BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. RA/JP/ 193 - 214 /2017]

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

In respect of:-

1. Amrut Securities Ltd. (PAN: AABCA8006G)
2. Mr. Ashwinbhai Prabhudas Ruparel (PAN: ADYPR3689M)
3. Mr. Baldevsinh Vijasinh Zala (PAN: AABPZ9137C)
4. Mr. Manish Kanakshi Ashar (PAN: AEGPA1359E)
5. Ms. Sonal Kanksingh Ashar (PAN: ACZPA1429Q)
6. Aum Technocast Pvt. Ltd (PAN: AADCA4883H)
7. Ayodhyapati Investment Pvt. Ltd. (PAN: AABCA6007B)
8. Mr. Dharmesh Narendra Kumar Solanki (PAN: BJHPS1840P)
9. Om Education (IT) Pvt. Ltd. (PAN: AAACO5614R)
10. Mr. Bhavik Amrutlal Vaza (PAN: AGJPV8045R)
11. Mr. Haresh Lalitbhai Tejani (PAN: ACKPT7735R)
12. Mr. Paresh Chamanlal Doshi (PAN: AFXPD2041L)
13. Mr. Pradeep Syamsunder Swain (PAN: CHMPS7035J)
14. Mr. Shailesh Mulraj Ved (PAN: ABQPV7436E)
15. Ms. Bhavana Manish Asher (PAN: AFSPA5020P)
16. Mr. Hemanshu P. Mehta (PAN: AHIPM9056D)
17. Mr. Jagdish Gordhandas Ved (PAN: ABEPV3294J)
18. Mr. Vijay Ramniklal Rupani (HUF) (PAN: AALHR6115G)
19. Mr. Akash Harishbhai Desai (PAN: AKXPD6172H)
20. Mr. Manish Mansukhbhai Raja (PAN: ADDPR2448D)
21. Atlanta Share Shopee Ltd. (PAN: AAFCA0584K)
22. Presilco Impex Ltd. (PAN: AACCP4844L)

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') had conducted investigation in the shares of Sarang Chemicals Ltd. **(SCL)** to ascertain whether the suspected entities had manipulated price / volume of the scrip in violations of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations'**), the SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 (hereinafter referred to as '**Stock Brokers Regulations')** and the SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as '**PIT Regulations')** during the period January 03, 2011 to June 08, 2011 (hereinafter referred to as "**Investigation Period / IP** ").

2. Investigation *prima facie* revealed the violations of regulation 3 (a) to (d), 4 (1) & 4 (2) (a), (b), (e) & (g) of the PFUTP Regulations, clause A (2) of the Code of Conduct under Schedule II read with regulation 7 and clause A (2) of the Code of Conduct under Schedule II read with regulation 15 of the of the Stock Brokers Regulations and regulation 13 (3) read with 13 (5) of the PIT Regulations alleged to have been committed by the (1) Amrut Securities Ltd., (2) Mr. Ashwinbhai Prabhudas Ruparel, (3) Mr. Baldevsinh Vijasinh Zala, (4) Mr. Manish Kanakshi Ashar, (5) Ms. Sonal Kanksingh Ashar, (6) Aum Technocast Pvt. Ltd., (7) Ayodhyapati Investment Pvt. Ltd., (8) Mr. Dharmesh Narendra Kumar Solanki, (9) Om Education (IT) Pvt. Ltd., (10) Mr. Bhavik Amrutlal Vaza, (11) Mr. Haresh Lalitbhai Tejani, (12) Mr. Paresh Chamanlal Doshi, (13) Mr. Pradeep Syamsunder Swain, (14) Mr. Shailesh Mulraj Ved, (15) Ms. Bhavana Manish Asher, (16) Mr. Hemanshu P. Mehta, (17) Mr. Jagdish Gordhandas Ved, (18) Mr. Vijay Ramniklal Rupani (HUF), (19) Mr. Akash Harishbhai Desai, (20) Mr. Manish Mansukhbhai Raja, (21) Atlanta Share Shopee Ltd and (22) Presilco Impex Ltd. (hereinafter referred to as **'the Noticee No.1 to 22'** respectively) or (all may be collectively referred to as "**The Noticees**") or all may be referred by their '**respective names'**.

APPOINTMENT OF ADJUDICATING OFFICER

3. SEBI had initiated adjudication proceedings and appointed the undersigned as Adjudicating Officer vide order dated July 13, 2015 to inquire into and adjudge under section 15 A(b), 15 HA and 15 HB and of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as **'SEBI Act'**) read with rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as **'Adjudication Rules'**) the aforesaid violations of PFUTP Regulations, Stock Brokers Regulations and PIT Regulations, alleged to have been committed by the Noticee(s).

SHOW CAUSE NOTICE, REPLY AND HEARING

4. A common Show Cause Notices Reference No. E&AO/RA/JP/13230/2016 dated May 06, 2016 (hereinafter referred to as **"SCN"**) was issued to the Noticees under rule 4(1) of the Adjudication Rules to show cause as to why an inquiry should not be held and penalty be not imposed against them under sections 15A (b), 15 HA and 15HB of the SEBI Act, for the alleged violation of regulation 3 (a) to (d), 4 (1) & 4 (2) (a), (b), (e) & (g) of the PFUTP Regulations, clause A (2) of the Code of Conduct under Schedule II read with regulation 7 and clause A (2) of the Code of Conduct under Schedule II read with regulation 15 of the of the Stock Brokers Regulations and regulation 13 (3) read with 13 (5) of the PIT Regulations. The allegations levelled against the Noticee(s) in the SCN are mentioned as under.

5. *During investigations, 21 entities / Noticee(s) / "**Group**" were identified as connected / related through common address, telephone number, off-market transfers of shares and family members etc. Investigation Report (**IR**) revealed that the Group / Noticee(s) had bought 2,76,97,860 shares i.e. 32.97% of the market volume (8,40,17,121 shares) and sold 7,24,08,293 shares i.e. 86.18% of market volume during the investigation period. Further, the Last Traded Price (**LTP**) analysis was carried out for the entire investigation period in order to find*

out possible indulgence / execution of trades at the price more than the LTP or price less than the LTP in order to artificially inflate or deflate the price of the scrip or any manipulation of price in the scrip. It was revealed that 16 entities / Noticee(s) of the Group had traded among themselves and contributed positive impact in the price of scrip of ₹1.86 (i.e. 22.36 % of market positive LTP) as compared to LTP. In view of the trading by the 16 entities (viz. Noticee No. 1-14 and 19-20) among themselves in executing buy / sell order at the price higher than the LTP, it was alleged that they have manipulated price of the scrip by contributing 22.36% of market positive price rise in the scrip as compared to LTP and thereby had violated the provision of regulation 3 (a) to (d), 4 (1) & 4 (2) (a), (b), (e) & (g) of the PFUTP Regulations.

6. *It was alleged that large volume of shares was traded among the Group entities / Noticee(s) during the period January 03, 2011 to March 14, 2011 (Patch-1 period) and large volume of shares were sold by the said Group entities during the period March 15, 2011 to June 08, 2011 (Patch-2 period). It was alleged that the said Group entities / Noticee(s) had created artificial volume during Patch-1 by trading among themselves and this volume constituted 87.17% of the market volume. Subsequently, in Patch-2, Group entities had sold 4,82,98,446 shares i.e. 97.85% of the market volume at increased price. It was revealed that the shares were traded in less volume when the Group entities / Noticee(s) did not trade in the market, however, when they started trading in the scrip among themselves, the volume of SCL raised very heavily.*

7. *It was alleged that during Patch-1 period under investigation, 11 entities (viz. Noticee No. 1-9, 18 & 20) of the Group had contributed 87.17% of market volume by trading among themselves for 2,32,41,112 shares repeatedly in the market on most of the days. In view of the repeated huge indulgence in trading (viz. 87.17% of market volume) by the 11 Group entities (viz. Noticee No. 1-9, 18 & 20) during the selected patch only, it was alleged that they had deliberately traded among themselves heavily in order to create the artificial volume and to*

create misleading appearance of trading in the scrip and thereby allegedly violated regulation 3 (a) to (d), 4 (1) & 4 (2) (a), (b), (e) & (g) of the PFUTP Regulations.

