

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
(ADJUDICATION ORDER NO: Order/JS/VC/2025-26/31784)**

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

In respect of

Mr. Harish Kumar Sakaria
(PAN No.: AXFPS3805D)

In the matter of Gala Global Products Limited

BACKGROUND OF THE CASE

1. Vide Adjudication Order dated March 22, 2022 (hereinafter referred to as '**AO order**'), a penalty of ₹ 8,00,000/- (Rupees Eight Lakh Only) was imposed on Mr. Harish Kumar Sakaria (hereinafter referred to as '**Noticee**') under section 15HA of the Securities and Exchange Board of India Act, 1992 ('hereinafter referred to as '**SEBI Act**') for violations of provisions of section 12A (a), (b), (c) of the SEBI Act read with regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a), (e) and (g) of the SEBI (Prohibition of Fraudulent and Unfair trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as '**PFUTP Regulations**').
2. Aggrieved by the aforesaid AO order, the Noticee filed an appeal before the Hon'ble Securities Appellate Tribunal (hereinafter referred to as '**SAT**'), vide Appeal No. 482 of 2024. The Hon'ble SAT vide order dated August 07, 2025 set aside the AO order and remanded the matter back to SEBI with a direction to the Noticee to appear before SEBI on August 28, 2025.

APPOINTMENT OF ADJUDICATING OFFICER

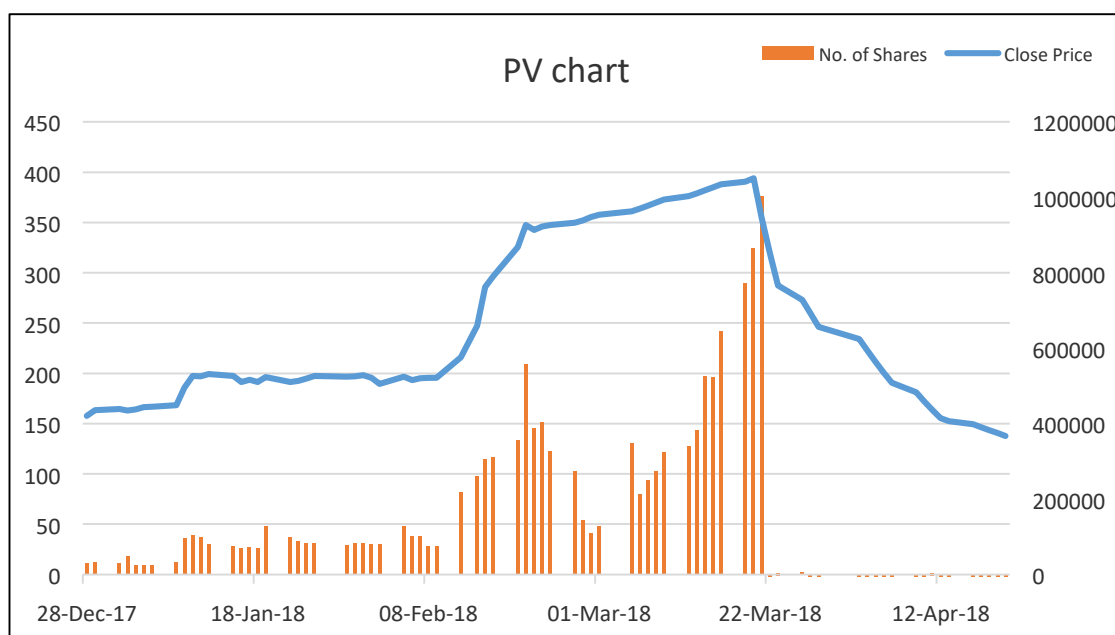
3. SEBI appointed the undersigned as Adjudicating Officer ('**AO**') vide order dated August 18, 2025, under section 15-I of the SEBI Act read with rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter

referred to as '**Rules**') to inquire into and adjudge the alleged violations by the Noticee under the provisions of 15HA of the SEBI Act.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. In view of the aforesaid directions of the Hon'ble SAT, notice dated August 20, 2025 for appearance of Noticee before SEBI on August 28, 2025 was issued to the Noticee. Receipt of the said notice was acknowledged by the Noticee, however, Noticee did not appear before AO on August 28, 2025. Vide e-mail dated August 28, 2025, he requested to provide a copy of the Show Cause Notice dated July 22, 2019 (hereinafter referred to as '**SCN**') along with its annexures. Noticee also requested adjournment of the said appearance and sought personal hearing after receipt of a copy of the SCN and annexures. Accordingly, vide e-mail dated September 04, 2025, a copy of the SCN and its annexures were provided to the Noticee.
5. The allegations levelled against the Noticees in the SCN are as under:

