appointment letter with M/s. Guiness Securities. Further, I am herewith attaching the copy of ITR for the Financial Year 2010-11 and 2011-12, wherein my gross income is the variable salary component form M/s. Guiness Securities …."*

"…..with regards to my ongoing dipute with Mr. Kamal Kothari, I neither submitted any resignation letter nor I received any termination letter from M/s. Guiness Securities."

17. Also, Noticee no. 16, vide letter dated January 23, 2018, submitted transaction cum holding statement of depository account with Trusted Shares And Investments Ltd for the investigation period.

18. Further, since considerable time had lapsed from the last opportunity of hearing granted to the Noticees till the date of passing of the order, the Noticees were granted another opportunity of hearing vide Hearing Notices dated July 24, 2018 and October 03, 2018 on August 13, 2018 and December 05, 2018, respectively.

19. Both the hearings were attended by ARs of the Noticees, wherein the ARs reiterated their earlier submissions and informed to file additional written submissions in the matter on behalf of the Noticees.
20. During the hearing on December 05, 2018, Noticee no. 7 tendered a copy of Supreme Court judgement dated with respect to ongoing litigation in the matter, as was advised to him at the time of hearing on December 14, 2017.
21. Also, Noticee no. 8 did not attend the hearing on December 05, 2018. However, he presented himself on December 06, 2018 and expressed his reasons for his non-ability to attend the hearing on the scheduled date and the same was taken on record. All other Noticees attended the hearing on both the scheduled dates i.e. August 13, 2018 and December 05, 2018.
22. Noticees no. 7, 9 and 12 vide their letter dated September 10, 2018, filed additional written submissions in the matter.

II. Paresh C. Doshi (Noticee no. 13)

a. The Noticee vide letter dated December 26, 2017, submitted reply to the SCN.
b. Subsequently, two hearing Notices dated January 02, 2018 and January 05, 2018, were issued to the Noticee affording him opportunity of personal hearing on January 25, 2018 and January 23, 2018, respectively. On the scheduled date of hearing, Advocate of the Noticee, reiterated its earlier submissions.
c. Thereafter, the Noticee no. 13, vide letter dated February 05, 2018, filed additional written submissions in the matter.
d. Further, since considerable time had lapsed from the last opportunity of hearing granted to the Noticees till the date of passing of the order, the Noticees were granted another opportunity of hearing vide Hearing Notices dated July 24, 2018 and October 03, 2018 on August 13, 2018 and December 05, 2018, respectively.
e. On the scheduled date of hearing on August 13, 2018, Advocate of the Noticee, reiterated its earlier submissions made vide letters dated December 26, 2017 and February 05, 2018. However, the Noticee vide e-mail dated October 12, 2018, was advised that it may choose to waive the opportunity of personal hearing granted vide HN dated October 03, 2018, if it wishes to and if the Noticee does not have any fresh submissions to be made in the matter.

III. Himmatlal Jethalal Lakhani (Noticee No. 15)

a. The Noticee vide letter dated November 13, 2017, filed preliminary submissions and informed to file additional written submissions in the matter.
b. However, the Noticee did not attend opportunity of personal hearing granted to him on November 17, 2017. Thereafter, second HN was issued to the Noticee on November 22, 2017, affording him opportunity of personal hearing on December 14, 2017. However, this time also the Noticee did not avail opportunity of personal hearing. Subsequently, third HN dated December 14, 2017, was issued to the Noticee affording him opportunity of personal hearing on January 08, 2018 at 11.45 AM.
c. The Noticee vide letter dated December 21, 2017 confirmed his presence for the aforesaid hearing. However, vide e-mail dated January 05, 2018, the Noticee sought adjournment of time of hearing any time after 02.00 PM, which was subsequently granted to him on January 08, 2018 at 04:00 PM.
d. In the meantime, vide letter dated January 04, 2017, the Noticee filed further written submissions in the matter.

e. Further, on the scheduled day of hearing, the AR of the Noticee viz. Mr. Prakash Shah, Robin Shah, Hitesh Lakhani and Manish Lakhani, attended the hearing made additional written submissions vide letter dated January 08, 2018.

f. Further, since considerable time had lapsed from the last opportunity of hearing granted to the Noticees till the date of passing of the order, the Noticees were granted another opportunity of hearing vide Hearing Notices dated July 24, 2018 and October 03, 2018 on August 13, 2018 and December 05, 2018, respectively.

g. Although, the Noticee did not attend the hearing on August 13, 2018. However, the Noticee presented himself on December 05, 2018 and reiterated its earlier submissions made vide letters dated January 04, 2017.

IV. Ritesh Popli and Sumit popli (Noticeee no. 10 & 14)

a. The Noticees vide letter dated October 17, 2017, sought time to file replies to the SCN.

b. Vide letter dated November 11, 2017, the Noticees sought adjournment of personal hearing. The Noticees did not attend the scheduled hearing on November 17, 2017. Thereafter, in the interest of principles of natural justice, the Noticees were granted second opportunity of personal hearing on December 14, 2017, vide hearing notice dated November 22, 2017. This time also the hearing was not attended by the Noticees.

c. The Noticees vide letters dated December 10, 2017, submitted their reply to the SCN.

d. Again, third HN dated December 14, 2017, was issued to the Noticees, granting them opportunity of personal hearing on January 08, 2018. However, the hearing was not attended by any of the Noticees.

e. Further, since considerable time had lapsed from the last opportunity of hearing granted to the Noticees till the date of passing of the order, the Noticees were granted another opportunity of hearing vide Hearing Notices dated July 24, 2018 on August 13, 2018

f. The Noticees again neither informed to AO's office nor attended the scheduled hearing. It is pertinent to mention here that all the HNs / intimation were duly served upon the Noticees.

23. Written submissions and additional written submissions of the Noticees are summarized as below:

I. Devang Vyas (Noticee no. 7), Geeta Vyas (Noticee no. 9) and Rrajevv Dilip Vyas (Noticee no. 12)

i. *In the month of August 2009, Mr. Kamal Kothari, the Managing Director of Guiness Securities Ltd approached Mr. Devang Vyas and offered him a job as institutional sales Personnel in this company on salary basis at his Mumbai office. Later sometime in the month of February 2010, Mr Devang was promoted and appointed as financial consultant for the company on commission basis.*

ii. *That around February 2011, a trading account was intended to be opened in the name of Geeta Vyas and Rrajew Dilip Vyas with Guiness Securities Ltd at its office at Andheri - West.*

iii. *However, Mr. Devang Vyas opened a trading account cum depositiory account of his ex-wife Ms. Farah Vyas with M/s. Rikav Securities Ltd & M/s. Kantilal Chaganlal Ltd. It is pertinent to note that Mr. Kamal Kothari insisted to open these account(s) with M/s. Rikav Securities Ltd & M/s. Kantilal Chaganlal Ltd under the same franchisee holder Mr. Naren Shah.*

iv. *It was only under instructions of Mr. Kamal Kothari that unauthorized transactions were executed in Ms. Farah Vyas's account with M/s. Rikav Securities Ltd, from which Mr. Rajiv Gandhi used to send MIS report through e-mail for the said transactions to Mr. Kamal Kothari. It was Mr. Kamal Kothari who wanted to acquire the company and hence was accumulating the shares of the said company through trading, through off market transactions.*

v. *Upon the instructions of Mr. Kamal Kothari, Mr. Devang Vyas has transacted in the said scrip in his ex-wife's account with M/s. A&F Langarana, M/s. Rikav Securities Ltd & M/s. Kantilal Chaganlal Ltd.*

vi. *Mr. Devang Vyas along with Mr. Rajiv Gandhi, whom Mr. Kamal Kothari had recommended the said scrip, and who thus bought the said scrip, had booked huge losses, on account of Mr. Kamal Kothari act of selling the shares in huge quantity in the market. The investors demanded compensation from Mr. Kamal Kothari and also making me responsible for their losses arising out of them transacting in the said scrip. Therefore, Mr. devang Vyas compensated the investors even by selling my other assets including my shares acquired by me for long term investments & gold etc.*

vii. *Mr. Devang Vyas had transferred shares of the said company from my account to my Ex-wife's account with M/s. Rikav Securities Ltd and M/s. Kantilal Chaganlal Ltd towards debit balance.*

viii. *Further, some unauthorized transactions were carried out in accounts of Geeta Vyas and Rrajew Dilip Vyas, without their knowledge and instructions. Immediately on learning this, Rrajew Dilip Vyas sent an e-mail dated August 29, 2011 to Guiness Securities Ltd to immediately suspend all trading activities in our accounts until further instructions.*

ix. *We received a reply from Mr. Bidyut Mukherjee (Branch Manager) official in charge of Guiness Securities Ltd which confirms the fact that they were aware of the unauthorised trades being carried in the accounts.*

x. *We have not paid any margin money or any consideration for these transactions. Further it is pertinent to note that post August 2011, there has been no pay in and pay out of funds in the trading account with Guiness Securities Ltd. It is also pertinent to note that the shares of the said company unauthorised brought in my account were never ever transferred to my depository account. The shares were always retained in the Pool account of Guiness Securities Ltd.*

xi. *From the the internal mails of Guiness Securities Ltd it is evident that the Mr. Kamal Kothari with malafide intent for achieving its own ulterior motives instructed its own officers and dealers to unauthorised transact in our accounts by unauthorised even reactivating our account without our Knowledge and instructions without any necessary documents, funds or even margin. Mr. Kamal Kothari by unauthorised transacting in my closed account has allegedly creating false debits and simultaneously creating credits in some other account in his own circle, completely unknown to us.*

xii. *Inspite of our clear instruction to cease all trading activities in our account vide e-mail dated August 29, 2011, Mr. Kamal Kothari further carried out trades in our account by coercing his own employees to achieve his own ulterior motives by creating wrongful gains to him and wrongful losses to us.*

xiii. *Also, around September 2011, Devang Vyas noticed that 4 cheques bearing no "986136", "986138", 986139" & "986140" of his bank account were missing from desk/ office premises i.e. premises of M/s. Guiness Securities Ltd. Immediately to avoid any misuse of these cheques, Mr. Devang Vyas vide letter dated September 02, 2011, issued stop payment instructions for these cheques to his banker "HDFC Bank Ltd" and also lodged a police complaint with D.B. Marg police Station at Lamington Road.*

xiv. *Mr. Devang vyas gained knowledge from the bankers the lost cheques were deposited by M/s. Guiness Securities Ltd and were dishonoured on presentations. Out of the 4 cheques, 2 cheques were deposited by M/s. Guiness Securities Ltd and other two cheques were deposited in personal account of Kamal Kothari at Axis Bank, Kolkatta on the instructions of Mr. Kamal Kothari. We have not undertaken any transactions in the said account, which was unauthorisedly opened by M/s. Guiness Securities Ltd either in the said scrip or any other scrip. It is apprehended that the said cheques are being appropriated in the trading account with Guiness Securities Ltd, unauthorised opened by them.*

xv. *Despite of our clear instructions vide letters dated February 20, 2012 & February 25, 2012 to close our trading account, the said Mr. Kamal Kothari blatantly carried out unauthorized transactions. Further it is pertinent to note that the shares were sold by M/s Sangam Agro agencies Ltd. This a tacit proof that unauthorized transactions have been carried out in our account on the instructions of only Mr. Kamal Kothari.*