8. *It was also alleged that the Group entities / Noticee(s) by trading amongst themselves had generated interest among the other investors to trade in the scrip and when the other investors started trading in the scrip, these Group entities / Noticee(s) had off-loaded shares in the market at increased price in patch-2 period of investigation. It was revealed that prior to the creation of alleged artificial volume by the said Group entities, price of the scrip was ₹ 0.31 (03.01.2011) and when the price and volume were so manipulated by the Group entities as alleged, the price of the scrip increased to ₹0.90 (27.04.2011). In patch-2 period, 13 Group entities (viz. Noticee No. 1 – 5 and 10-17) had off-loaded shares at various increased price and thereby had allegedly made unlawful gain of ₹1,60,76,904 from the aforesaid price and volume manipulation. In view of the aforesaid, it was alleged that the Noticee No. 1 to 5 and 10 to 17 had made unlawful gain of ₹1,60,76,904 and thereby violated regulation 3 (a) to (d), 4 (1) & 4 (2) (a), (b), (e) & (g) of the PFUTP Regulations.*

9. *That the Noticee(s) had executed their trades through stock brokers/sub-broker namely- Atlanta Share Shopee Ltd (Noticee No. 21), Galaxy Broking Ltd. and one sub-broker namely Presilco Impex Ltd. (Noticee No. 22) who was a sub broker of stock broker SKSE Securities Ltd. It was alleged that Noticee No. 21 and 22 had facilitated the Group entities / Noticee(s) in indulging into aforesaid repeated trading amongst themselves which ultimately resulted into alleged creation of misleading appearance in the securities market and resulted into creation of artificial volume / price rise in the shares of SCL.*

10. *In view of above, it was alleged that the Noticee No. 21 & 22 had failed to exercise due skill, care and diligence in avoiding such execution of trades on behalf of the Group entities / Noticee(s) and had ultimately facilitated Group*

entities in placing / executing huge trades resulting into creation of artificial volume / price rise in the scrip. Therefore, it was alleged that the Noticee No. 21 and 22 had respectively violated clause A (2) of the Code of Conduct under Schedule II read with regulation 7; and clause A (2) of the Code of Conduct under Schedule II read with regulation 15 of the Stock Brokers Regulations.

11. *It was also revealed under investigation that Mr. Manish Mansukhbhai Raja (Noticee No. 20) was holding 6.46% at the starting of the investigation period and change in his shareholding of more than 2% was observed on 04 February 2011 (i.e. change in shareholding from 6.46% to 4.97%). However, the Noticee No. 20 had allegedly failed to make disclosure to the Company / SCL upon change in his shareholding and thereby had violated regulation 13 (3) read with 13 (5) of the PIT Regulations.*

12. *The aforesaid provisions of law alleged to have been violated by the Noticee(s) are mentioned below;*

FUTP Regulations

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

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

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

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

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

4. Prohibition of manipulative, fraudulent and unfair trade practice

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

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

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

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

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

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

Stock Brokers Regulations

Schedule II of regulation 7

A (2) Exercise of due skill and care: A stock-broker, shall act with due skill, care and diligence in the conduct of all his business.

Schedule II of regulation 15

A (2) Exercise of due skill and care: A sub-broker, shall act with due skill, care and diligence in the conduct of all investment business.

PIT Regulations

13. (1) Any person who holds more than 5% shares or voting rights in any listed company shall disclose to the company in Form A, the number of shares or voting rights held by such person, on becoming such holder, within 2 working days of :—

(a) the receipt of intimation of allotment of shares; or

(b) the acquisition of shares or voting rights, as the case may be.

13 (3) Any person who holds more than 5% shares for voting rights in any listed company shall disclose to the company in Form C the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds 2% of total shareholding or voting rights in the company.

13 (5) The disclosure mentioned in sub-regulations (3), (4) and (4A) shall be made within two working days of :

(a) the receipts of intimation of allotment of shares, or
(b) the acquisition or sale of shares or voting rights, as the case may be.

13. It was alleged that the aforesaid violations, if established, would make the Noticee(s) liable for monetary penalty under section 15 HA, 15 HB and 15 A (b) of the SEBI Act.

14. In respect to the SCN, letters were received from the following Noticee(s) stating as under;

Name of Noticee(s)	**Reply / Letter of Noticee etc.**
Noticee No. 1	Vide letter dated May 30, 2016, the Noticee sought 4 week time to file reply. However, no reply towards the SCN has been received from it till date.
Noticee No. 3	Vide letter dated May 28, 2016, the Noticee sought some time to file reply, however, no reply towards the SCN has been received from him till date.
Noticee No. 4	Vide letter dated May 31, 2016, the Noticee sought 1 month time to file reply. However, no reply towards the SCN has been received from him till date.
Noticee No. 6	Vide letter dated May 31, 2016, the Noticee sought 4 week time to file reply. However, no reply towards the SCN has been received from it till date.
Noticee No. 7	Vide letter dated May 31, 2016, the Noticee sought 2 week time to file reply. However, no reply towards the SCN has been received from it till date.
Noticee No. 9	Vide letter dated May 31, 2016, the Noticee sought 6 weeks time to file reply. However, no reply towards the SCN has been received from it till date.
Noticee No. 10	Vide letter dated May 30, 2016, the Noticee sought 10 weeks time to file reply. However, no reply towards the SCN has been received from him till date.
Noticee No. 12	Vide letter dated May 29, 2016, the Noticee sought 8 weeks time to file reply. However, no reply towards the SCN has been received from him till date.

Noticee No. 14	Vide letter dated May 03, 2016, the Noticee sought 8 weeks time to file reply. However, no reply towards the SCN has been received from him till date.
Noticee No. 15	Vide letter dated May 31, 2016, the Noticee sought 1 month time to file reply. However, no reply towards the SCN has been received from her till date.
Noticee No. 16	Vide letter dated May 03, 2016, the Noticee sought 4 weeks time to file reply. Again vide letter dated May 31, 2016, the Noticee sought 4 weeks time to file reply. However, no reply towards the SCN has been received from him till date.
Noticee No. 17	Vide letter dated May 03, 2016, the Noticee sought 4 weeks time to file reply. However, no reply towards the SCN has been received from him till date.
Noticee No. 18	Vide letter dated May 13, 2016, the Noticee contended that CD attached to SCN is damaged and it is unable to open the same. Considering the request of Noticee, another CD was sent to him vide communique dated May 25, 2016 and informed the Noticee No. 18 that in case it is still unable to open the CD then, its duly authorized person may collect the same from Office of undersigned with prior intimation. It was also stated in said communique to provide its e-mail ID. Vide letter dated June 13, 2016, the Noticee requested for keeping in abeyance the proceedings till Mr. Vijay Rupani recovers. As per medical certificates attached with said letter suggested for rest of 8 weeks to Mr. Vijay Rupani from May 18, 2016, however, no reply towards the SCN has been received from it/him till date.
Noticee No. 21	Vide letter dated May 30, 2016, the Noticee sought 3 week time to file reply. However, no reply towards the SCN has been received from it till date.
Noticee No. 22	Vide letter dated May 31, 2016, the Noticee sought 4 weeks time to file reply. However, no reply towards the SCN has been received from it till date.

15. In respect of the Noticee No. 8, 11 and 19, the SCN was duly served through Speed Post AD, but, neither any reply towards the SCN nor any communication is received in this proceedings from them despite lapse of enormous time.

16. The SCN in respect of Noticee No. 2, 5, 13 and 20 has been returned undelivered by the postal department and therefore on July 08, 2016,

respective office of SEBI was asked to affix the SCN at the last known addresses in said four Noticee(s). The affixture report dated July 11, 2016 in respect of Noticee No. 5 is placed on record. For remaining Noticee No. 2, 13 & 20, reminders were sent on November 17, 2016, February 08, 2017 and April 11, 2017 and thereafter the SCN affixture report dated July 14, 2016 in respect to Noticee No. 2 and SCN service/delivery reports dated July 18, 2016 in respect Noticee No. 13 and 20 have been received from SEBI through a letter dated June 20, 2017.