- (a) *During investigation, it was observed that the price of GGPL's scrip increased from Rs. 161/- to Rs. 397/- registering an increase of Rs. 236/- (146.58%) during December 28, 2017 to March 20, 2018 ("**Investigation Period**") and hence, SEBI conducted synchronized trade analysis, reversal of trade analysis, Last Traded Price ("**LTP**") analysis, New High Price ("**NHP**") analysis and first trade analysis to ascertain whether any entity(ies) manipulated the price of the scrip of GGPL during the investigation period. The price volume chart during the period of investigation is as following: -*



- (b) The following 26 entities were identified as “**suspected entities**” or “**group entities**”. It was found that these suspected entities were not connected to the company/ promoters/ directors of GGPL. The summary of the trading by suspected entities during the investigation period is as under:

Table 1

Sr. No.	Client Name (Group 1)	Gross Buy	Gross Sale	Net Trade	Gross Buy % to total Mkt vol.	Gross Sell % to total Mkt vol.
1	Amitkumar Bhikhbhai Solanki	592369	592369	0	4.72	4.72
2	Nilay Jitendrakumar Mistry	534180	534180	0	4.26	4.26
3	Praveen Kumar	458129	458129	0	3.65	3.65
4	Harishkumar Kantilal Patel	394993	394993	0	3.15	3.15
5	Ketan Pravinbhai Panchal	368223	368223	0	2.93	2.93
6	Parmar Mukeshkumar	275636	281053	-5417	2.20	2.24
7	Jayshreeben Deepakbhai Sakariya	225295	225295	0	1.80	1.80
8	Sejalben Prayashkumar Sathvara	194345	194345	0	1.55	1.55
9	Preyashbhai Sathvara	179675	179675	0	1.43	1.43
10	Harishkumar Sakariya	153692	153692	0	1.22	1.22
11	Ankit Jagdishbhai Pithava	122143	122143	0	0.97	0.97
12	Ravikumar Vinodbhai Parmar	106288	106288	0	0.85	0.85
13	Bhavin Natwarlal Panchal	92692	90192	2500	0.74	0.72
14	Divyaben Hiteshbhai Gangani	88246	88246	0	0.70	0.70
15	Subhashbhai Gelot	79469	79469	0	0.63	0.63
16	Pardhi Dhirubhai Khanabhai	70305	70305	0	0.56	0.56
17	Hiteshbhai Mistri	67050	57050	10000	0.53	0.45
18	Parbhubhai Ratilal Shireshiya	60973	60973	0	0.49	0.49
19	Nikhil Kiritbhai Panchal	59103	59103	0	0.47	0.47
20	Vishalkumar Krishnakant Borisha	58852	58852	0	0.47	0.47
21	Chaudhari Alpeshkumar Pratapbhai	50280	50280	0	0.40	0.40
22	Chandrakant Sevantilal Thakkar	48050	48050	0	0.38	0.38
23	Narendrabhai Jayantibhai Rupera	46199	46199	0	0.37	0.37
24	Dhaval Solanki	44543	44543	0	0.36	0.36
25	Arpan Darshakkumar Bhatt	36265	36667	-402	0.29	0.29
26	Rameshchandra Chhitubhai Patel	33201	33201	0	0.26	0.26
	TOTAL	4440196	4433515	6681	35.37	35.32

- (c) It was observed that the aforementioned 26 suspected entities had purchased 44,40,196 shares (35.37% of total market volume) and sold 44,33,515 shares (35.32% of total market volume) of GGPL during the investigation period and contributed significantly to the gross trading volume in the shares of GGPL with negligible net trading volume.