xvi. *Aggrieved by the conduct of the Trading member, Geeta Vyas and Rrajevv Vyas vide letters dated March 02, 2012 and March 15, 2012 and Devang Vyas vide letters dated April 12, 2012 and February 27, 2012, wrote to Guiness Securities Ltd to reverse the unauthorized transaction in her account. The trading member i.e. Guiness Securities Ltd till date have neither replied to the letter nor reversed the transaction in my account.*

xvii. *Thereafter Geeta Vyas and Rrajevv Vyas on April 30, 2012, Devang Vyas on August 09, 2012 lodged a police complaint against the trading member and said Mr. Kamal Kothari with D.N. Nagar Police Station, Andheri (West), Mumbai for fraudulent acts and unauthorized transactions in my account.*

xviii. *Further Rrajevv Vyas on September 13, 2012 and Geeta Vyas along with Devang Vyas field complaint dated September 10, 2012 with Economic Offense Wing alleging Mr. Kamal Kothari of fraudulent activities and misusing my account for his own ulterior motives.*

xix. *Pursuant thereto, we also filed a complaint dated September 13, 2012 with Bombay Stock Exchange Ltd against the Trading member for unauthorized transactions in my account.*

xx. *We further file an application before the Addl. Chief Metropolitian Magistrate, Bandra u/s section 156(3) of Cr.P.C, seeking directions of registering a FIR and take cognizance of the offence committed by Mr. Kama Kothari. It is submitted that the Addl. Chief Metropolitian Magistrate, Bandra was pleased to pass an order directing the Sr. Inspector of Police, for investigation of compliant u/s 156 (3) of Cr.P.C.*

xxi. *Thereafter around May 2014, we filed an Arbitration claim against Guiness Securities Ltd before the Ld. Arbitrators of Bombay Stock Exchange Ltd for an award to be passed directing the reverse of the unauthorized transaction in the scrip of the said company and also reverse the wrongful debit arising in my account due to unauthorised transactions.*

xxii. *The Ld. Arbitral Tribunal of Bombay Stock Exchange Ltd was pleased to pass an award against Guiness Securities Ltd. on December 11, 2014 in favour of Geeta Vyas and on October 20, 2014 in favour of Devang Dilip Vyas and thereby directing them to reverse the unauthorized transaction in my account in the said scrip.*

xxiii. *Being aggrieved by the said award, Guiness Securities Ltd filed an appeal dated January 01, 2015, before the Ld. Appellate Tribunal of Bombay Stock Exchange Ltd. Further, Appellate Tribunal of Bombay Stock Exchange Ltd upheld the award of the Ld. Arbitral Tribunal vide order dated July 18, 2015.*

xxiv. *Further being aggrieved by the said order, M/s. Guiness Securities Ltd filed an application u/s 34 of the Arbitration and conciliation Act, 1996 before the Hon'ble Bombay High Court to set-aside the order passed by Ld. Appellate Tribunal of Bombay Stock Exchange Ltd. Hon'ble Bombay High Court dismissed the application of M/s. Guiness Securities Ltd vide order dated January 27, 2015.*

xxv. *Further being aggrieved by the said order, M/s. Guiness Securities Ltd filed Special leave Petition before Hon'ble Supreme Court of India. Hon'ble Supreme court vide order dated February 25, 2015 dismissed the petition of M/s. Guiness Securities Ltd.*

II. Mr. Rajiv C. Gandhi (Noticee no. 8)

i. *I submit that I appointed as a Sr. Executive Back Office with M/s. Guiness Securities Ltd on 5th May, 2008 at its Mumbai Juhu office on salary basis. I submit that my job was to execute & Process Back office Part of Institutional trades on behalf of Institutional Clients of M/s. Guiness Securities Ltd and also all Office Work given by Mr. Kamal Kothari, Managing Director of M/s. Guiness Securities Ltd.*

ii. *I state that somewhere in 2010, I transacted in the scrip of the said company in my account with M/s. Rikhav Securities Ltd & M/s. Kantilal Chaganlal Securities Pvt. Ltd. It is pertinent to note that these account(s) were opened with M/s. Rikhav Securities Ltd & M/s. Kantilal Chaganlal Securities Pvt. Ltd.*

iii. *I submit that I was made to believe that the said company is a good company and profit making quantity. Therefore I started buying the shares of the said company in small quantities with a view to earn profits in near future.*

iv. *I state that Mr. Kamal Kothari & Mr. Sanjay Jalan wanted to execute trading in the said scrip in my account, so the market capitalization of the said company would increase and in turn the share price. It was decided that I shall open an account with Total Holdings and Finvest Pvt. Ltd, NBFC of M/s. Rikhav Securities Ltd. wherein the shares of the said company shall be kept as a collateral and the funds raised shall be routed through M/s. Rikhav Securities Ltd. to buy more shares. It was further mutually decided that Mr. Kamal Kothari & Mr. Sanjay Jalan shall be jointly & personally liable for the losses if any which would arise out of these transactions in the said scrip. Further it was also decided that either Mr. Devang Vyas or I shall place order in my account, which would in turn on the instructions of Mr. Kamal Kothari.*

v. *I state that based on the aforesaid deal initially I upon the instructions of Mr. Kamal Kothari, started placing orders for the said scrip in my account with M/s. Rikhav Securities Ltd & M/s. Kantilal Chaganlal Securities Pvt. Ltd. I submit that at the end of each trade date, I used to send a MIS report to Mr. Kamal Kothari informing him about the transactions in my account and to Mr. Devang Vyas to clear my debit arising out of these transactions.*

vi. *Around December 2011, Mr. Kamal Kothari who had acquired huge chunk of shares of the said company, started selling the shares in the market, due to which the stock price of the said scrip fell down drastically and the investor/ persons who had transacted in the said scrip eventually booked losses, including me.*

vii. *I state that after the share prices fell drastically, the debit balances shot up in my accounts with Total Holdings and Finvest Pvt. Ltd. Further, in order to clear off the debit balance of these brokers, it was Mr. Devang Vyas who came to my rescue and provided me shares of the said company through off market transfers, which I requested M/s. Rikhav Securities Ltd & M/s. Kantilal Chaganlal Securities Pvt. Ltd to sell these shares and recover their debit balances. However till date I hold certain shares in my depository account with M/s. Rikhav Securities Ltd & M/s. Kantilal Chaganlal Securities Pvt. Ltd, which are freezed by them to due to debit balances.*

viii. *Around February 2012, I learnt that Mr. Kamal Kothari unauthorisedly re-activated the account(s) of Ms. Geeta Vyas (mother of Mr. Devang Vyas) & Mr. Rajiv Vyas (Brother of Mr. Devang Vyas) with M/s. Guiness Securities Ltd and unauthorisedly transacted in their accounts in the said scrip. Further I also learnt that the Mr. Kamal Kothari has unauthorisedly opened an account of Mr. Devang Vyas with M/s. Guiness Securities Ltd using fake/ false/ forged documents and even executed unauthorized trades in his account in the said scrip. It was then I realized that it was Mr. Kamal Kothari who was the master mind of the modus operandi and Mr. Devang Vyas was a scapegoat in this plan like me.*

ix. *I further state that, it was Mr. Kamal Kothari who intended to transact and acquire the said company hence was accumulating the shares of the said company through trading, through off market transactions and also recommending the said scrip to many investors.*

x. *I further submit that I have not been benefitted in any manner from the transactions in the said scrip. On the contrary I to clear the debit balance I had to mortgage my house to M/s. Kantilal Chaganlal Securities Pvt. Ltd. Even as on date there's large amount outstanding in My name payable to the Brokers and to Certain Known Entities from Whom Funds were Borrowed to Clear My Outstanding.*

III. Shailesh Shah (Noticee no. 16)

i. *I submit that I am businessman by profession and also an Investor in Share Market since 1991, Further I submit that i have trading and Depository account with multiple Brokers, through whom I trade in securities/ shares. Further submit that I have one such trading account with Trusted Shares & Investments Limited and also hold a Depository account with. HDFG Bank Ltd.*

ii. *Around August 2011, Mr. Rajiv Gandhi a friend of mine, who was a dealer with Guiness Securities Ltd introduced me to Mr. Devang Vyas who was his senior. Mr Rajiv Gandhi and Mr. Devang Vyas recommended to buy the shares of the company. I further submit that Mr. Devang Vyas was positive that the share price rate of the company would appreciate and said that I would fetch good returns in near future.*

iii. *I purchased stock on the recommendation of Mr. Devang Vyas and Mr. Rajiv Gandhi.*

iv. *Further, somewhere in the month of December'' 2011, I learnt from my other sources that it was Mr. Kamal Kothari who were offloading the shares in the market due to which the share price of the scrip drastically fell, on account of which I booked heavy losses.*

v. *I submit that I have bonafidely traded in the said script during the period from August 2011 to January 2012 and have genuinely booked losses. I further submit that I am an Investor / trader in share market and have also traded in various other scrips apart from the shares in the said company before and after the transactions in the said scrip.*

vi. *I further submit that I have not been benefitted in any manner from the transactions in the said scrip which can be substantiated from my profit and loss statement for the said scrip. I state that I have no knowledge of receipt of any shares/ securities from Ms. Farah Vyas or any person or entity / investor as mentioned in the said SCN.*

IV. Paresh C. Doshi (Noticee no. 13)

i. *I am a victim of the fraud. I have not made any profit in the transactions in the scrip of Le Waterina Resort and Hotels Ltd. I incurred heavy losses in the transaction.*

ii. *There is no allegation against me that I was part of any group or that I had any relationship with any of the persons mentioned therein.*

iii. *I submit that I did not buy shares from Off-market transfers as alleged in the Show Cause Notice. I submit that I had purchased the shares of the Le-Waterina from the market through my Broker.*

iv. The % of contribution by me in the said top buy clients was only 1.77% of the total traded volume. It is not significant enough to treat me as top 10 buyers. I therefore submit that the volume contribution by me was insignificant to allege that I created any artificial volume.

v. It was alleged in the table that 34,655 shares I bought was matched with alleged suspected entities, it has not been stated anywhere in the Show Cause Notice as to who the counterparties were.

vi. Likewise, I sold 33300 shares during the relevant period which allegedly constituted 1.08% of the total traded volume and out of which 32762 shares matched with the alleged suspected entities. However, it has not been stated anywhere in the Show Cause Notice as to who the counterparties were.

vii. In the absence of the details of the counterparties, it cannot be ascertained as to whether the matching had in fact been taken place with the suspected entities.

viii. It was alleged that in the days I bought shares, there were 7 days where the matching with the suspected entities had taken place in 28 trades. It was not stated as to how many trades I traded and how many number of trades it resulted into.

ix. Similarly, that in the days I sold shares, there were 7 days where the matching with the suspected entities had taken place in 8 trades. It was not stated as to how many days I traded and how many number of trades it resulted into.

x. I had no occasion to see who the counterparties were. There is no allegation in the Show Cause Notice that I had connived or conspired with any of the counterparties.

xi. As stated by Devang Vyas in his statement, he and his friend Rajiv Gandhi collectively recommended buying of these shares and that I incurred losses. The only relation that was mentioned against my name in the Show Cause Notice was that Rajiv Gandhi and Devang Vyas are my friends. It has never been stated as to how I became a friend and as to what is the implication of my being a friend of these persons. I reiterate that I am not a friend of these persons and I had no financial and other dealing with them. I did not buy shares from them nor did I sold shares to them. It is an admitted fact that they recommended me investing in these shares and believing their word to be true, I Invested and incurred losses.