17. As the SCN has been duly served upon the Noticees in terms of Adjudication Rules, however, the Noticees had failed to submit any reply towards the SCN till date despite lapse of sufficient time. Therefore, I assume that the Noticees have nothing to submit and the matter can be proceeded further on the basis of evidences available on records. It is relevant to point out that the consequence of non-filing of reply has been clearly indicated at para 26 of the SCN which states that *'if no reply is received within 14 days from receipt of this SCN, then, it shall be presumed that you have no rely to submit and the matter would be decided further on the basis of evidence available on record in terms of sub-rule (7) of rule (4) of the Adjudication Rules'.*

18. It is also relevant to mention that inquiry / hearing in term of rule 4 (3) of the Adjudication Rules may be held only upon receipt of reply of the Noticee(s) and cause shown therein. In case no reply is received or no cause is shown, then, further course of inquiry or hearing is not necessitated under Adjudication Rules.

19. Also, at this juncture, it is relevant to mention the judgment of Hon'ble Securities Appellate Tribunal (**Hon'ble SAT**) in case of *Classic Credit Ltd. v/s SEBI [2007] 76 SCL 51 (SAT - MUM)* wherein it was inter-alia held that – *"the appellants did not file any reply to the second show-cause notice. This being so, it has to*

be presumed that the charges alleged against them in the show-cause notice were admitted by them".

20. I am of the view that sufficient time has been provided to the Noticees to submit reply towards the SCN which the Noticees had failed to make. Hence, the case against the Noticee(s) is being dealt further *ex-parte* on the basis of available records/evidence.

CONSIDERATION OF ISSUES AND FINDINGS

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

a) Whether the Noticee No. 1 to 14, 19 and 20 had manipulated the price in the shares of SCL?

b) Whether the Noticee No. 1 to 9, 18 and 20 had created misleading appearance in the securities market and created artificial volume in the shares of SCL by trading among themselves?

c) Whether the Noticee No. 1 to 5 and 10 to 17 had made unfair gain by off-loading the shares of SCL at the increased price?

d) Whether the Noticee No. 20 had failed to make disclosure under regulation 13 (3) of the PIT Regulations?

e) If yes, then whether the Noticee No. 1 – 20 had violated regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a), (b), (e) and (g) of the PFUTP Regulations and Noticee No. 20 violated regulation 13 (3) and 13 (5) of the PIT Regulations?

f) Whether the Noticee No. 21 and 22 (being the stock broker and sub broker respectively) had facilitated the Noticee(s) in creating misleading appearance in the securities market / artificial price / volume rise in the scrip; and if yes, then whether they respectively had violated clause A (2) read with regulation 7

and clause A (2) read with regulation 15 of the Code of Conduct prescribed under Schedule II of the Stock Brokers Regulations?

g) Whether the violation so established, if any, on the part of the Noticee(s), would attract monetary penalty under section 15 A (b), 15 HA and 15 HB of the SEBI Act.

h) If yes, then, what would be the monetary penalty that can be imposed upon the Noticee(s) taking into consideration the factors stipulated in section 15J of the SEBI Act read with rule 5 (2) of the Adjudication Rules?

22. Before going to examine the case, it is relevant to mention the judgment of the Hon'ble SAT in case of *Ketan Parekh Vs. SEBI* (Appeal No. 2 of 2004) decided on July 14, 2006 wherein it was categorically held that- *in order to find out whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism, will depend upon the intention of the parties which could be inferred from the attending circumstances of the cases, because direct evidence in such cases may not be available*.

23. It would not be out of place to mention that in a recent judgment of the Hon'ble Supreme Court in case of *Securities and Exchange Board of India vs. Shri Kanhaiyalal Baldevbhai Patel (Civil Appeal No 2595 of 2013)* regarding proving of allegation of PFUTP Regulation, the following findings were made;

"To attract the rigor of Regulations 3 and 4 of the 2003 Regulations, mens rea is not an indispensable requirement and the correct test is one of preponderance of probabilities. Merely because the operation of the aforesaid two provisions of the 2003 Regulations invite penal consequences on the defaulters, proof beyond reasonable doubt as held by this Court in Securities and Exchange Board of India Vs. Kishore R. Ajmera(supra) is not an indispensable requirement. The inferential conclusion from the proved and admitted facts, so long the same are reasonable and can be legitimately arrived at on a consideration of the totality of the materials, would be permissible and legally justified. Having regard to the facts of the present cases i.e. the volume of shares sold and purchased; the proximity of time between the transactions of sale and purchase and the repeated nature of transactions on different dates, in my considered view, would irresistibly lead to an inference that the conduct of the respondents in Appeal Nos.2595 of 2013, 2596 of 2013 and 2666 of 2013 and appellants in Appeal Nos.5829 of 2014 and

11195-11196 of 2014 were in breach of the code of business integrity in the securities market".

24. Now, taking into account the aforesaid judgment(s), I hereby proceeds to examine the case on the basis of material / evidences available on records and the attending circumstances of the case.

25. The relation / connection and the trading details as alleged are is not in dispute. It is noted that Noticee(s) as a '**Group'** were connected / related through common address, telephone number, off-market transfers of shares and family members etc. KYC details and other material showing such connection / relation among them by one way or the other has been provided in the CD enclosed with SCN (annexure 6 of IR) and a pictorial graph of relation / connection is shown at page 5 of the IR.

26. It is noted from the records / Annexure II of the SCN (IR along with annexures thereto in a CD) that during the investigation period, 8,40,17,121 shares were traded with a daily average volume of 7,77,936 shares. It is noted that during the period of investigation, BSE Sensex opened at 20621.61 (03.10.2011) and closed at 18394.29 (08.06.2011) registering a decrease of 2227.32(10.80%). During the same period, price of the scrip of SCL at the BSE Ltd. (BSE) moved from ₹ 0.31 to ₹ 0.90 and closed at ₹ 0.74, an increase of ₹ 0.43 (138.71%). The trading in the scrip was suspended by the BSE; and the last traded date was January 15, 2013 wherein the closing price was ₹ 0.12. The details of price / volume before, after and during the investigation period and the details of top 10 buy / sell stock brokers and buy / sell clients are given in tables below:

Period	**Dates**	**Opening Price in ₹ /volume on first day of the period**	**Closing price in ₹ / volume on last day of the**	**Low price in ₹ /volume during the period**	**High Price in ₹ / volume during the period**	**Avg. no. of (shares) traded daily during the**

				period			**period**
Before IP	(01/10/2010-31/12/2010)	Price	0.37	0.30	0.28	0.42	33,184
		Vol	1,575	17,212	1	2,82,000	
During IP	**(03/01/2011 – 08/06/2011)**	**Price**	**0.31**	**0.74**	**0.30**	**0.90**	7,77,936
		Vol	**26,748**	**61,358**	**2**	**79,17,327**	
After IP	(09/06/2011 - 30/09/2011)	Price	0.77	0.48	0.48	0.92	2,70,407
		Vol	35,670	17,017	906	23,91,396	

Top 10 buy and sell brokers details

Buy Broker Name	**Trd. Volume**	**% to Mkt.**		**Sell Broker Name**	**Trd. Volume**	**% to Mkt.**
SKSE SECURITIES LTD.	1,79,35,052	21.35%		ATLANTA SHARE SHOPEE LTD.	5,46,74,328	65.08
ATLANTA SHARE SHOPEE	1,06,63,516	12.69%		GALAXY BROKING LTD.	1,08,60,000	12.93
PRABHUDAS LILLADHER PVT.	65,72,100	7.82%		SKSE SECURITIES LTD.	79,21,498	9.43
INANI SECURITIES LTD.	40,40,700	4.81%		ICICI SECURITIES LIMITED	18,28,316	2.18
BANSAL FINSTOCK PVT.	35,25,000	4.20%		OPG SECURITIES PVT. LTD.	9,35,023	1.11
JHAVERI SECURITIES LTD.	30,74,003	3.66%		JMP SECURITIES PVT. LTD.	9,00,020	1.07
SSJ FINANCE & SECURITIES	30,61,630	3.64%		ANAND RATHI SHARE & STOCK	6,59,952	0.79
JOINDRE CAPITAL	28,04,750	3.34%		INANI SECURITIES LTD.	5,00,000	0.60
HDFC SECURITIES LTD.	22,00,000	2.62%		TECHNO SHARES & STOCKS LTD	4,26,590	0.51
MOTILAL OSWAL	12,14,101	1.45%		RELIGARE SECURITIES LIMIT	2,87,656	0.34
Top 10 Buy Brokers	**5,50,90,852**	**65.57%**		**Top 10 Sell Brokers**	**7,89,93,383**	**94.02**
Remaining Brokers	**2,89,26,269**	**34.43%**		**Remaining Brokers**	**50,23,738**	**5.98**
Total Traded Volume	**8,40,17,121**	**100.00%**		**Total Traded Volume**	**8,40,17,121**	**100.00**