A. Observations based on synchronized trade analysis:

- (a) Details of synchronized trades (where the buy and sell order quantity and rate were identical and orders for these transactions were placed within time gap of one minute) by the 26 suspected entities are given in the table below:

Table 2

Gross Buy Qty of suspected entities	Gross Sell Qty of suspected entities	Total traded qty among the suspected entities	Synchronized traded qty by suspected entities	Sync Trades as % of total traded qty among the suspected entities	Sync Trades as % of Total market volume	Sum of LTP contribution through Sync Trades
4440196	4433515	3849873	1695172	44.03%	13.51%	36.95

- (b) The aforesaid 26 suspected entities had executed synchronized trades in the shares of GGPL amongst themselves for 16,95,172 shares (13.51% of total market volume) during the investigation period. These synchronized trades had also resulted in LTP contribution of Rs. 36.95/-.
- (c) In view of the above, it was alleged that the Noticees had created a misleading appearance of trading in the scrip of GGPL without any intention to change the ownership and contributed to price rise in violation of the provisions of sections 12A (a), (b), (c) of the SEBI Act read with regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2)(a) and 4(2)(g) of the PFUTP Regulations.

B. Observations based on reversal of trade analysis:

- (a) Reversal trades are trades in which trades are reversed with the same counterparties on the same day. Reversal trades are executed with an intention for generation of artificial volume in the market and give a false and misleading appearance of trading in the scrip at the exchange. During the investigation period, the Noticees had entered into reversal trades, details of the same are mentioned in the table below:

Table 3

Client 1 Name	Client 2 Name	Sum Of Reversal Qty.	% of Reversal Qty. to mkt vol.	No. of Reversal trades
Amitkumar Bhikhbhai Solanki	Ankit Jagdishbhai Pithava	5157	0.041	35
	Dhaval Solanki	448	0.004	6
	Divyaben Hiteshbhai Gangani	1333	0.011	52
	Harishkumar Kantilal Patel	34413	0.273	374
	Ketan Pravinbhai Panchal	132750	1.059	678
	Nilay Jitendrakumar Mistry	167935	1.34	1209
	Parmar Mukeshkumar	140585	1.12	622
	Praveen Kumar	38286	0.303	342
	Ravikumar Vinodbhai Parmar	17689	0.143	402
Amitkumar Bhikhbhai Solanki Total		538596	4.294	3720
Ankit Jagdishbhai Pithava	Dhaval Solanki	1491	0.012	22
	Harishkumar Kantilal Patel	9204	0.073	141
	Ketan Pravinbhai Panchal	39780	0.316	276

	Nilay Jitendrakumar Mistry	17819	0.142	181
	Praveen Kumar	21657	0.173	140
	Ravikumar Vinodbhai Parmar	6729	0.054	65
Ankit Jagdishbhai Pithava Total		96680	0.77	825
Arpan Darshakkumar Bhatt	Pardhi Dhirubhai Khanabhai	1000	0.008	4
	Rameshchandra Chhitubhai Patel	1000	0.008	5
Arpan darshakkumar bhatt Total		2000	0.016	9
Bhavin Natwarlal Panchal	Arpan Darshakkumar Bhatt	4586	0.037	17
	Harishkumar Kantilal Patel	492	0.004	4
	Pardhi Dhirubhai Khanabhai	5787	0.046	40
	Rameshchandra Chhitubhai Patel	414	0.003	2
	Vishalkumar Krishnakant Borisha	3177	0.025	17
Bhavin Natwarlal Panchal Total		14456	0.115	80
Chandrakant Sevantilal Thakkar	Chaudhari Alpeshkumar Pratapbhai	400	0.003	9
	Narendrabhai Jayantibhai Rupera	5455	0.043	89
Chandrakant Sevantilal Thakkar Total		5855	0.046	98
Chaudhari Alpeshkumar Pratapbhai	Parbhubhai Ratilal Shireshiya	1500	0.012	47
Chaudhari Alpeshkumar Pratapbhai Total		1500	0.012	47
Dhaval Solanki	Harishkumar Kantilal Patel	18719	0.149	131
	Nilay Jitendrakumar Mistry	11874	0.096	190
	Praveen Kumar	1007	0.008	21
Dhaval Solanki Total		31600	0.253	342
Divyaben Hiteshbhai Gangani	Harishkumar Kantilal Patel	1625	0.013	44
	Ketan Pravinbhai Panchal	1452	0.011	67
	Nilay Jitendrakumar Mistry	5497	0.043	204
	Parmar Mukeshkumar	1909	0.015	88
	Praveen Kumar	120	0.001	11
	Ravikumar Vinodbhai Parmar	6044	0.048	168
	Subhashbhai Gelot	2627	0.021	53
Divyaben Hiteshbhai Gangani Total		19274	0.152	635
Harishkumar Sakariya	Jayshreeben Deepakbhai Sakariya	28994	0.232	154
	Preyashbhai Sathvara	15989	0.128	71
	Sejalben Prayashkumar Sathvara	4903	0.039	35
Harishkumar Sakariya Total		49886	0.399	260
Harishkumar Kantilal Patel	Nilay Jitendrakumar Mistry	121394	0.968	730
	Parmar mukeshkumar	47898	0.383	227
	Praveen kumar	28705	0.228	500
	Ravikumar vinodbhai parmar	9239	0.074	210
Harishkumar Kantilal Patel Total		207236	1.653	1667
Ketan Pravinbhai Panchal	Dhaval Solanki	1528	0.012	29
	Harishkumar Kantilal Patel	37868	0.301	309
	Nilay Jitendrakumar Mistry	1267	0.01	33
	Praveen Kumar	109044	0.87	849
	Ravikumar Vinodbhai Parmar	7714	0.063	112