xii. The Noticee has relied on following Case laws:

- *Hem Securities Ltd. (AO Order No. PG/AM/AO-68/2012 dated 26th November, 2012*
- *Jagruti Securities Ltd. Vs SEBI (Appeal No 102/ 2006 decided on October 27, 2008*
- *Viram Investment Pvt. Ltd. vs. SEBI, (SAT order dated February 11, 2005*

V. Himmatlal Jethalal Lakhani (Noticee No. 15)

i. The present SCN is issued after a gap of more than 6 years from the date of execution of my transactions. However, no reasons have been mentioned in the present SCN for initiation of adjudication proceedings after an unexplained delay of about 6 years. Importantly, at the relevant time, no query was raised on the impugned transactions by my stock broker, stock

exchange or any other agency concerned in the matter. Hence, at present great prejudice is caused to me to defend my case at the belated stage.

ii. *At the relevant time and thereafter till receipt of the SCN, I had no idea as to who purchased my shares in Le Waterina since all the transactions were executed through the normal screen based trading system of Stock Exchange.*

iii. *With regard to 'off market' purchase of Le Waterina shares, I sought guidance and help from my nephew Manish Lakhani. he purchased further shares on my behalf through M/s Hitendra Shah, financial advisors & Consultants having address at 35, Paras Darshan, Jagdusha Nagar, Ghatkopar (W), Mumbai - 400086. I did not know the seller of the shares and had not met her.*

iv. *I have not transferred any funds to Devang Vyas. For the purchase of shares in 'off market', I had made payment to Farrah Vyas only as per instructions given to me by Manish Lakhani/Hitendra Shah.*

v. *My transactions in the scrip of Le Waterina are delivery based transactions and have met with all my obligations towards the market. Thus, my transactions in the scrip of Le Waterina were genuine transactions.*

vi. *% of shares purchased on the floor of the exchange and the % of shares sold is very negligible when compared to total volume of shares traded in Le Waterina during the investigation period.In the view of my aforesaid submission on allegation of creation of artificial volume is not sustainable in facts and in law.*

vii. *I submit that my volume vis-a-vis the market volume in scrip of Le Waterina was diminutive so as to have any impact on the price of the scrip. Therefore, the allegation of any abuse of manipulation is irrelevant, immaterial and misdirected.*

viii. *I submit that if I was aware of or if I was a party to any manipulation as alleged in the SCN; I would have sold all my shares in the scrip in Le Waterina and exited from the scrip. In fact, I still own 1,50,000 shares of Le Waterina in my account as on date. This clearly shows that I had no malafide intentions or knowledge of any alleged manipulation in the shares of Le Waterina.*

ix. *The Noticee has relied on following Case laws:*

- *R. K. Global v/s SEBI (Appeal no. 158/2008 decided on 16.09.2010*
- *Narendra Ganatra v/s SEBI (Appeal No 47 of 2011 decided on 29.07.2011*
- *Videocon International v/s SEBI (2002) 4 CLJ 402 (SAT)*
- *Parsoli Corporation v/s SEBI (Appeal No 146/2011 decided on 12.08.2011*
- *Ram Sharan Yadav v/s Thakur Muneshwar Nath Singh [(1984) 4 SCC 649 (AIR 1985 SC 24)]*

VI. Ritesh Popli and Sumit popli (Noticeee no. 10 & 14)

i. *The Trades in question were solely performed by Guniness Securities Pvt. Ltd in my account without my knowledge.*

ii. *In my bonafide, I lodged a complaint to SEBI (date not recalled) when I came to know about debit amount in my account is running low.*

iii. Subsequently, the broking company approached me and pressurized me to withdraw the said complaint.

iv. I had no resources to purchase the shares as I had limited means. I am innocent and has been falsely designed in the matter.

24. Before dealing with issues under consideration in seriatim, the texts of the said provisions are reproduced as under :-

PROHIBITION OF MANIPULATIVE AND DECEPTIVE DEVICES, INSIDER TRADING AND SUBSTANTIAL ACQUISITION OF SECURITIES OR CONTROL

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

12A. No person shall directly or indirectly—

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

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

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

(d) engage in insider trading;

(e) deal in securities while in possession of material or non-public information or communicate such material or non-public information to any other person, in a manner which is in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(f) acquire control of any company or securities more than the percentage of equity share capital of a company whose securities are listed or proposed to be listed on a recognised stock exchange in contravention of the regulations made under this Act.

Chapter II of PFUTP Regulations, 2003

PROHIBITION OF FRAUDULENT AND UNFAIR TRADE PRACTICES RELATING TO THE SECURITIES MARKET

3. ***Prohibition of certain dealings in securities***

No person shall directly or indirectly—

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

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

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

4. Prohibition of manipulative, fraudulent and unfair trade practices

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

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

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

(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;

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

ISSUES FOR CONSIDERATION

25. After perusal of the material available on record, the following issues arise for consideration;
    - I. Whether the Noticees have violated provisions of SEBI Act, 1992 read with SEBI (PFUTP) Regulations, 2003?
    - II. Does the violation, if any, on the part of the Noticee attract monetary penalty under Section 15HA of the SEBI Act, 1992?
    - III. If so, what quantum of monetary penalty should be imposed on the Noticees considering the factors stated in section 15J of SEBI Act, 1992?

FINDINGS

Issue no. I: Whether the Noticees have violated provisions of SEBI Act, 1992 read with SEBI (PFUTP) Regulations, 2003?

26. As a matter of perspective the background to the analysis of the roles of the Noticees is being discussed in the succeeding paragraphs.
27. It is observed that the certain entities, in the instant matter, contributed to 41.89% and 57.99% of gross buy and gross sell respectively, during the investigation period. During post –stock split period they contributed to 62.98% and 61.96% of gross buy and gross sell respectively. Further, counterparties of 68.90% of above referred gross buy and 70.04% of above referred gross sell were connected entities.
28. It is also observed from the below table that the trading Member Guiness Securities Ltd. had the highest contribution of 21.05% and 27.85% in gross buy and gross sell respectively during pre-stock split period and 38.88% and 26.99% in gross buy and gross sell respectively during the post-stock split period. Shri Kamal Kothari, who was the Managing Director and one of the highest shareholders of Guiness Securities Ltd. (GSL), holding 28.92% of shareholding as on July 25, 2018, as reported by GSL.

Pre-stock split period:

Buy Broker Name	Gross Buy Vol.	% of trd. vol.	Sell Broker Name	Gross Sell Vol.	% of trd. vol.
Guiness Securities Ltd.	64,97,64	21.05	Guiness securities Ltd.	8,59,659	27.85

Post-stock split period:

Buy Broker Name	Gross Buy Vol.	% of trd volume	Sell Broker Name	Gross Sell Vol.	% of trd volume
Guiness securities Ltd	1,40,96,589	38.88	Guiness securities Ltd.	97,83,126	26.99

29. While it was observed that promoter related entities Ms. Anila Jalan (Mother of Mr. Sanjay Jalan) and Ms. Rinku Jalan (wife of Mr. Sanjay Jalan) had transferred shares to various entities through off-market transactions. The entities that received shares from promoter related entities and Devang Vyas and Farrah Vyas through off market transfer, traded during the Investigation period were connected entities. Details of suspected connected entities and connection among them, as alleged in the SCN, is tabulated below: *(the entities forming part of this order are reflected in bold)*

S No	Name of the entity	PAN	Connection
1	Anila Jalan	AAIPA6667P	Mother of promoter Sanjay Jalan and transferred shares in off market to Rink Jalan, Farrah Devang Vyas, Rinku Jalan , Maitru Agro Marketing Pvt Ltd, Kamlesh Shantilal Jain, Bharat G Thaker & Ramadoss V.
2	Rinku Jalan	AGBPJ8319E	Wife of promoter Sanjay Jalan and transferred shares to Bharat G Thaker, Maitru Agro Marketing Pvt Ltd, Kamlesh Shantilal Jain, Sangam Agro Agencies P. Ltd ,J Shankar, Gande Shiva Kumar, Shakuntala Devi, Kaplana M Golecha.
3	Kamlesh Shantilal Jain	AAFPJ2745J	Received shares from Rinku Jalan and shares from Anila jalan in off market
4	Gandhe Shiva Kumar	AKVPG1304Q	Received Shares from Rinku Jalan in off market
5	Shakuntala Devi	ASVPS8063N	Received shares from Rinku Jalan in off market
6	**Maitru Agro Marketing P. Ltd**	**AAFCM0778B**	**Has common directors along with entities at S no. 6,7,8. Received shares from Anila Jalan and Rinku Jalan in off market. Further, transferred shares to Devang Dilip Vyas in off market.**
7	**Pawantar Agro Agencies P Ltd**	**AAFCP0004P**	**Has common directors along with entities at S no. 5,7,8**
8	Param Commodities P. Ltd	AAFCP0003L	Has common directors along with entities at S no. 5,6,8
9	**Sangam Agro Agencies Private Limited**	**AAKCS8583R**	**Has common directors along with entities at S no. 5,6,7**
10	**Devang Dilip Vyass**	**AFEPV3982P**	**Received shares from Maitru Agro Marketing Pvt Ltd which had received shares from Anila Jalan. Placed orders with broker for entities referred to at S no: 5,6,8.**
11	Farah Devang Vyas	AEBPV8012N	Ex-wife of Devang Dilip Vyas. Further, received shares from Anila Jalan in off market.