Top 10 buy clients and sell clients details

Buy Client Name	Trd. Volume	% to Mkt. volume		Sell Client Name	Trd. Volume	% to Mkt. volume
AYODHYAPATI INVESTMENT PVT	77,32,184	9.20		MANISH MANSUKHLAL	1,13,23,106	13.48
AMRUT SECURITIES LTD.	64,00,572	7.62		BALDEVSINH VIJAYSINH ZALA	82,80,000	9.86
AUM TECHNOCAST	49,14,157	5.85		SHAILESH MULRAJ VED	80,00,000	9.52
ASHWINBHAI PRABHUDAS RUPAREL	48,50,765	5.77		DHARMESH NARENDRAKUMAR SOLANKI	73,77,000	8.78
DIPAKKUMAR BHOGILAL KOTHARI	23,65,173	2.82		PARESH CHAMANLAL DOSHI	70,01,000	8.33
THAKUR ESTATE DEVELOPMENT PRIVATE LIMITED	18,50,000	2.20		PRADEEP SYAMSUNDER SWAIN	69,74,665	8.30
RAJKUMAR SHYAMNARAYAN SINGH	18,50,000	2.20		SONAL KANAKSINGH ASHAR	42,00,000	5.00
THAKUR FININVESTPVT.	16,50,000	1.96		MANISH KANAKSHI ASHAR	42,00,000	5.00
OM EDUCATION (IT) PVT LTD	16,41,079	1.95		HARESH LALITBHAI TEJANI	39,74,200	4.73
GIRISH PRABHUDAS RUPAREL	11,05,048	1.32		BHAVIK AMRUTLAL VAZA	38,67,305	4.60
Top 10 Buy Clients	**5,50,90,852**	**40.89**		**Top 10 Selling Clients**	**6,51,97,276**	**77.60**
Remaining Clients	**2,89,26,269**	**59.11**		**Remaining Brokers**	**1,88,19,845**	**22.40**
Total Traded Volume	**8,40,17,121**	**100.00**		**Total Traded Volume**	**8,40,17,121**	**100.00**

27. It is noted from records that the Group had bought 2,76,97,860 shares i.e. 32.97% of the market volume (8,40,17,121 shares) and sold 7,24,08,293 shares i.e. 86.18% of market volume during the investigation period. The trading details of Noticees No. 1-20 (except an entity shown at serial No. 9 who is not the Noticee in the present case) is given in a table at page 5-6 of the IR and same is produced below;

S.N.	Client Name	Gross Buy	Gross Sell	Net(sell-buy)	Gross Buy % to total Buy vol.	Gross Sell % to total Sell vol.	Net Trade % to total trade
1	AYODHYAPATI INVESTMENT PVT LTD (Ayodhya)	77,32,184	0	77,32,184	9.20	0.00	9.20
2	AMRUT SECURITIES LTD. (Amrut)	64,00,572	1,43,675	62,56,897	7.62	0.17	7.45
3	AUM TECHNOCAST PVT. LTD (Aum)	49,14,157	0	49,14,157	5.85	0.00	5.85
4	ASHWINBHAI PRABHUDAS RUPAREL (Ashwin)	48,50,765	4,06,000	44,44,765	5.77	0.48	5.29
5	OM EDUCATION (IT) PVT LTD (Om)	16,41,079	4,96,430	11,44,649	1.95	0.59	1.36
6	AKASH HARISHBHAI DESAI (Akash)	10,59,996	500	10,59,496	1.26	0.00	1.26
7	JAGDISH GORDHANDAS VED (Jagdish)	3,77,101	3,77,101	0	0.45	0.45	0.00
8	DHARMESH NARENDRAKUMAR SOLANKI (Dharmesh)	3,77,000	73,77,000	-70,00,000	0.45	8.78	-8.33
9	PARI STOCK TRADING PVT LTD (Pari)	3,20,700	0	3,20,700	0.38	0.00	0.38
10	MANISH MANSUKHLAL RAJA (Manish Raja)	23,106	1,13,23,106	-1,13,00,000	0.03	13.48	-13.45
11	PARESH CHAMANLAL DOSHI (Paresh)	1,000	70,01,000	-70,00,000	0.00	8.33	-8.33
12	HARESH LALITBHAI TEJANI (Haresh)	200	39,74,200	-39,74,000	0.00	4.73	-4.73
13	SONAL KANAKSINGH ASHAR (Sonal)	0	42,00,000	-42,00,000	0.00	5.00	-5.00
14	MANISH KANAKSHI ASHAR (Manish Ashar)	0	42,00,000	-42,00,000	0.00	5.00	-5.00
15	BHAVANA MANISH ASHER (Bhavana)	0	37,00,000	-37,00,000	0.00	4.40	-4.40
16	BHAVIK AMRUTLAL VAZA (Bhavik)	0	38,67,305	-38,67,305	0.00	4.60	-4.60
17	HEMANSHU P MEHTA (Hemanshu)	0	20,00,000	-20,00,000	0.00	2.38	-2.38
18	PRADEEP SYAMSUNDER SWAIN (Pradeep)	0	69,74,665	-69,74,665	0.00	8.30	-8.30
19	BALDEVSINH VIJAYSINH ZALA (Baldev)	0	82,80,000	-82,80,000	0.00	9.86	-9.86
20	SHAILESH MULRAJ VED (Shailesh)	0	80,00,000	-80,00,000	0.00	9.52	-9.52

21	VIJAY RAMNIKLAL RUPANI (HUF) (Vijay-HUF)	0	87,311	-87,311	0.00	0.10	-0.10
Group Total		**2,76,97,860**	**7,24,08,293**	**-4,47,10,433**	**32.97**	**86.18**	**-53.22**

28. From the trading details, it is noted that several trades were executed by the Noticee(s) at the price away from the Last Traded Price (**LTP**) during the investigation period. It is noted that such trades were executed at the price either more than the LTP or price less than the LTP. The details of contribution made by the Noticee(s) / Group entities in respect of LTP (viz. showing the execution of trades at a price above LTP / below LTP / at LTP etc.) are shown in a table reproduced as under.