Ketan Pravinbhai Panchal Total		157421	1.256	1332
Narendrabhai Jayantibhai Rupera	Chaudhari Alpeshkumar Pratapbhai	5788	0.046	90
	Parbhubhai Ratilal Shireshiya	1000	0.008	30
Narendrabhai Jayantibhai Rupera Total		6788	0.054	120
Nikhil Kiritbhai Panchal	Divyaben Hiteshbhai Gangani	6295	0.051	113
	Subhashbhai Gelot	6201	0.05	104
Nikhil Kiritbhai Panchal Total		12496	0.101	217
Nilay Jitendrakumar Mistry	Jayshreeben Deepakbhai Sakariya	1	0	2
	Parmar Mukeshkumar	8980	0.071	43
	Praveen Kumar	144101	1.148	1395
	Ravikumar Vinodbhai Parmar	7106	0.056	156
Nilay Jitendrakumar Mistry Total		160188	1.275	1596
Pardhi Dhirubhai Khanabhai	Rameshchandra Chhitubhai Patel	1635	0.013	15
Pardhi Dhirubhai Khanabhai Total		1635	0.013	15
Parmar Mukeshkumar	Praveen Kumar	54607	0.435	523
	Ravikumar Vinodbhai Parmar	2507	0.02	52
Parmar Mukeshkumar Total		57114	0.455	575
Praveen Kumar	Ravikumar Vinodbhai Parmar	16305	0.131	364
Praveen Kumar Total		16305	0.131	364
Preyashbhai Sathvara	Jayshreeben Deepakbhai Sakariya	32650	0.262	676
	Sejalben Prayashkumar Sathvara	1212	0.009	39
Preyashbhai Sathvara Total		33862	0.271	715
Sejalben Prayashkumar Sathvara	Jayshreeben Deepakbhai Sakariya	49769	0.397	265
Sejalben Prayashkumar Sathvara Total		49769	0.397	265
Subhashbhai Gelot	Hiteshbhai Mistri	1000	0.008	10
	Ravikumar Vinodbhai Parmar	933	0.007	8
Subhashbhai Gelot Total		1933	0.015	18
Vishalkumar Krishnakant Borisha	Harishkumar Kantilal Patel	2125	0.017	9
	Rameshchandra Chhitubhai Patel	1099	0.009	12
Vishalkumar Krishnakant Borisha Total		3224	0.026	21
Grand Total		1467818	11.704	12921

- (d) From the above table, it was observed that the Noticees had entered into 12,921 reversal trades accounting for 14,67,818 shares of GGPL (11.70% of total market volume) during the investigation period.
- (e) In view of the above, it was alleged that the Noticees had entered into repetitive reversal trades without intention of change of ownership of the scrip of GGPL and created misleading appearance of trading in the scrip of GGPL in violation of the provisions of sections 12A (a), (b),(c) of the SEBI Act read with regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2)(a) and 4(2)(g) of the PFUTP Regulations.