S No	Name of the entity	PAN	Connection
12	**Geeta Dilip Vyas**	**AHNPV6889L**	**Mother of Devang Vyas. As per KYC, shares common phone number with Rrajiv Dilip Vyas, Anjali Rajiv Vyas**
13	**Rrajevv Dilip Vyas**	**ADIPV3951A**	**Has common phone number for Geeta Dilip Vyas, Rrajiv Dilip Vyas, Anjali Rajiv Vyas.**
14	Anjali Rajiv Vyas	AGSPV7096F	Shares common address with Rrajevv Dilip Vyas and common phone number along with Rrajevv Dilip Vyas and Geeta Dilip Vyas.
15	Ramadoss V	ALIPR0151Q	Reecieved shares from Anila Jalan in off market
16	Devika Ramadoss	ASDPR4056N	Received shares from Ramadoss V in off market who received shares from Anila Jalan
17	Mani Batra	AMPPM2326Q	Shares common address with Tarun Batra and received shares from Devang Vyas in off market.
18	Tarun Batra	AABHT4694N	Shares common address with Mani Batra and received shares from Devang Dilip Vyas in off market.
19	**Rajiv Chandrakant Gandhi**	**ADHPG1536B**	**Received shares from Devang Dilip Vyas and also observed transfers of funds with Devang Vyas**
20	**Ritesh Popli**	**AKWPP8819L**	**Transferred shares to Maitru Agro Marketing P. Ltd in off market.**
21	Varsha Popli	ARNPP9613Q	Varsha Popli and Sumit poli have common address. Ritesh popli and Sumit popli have common address and common mail id, hence Ritesh popli and sumit popli and varsha popli are related to each other
22	**Sumit Popli**	**ANVPP2968A**	**Varsha Popli and Sumit poli have common address.Ritesh popli and Sumit popli have common address , hence Ritesh popli and sumit popli and varsha popli are related to each other**
23	**Shailesh Shah**	**AAHPS5149R**	**Received shares from Farrah Devang Vays in off market**
24	**Himmatlal Jethalal Lakhani**	**AABPL1498E**	**Received shares from farrah Devang Vyas in off market and further observed transfers of funds with Devang Vyas.**
25	Dhruv Dinesh Bhuva	AEQPB6065A	Received shares from Devang Dilip Vyas in off market
26	R V Sekhar	AFUPR6488L	Received shares from Devang Dilip Vyas in off market and further observed transfers of funds with Devang Vyas.
27	Satyapaul Maggon	AEHPM2384J	Received shares from Devang Dilip Vyas in off market and further observed transfers of funds with Devang Vyas.
28	Ketan Sumanlal Shah	ADQPS5386Q	Received shares from Devang Dilip Vyas in off market
29	Alpa Rajesh Sanghrajka	AMFPS9804B	Received shares from Devang Dilip Vyas in off market
30	Laxmi Mahendrakumar Javeri	ABOPJ6472C	Received shares from Devang Dilip Vyas in offmarket
31	Kalpana M Goledha	AKJPG9257G	Received shares from Rinku jalan and further observed reecipt of amount from Rinku Jalan
32	Prashant Bhardwaj	AJLPB7617A	Received shares from Devang Dilip Vyas in off market.
33	J Shankar	AFWPJ6784M	Received shares from Rinku Jalan in off market
34	Chetna Vijay Rathod	AFCPR3609H	Received shares from Devang Dilip Vyas in off market.

S No	Name of the entity	PAN	Connection
35	Jemin Vijay Rathod	ATOPR7050E	Received shares from Devang Vyas in off market and shares common address with Chetna Rathod.
36	Gaurav Rajni Parikh	AEBPP2350M	Received shares from Devang Dilip Vyas in off market
37	**Paresh Chandrakant Doshi**	**ABVPD4398L**	**Traded in the scrip on the advise of Devang Vyas and devang Vyas submitted that he advised to buy the shares.**
38	Bharat.G.Thaker	AAHPB1130H	Received shares from Anila Jalan and Rinku Jalan through off market
39	Khader Rahman	AJMPR3980P	Received shares from N Bhuvaneshwari who had received the same from Rinku Jalan
40	Ramesh Purushottam Ajudiya	AGAPA3913G	Received shares from Devang Vyas in off market
41	Nisha Singh	CDGPS4893A	Received shares from Devang Vyas and Chetna Vijay Rathod in off market
42	Komal Paresh Doshi	ABTPD9961B	Received shares from Devang Vyas in off market
43	Madhavji Damodar Ghewada	AKTPG4365K	Received shares from Devang Vyas in off market

30. From the above connected entities only the Noticee no. 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16 are being proceeded against in this order as highlighted in the table.

31. Sanjay Jalan, Anila Jalan and Rinku Jalan (Noticee no. 2, 3 and 4) have filed for settlement application under SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014. Further, vide Settlement order dated March 28, 2018, the current proceedings were disposed of against the Noticee Mr. Kamal Kothari for the alleged violations. Thus out of the sixteen entities to whom the common SCN in these proceedings have been issued, only twelve are now being proceeded herewith in this order. However the role of the other entities is discussed in the paras below to provide a better perspective of the role and interconnection of the entities in the matter

32. MCA website (www.mca.gov.in) shows that Mr. Pawan Kumar Modi and Mr. Ram Awatar Sharma are the common directors sharing a common phone number (022-26120030) and common e-mail ID: tapasda3@gmail.com, of M/s Miatru, M/s Sangam, M/s Pawantar Agro Marketing P. Ltd.

- The Annual Returns filed by the above referred entities to MCA, shows a common email id i.e. compliance@guinessonline.net , which is also compliance department email id of Guiness Securities Ltd.
- Further, it is observed that the account opening forms of Pawantar, Sangam and Param with Guiness shows that they have common address i.e., Shop no. 5, Rizvi Nagar, S V Road, Near Milan Sub Way – Santacruz west, Mumbai – 400054, which was similar (during investigation period) to the branch address of Guiness, as Suite no. 5, Rizvi Nagar, S V Road, Near Milan Sub Way – Santacruz west, Mumbai – 400054 and the telephone numbers mentioned on the account opening form was (022-32096452/033-30266666), which belongs to Guiness / Guiness Portfolio Management Services Private. Ltd ('GPMS')., which is a private Limited company.
- Miatru, Sangam, Pawantar and Param are shareholders of GPMS, together holding 7.4% of share capital in GPMS for the year ended 2010-11, wherein Mr. Kamal Kothari, is a director and shareholder.

- The client address mentioned in the account opening form of Pawantar with Arcadia Share and Stock Brokers P. Ltd, is same as the above referred Guiness branch office address. Further, email id was mentioned as dparakh@guinessonline.net with Indiabulls Ventures Ltd. It has been observed from BSE website that the referred e-mail id belongs to Mr. Deepak Parakh, designated director of Guiness. It is further observed from the Guiness' website that Mr. Deepak Parakh is a Vice President (Operation).
- It is further observed from the bank account statement of Kamal Kothari, Managing Director of Guiness, that Mr. Kamal Kothari had transferred Rs. 1.95 crore during investigation period to M/s. Chirayush Agro Marketing P. Ltd wherein Pawan Kumar Modi and Ram Awatar Sharma are directors (Common directors of M/s Miatru, M/s Sangam, M/s Pawantar Agro Marketing P. Ltd.)
- It is observed from Annual return for the year ended 2010-11 of Guiness Corporate Advisors P. Ltd (which was earlier known as Guiness Merchant Bankers P. Ltd) that Miatru, Sangam and Pawantar were holding 7.65%, 8.74% and 9.83% of share capital respectively wherein Mr. Kamal Kothari was holding 48% of the share capital.
- Also, it is noted that Devang Vyas in his statement dated September 01, 2014 made before investigating authority, had stated that *"Maitru, Sangam and Pawantar, belong to Kamal Kothari."*

33. Further, details of Top10 buy and sell clients' concentration, as alleged in the SCN, is tabulated as below:

PRE-STOCK SPLIT

Buy Client Name	Gross Buy Vol.	% of trd. Vol.	Sell Client Name	Gross Sell Vol.	% of trd. Vol.
Man Mohan Damani	**6,63,727**	**21.50**	**Miatru Agro Marketing P. Ltd**	**3,50,000**	**11.34**
Pawantar Agro Agencies P. Ltd	**2,37,337**	**7.69**	Farah Devang Vyas	**2,80,102**	**9.07**
Farah Devang Vyas	**2,06,528**	**6.69**	**Pawantar Agro Agencies P. Ltd**	**2,45,115**	**7.94**
Devang D Vyas	**1,53,666**	**4.98**	**Devang D Vyas**	**1,46,098**	**4.73**
Sangam Agro Agencies P. Ltd	**1,27,014**	**4.11**	**Rajiv C Gandhi**	**1,20,763**	**3.91**
Rajiv C Gandhi	**1,19,911**	**3.88**	**Rrajevv Dilip Vyas**	**94,645**	**3.07**
Ritesh Popli	**1,00,083**	**3.24**	Bharat G Thaker	**90,000**	**2.92**
Rrajevv Dilip Vyass	**91,466**	**2.96**	**GeetaDilip Vyas**	**88,995**	**2.88**
Geeta Dilip Vyas	**74,757**	**2.42**	Mani Batra	**68,500**	**2.22**
Paresh Chandrakant Doshi	**54,550**	**1.77**	Lakshmanan Subashini	**61,747**	**2.00**
Top 10 buy clients	**18,29,039**	**59.26**	**Top 10 sell Clients**	**15,45,965**	**50.09**
Other buy clients	**12,57,582**	**40.74**	**Other sell clients**	**15,40,656**	**49.91**
Total traded volume	**30,86,621**	**100.00**	**Total traded volume**	**30,86,621**	**100.00**

34. As alleged in the SCN, except the Noticee Mr. Man Mohan Damani who was the top buyer, remaining nine clients are suspected entities whose buy volume constitutes 37.76%(11,65,312 shares) of total buy volume and all the top 10 sellers except Ms. Lakshmanan Subhashini are suspected entities constituting 48.09%of total sell volume during pre-stock split period of investigation.

POST-STOCK SPLIT

Buy Client Name	Gross Buy Vol.	% of trdvol	Sell Client Name	Gross Sell Vol.	% of trd volume
Sangam agro agencies P Ltd	**50,67,302**	**13.98**	**Sangam agro agencies P. Ltd**	55,03,981	15.18
Miatru agro marketing P Ltd	**40,33,888**	**11.13**	**Rajiv C Gandhi**	31,49,848	8.69
DevangDilip Vyas	**37,04,510**	**10.22**	**Miatru Agro marketing P. Ltd**	30,55,082	8.43
Rajiv C Gandhi	**21,55,250**	**5.94**	Farah Devang Vyas	26,20,182	7.23
Farrah DevangVyass	**20,44,385**	**5.64**	**DevangDilip Vyas**	23,02,790	6.35
GeetaDilip Vyas	**16,98,988**	**4.69**	GlobalWorth securities Ltd	10,74,835	2.96
Kamal Kumar Bararia	**13,82,478**	**3.81**	**Sumitpopli**	10,04,915	2.77
Globalworth Securities Ltd	**10,94,067**	**3.02**	Kamal Kumar Bararia	10,04,350	2.77

Buy Client Name	Gross Buy Vol.	% of trdvol	Sell Client Name	Gross Sell Vol.	% of trd volume
Sumitpopli	**8,39,175**	**2.31**	**Riteshpopli**	8,96,535	2.47
BpFintradeP. Ltd	**6,13,484**	**1.69**	**HimmatlalJethalal Lakhani**	8,37,100	2.31
Top 10 buy clients	2,26,33,527	62.43	Top 10 sell clients	2,14,49,618	59.17
Other buy clients	1,36,20,169	37.57	Other sell clients	1,48,04,078	40.83
Total traded volume	**3,62,53,696**	**100.00**	**Total traded volume**	**3,62,53,696**	**100.00**

35. It was further alleged in the SCN that from the above it is observed that, out of top10 buy clients, 7 buy clients were suspected entities and their buy volume constitutes 53.91% of total buy volume and 8 sell clients (except M/s Global worth securities & Mr. Kamal Kumar Bararia) were suspected entities whose sell volume constitutes 53.44% of total sell volume.
36. It was further alleged in the SCN that from the trading details of the suspected entities/Noticees during the investigation period, it was observed that there were significant off market transfers among the suspected entities/noticees. The Noticees namely Ms. Anila Jalan and Ms. Rinku Jalan, Miatru Agro Marketing Pvt, Ltd., Devang Vyas and entity namely Farrah Vyas had transferred shares in off market to other suspected entities/noticees, The entities those had received shares in off market had traded in the market by executing trades among themselves thereby created artificial volume in the scrip.
37. It is further observed from the SCN that during pre-stock split period, the scrip was traded with average daily volume of 16,331 shares and total traded quantity was 30,86,621 shares through 9,326 trades in 189 trading days with an average of 49.34 trades per day. The summary of total buy and total sale of suspected entities/Noticees is given below:

Gross Buy	% of total buy to total traded volume	% of matched buy qty with suspected entities	Gross Sell	% of total sale to total traded volume	% of matched sell qty with suspected entities
12,92,946	41.89 %	54.37%	17,89,937	57.99 %	39.31%

38. Details of gross buy and gross sell along with quantity matched with suspected entities during pre-stock split period is tabulated below:

S no	Client Name	Gross Buy Qty.	Buy qty matched with suspected entities	% of total buy to total traded volume	No of buy match days	No of buy match trades	Gross Sell Qty.	Sell qty matched with suspcted entities	% of total sell to total traded volume	No of sell match days	No of sell match trades	% of total matched qty to exchange vol
1	Farrah Devang Vyass	206528	100899	6.69	45	221	280102	171896	9.07	38	104	4.42
2	**Rajiv Chandrakant Gandhi**	119911	63650	3.88	22	39	120763	80912	3.91	28	123	2.34
3	**Devang Dilip Vyas**	153666	73659	4.98	17	105	146098	61715	4.73	20	85	2.19
4	**Rrajevv Dilip Vyass**	91466	87882	2.96	7	31	94645	46315	3.07	8	23	2.17
5	**Geeta Dilip Vyas**	74757	45288	2.42	8	55	88995	68845	2.88	9	35	1.85
6	**Pawantar Agro Agencies P. Ltd**	237337	106264	7.69	11	44	245115	5221	7.94	2	4	1.81
7	**Ritesh Popli**	100083	84568	3.24	14	59	11990	9444	0.39	6	17	1.52
8	**Paresh Chandrakant Doshi**	54550	34655	1.77	7	28	33300	32762	1.08	7	8	1.09
9	Mani Batra	8500	5690	0.28	2	2	68500	54353	2.22	10	40	0.97
10	Bharat G Thaker	0	0	0.00	0	0	90000	52193	2.92	13	71	0.85
11	**Sangam Agro Agencies P. Ltd**	127014	40865	4.11	15	83	50363	972	1.63	2	12	0.68
12	Tarun Batra Huf	0	0	0.00	0	0	40000	30075	1.30	9	37	0.49
13	**Sumit Popli**	23407	20442	0.76	7	16	6833	1555	0.22	5	12	0.36

14	Shakuntala Devi	2057	180	0.07	1	1	37857	20213	1.23	16	27	0.33
15	Varsha Popli	38821	5908	1.26	20	44	39129	13458	1.27	19	40	0.31
16	Gandhe Kumar	0	0	0.00	0	0	22000	18000	0.71	5	5	0.29
17	**Shailesh Shah**	14928	13796	0.48	2	7	14928	2628	0.48	6	20	0.27
18	Prashant Bhardwaj	13125	9951	0.43	4	11	1002	1000	0.03	1	5	0.18
19	Ketan Sumanlal Shah	644	0	0.02	0	0	10196	10196	0.33	3	5	0.17
20	J Shankar .	4000	4000	0.13	1	1	7165	5525	0.23	6	15	0.15
21	Devika Ramadoss	0	0	0.00	0	0	10000	7874	0.32	2	9	0.13
22	Kalpana Manoj Golecha	0	0	0.00	0	0	6000	4960	0.19	2	20	0.08
23	Jemin Vijay Rathod	4000	2813	0.13	2	6	4000	1825	0.13	2	20	0.08
24	Param Commodities P. Ltd	17872	2500	0.58	1	1	5985	280	0.19	2	2	0.05
25	Khader Rahman	0	0	0.00	0	0	1674	737	0.05	2	11	0.01
26	Anjali Vyass	280	0	0.01	0	0	3092	56	0.10	1	4	0.00
27	**Miatru Agro Marketing P. Ltd**	0	0	0.00	0	0	350000	0	11.34	0	0	0.00
28	Rinku Jalan	0	0	0.00	0	0	205	0	0.01	0	0	0.00
	Grand Total	1292946	703010	41.89	186	754	1789937	703010	57.99	224	754	22.78

39. Further, details of gross buy and gross sell along with quantity matched with suspected entities during post-stock split period is tabulated below:

S no	Client Name	Gross Buy Qty.	Buy qty matched with suspected entities	% of total buy to total traded volume	No of Buy Match days	No of Buy Match trades	Gross Sell Qty.	Sell qty matched with suspected entities	% of total sell to total traded volume	No of Sell Match days	No of Sell Match trades	% of total matched qty to exchange vol
1	**Sangam Agro Agencies Private Limited**	5067302	2587842	13.98	8	77	5503981	4508992	15.18	11	296	9.79
2	**Devang Dilip Vyas**	3704510	3157196	10.22	33	429	2302790	1751832	6.35	21	86	6.77
3	**Rajiv Chandrakant Gandhi**	2155250	1648608	5.94	35	158	3149848	2811836	8.69	36	135	6.15
4	**Miatru Agro Marketing Private Limited**	4033888	3253827	11.13	17	141	3055082	119607	8.43	8	32	4.65
5	Farrah Devang Vyass	2044385	713792	5.64	35	141	2620182	2203086	7.23	34	99	4.02
6	**Geeta Dilip Vyas**	1698988	1698988	4.69	4	31	3000	0	0.01	0	0	2.34
7	**Himmatlal Jethalal Lakhani**	387100	378935	1.07	6	24	837100	822100	2.31	8	22	1.66
8	**Ritesh Popli**	401095	163708	1.11	8	26	896535	834452	2.47	9	100	1.38
9	**Shailesh Shah**	591283	538609	1.63	13	32	570637	360762	1.57	38	133	1.24
10	**Sumit Popli**	839175	243705	2.31	18	145	1004915	623960	2.77	21	110	1.20
11	Rinku Jalan	518000	410600	1.43	3	23	261002	242102	0.72	4	31	0.90
12	Madhavji Damodar Gherwada	332207	195682	0.92	15	29	344207	148923	0.95	21	63	0.48
13	Alpa Rajesh Sanghrajka	187000	144323	0.52	5	20	237000	191116	0.65	6	18	0.46

14	Chetna Vijay Rathod	169263	156057	0.47	8	56	181763	161131	0.50	10	29	0.44
15	Maggon Satyapaul	60000	60000	0.17	1	5	360000	249573	0.99	11	41	0.43
16	Jemin Vijay Rathod	151913	93282	0.42	14	42	166913	137532	0.46	10	21	0.32
17	**Paresh Chandrakant Doshi**	227643	164258	0.63	10	30	40000	20274	0.11	2	4	0.25
18	Prashant Bhardwaj	31000	9505	0.09	2	2	177230	143395	0.49	16	51	0.21
19	Ramesh Purushottam Ajudiya	17000	0	0.05	0	0	97000	94860	0.27	2	4	0.13
20	Dhruv Dinesh Bhuva	50000	34000	0.14	1	1	108500	58180	0.30	2	19	0.13
21	J Shankar .	40000	30596	0.11	3	51	60566	32195	0.17	6	30	0.09
22	Shekar R V	0	0	0.00	0	0	100000	58466	0.28	3	69	0.08
23	Khader Rahman	0	0	0.00	0	0	133260	50993	0.37	9	34	0.07
24	Nisha Kumari Singh	30012	23000	0.08	3	9	35512	23051	0.10	5	10	0.06
25	Ketan Sumanlal Shah	45223	11409	0.12	3	11	49703	29031	0.14	6	22	0.06
26	Anjali Vyass	13686	380	0.04	1	1	28400	24180	0.08	1	1	0.03
27	Laxmi Mahendrakumar Javeri	0	0	0.00	0	0	17500	13600	0.05	1	4	0.02
28	Gaurav Rajni Parikh	25000	12896	0.07	1	2	82000	659	0.23	3	4	0.02
29	Kalpana Manoj Golecha	10000	0	0.03	0	0	10000	9400	0.03	1	11	0.01
30	Ramdoss V	0	0	0.00	0	0	9005	5910	0.02	3	7	0.01
31	Komal Paresh Doshi	0	0	0.00	0	0	18000	0	0.05	0	0	0.00
	Grand Total	**22830923**	**15731198**	**62.98**	**247**	**1486**	**22461631**	**15731198**	**61.96**	**308**	**1486**	**43.39**

40. From above, it is observed that suspected entities/Noticees had contributed to 41.89% and 57.99% of gross buy and gross sell respectively during pre-stock split period. It was also observed from the analysis of trade and order log that the trading among the group entities/Noticees was significant which is evident from the above table that counterparties of 54.37% of gross buy and 39.28% of gross sell of suspected entities/Noticees were suspected entities. It was further observed that suspected entities/Noticees had executed trades among themselves for 7,03,010 shares, which accounted for 22.78% of the total market volume. It was also observed during investigation that out of 189 trading days, the above referred entities' executed trades among themselves on 117 day thereby creating artificial volume and that out of 117 days, on 73 days traded volume of suspected entities had constituted more than 25% of respective day's traded volume. Summary of trading of suspected entities/Noticees is given below:

S no	**Client Name**	**Gross Buy Qty. A**	**Buy qty matched with suspected entities B**	**% of total buy to total traded volume C**	**No of buy match days D**	**No of buy match trades E**	**Gross Sell Qty. F**	**Sell qty matched with suspcted entities G**	**% of total sell to total traded volume H**	**No of sell match days I**	**No of sell match trades J**	**% of total matched qty to exchange vol K= (B+G)/ marvol*2**
1	Farrah DevangVyass	206528	100899	6.69	45	221	280102	171896	9.07	38	104	4.42

S no	Client Name	Gross Buy Qty. A	Buy qty matched with suspected entities B	% of total buy to total traded volume C	No of buy match days D	No of buy match trades E	Gross Sell Qty. F	Sell qty matched with suspcted entities G	% of total sell to total traded volume H	No of sell match days I	No of sell match trades J	% of total matched qty to exchange vol K= (B+G)/ marvol* 2
2	**Rajiv Chandrakant Gandhi**	119911	63650	3.88	22	39	120763	80912	3.91	28	123	2.34
3	**DevangDilip Vyas**	153666	73659	4.98	17	105	146098	61715	4.73	20	85	2.19
4	**RrajevvDilipVyass**	91466	87882	2.96	7	31	94645	46315	3.07	8	23	2.17
5	**GeetaDilip Vyas**	74757	45288	2.42	8	55	88995	68845	2.88	9	35	1.85
6	**Pawantar Agro Agencies P. Ltd**	237337	106264	7.69	11	44	245115	5221	7.94	2	4	1.81
7	**Ritesh Popli**	100083	84568	3.24	14	59	11990	9444	0.39	6	17	1.52
8	**PareshChandrakantDoshi**	54550	34655	1.77	7	28	33300	32762	1.08	7	8	1.09
9	Mani Batra	8500	5690	0.28	2	2	68500	54353	2.22	10	40	0.97
10	Bharat G Thaker	0	0	0.00	0	0	90000	52193	2.92	13	71	0.85
11	**Sangam Agro Agencies P. Ltd**	127014	40865	4.11	15	83	50363	972	1.63	2	12	0.68
12	TarunBatraHuf	0	0	0.00	0	0	40000	30075	1.30	9	37	0.49
13	**Sumit Popli**	23407	20442	0.76	7	16	6833	1555	0.22	5	12	0.36
14	Shakuntala Devi	2057	180	0.07	1	1	37857	20213	1.23	16	27	0.33
15	VarshaPopli	38821	5908	1.26	20	44	39129	13458	1.27	19	40	0.31
16	Gandhe Kumar	0	0	0.00	0	0	22000	18000	0.71	5	5	0.29
17	**Shailesh Shah**	14928	13796	0.48	2	7	14928	2628	0.48	6	20	0.27
18	Prashant Bhardwaj	13125	9951	0.43	4	11	1002	1000	0.03	1	5	0.18
19	KetanSumanlal Shah	644	0	0.02	0	0	10196	10196	0.33	3	5	0.17
20	J Shankar .	4000	4000	0.13	1	1	7165	5525	0.23	6	15	0.15
21	DevikaRamadoss	0	0	0.00	0	0	10000	7874	0.32	2	9	0.13
22	KalpanaManojGolecha	0	0	0.00	0	0	6000	4960	0.19	2	20	0.08
23	Jemin Vijay Rathod	4000	2813	0.13	2	6	4000	1825	0.13	2	20	0.08
24	Param Commodities P. Ltd	17872	2500	0.58	1	1	5985	280	0.19	2	2	0.05
25	Khader Rahman	0	0	0.00	0	0	1674	737	0.05	2	11	0.01
26	Anjali Vyass	280	0	0.01	0	0	3092	56	0.10	1	4	0.00
27	**Miatru Agro Marketing P. Ltd**	0	0	0.00	0	0	350000	0	11.34	0	0	0.00
28	RinkuJalan	0	0	0.00	0	0	205	0	0.01	0	0	0.00
	Grand Total	**1292946**	**703010**	**41.89**	**186**	**754**	**1789937**	**703010**	**57.99**	**224**	**754**	**22.78**