Buyer Client Name	All Trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of positive LTP to Total Market positive LTP
	Sum of LTP diff	Sum of Quantity	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
AKASH	0.78	10,59,996	813	1.31	44,977	62	-0.53	2,31,948	33	7,83,071	718	15.75
ASHWIN	0.48	48,50,765	1,032	0.99	95,065	44	-0.51	2,05,087	25	45,50,613	963	11.90
JAGDISH	0.06	3,77,101	149	0.06	10,200	3	-	-	-	3,66,901	146	0.72
PARI	0.04	3,20,700	107	0.04	5,030	2	-	-	-	3,15,670	105	0.48
DHARMESH	0.01	3,77,000	43	0.01	9,000	1	-	-	-	3,68,000	42	0.12
HARESH	0.00	200	1	-	-	-	-	-	-	200	1	0.00
MANISH RAJA	0.00	23,106	3	-	-	-	-	-	-	23,106	3	0.00
PARESH DOSHI	0.00	1,000	1	-	-	-	-	-	-	1,000	1	0.00
OM	-0.04	16,41,079	551	0.02	4,055	2	-0.06	4,202	3	16,32,822	546	0.24
AYODHYA	-0.05	77,32,184	1,447	0.17	99,064	12	-0.22	1,05,068	18	75,28,052	1,417	2.04
AMRUT	-0.07	64,00,572	1,607	0.17	54,144	12	-0.24	78,025	20	62,68,403	1,575	2.04
AUM	-0.12	49,14,157	1,239	0.08	51,700	7	-0.20	1,12,374	17	47,50,083	1,215	0.96
Total	**1.09**	**2,76,97,860**	**6,993**	**2.85**	**3,73,235**	**145**	**-1.76**	**7,36,704**	**116**	**2,65,87,921**	**6,732**	**34.25**
Market	0.44	8,40,17,121	14,677	8.32	18,39,852	460	-7.88	37,41,933	481	7,84,35,336	13,736	100.00

29. It is noted from the records that Noticee(s) had traded among themselves and contributed positive impact on the price of scrip of ₹1.86 (i.e. 22.36 % of market positive impact when compared to LTP). The summary of the Noticee wise positive LTP contribution whilst trading among themselves, is given in table below:

CLIENTNAME	CP_CLIENTNAME	LTP Diff.	% to Mkt Pos. LTP
AKASH HARISHBHAI DESAI	BALDEVSINH VIJAYSINH ZALA	0.07	0.84
AKASH HARISHBHAI DESAI	BHAVIK AMRUTLAL VAZA	0.60	7.21
AKASH HARISHBHAI DESAI	HARESH LALITBHAI TEJANI	0.13	1.56
AKASH HARISHBHAI DESAI	MANISH KANAKSHI ASHAR	0.06	0.72
AKASH HARISHBHAI DESAI	PARESH CHAMANLAL DOSHI	0.02	0.24
AKASH HARISHBHAI DESAI	PRADEEP SYAMSUNDER SWAIN	0.06	0.72
AKASH HARISHBHAI DESAI	SHAILESH MULRAJ VED	0.02	0.24
AMRUT SECURITIES LTD.	MANISH MANSHUKHBHAI RAJA	0.02	0.24
AMRUT SECURITIES LTD.	SONAL KANAKSINGH ASHAR	0.11	1.32
ASHWINBHAI PRABHUDAS RUPAREL	BALDEVSINH VIJAYSINH ZALA	0.36	4.33
ASHWINBHAI PRABHUDAS RUPAREL	HARESH LALITBHAI TEJANI	0.01	0.12
ASHWINBHAI PRABHUDAS RUPAREL	MANISH MANSHUKHBHAI RAJA	0.01	0.12
ASHWINBHAI PRABHUDAS RUPAREL	OM EDUCATION (IT) PVT LTD	0.04	0.48
ASHWINBHAI PRABHUDAS RUPAREL	PARESH CHAMANLAL DOSHI	0.06	0.72
ASHWINBHAI PRABHUDAS RUPAREL	SHAILESH MULRAJ VED	0.07	0.84
ASHWINBHAI PRABHUDAS RUPAREL	SONAL KANAKSINGH ASHAR	0.01	0.12
AUM TECHNOCAST PVT LTD.	DHARMESH NARENDRAKUMAR SOLANKI	0.07	0.84
AYODHYAPATI INVESTMENT PVT LTD	MANISH KANAKSHI ASHAR	0.03	0.36
AYODHYAPATI INVESTMENT PVT LTD	MANISH MANSHUKHBHAI RAJA	0.11	1.32
Grand Total		**1.86**	**22.36**

30. After going through the records, it is noted that in respect of allegation of price manipulation in the scrip of SCL by way of executing trade at a price more that the LTP, the Noticee No. 2 and 19 had majorly executed trades beyond LTP and contributed to price rise in the scrip. It is noted that their (Noticee No. 2 & 19) positive impact on the price when compared to LTP is ₹ 0.99 and ₹ 1.31 respectively. After taking into account the entire aspect of LTP (viz. execution of trades at a price above LTP / below LTP / at LTP), the gross sum of LTP difference in respect to Noticee No. 2 and 19 is ₹ 0.48 and ₹ 0.78 respectively. I have also noted that their positive LTP percentage to the total market positive LTP is 11.90% and 15.75 % respectively which is considerably very high. Further, in some cases (as mentioned in table above) the positive LTP took place where the counterparty to their (Noticee No. 2 & 19) trades were the connected / group entities only.

31. Also, it goes without saying that the trading pattern in placing orders at price beyond LTP was not commensurate to the market at that point of time. Notably, during the same point of time (during investigation period) the SENSEX was at decreasing mode, but the price / volume in the scrip of SCL had moved considerably high which was only due to heavy trading amongst the Noticee(s). Apparently, the same was not the normal market practice / trading pattern. Considering the major role of Noticee No. 2 and 19, I am of the view that they (Noticee No. 2 and 19) had indulged into trading at the price beyond the LTP when compared to total market during investigation period.

32. From the above observations, I am of the opinion that the Noticee No. 2 & 19 by way of positive LTP, had manipulated price of the scrip of SCL by contributing 11.90% and 15.75 % respectively when compared to the total market and thereby had violated the provision of regulation 3 (a) to (d), 4 (1) & 4 (2) (a), (b) & (e) of the PFUTP Regulations.

33. Though, the other Noticee(s) viz. (viz. Noticee No. 1, 3-14 and 20) are related / connected to Noticee No. 2 & 19, however, their individual role in to price manipulation needs to be taken into account in order to arrive at the conclusion that they were deliberately involved to contribute towards the artificial price rise. It is noted from the records, that in respect of other Noticee viz. Noticee No. 1, 3-14 and 20), their contribution towards price rise in SCL by way of positive LTP and their gross sum of LTP difference, is very miniscule and in some cases, there is no positive LTP at all. Therefore, in view of such negligible contribution towards positive LTP, the allegation of price manipulation does not stand established against other Noticee (viz. Noticee No. 1, 3 -14 and 20).

34. As regards to the allegation of manipulative / artificial volume rise in the scrip, it is noted that the shares were traded at the large volume amongst the Noticee(s) / Group entities during the period January 03, 2011 to March 14, 2011 (Patch-1) and large volume of shares were sold by the Noticee(s) / Group entities to other investors during the period March 15, 2011 to June 08, 2011 (Patch-2). Summary of the trade details of the Group entities / Noticee(s) is given below:

Period	Market Vol.	Group Vol.	Group vol. % to Mkt.	Group Buy volume	Grou p buy % to Mkt.	Group Sell volume	Group sell % to Mkt.	Trading among the group	Tradin g among the group % to Mkt.
Patch 1	2,66,62,070	2,46,25,630	92.36	2,37,56,895	89.10	2,41,09,847	90.43	2,32,41,112	87.17
Patch 2	5,73,55,051	4,93,61,363	86.06	39,40,965	6.87	4,82,98,446	97.85	28,78,048	5.02
Total	**8,40,17,121**	**7,39,86,993**	**88.06**	**2,76,97,860**	**32.97**	**7,24,08,293**	**86.18**	**2,61,19,160**	**31.09**

35. It is noted from the records that during Patch-1, the Group entities / Noticee(s) had traded among themselves resulting into 87.17% of the market volume and

subsequently, in Patch-2, they had sold 4,82,98,446 shares i.e. 97.85% of the market volume at increased price. The *modus-operandi* used for creation of artificial volume in the share of SCL by the Noticee(s), is explained below as one of the example.

(a) The shares were traded in low volume i.e., 26,748 shares, 34,632 shares and 276 shares on 03/01/2011, 04/01/2011 and 05/01/2011 respectively (an average of 20,552 shares), however, on 06/01/2011, the market volume had increased to 6,37,828 shares (i.e., 30.03 times increase). It is observed that the steep increase in volume on 06/01/2011 was due to the trades amongst the Group entities i.e. Ashwin (Noticee No. 2) had sold 6,00,000 shares to Baldev (Noticee No. 3) which was the 94% of the market volume.