C. Observations based on LTP analysis:

(a) Details of LTP contribution by the Noticees during the investigation period on buy side in the scrip of GGPL are mentioned in the table below:

Table 4

Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of positive LTP to Total Market
	Sum of LTP diff	Sum of Quantity	No of trades	Sum of LTP diff	QTY traded	No of trades	Sum of LTP diff	QTY traded	No of trades	QTY traded	No of trades	
Sejalben Prayashkumar Sathvara	52.35	194345	373	108.85	95248	153	-56.50	77759	136	21338	84	3.61
Nilay Jitendrakumar Mistry	21.50	534180	2240	83.40	92710	249	-61.90	53832	167	387638	1824	2.76
Amitkumar Bhikhbhai Solanki	4.15	592369	1926	81.35	188936	403	-77.20	97092	220	306341	1303	2.70
Ketan Pravinbhai Panchal	42.05	368223	1275	75.25	69250	163	-33.20	58343	130	240630	982	2.49
Parmar Mukeshkumar	-2.30	275636	850	64.95	83602	171	-67.25	58915	133	133119	546	2.15
Preyashbhai Sathvara	17.50	179675	1384	59.70	80155	104	-42.20	53367	93	46153	1187	1.98
Harishkumar Kantilal Patel	23.95	394993	1498	50.05	70226	140	-26.10	46431	85	278336	1273	1.66
Pardhi Dhirubhai Khanabhai	13.90	70305	332	45.10	26739	46	-31.20	25060	37	18506	249	1.49
Jayshreeben Deepakbhai Sakariya	-6.55	225295	357	37.50	87807	114	-44.05	95104	129	42384	114	1.24
Vishalkumar Krishnakant Borisha	27.30	58852	122	37.15	28141	36	-9.85	20437	25	10274	61	1.23
Harishkumar Sakariya	13.60	153692	229	36.65	64532	70	-23.05	55526	75	33634	84	1.21
Chandrakant Sevantilal Thakkar	8.05	48050	388	26.50	20022	103	-18.45	9886	54	18142	231	0.88
Divyaben Hiteshbhai Gangani	3.45	88246	852	25.10	14913	61	-21.65	9449	34	63884	757	0.83
Narendrabhai Jayantibhai Rupera	9.20	46199	360	22.15	15334	81	-12.95	9522	58	21343	221	0.73
Chaudhari Alpeshkumar	8.50	50280	407	21.50	16614	77	-13.00	10391	55	23275	275	0.71
PPraveen Kumarratapbhai	-0.20	458129	1991	20.55	51524	154	-20.75	20922	71	385683	1766	0.68
Subhashbhai Gelot	1.95	79469	480	18.05	23502	55	-16.10	15685	41	40282	384	0.60
Parbhubhai Ratilal Shireshiya	8.75	58473	388	17.40	18532	40	-8.65	9977	30	29964	318	0.58
Ravikumar Vinodbhai Parmar	-19.80	106288	847	15.90	13968	60	-35.70	11765	59	80555	728	0.53
Arpan Darshakkumar Bhatt	7.60	36265	79	13.70	10385	18	-6.10	14507	15	11373	46	0.45
Bhavin Natwarlal Panchal	-21.30	90192	217	12.10	27460	40	-33.40	38665	52	24067	125	0.40
Rameshchandra Chhitubhai Patel	-0.70	33201	161	12.05	10785	24	-12.75	12362	29	10054	108	0.40
Ankit Jagdishbhai Pithava	4.30	122143	473	10.00	17173	32	-5.70	11476	22	93494	419	0.33
Nikhil Kiritbhai Panchal	-7.55	59103	553	9.35	6945	38	-16.90	9843	36	42315	479	0.31
Hiteshbhai Mistri	2.85	57050	47	5.10	3750	6	-2.25	2750	2	50550	39	0.17

Dhaval Solanki	-5.45	44543	231	4.15	18916	60	-9.60	6222	26	19405	145	0.14
Manoj Ashokbhai Khalas	1.85	250	2	1.85	250	2	0.00	0	0	0	0	0
Total	207.10	4425196	18060	913.55	1157169	2498	-706.45	835288	1814	2432739	13748	30.27
Market Total	238.00	11533788	57151	3017.95	2115343	8350	-	2145617	7411	7272828	41390	100.35
							2779.95					