41. It is further observed that that suspected entities/Noticees had contributed to 62.98% and 61.96% of gross buy and gross sell respectively during post-stock split period. It was also observed from the analysis of trade and order log that the trading among the group entities/Noticees was significant which is evident from the above table that counterparties of 68.90% of gross buy and 70.04% of gross sell of suspected entities/Noticees were suspected entities. It was further observed that suspected entities/Noticees had executed trades among themselves for 1,57,31,198 shares. It was also observed during investigation that out of 168 trading days, the above referred entities had traded on 120 days creating artificial volume by executing trades among themselves and that out of 120 days, on 61days, traded volume of suspected entities had constituted more than 25% of respective day's traded volume. Summary of trading of suspected entities/Noticees is given below:

42.	Client Name	Gross Buy Qty. A	Buy qty matched with suspected entities B	% of total buy to total traded volume C	No of Buy Match days D	No of Buy Match trades E	Gross Sell Qty. F	Sell qty matched with suspected entities G	% of total sell to total traded volume H	No of Sell Match days I	No of Sell Match trades J	% of total matched qty to exchange vol K=(B+C)/mar.vol*2
1	**Sangam Agro Agencies Private Limited**	5067302	2587842	13.98	8	77	5503981	4508992	15.18	11	296	9.79
2	**DevangDilip Vyas**	3704510	3157196	10.22	33	429	2302790	1751832	6.35	21	86	6.77
3	**Rajiv Chandrakant Gandhi**	2155250	1648608	5.94	35	158	3149848	2811836	8.69	36	135	6.15
4	**Miatru Agro Marketing Private Limited**	4033888	3253827	11.13	17	141	3055082	119607	8.43	8	32	4.65
5	Farrah DevangVyass	2044385	713792	5.64	35	141	2620182	2203086	7.23	34	99	4.02
6	**GeetaDilip Vyas**	1698988	1698988	4.69	4	31	3000	0	0.01	0	0	2.34
7	**HimmatlalJethalal Lakhani**	387100	378935	1.07	6	24	837100	822100	2.31	8	22	1.66
8	**Ritesh Popli**	401095	163708	1.11	8	26	896535	834452	2.47	9	100	1.38
9	**Shailesh Shah**	591283	538609	1.63	13	32	570637	360762	1.57	38	133	1.24
10	**SumitPopli**	839175	243705	2.31	18	145	1004915	623960	2.77	21	110	1.20
11	RinkuJalan	518000	410600	1.43	3	23	261002	242102	0.72	4	31	0.90
12	MadhavjiDamodarGherwada	332207	195682	0.92	15	29	344207	148923	0.95	21	63	0.48
13	Alpa Rajesh Sanghrajka	187000	144323	0.52	5	20	237000	191116	0.65	6	18	0.46
14	Chetna Vijay Rathod	169263	156057	0.47	8	56	181763	161131	0.50	10	29	0.44
15	MaggonSatyapaul	60000	60000	0.17	1	5	360000	249573	0.99	11	41	0.43
16	Jemin Vijay Rathod	151913	93282	0.42	14	42	166913	137532	0.46	10	21	0.32
17	PareshChandrakantDoshi	227643	164258	0.63	10	30	40000	20274	0.11	2	4	0.25
18	Prashant Bhardwaj	31000	9505	0.09	2	2	177230	143395	0.49	16	51	0.21
19	Ramesh PurushottamAjudiya	17000	0	0.05	0	0	97000	94860	0.27	2	4	0.13
20	Dhruv Dinesh Bhuva	50000	34000	0.14	1	1	108500	58180	0.30	2	19	0.13
21	J Shankar .	40000	30596	0.11	3	51	60566	32195	0.17	6	30	0.09
22	Shekar R V	0	0	0.00	0	0	100000	58466	0.28	3	69	0.08
23	Khader Rahman	0	0	0.00	0	0	133260	50993	0.37	9	34	0.07
24	NishaKumari Singh	30012	23000	0.08	3	9	35512	23051	0.10	5	10	0.06
25	KetanSumanlal Shah	45223	11409	0.12	3	11	49703	29031	0.14	6	22	0.06
26	Anjali Vyass	13686	380	0.04	1	1	28400	24180	0.08	1	1	0.03
27	LaxmiMahendrakumarJaveri	0	0	0.00	0	0	17500	13600	0.05	1	4	0.02
28	Gaurav Rajni Parikh	25000	12896	0.07	1	2	82000	659	0.23	3	4	0.02
29	KalpanaManojGolecha	10000	0	0.03	0	0	10000	9400	0.03	1	11	0.01
30	Ramdoss V	0	0	0.00	0	0	9005	5910	0.02	3	7	0.01
31	KomalPareshDoshi	0	0	0.00	0	0	18000	0	0.05	0	0	0.00
	Grand Total	**22830923**	**15731198**	**62.98**	**247**	**1486**	**22461631**	**15731198**	**61.96**	**308**	**1486**	**43.39**

Noticees 1, 2 &4 Maitru, Sangam and Pawantar

43. From above, it can be seen that Guiness Securities Ltd. (Guiness) was the top broker on buy and sell side during the investigation period. SCN dated September 28, 2017 as issued to the Noticees under these proceedings was also issued to Shri. Kamal Kothari, managing director Guiness Securities Ltd. Vide letter dated October 17, 2017, Noticee Mr. Kamal Kothari informed that he was availing of the settlement proceedings with SEBI for the alleged violations for the current proceedings. Subsequently, vide Settlement order dated March 28, 2018, the current proceedings were disposed of against the Noticee Mr. Kamal Kothari for the alleged violations.

44. Therefore, in light of above, it is concluded that the trades of the The Noticees namely M/s. Sangam Agro Agencies P. Limited, M/s. Pawantar Agro Agencies P. Ltd and M/s. Miatru Agro Marketing P. Limited, during the investigation period in the scrip of Le Waterina were controlled by Mr. Kamal Kothari, who was the managing Director of Guiness and the mastermind of the entire game plan. Shri

Devang Vyas and Rajiv C Gandhi were employed with the Guiness. Role of the Noticee Devang Vyas and Rajiv C Gandhi is discussed in succeeding paragraphs of this order.

45. Thus, it is clear that the Noticees namely; /s. Sangam Agro Agencies P. Limited and M/s. Miatru Agro Marketing P. Limited has executed trades with suspected entities and created artificial volume during post-stock split period and the Noticee namely M/s. Pawantar Agro Agencies P. Ltd had executed trades with suspected entities and created artificial volume during pre-stock split period, leading to false and misleading appearance of trading of the scrip of the company thereby violated Section 12A (a),(b),(c) of SEBI Act, 1992 read with Regulations 3 (a),(b),(c), (d), 4(1), 4(2) (a) and (g) of SEBI (PFUTP) Regulations, 2003.

Noticee no. 7, 8, 9 and 12 Mr. Devang Vyas, Mr. Rajiv C. Gandhi, Ms.Geeta Dilip Vyas, Mr. Rrajevv Dililp Vyas

46. It is further observed that these entities are also part of the suspected entities, who have traded in the market by executing trades among themselves thereby created artificial volume in the scrip, during the period of investigation.
47. Mr. Devang vyas in his statement dated August 26, 2014 and September 01, 2014 made before investigating authority, had stated that *"I have placed orders in my, Farah Vyas and Rajiv C. Gandi's account with M/s. Rikhav Securities and Knatilal Chaganlal Securities".* Further, Devang Vyas in his statement dated September 01, 2014 made before investigating authority, had stated that he along with Mr. Rajiv C. Gandhi had traded in the scrip of Le Waterina on the instructions of Mr. Kamal Kothari.
48. It is also noted that Rajiv C. Gandhi in his statement made before investigating authority on August 07, 2015, stated that *"Devang Vyas used to instruct me to buy shares."*
49. Further, it is noted that Mr. Rajiv C. Gandhi in his statement dated August 07, 2015 and submissions made vide letter dated December 13, 2017 stated that *"in order to clear off the debit balance of these brokers, it was Mr. Devang Vyas who came to my rescue and provided me shares of the said company through off market transfers…"*
50. Also, Mr. Rajiv C. Gandhi in his above submissions has also stated that *"It was then I realized that it was Mr. Kamal Kothari who was the master mind of the modus operandi and Mr. Devang Vyas was a scapegoat in this plan like me."*
51. However, it is also noted that Mr. Devang Vyas and Mr. Rajiv C. Gandhi in their submissions in these proceedings have also stated that *"Mr. Kamal Kothari, Mr. Devang Vyas & Mr. Sanjay Jalan approached me and offered me a deal, wherein they shall use my accounts with M/s. Rikhav Securities Ltd & M/s. Kantilal Chaganlal Securities Pvt. Ltd. and in turn they shall compensate me."*
52. It is also noted that Mr. Devang Vyas vide his letter dated January 22, 2018, submitted a copy of ITR for the Financial Year 2010-11 and 20122-12, which indicates his gross income from M/s. Guiness Securities to prove that Mr. Devang Vyas was employed with M/s. Guiness Securities and thus connected to Mr. Kamal Kothari.
53. The submissions / statement of Mr. Devang Vyas and Rajiv C. Gandhi and other material available on record, makes it evident that Mr. Rajiv C. Gandhi along with Mr. Devang Vyas were employed with M/s. Guiness Securities and used to place orders on instructions and directions of Mr. Kamal Kothari. It is also amply clear that both the Noticees viz. Mr. Devang Vyas and Rajiv C. Gandhi, were well aware of the intentions of Mr. Kamal Kothari of creating artificial volume of securities of the company and to derive illicit gain out of it and were also offered a lucrative deal to become part of the game plan of Mr. kamal Kothari. Also, the above discussion makes it ample clear that Mr. Devang Vyas and Rajiv C. Gandhi with a complete knowledge of game plan of Mr. Kamal Kothari, have allowed other entities to use their names for trading in the scrip of company. Therefore, contentions of the Noticee *It was then I realized that it was Mr. Kamal Kothari who was the master mind of the modus operandi and Mr. Devang Vyas was a scapegoat in this plan like me."* has no merit

54. Also, there is nothing on record to establish that any of the Noticees raised any resistance in this regard despite of having clear knowledge about the game plan of Mr. Kamal Kothari. It was only when Mr. Kamal Kothari executed transactions in account of Noticees / family members of Noticees, Mr. Devang Vyas and Rajiv C. Gandhi which led to debit balance in their accounts did they tried to dither away from the acts of Mr. Kamal Kothari.