(b) For above trades, the stock broker Atlanta Share Shope Ltd. (Noticee No. 21 who is connected to the Group) had placed sell order on behalf of its client Baldev (Noticee No. 3) for 6 lakhs shares @ ₹0.33 at 12:38:38 and the entire sell quantity was bought by Ashwin (Noticee No.2) through 48 buy orders between time 15:16:50 - 15:19:31 through the sub-broker Presilco Impex Ltd. (Noticee No. 22 who is also connected to the Group) and is a sub broker of SKSE Securities Ltd. (Stock broker).

36. It is also noted from records (trade /order logs) that similar *modus-operandi* was adopted by the Noticee (s) while trading among themselves. It is noted that the shares were traded in less volume when the Group entities / Noticee(s) did not trade in the market, however, when they started trading in the scrip among themselves, the volume of SCL raised very heavily. The day-wise volume contribution by the Noticee(s) / Group entities is given in table below.

Date	Market Vol.	Group buy vol	Group buy % to Day Mkt. Vol.	Group Sell Vol.	Group Sell % to Day Mkt. Vol.	Net(Buy-Sell)	Trading among the group (TAG	Trading among group
03-Jan-11	26,748	0	0.00	0	0.00	0	0	0.00
04-Jan-11	34,632	0	0.00	0	0.00	0	0	0.00
05-Jan-11	276	0	0.00	0	0.00	0	0	0.00

06-Jan-11	6,37,828	6,05,620	94.95	6,00,000	94.07	5,620	6,00,000	94.07
07-Jan-11	8,00,893	6,89,994	86.15	6,80,000	84.91	9,994	6,80,000	84.91
10-Jan-11	81,500	0	0.00	0	0.00	0	0	0.00
11-Jan-11	3,067	0	0.00	0	0.00	0	0	0.00
12-Jan-11	2	0	0.00	0	0.00	0	0	0.00
13-Jan-11	7,500	0	0.00	0	0.00	0	0	0.00
14-Jan-11	16,000	0	0.00	0	0.00	0	0	0.00
17-Jan-11	60,002	0	0.00	0	0.00	0	0	0.00
18-Jan-11	55,566	0	0.00	0	0.00	0	0	0.00
19-Jan-11	82,500	0	0.00	0	0.00	0	0	0.00
20-Jan-11	92,057	0	0.00	0	0.00	0	0	0.00
21-Jan-11	63,755	0	0.00	0	0.00	0	0	0.00
24-Jan-11	37,600	0	0.00	0	0.00	0	0	0.00
25-Jan-11	78,087	0	0.00	0	0.00	0	0	0.00
27-Jan-11	8,45,204	7,99,000	94.53	8,00,000	94.65	-1,000	7,99,000	94.53
28-Jan-11	24,507	12,807	52.26	0	0.00	12,807	0	0.00
31-Jan-11	8,99,078	8,01,000	89.09	8,00,000	88.98	1,000	8,00,000	88.98
01-Feb-11	8,72,815	8,00,000	91.66	8,00,000	91.66	0	8,00,000	91.66
02-Feb-11	3,25,137	2,87,311	88.37	2,87,311	88.37	0	2,87,309	88.37
03-Feb-11	63,449	0	0.00	0	0.00	0	0	0.00
04-Feb-11	9,15,702	8,00,000	87.36	8,00,000	87.36	0	7,95,500	86.87
07-Feb-11	9,47,494	8,39,500	88.60	8,50,000	89.71	-10,500	8,24,500	87.02
08-Feb-11	1,01,405	0	0.00	0	0.00	0	0	0.00
09-Feb-11	9,56,316	7,15,036	74.77	8,00,000	83.65	-84,964	6,84,498	71.58
10-Feb-11	18,08,696	16,95,000	93.71	16,70,957	92.38	24,043	16,70,857	92.38
11-Feb-11	3,42,553	3,33,243	97.28	2,54,043	74.16	79,200	2,54,033	74.16
14-Feb-11	9,44,646	8,45,000	89.45	8,45,000	89.45	0	8,45,000	89.45
15-Feb-11	16,89,500	16,41,000	97.13	16,40,000	97.07	1,000	16,34,400	96.74
16-Feb-11	8,64,100	8,50,000	98.37	8,52,845	98.70	-2,845	8,44,789	97.77
17-Feb-11	2,76,200	2,01,500	72.95	2,70,000	97.76	-68,500	2,01,500	72.95
18-Feb-11	500	0	0.00	0	0.00	0	0	0.00
21-Feb-11	6,79,111	6,15,000	90.56	6,43,600	94.77	-28,600	5,94,500	87.54
22-Feb-11	13,79,795	12,86,795	93.26	13,42,000	97.26	-55,205	12,86,795	93.26
23-Feb-11	10,46,200	10,43,699	99.76	10,43,000	99.69	699	10,42,979	99.69
24-Feb-11	11,72,519	10,07,518	85.93	11,66,519	99.49	-1,59,001	10,07,518	85.93
25-Feb-11	9,68,595	8,39,000	86.62	8,39,000	86.62	0	8,31,963	85.89
28-Feb-11	16,82,829	16,77,429	99.68	16,15,642	96.01	61,787	16,10,242	95.69
01-Mar-11	8,76,680	8,26,680	94.30	8,53,495	97.36	-26,815	8,03,495	91.65
03-Mar-11	13,58,512	12,96,012	95.40	12,86,430	94.69	9,582	12,23,930	90.09
04-Mar-11	8,58,035	7,58,035	88.35	8,53,535	99.48	-95,500	7,53,535	87.82
07-Mar-11	4,85,000	3,63,799	75.01	4,25,000	87.63	-61,201	3,03,799	62.64
08-Mar-11	8,29,117	8,09,117	97.59	8,24,000	99.38	-14,883	8,04,000	96.97
09-Mar-11	4,96,440	4,86,240	97.95	4,95,500	99.81	-9,260	4,85,500	97.80

10-Mar-11	48,970	34,970	71.41	34,970	71.41	0	34,970	71.41
11-Mar-11	21,906	1,000	4.56	0	0.00	1,000	0	0.00
14-Mar-11	8,03,046	7,95,590	99.07	7,37,000	91.78	58,590	7,36,500	91.71
Total	**2,66,62,070**	**2,37,56,895**	**89.10**	**2,41,09,847**	**90.43**	**-3,52,952**	**2,32,41,112**	**87.17**

37. It is noted from the records that during Patch-1 period, 11 entities (viz. Noticee No. 1-9, 18 & 20) had contributed 87.17% of market volume by trading among themselves for 2,32,41,112 shares. The pair-wise details of trading among themselves are given in below tables.

Buy Client Name	Sell Client Name	TAG Qty	% of TAG Vol. to Mkt. Vol.
AYODHYAPATI INVESTMENT PVT LTD	MANISH MANSUKHLAL	65,03,435	24.39
AUM TECHNOCAST PVT. LTD	DHARMESH NARENDRAKUMAR	43,30,559	16.24
ASHWINBHAI PRABHUDAS RUPAREL	MANISH MANSUKHLAL RAJA	27,59,999	10.35
AMRUT SECURITIES LTD.	SONAL KANAKSINGH ASHAR	20,76,030	7.79
OM EDUCATION (IT) PVT LTD	DHARMESH NARENDRAKUMAR	16,11,080	6.04
AMRUT SECURITIES LTD.	MANISH MANSUKHLAL RAJA	16,05,026	6.02
AMRUT SECURITIES LTD.	DHARMESH NARENDRAKUMAR	11,60,900	4.35
AYODHYAPATI INVESTMENT PVT LTD	BALDEVSINH VIJAYSINH ZALA	6,80,000	2.55
ASHWINBHAI PRABHUDAS RUPAREL	BALDEVSINH VIJAYSINH ZALA	6,00,000	2.25
AMRUT SECURITIES LTD.	MANISH KANAKSHI ASHAR	4,95,990	1.86
AYODHYAPATI INVESTMENT PVT LTD	MANISH KANAKSHI ASHAR	4,69,000	1.76
ASHWINBHAI PRABHUDAS RUPAREL	OM EDUCATION (IT) PVT LTD	4,43,930	1.67
DHARMESH NARENDRAKUMAR SOLANKI	SONAL KANAKSINGH ASHAR	3,60,000	1.35
ASHWINBHAI PRABHUDAS RUPAREL	VIJAY RAMNIKLAL RUPANI (HUF)	87,310	0.33