55. Further, Devang Vyas in his submissions made vide letter dated December 13, 2017, has stated that:
"it was Mr. Kamal Kothari who was the master mind for all the transactions for the said scrip and it was only under his instructions that unauthorized transactions were executed in Ms. Farah Vyas's account with M/s. Rikav Securities Ltd, from which Mr. Rajiv Gandhi used to send MIS report through e-mail for the said transactions to Mr. Kamal Kothari…."…..
"….I along with Mr. Rajiv Gandhi, whom Mr. Kamal Kothari had recommended the said scrip, and who thus bought the said scrip, had booked huge losses, on account of Mr. Kamal Kothari act of selling the shares in huge quantity in the market…."

56. In view of above, it is felt that there is enough evidence available on record to establish Mr. Devang Vyas, Mr. Rajiv C. Gandhi, aided and abetted Shri Kamal Kothari in enlisting not only themselves but also Ms.Geeta Dilip Vyas, and Mr. Rrajevv Dililp Vyas (Noticee no. 7, 8, 9 and 12) in the scheme of things as perpetrated by Shri Kamal Kothari.

57. It is further noted that Mr. Devang Vyas and Mr. Rajiv C. Gandhi, in their respective statements made before the investigating authority have admitted the fact that both the Noticees were well aware of the ulterior motive of Mr. Kamal Kothari and that both the Noticees, having complete knowledge of the motive of Mr. Kamal Kothari, acted on instructions of Mr. Kamal Kothari. Thus, both the Noticees have aided by allowing their names to be used for trading in the scrip of the company and therefore, have equally contributed to the objective of Mr. Kamal Kothari.

58. Therefore, it is concluded that The Noticees namely Mr. Devang Vyas and Mr. Rajiv C Gandhi, had executed trades among themselves and created artificial volume during pre and post stock split period, leading to false and misleading appearance of trading of the scrip of the company thereby violated Section 12A (a),(b),(c) of SEBI Act, 1992 read with Regulations 3 (a),(b),(c), (d), 4(1),4(2) (a) and (g) of SEBI (PFUTP) Regulations, 2003.

59. However, there is nothing on record to show that Ms. Geeta Vyas and Mr. Rrajevv Dililp Vyas have any role to play in creating artificial volume in the scrip of the company. Therefore, it appears that Noticees Ms. Geeta Vyas and Mr. Rrajevv Dililp Vyas were not aware of modus operandi of Mr. Kamal Kothari, as it was Mr. Devang Vyas, who allowed his name to be used for trading in the scrip of company by other entities. This is further corroborated by the judicial pronouncements proffered by the them to state that the trades in their accounts were indeed unauthorised transactions by Guiness/Kamal Kothari. Accordingly the present proceedings against these two noticees Ms. Geeta Vyas and Mr. Rrajevv Dililp Vyas are not being proceeded forward.

Noticee no. 13, 15 and 16 Mr.Paresh C Doshi, Mr. Himmatlal Jethalal Lakhani and Shailesh Shah

60. Further, Mr. Shailesh Shah in his submissions has stated that;

> *"….Mr Rajiv Gandhi and Mr. Devang Vyas recommended to buy the shares of the company. I further submit that Mr. Devang Vyas was positive that the share price rate of the company would appreciate and said that I would fetch good returns in near future.*
>
> *I purchased stock on the recommendation of Mr. Devang Vyas and Mr. Rajiv Gandhi….."*

61. In this regard, from the Transaction statement of National Securities Depository Ltd.(NSDL), submitted by the Noticee for the Financial years April 01, 2011 till March 31, 2015, at the time of making aforesaid submissions, it is noted that the Noticee has during the period of investigation, traded in the said scrip only through Trusted Shares & Investments Limited. It is further observed from the transaction details

of Trusted shares & Investments Ltd. submitted for the period April 01, 2011 till March 31, 2012 that while trading in the scrip of company during investigation period, there were certain off market transactions in the scrip of the company on August 30, 2011, September 20, 2011 and December 26, 2011 for which no details have been submitted by the Noticee either at the time of hearing or at the time of making submissions. It is further observed that there were various inter-depository transfers in the Noticees account on September 15, 2011, November 25, 2011 and January 04, 2012.

62. It is further observed that Mr. Devang Vyas in his statement dated September 01, 2014 before the investigating authority had stated that *"The persons who purchased shares on my words included Paresh C. Doshi, Himmatlal Lakhani, Shaiesh Shah, Sumit Popli and Varsha Popli"*. Further, Mr. Rajiv C. Gandhi in his statement dated August 07, 2015 before the investigating authority had stated that *"Shailesh Shah is a friend of Devang Vyas"*.
63. Mr. Shailesh shah in his submissions dated December 12, 2017 has also stated that *"Mr. Rajiv Gandhi, a friend of mine, who was a dealer with guiness Securities Ltd. introduced me to Mr. Devang vyas"*. Moreover, as alleged in the SCN Mr. Shailesh Shah was connected to suspected entities as he received shares from Farah Devang Vyas in off market. It is also noted that Mr. Devang Vyas in his statement dated September 01, 2014 and Mr. Rajiv C. Gandhi in his statement dated August 07, 2015 before the investigating authority have also submitted that *"Devang Vyas was using account of Farah Vyas to place orders in her account and farah Vyas was well aware of this"* Also, Devang Vyas in his afore-mentioned statement has stated that "*shailesh Shah was a friend of Mr. Rajiv Gandhi."*
64. It is further observed that the Noticee Mr. Paresh C. Doshi, in his submissions has stated that *"As stated by Devang Vyas in his statement, he and his friend Rajiv Gandhi collectively recommended buying of these shares and that I incurred losses. The only relation that was mentioned against my name in the Show Cause Notice was that Rajiv Gandhi and Devang Vyas are my friends. It has never been stated as to how I became a friend and as to what is the implication of my being a friend of these persons. I reiterate that I am not a friend of these persons and I had no financial and other dealing with them. I did not buy shares from them nor did I sold shares to them. It is an admitted fact that they recommended me investing in these shares and believing their word to be true, I Invested and incurred losses.*"
65. From above it is can be seen that the Noticee Mr. Paresh C. Doshi has clearly accepted that he traded in the scrip of company on advice of Mr. Devang Vyas and Mr. Rajiv Gandhi, who acted on instructions of Mr. Kamal Kothari, the mastermind of the entire game plan.
66. It is further noted that the connection between the Noticee Mr. Paresh C. Doshi and suspected entities is that Noticee traded in the scrip of the company on advice of Mr. Devang Vyas and that Devang Vyas recommended him to buy shares of the company. Also, Mr. Paresh C. Doshi, time and again has accepted the fact that he traded in the scrip on the recommendations of Mr. Devang Vyas and Mr. Rajiv Gandhi, as alleged in the SCN.
67. Noticee Mr. Paresh C. Doshi in his contentions has also submitted that *"In the absence of the details of the counterparties, it cannot be ascertained as to whether the matching had in fact been taken place with the suspected entities."*

    "The % of contribution by me in the said top buy clients was only 1.77% of the total traded volume. It is not significant enough to treat me as top 10 buyers. I therefore submit that the volume contribution by me was insignificant to allege that I created any artificial volume.

68. Similar contention has been taken by Noticee no. 15, wherein Mr. Himmatlal Lakhani has stated that "*my volume vis-a-vis the market volume in scrip of Le Waterina was diminutive so as to have any impact on the price of the scrip. Therefore, the allegation of any abuse of manipulation is irrelevant, immaterial and misdirected.*"
69. In this regard reliance is placed on Hon'ble SAT in its order Anita Dalal vs. SEBI (Appeal no.211 of 2012) observed that *"…It is the case of the Board that reversal, self-trades and matching trades have taken place in the dealings of the appellant and the percentage of transactions highlighted by the appellant cannot be considered to be relevant. There cannot be cases*

of perfect synchronization of time, quantity and volume. The appellant has contributed in the creation of artificial volumes in the scrips when the connected group traded in a manipulative manner…"

70. Hon'ble Supreme Court in the matter of Rakhi Trading vs. SEBI held that in the absence of direct proof of meeting of minds elsewhere in synchronized transactions, the test should be one of prepondera nce of probabilities as far as adjudication of civil liability arising out of the violation of the Act or the provision of the Regulations is concerned. To quote:

20. …As already observed 'synchronisation' or a negotiated deal ipso facto is not illegal. A synchronised transaction will, however, be illegal or violative of the Regulations if it is executed with a view to manipulate the market or if it results in circular trading or is dubious in nature and is executed with a view to avoid regulatory detection or does not involve change of beneficial ownership or is executed to create false volumes resulting in upsetting the market equilibrium. Any transaction executed with the intention to defeat the market mechanism whether negotiated or not would be illegal."

"31. The conclusion has to be gathered from various circumstances like that volume of the trade effected; the period of persistence in trading in the particular scrip; the particulars of the buy and sell orders, namely, the volume thereof; the proximity of time between the two and such other relevant factors…" We do not think that those illustrations are exhaustive. There can be several such situations, some of which we have discussed hereinabove."

71. It is further noted that connection between Mr. Himmatlal Lakhani and suspected entities, as alleged in the SCN is that he received shares from Farah Devang Vyas and further observed transfer of funds with Devang Vyas. Further, as stated above, Mr. Devang Vyas in his statement admitted that Mr. Himmatlal Lakhani traded in the scrip of the company on advice of Mr. Devang Vyas, who was placing orders on directives of Mr. Kmal Kothari for his illegitimate intentions of earning wrongful gains from the securities market.
72. Further, from the letter dated January 02, 2018 written by Mr. Himmatlal Lakhani to the Branch Manager, Bank of India, it is noted that there were transfer of funds between Mr. Himmatlal Lakhani and Farah Vyas (ex-wife of Mr. Devang Vyas).
73. Therefore, applying the principles of above-mentioned cases in the instant proceedings, the Noticees thus having engaged in a fraudulent and unfair trade practice while dealing in securities, are hence liable to be proceeded against for violation of PFUTP Regulations for Noticee Mr. Shailesh Shah, Mr. Paresh C. Doshi and Mr. Himmatlal Lakhani.
74. Therefore, it is concluded that the Noticees namely; Mr.Paresh C Doshi, Shailesh Shah and Ms. Himmatlal Jethalal Lakhani had executed trades among themselves and created artificial volume during pre and post stock split period, leading to false and misleading appearance of trading of the scrip of the company thereby violated Section 12A (a),(b),(c) of SEBI Act, 1992 read with Regulations 3 (a),(b),(c), (d), 4(1),4(2) (a) and (g) of SEBI (PFUTP) Regulations, 2003.

Noticee no. 10 and 14 (Mr. Ritesh Popli and Mr. SumitPopli)

75. Moving further, it is observed that Noticee no. 10 and 14 namely; Ritesh Popli and Sumit Popli, have submitted that "….*The Trades in question were solely performed by Guniness Securities Pvt. Ltd in my account without my knowledge…."*

"…..In my bonafide, I lodged a complaint to SEBI (date not recalled) when I came to know about debit amount in my account is running low…."

76. In this regard, it is noted that Mr. Sumit Popli had filed a complaint dated April 25, 2013, with BSE alleging unauthorized trades made in his account by Guiness Securities Ltd.(GSL)
77. Subsequently, BSE vide letter dated April 29, 2013, forwarded a copy of the reply received from GSL in response to the complaint of Mr. Sumit Popli.

78. It is further noted that GSL in its reply has stated that *"as per ECN undertaking we have the electronic contract notes for all of his transactions in his mail id registered with us. So he cannot deny with the fact that he was unaware with the transactions of his trading account."* In this regard, GSL had also enclosed proof of delivery log report of the entire electronic contract note.

79. Further, GSL in its reply has mentioned that *"on various occasions we have asked him to clear his outstanding dues and at every occasion he ensured us to make the payment soon…."*
"….the client had deposited a cheque from his registered bank account to us bearing cheque no. 552949 of UCO bank amounting to Rs. 10458760.13, which was dishonoured because of insufficient funds…" In this regard, GSL has also enclosed proof of dishonour of cheque and proof of delivery of quarterly statements.

80. It is further noted that at each and every quarterly statement, it is clearly mentioned that if the client has any query / issue regarding the transaction statement, he can take the matter with the broker within the stipulated time. However, there is no material available on record to establish that the Noticee had addressed the issue of any kind of ambiguity in the transaction statement with GSL.

81. Further, it is observed that Noticee no. 14, in his submissions has also stated that *"Subsequently, the broking company approached me and pressurized me to withdraw the said complaint."* However, no requisite documents have been submitted by the Noticee in this regard to establish his contention. On the contrary, it is noticed that that after receipt of letter dated April 29, 2013 from BSE, Noticee neither took up the matter further nor raised any further query in this regard. Therefore, the Noticee had no further grievance to make.

82. Hence, it is concluded that the Noticee has not been able to produce any evidence/ material on record to establish his contention that the alleged transactions in his account were unauthorized transactions and act of the Noticee merely reflects an afterthought.

83. As mentioned above, Mr. Devang Vyas in his statement dated September 01, 2014 before the investigating authority had stated that *"The persons who purchased shares on my words included Sumit Popli and Varsha Popli.* This is also a matter of record that Mr. Devang Vyas acted on instructions of Mr. Kamal Kothari, who was the game palnner of the entire show. Therefore, in light og baove facts and circunstancers, it is inferred that

84. It is also observed that despite ample opportunities granted during instant proceedings, Noticee no. 10 i.e. Ritesh Popli, neither presented himself at the time of personal hearing nor submitted substantial replies to the SCN to establish his innocence with respect to the alleged violations in the matter. Therefore, is concluded for Noticee no. 10 and 14 that they have contributed in creating artificial volume in the scrip of the company.

85. Therefore, it is concluded that the Noticees namely Mr. Ritesh Popli and Sumit Popli, executed trades among themselves and created artificial volume during pre and post stock split period, leading to false and misleading appearance of trading of the scrip of the company thereby violated Section 12A (a),(b),(c) of SEBI Act, 1992 read with Regulations 3 (a),(b),(c), (d), 4(1),4(2) (a) and (g) of SEBI (PFUTP) Regulations, 2003.

86. It is further noted that all the Noticees i.e. Noticee no. 7, 8, 9, 12 and 16, in their respective submissions as mentioned above, have made a common submission that "*it was Mr. Kamal Kothari who intended to transact and acquire the said company hence was accumulating the shares of the said company through trading, through off market transactions and also recommending the said scrip to many investors.*"
"….Mr. Kamal Kothari who had acquired huge chunk of shares of the said company, started selling the shares in the market without my knowledge, due to which the stock price of the said scrip fell down drastically and the investor/ persons who had transacted in the said scrip eventually booked losses…."

87. It is also noted that Guiness Securities Limited and Mr. Kamal Kumar Kothari vide SEBI interim order dated December 19, 2018, have been restrained from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities, either directly or indirectly, or being associated with the securities market in any manner whatsoever for misappropriating client securities, till further orders.
88. It is also observed that the Learned Arbitral Tribunal of Bombay Stock Exchange Ltd. vide order dated December 11, 2014 in the matter of Geeta Vyas and on October 20, 2014 in the matter of Devang Dilip Vyas, directed that *"trades were done unauthorizedly by the respondent in the account of the applicant…."*
The respondent had carried out alleged trades even after the applicant had instructed the respondent not to process the opening of trading account. The respondent has failed to put their defense or documents proving trades as authorized trades and therefore the respondents are directed to reverse all the debits"
89. Further, the above judgement of Learned Arbitral Tribunal was upheld by Hon'ble Bombay High Court vide order dated January 27, 2015 and by Hon'ble Supreme court vide order dated February 25, 2015..
90. It is further noted that aforesaid judgements passed by various courts, pertained to the unauthorized transactions executed during 2011-2012 i.e. during the investigation period, in the scrip of Le-Waterina.
91. Therefore, it is concluded that as mentioned above, although Mr. Devang Vyas and Mr. Rajiv C. Gandhi have contributed in creating artificial volume in the scrip of the company.
92. However, there is nothing on record to show that Ms. Geeta Vyas and Mr. Rrajevv Dililp Vyas have any role to play in creating artificial volume in the scrip of the company. Therefore, it appears that Noticees Ms. Geeta Vyas and Mr. Rrajevv Dililp Vyas were not aware of modus operandi of Mr. Kamal Kothari, as it was Mr. Devang Vyas, who allowed his name to be used for trading in the scrip of company by other entities and who was acting on tunes of Mr. Kamal Kothari to fulfil his Mr. Kamal Kothari's illegitimate intentions.
93. Given the above, Noticee no. 5, 6, 7, 8, 10, 11, 13, 14, 15 and 16 have violated provisions of PFUTP Regulations as alleged in the SCN.
94. It is also noted that the Noticees have cited various case laws in support of their contentions. However, it may be noted that the ratio cited in the above cases are not applicable to the case in hand as the facts and circumstances and the role of the Noticees is different and distinct. Further, the proceedings in the present case are separate, distinct and independent.
95. In view of lack of any contradictory evidence against Noticee no. 9 and 12 considering the facts and circumstances of the case, replies submitted by Noticees and the material on record, especially the judicial pronouncements procured with respect to the unauthorised transactions conducted in their accounts, there appears to be no merit in pursuing these proceedings against the Noticee no. 9 and 12 viz. Ms.Geeta Dilip Vyas and Mr.Rajevv Dililp Vyas.

Issue No. II: Does the violation, if any, on the part of the Noticee attract monetary penalty under Section 15HA of the SEBI Act, 1992?

96. The aforesaid violations on your part make you liable for penalty under Section15 HA of SEBI Act 1992, which reads as follows:

> ***Penalty for fraudulent and unfair trade practices.***
> ***15HA.*** *If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.*

97. As regards the Noticees, it is clear that they are liable for imposition of penalty as is drawn from the Hon'ble Supreme Court of India Order in the matter of SEBI Vs. Shri Ram Mutual Fund [2006] 68 SCL 216(SC) has also held that:

> *"In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant…"*

Issue No. III: If so, what quantum of monetary penalty should be imposed on the Noticees considering the factors stated in section 15J of SEBI Act, 1992?

98. While determining the quantum of penalty under Section 15A (a), it is important to consider the factors stipulated in Section 15J of SEBI Act, which reads as under:-

> **"15J - Factors to be taken into account by the adjudicating officer**
>
> *While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely:-*
>
> *(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;*
>
> *(b) the amount of loss caused to an investor or group of investors as a result of the default; (c) the repetitive nature of the default.*
>
> *Explanation: For the removal of doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F,15G,15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section."*

ORDER

99. Though, as observed above, the gravity of violations involved in the matter cannot be ignored. Having established that Entities had executed trades which were manipulative and indulging in trades with manipulative intent to create misleading appearance of trading (as analysed in pre paras of this order), certainly is in the nature of causing possible adverse impact in disturbing the equilibrium of fair market mechanism.

100. Having considered all the facts and circumstances of the case, the material available on record, the factors mentioned in Section 15J of the SEBI Act and in exercise of the powers under Section 15I of the SEBI Act read with Rule 5 of the Adjudication Rules a penalty as under is being imposed on the following Noticees under the provisions of Section 15 HA of the SEBI Act;

S. No.	Name of the Noticees	Penalty Imposed
1.	M/s. Sangam Agro Agencies P. Ltd.	20,00,000/- (Twenty Lakh Only)
2.	M/s. Pawantar Agro Agencies P. Ltd	20,00,000/- (Twenty Lakh Only)
3.	M/s. Miatru Agro Marketing	20,00,000/- (Twenty Lakh Only)
4.	Mr.Devang Vyas	20,00,000/- (Twenty Lakh Only)
5.	Mr. Rajiv C. Gandhi	20,00,000/- (Twenty Lakh Only)
6.	Himmatlal Jethalal Lakhani	10,00,000/- (Ten Lakh Only)
7.	Shailesh Shah	10,00,000/- (Ten Lakh Only)
8.	Mr. Paresh C Doshi	10,00,000/- (Ten Lakh Only)
9.	Mr. Ritesh Popli	5, 00,000/- (Five Lakh Only)
10.	Mr. Sumit Popli	5, 00,000/- (Five Lakh Only)

101. Further, as mentioned above in para no.s 59 and 95, the current proceedings are disposed of against the Noticee no. 9 and 12 viz. Ms.Geeta Dilip Vyas and Mr.Rajevv Dililp Vyas.

102. The above Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, or through e-payment facility into Bank Account the details of which are given below;

Account No. for remittance of penalties levied by Adjudication Officer	
Bank Name	State Bank of India
Branch	Bandra Kurla Complex
RTGS Code	SBIN0004380
Beneficiary Name	SEBI – Penalties Remittable To Government of India
Beneficiary A/c No.	31465271959

103. The above Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid through e-payment to the Chief General Manager of Enforcement Department of SEBI (EFD-DRA-I). The Format for forwarding details/ confirmations of e-payments made to SEBI shall be in the form as provided At Annexure A of Press Release No. 131/2016 dated August 09, 2016 shown at the SEBI Website which is produced as under;

1. Case Name :
2. Name of Payee:
3. Date of payment:
4. Amount Paid:
5. Transaction No:
6. Bank Details in which payment is made:
7. Payment is made for: (like penalties/disgorgement/recovery/Settlement amount and legal charges along with order details)

104. In terms of rule 6 of the Adjudication Rules, copies of this order are sent to the Noticee and also to the SEBI.

Date: January 31, 2019
Place: Mumbai

Jeevan Sonparote
Adjudicating Officer