ASHWINBHAI PRABHUDAS RUPAREL	SONAL KANAKSINGH ASHAR	34,970	0.13
MANISH MANSUKHLAL RAJA	DHARMESH NARENDRAKUMAR	22,883	0.09
		2,32,41,112	**87.17**

Entity-wise details of trading among themselves;

S.N.	CLIENTNAME	Buy TQ	% to Mkt. (Patch)	Sell TQ	% to Mkt. (Patch)
1	AYODHYAPATI INVESTMENT PVT LTD	76,52,435	28.70		0.00
2	AMRUT SECURITIES LIMITED	53,37,946	20.02		0.00
3	AUM TECHNOCAST PVT LTD.	43,30,559	16.24		0.00
4	ASHWINBHAI PRABHUDAS RUPAREL	39,26,209	14.73		0.00
5	OM EDUCATION (IT) PVT LTD	16,11,080	6.04	4,43,930	1.67
6	DHARMESH NARENDRAKUMAR	3,60,000	1.35	71,25,422	26.72
7	MANISH MANSHUKHBHAI RAJA	22,883	0.09	1,08,68,460	40.76
8	SONAL KANAKSINGH ASHAR		0.00	24,71,000	9.27
9	BALDEVSINH VIJAYSINH ZALA		0.00	12,80,000	4.80
10	MANISH KANAKSHI ASHAR		0.00	9,64,990	3.62
11	VIJAY RAMNIKLAL RUPANI (HUF)		0.00	87,310	0.33
	Total	**2,32,41,112**	**87.17**	**2,32,41,112**	**87.17**

38. From the aforesaid, it is apparent that said 11 Noticees has bought and sold same number of shares among themselves viz. 2,32,41,112 which was 87.17% of market volume. Such huge volume that too among themselves cannot be by virtue of any coincidence or an ordinary course of trading, but apparently are meant for deliberate ulterior motives. In view of the above *modus operandi* and repeated huge indulgence in trading by the Noticee No. 1-9, 18 & 20 during the selected patch only, it is established that they had deliberately traded among themselves heavily in order to create the artificial volume / interest in the scrip with malafide intent / ulterior motives.

39. It is observed that Noticee No. 1-9, 18 & 20 by trading voluminously amongst themselves had first generated interest among the other investors to trade in the scrip and when the other investors started trading in the scrip due to such false impression of market, some of the Group entities (viz. Noticee No. 1 – 5 and 10-17) had off-loaded shares in the market at increased price in patch-2 period of investigations. Such pattern of trading clearly reveals the ulterior /malafide intent and certainly such activities of Noticee No. 1-18 & 20 is in violation of regulation 3 (a) to (d), 4 (1) & 4 (2) (a), (b) & (e) of the PFUTP Regulations.

40. It is noted from the records that prior to the creation of artificial volume by the said Group entities / Noticee(s), price of the scrip was ₹ 0.31 (on 03.01.2011) and after manipulation of price/volume by some of the Group entities (as observed in pre paras), the price of the scrip increased to ₹ 0.90 (on 27.04.2011). The details of entity-wise quantity of shares off-loaded, average sell rate and unlawful gain made by Noticee No. 1 – 5 and 10 - 17 due to increased price, are given in below table.

S.N.	Name of the entity	TRADED_QTY	Avg. Sell Rate	Price diff. from op.	Gain
1.	SHAILESH MULRAJ VED	72,38,448	0.62	0.31	2,243,919
2.	PRADEEP SYAMSUNDER SWAIN	68,78,110	0.65	0.34	2,338,557
3.	PARESH CHAMANLAL DOSHI	68,16,236	0.61	0.30	2,044,871
4.	BALDEVSINH VIJAYSINH ZALA	61,65,359	0.68	0.37	2,281,183
5.	HARESH LALITBHAI TEJANI	39,59,800	0.70	0.39	1,544,322
6.	BHAVIK AMRUTLAL VAZA	38,09,565	0.72	0.41	1,561,922
7.	BHAVANA MANISH ASHER	34,82,519	0.74	0.43	1,497,483
8.	MANISH KANAKSHI ASHAR	32,05,439	0.72	0.41	1,314,230
9.	HEMANSHU P MEHTA	18,38,325	0.72	0.41	753,713
10.	SONAL KANAKSINGH ASHAR	11,60,821	0.49	0.18	208,948
11.	JAGDISH GORDHANDAS VED	3,77,101	0.65	0.34	128,214
12.	ASHWINBHAI PRABHUDAS	3,45,000	0.66	0.35	120,750
13.	AMRUT SECURITIES LTD.	1,43,675	0.58	0.27	38,792
	Grand Total	**4,54,20,398**	**0.67**		**1,60,76,904**

41. I am of the view that the *modus operandi* used by the said Noticee(s) in first creating an artificial interest of trading in the scrip / manipulatively luring investors to trade and then, offloading shares at increased price and thereby making unlawful gain, is serious in nature and detrimental to the market. In view

of the aforesaid, it is established that due to said modus operandi, the Noticee No. 1 to 5 and 10 to 17 had made unlawful gain of ₹1,60,76,904 which was in violation of regulation 3 (a) to (d), 4 (1) & 4 (2) (a), (b) & (e) of the PFUTP Regulations. Here, it would be appropriate to mention that though the unlawful gain has been made by the Noticees No. 1 – 5 and 10 - 17 only, but their plan was made successful by the active involvement / assistance of other Noticee(s) (viz. the Noticee No. 6 - 9, 18 & 20) who by their huge trading along with other Group Entities had created false market to lure the innocent investors to trade in the scrip and ultimately became successful in their nefarious design.

42. As regards to the role of Noticee No. 21 and 22, it is noted that aforesaid 11 Noticees (Noticee No. 1-9, 18 & 20) had executed their trades through stock brokers/sub-broker namely- Atlanta Share Shopee Ltd (Noticee No. 21), Galaxy Broking Ltd. and one sub-broker namely Presilco Impex Ltd. (Noticee No. 22) who is a sub broker of stock broker SKSE Securities Ltd. The said stock broker/sub broker are related to the Noticee(s) as shown in annexure 6 of the IR. Details of stock brokers / sub broker and the shares traded through them are shown in table below.

Buy Member Name	**Sell Member Name**	**Total**
SKSE SECURITIES LTD. (sub-broker Presilco	ATLANTA SHARE SHOPEE LTD.	1,41,90,800
SKSE SECURITIES LTD. (sub-broker Presilco	GALAXY BROKING LTD.	8,48,000
ATLANTA SHARE SHOPEE LTD.	SKSE SECURITIES LTD. (sub-broker Presilco	71,25,422
ATLANTA SHARE SHOPEE LTD.	GALAXY BROKING LTD.	10,76,890
Grand Total		**2,32,41,112**

43. I have noted that the Noticee No. 21 and 22 had executed for the said 11 Noticees the voluminous trades for 2,13,16,222 shares (i.e. around 80% of the total market volume during the investigation period / Patch). It is noted that the huge trades that were resulted into artificial volume rise / price rise, also included the shares executed through the Noticee No. 21 & 22. I am of the opinion that as a stock broker or sub broker / market intermediaries, the Noticee No. 21 and 22 should have taken due care and diligence while executing the orders of their clients including possibilities of the clients indulging in manipulative practices. Further, the nature of transactions itself makes clear that

such trades could not have taken place without assistance of the Noticee No. 21 and 22 while executing the buy/sale orders.

44. From the records and the observations made at pre paras, it is clear that the aforesaid connected stock broker / sub broker (Noticee No. 21 and 22) had facilitated the aforesaid Noticee(s) / Group entities in indulging into huge repeated trading amongst themselves for 2,13,16,222 shares. I am of the view that execution of such large percentage of shares by the Noticee No. 21 and 22 for their clients / Noticee(s), cannot happen in ordinary course of business, but, clearly suggests that there was failure of due diligence / care / caution on the part the Noticee No. 21 & 22 in avoiding execution of such large trades which ultimately assisted the said Noticee(s) in indulging into manipulative trade practice as established at pre paras. Needless to say that being a registered market intermediary the Noticee No. 21 and 22 are always under obligation to exercise due diligence and care and ensure that the trades executed through them on behalf of its clients or otherwise, are genuine trades and are not executed to disturb the market equilibrium and to falsely influence the volumes and price of the scrip.

45. As it is established that the Noticee No. 21 & 22 had failed to exercise due skill, care and diligence in avoiding execution of manipulative trades, therefore, in my opinion the Noticee No. 21 had violated clause A (2) of Schedule II of the Code of Conduct read with regulation 7; and Noticee No. 22 had violated clause A (2) of Schedule II of the Code of Conduct read with regulation 15 of the Stock Brokers Regulations.

46. It was also alleged that Noticee No. 20 was holding 6.46% at the starting of the investigation period and there was change in his shareholding of more than 2% on 04 February 2011 (i.e. change in shareholding from 6.46% to 4.97%), however, he had failed to make the disclosures as required under regulation 13 (3) of the PIT Regulations.

47. From the IR it can be apparently seen that there was no change in the shareholding of the Noticee No. 20 amounting to 2% or more, as the change was to the extent of only 1.49% (viz. 6.46% - 4.97%). Since, there was no change of 2% or more in the shareholding, therefore, the violation of regulation 13 (3) of the PIT Regulations against Noticee No. 20 does not stand established.

48. In view of the aforesaid analysis / observations and taking into account the principles laid down in the aforesaid judgments, it is established that the Noticee No. 2 and 19 had indulged into price manipulation, the Noticee No. 1-18 and 20 had indulged into artificial volume rise / creating misleading appearance of market / getting unlawful or unfair gain. Also, it is established that the Noticee No. 21 and 22 had failed to exercise due diligence / care / caution which ultimately assisted the Noticee(s) in manipulation of price/volume in the scrip.

49. Since, the violations against the Noticees has been established and the same are serious in nature, therefore, I am of the view that monetary penalty under section 15 HA of the SEBI Act against the Noticee No. 1-20 and monetary penalty under section 15 HB of the SEBI Act against the Noticee No. 21 & 22 is warranted in the case. Section 15HA and 15 HB of the SEBI Act is produced below:

15HA. Penalty for fraudulent and unfair trade practices.
If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty of twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.

15HB.Penalty for contravention where no separate penalty has been provided.
Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which may extend to one crore rupees.

50. While determining the quantum of penalty under sections 15HA and 15 HB, it is important to consider the factors stipulated in section 15J of SEBI Act read with rule 5 (2) of the Adjudication Rules, 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."

51. Specify disproportionate gains or unfair advantage made by the Noticee No. 1 to 5 and 10 to 17 has been shown in the above part of this order and said unfair gain is certainly a loss to the investors due to manipulative trade practices. Further, IR also revealed past actions against six Noticees viz. Noticee No. 1, 4, 7, 14, 21 and 22. Besides, I cannot ignore the gravity of violations committed by the Noticee(s) which are detrimental to the investors at large in securities market and bears adverse impact in disturbing the equilibrium of the fair market. Considering the facts and circumstance of the case, I am of the view that a justifiable penalty needs to be imposed upon the Noticees to meet the ends of justice.

ORDER

52. After taking into consideration all the aforesaid facts / circumstances of the case, in exercise of the powers conferred upon me under section 15 I (2) of the SEBI Act read with rule 5 of the Adjudication Rules, I hereby impose monetary penalty upon the Noticees as shown in table below;

Name of the Noticee	**Amount of Penalty**	**Penalty Provisions and Violations**
Amrut Securities Ltd. (Noticee No. 1)	₹ 15,00,000/- (Rupees Fifteen Lakh only)	Under Section 15 HA of the SEBI Act for violation of regulation 3 (a) to (d), 4 (1) & 4 (2) (a), (b) & (e) of the PFUTP Regulations.
Mr. Ashwinbhai Prabhudas Ruparel (Noticee No. 2)	₹ 20,00,000/- (Rupees Twenty Lakh only)	
Mr. Baldevsinh Vijasinh Zala (Noticee No. 3)	₹ 70,00,000/- (Rupees Seventy Lakh only)	
Mr. Manish Kanakshi Ashar (Noticee No. 4)	₹ 45,00,000/- (Rupees Forty Five Lakh only)	
Ms. Sonal Kanksingh Ashar (Noticee No. 5)	₹ 15,00,000/- (Rupees Fifteen Lakh only)	
Aum Technocast Pvt. Ltd (Noticee No. 6)	₹ 15,00,000/- (Rupees Fifteen Lakh only)	

Ayodhyapati Investment Pvt. Ltd. (Noticee No. 7)	₹ 15,00,000/- (Rupees Fifteen Lakh only)	
Mr. Dharmesh Narendra Kumar Solanki (Noticee No. 8)	₹ 15,00,000/- (Rupees Fifteen Lakh only)	
Om Education (IT) Pvt. Ltd. (Noticee No. 9)	₹ 15,00,000/- (Rupees Fifteen Lakh only)	
Mr. Bhavik Amrutlal Vaza (Noticee No. 10)	₹ 50,00,000/- (Rupees Fifty Lakh only)	
Mr. Haresh Lalitbhai Tejani (Noticee No. 11)	₹ 50,00,000/- (Rupees Fifty Lakh only)	
Mr. Paresh Chamanlal Doshi (Noticee No. 12)	₹ 65,00,000/- (Rupees Sixty Five Lakh only).	
Mr. Pradeep Syamsunder Swain (Noticee No. 13)	₹ 75,00,000/- (Rupees Seventy Five Lakh only).	
Mr. Shailesh Mulraj Ved (Noticee No. 14)	₹ 70,00,000/- (Rupees Seventy Lakh only)	
Ms. Bhavana Manish Asher (Noticee No. 15)	₹ 50,00,000/- (Rupees Fifty Lakh only)	
Mr. Hemanshu P. Mehta (Noticee No. 16)	₹ 25,00,000/- (Rupees Twenty Five Lakh only)	
Mr. Jagdish Gordhandas Ved (Noticee No. 17)	₹ 15,00,000/- (Rupees Fifteen Lakh only)	
Mr. Vijay Ramniklal Rupani (HUF) (Noticee No. 18)	₹ 15,00,000/- (Rupees Fifteen Lakh only)	
Mr. Akash Harishbhai Desai (Noticee No. 19)	₹ 20,00,000/- (Rupees Twenty Lakh only)	
Mr. Manish Mansukhbhai Raja (Noticee No. 20)	₹ 15,00,000/- (Rupees Fifteen Lakh only)	
Atlanta Share Shopee Ltd. (Noticee No. 21)	₹ 8,00,000/- (Rupees Eight Lakh only)	Under Section 15 HB of the SEBI Act for violation of code of conduct under clause A (2) of Schedule II read with regulation 7 of the Stock Brokers Regulations.
Presilco Impex Ltd. (Noticee No. 22)	₹ 8,00,000/- (Rupees Eight Lakh only)	Under Section 15 HB of the SEBI Act for violation of code of conduct under clause A (2) of Schedule II read with regulation 15 of the Stock Brokers Regulations.

53. I am of the view that the said penalty would commensurate with the violations committed by the Noticees.

54. The 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

55. The Noticees 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. The Format for forwarding details / confirmations of e-payments shall be made in the following tabulated form as provided in SEBI Circular No. SEBI/HO/GSD/T&A/CIR/P/2017/42 dated May 16, 2017 and details of such payment shall be intimated at e-mail ID- tad@sebi.gov.in

Date	Department of SEBI	Name of Intermediary/ Other Entities	Type of Intermediary	SEBI Registration Number (if any	PAN	Amount (in ₹)	Purpose of Payment (including the period for which payment was made e.g. quarterly, annually	Bank name and Account number from which payment is remitted	UTR No

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

Date: October 27, 2017
Place: Mumbai

(RACHNA ANAND)
GENERAL MANAGER &
ADJUDICATING OFFICER