- (b) From the above table, it was observed that the Noticees had contributed Rs. 913.55/- to positive LTP (30.27% of total market positive LTP) in 2,498 trades with trading volume of 11,57,169 shares and their net LTP contribution was Rs. 207.10/- during the investigation period.
- (c) In majority of the positive LTP orders, the sell orders above LTP were placed by the Noticees before the buy orders were placed in the system which were already at prices higher than the LTP.
- (d) Out of 2498 trades with positive LTP contribution, 1941 trades were entered into by the Noticees where the counter parties belonged to the group of Noticees themselves and the Noticees had collectively contributed to positive LTP of Rs. 632.10/-. The LTP for 527 trades, where the buy order was placed before the corresponding sell order was Rs. 168.95 (5.60 % of total market positive LTP) and in the remaining 1414 trades, the LTP contribution was Rs. 463.15/- (15.34 % of total market positive LTP).
- (e) In view of the above, it was alleged that the Noticees had traded amongst themselves, acted either as buyer and/or seller and had contributed an amount of Rs. 632.1/- to positive LTP (20.94% of market positive LTP). It was further alleged that the Noticees were acting in concert and contributed to manipulation in the GGPL's scrip price and thereby created a misleading appearance of trading in the scrip of GGPL by their trades in violation of the provisions of sections 12A (a), (b), (c) of the SEBI Act read with regulation 3(a), (b), (c), (d) and regulations 4(1), 4(2)(a) and 4(2)(e) of the PFUTP Regulations.

6. Noticee vide e-mail dated September 19, 2025, submitted his reply to the SCN. Relevant extracts of the reply of the Noticee are as under:

- (a) SEBI has alleged that Noticee along with other 25 Noticees were responsible for creating artificial volume through synchronised trades, circular trades and reversal trades in the scrip of Gala Global Products Limited ("GGPL") during the period December 28, 2017 to March 20, 2018 ("Investigation Period") and thereby violated the provisions of section 12A of the SEBI Act read with regulation 3 and 4 of the PFUTP Regulations.
- (b) That, Noticee, works as a goldsmith, and earns his livelihood by running his shop, through which he supports and provide for his family. Noticee, without any prejudice, humbly submit that he has carefully reviewed the allegations made against him in the notice, including the findings of the investigation report, and he denied all allegations of engaging in the scrip of GGPL. He is a regular trader and his trading in the scrip was

at all times in a bona fide manner and was not part of any scheme or pre-meditated plan to manipulate the market.

- (c) He is an independent investor and his trading was conducted through a registered broker, using his own funds. He did not have any relation/connection or nexus with any suspected 25 entities. Further, he did not have any fund/financial transaction with other suspected 25 entities. Further, he submitted that the SCN also had not provided any connection/ relation with the any suspected 25 entities. In this regard, he submitted that without proving the existence of any mala fide intention or collusion between of any person, the present SCN, does not survive qua him.*
- (d) That He is nor he was ever involved in any kind of manipulative trading, creating misleading appearance of trading through generation of artificial volumes during particular parts of the investigation period. And he has no connection of any fund transactions with promoter, director of GGPL, and any other entities mentioned under SCN.*
- (e) The allegation of synchronized trading against him is completely wrong. He does not know or have any link with the other 25 people named in the notice. Saying that he is one of the "26 suspected entities" is simply not true. To put on such allegation SEBI should produce a valid proof, mere act synchronized trade is not illegal synchronized transactions should be there and there need to be some sort of connection between other co-entities. Even SEBI itself has mentioned in the notice that these 26 people are not connected to each other. In a judgement in this regard by SAT in matter of SPJ Stock Brokers Pvt. Ltd. v. SEBI, the Hon'ble Tribunal had taken a similar view which is as under:*

Para 13

".....13. In this case, save and except recording that trades executed by appellant with one group were synchronized, no other particulars are set out in the impugned order. Neither names of persons forming group with whom appellant had traded nor their connection with appellant has been set out in the impugned order. Unless some connection between appellant and counterparties with whom appellant traded is established, it is difficult to hold that trades in question were carried out with a view to manipulate market by creating false volumes resulting in upsetting market equilibrium....."

- (f) That SEBI had alleged that Noticee manipulated the market volume. However, the gross buy percentage attributable to him is only 1.22% of the total market value, which is negligible compared to the overall volume. It is purely coincidental that the trades executed by him happened around the time when the sudden surge in the share price of GGPL occurred. The increase in market value was driven by general market dynamics and not due to my trades. Without any evidence, such an allegation cannot be sustained. As per settled principles of law, to establish market manipulation, there must be a significant and deliberate interest or influence capable of creating an artificial surge in price or demand. His contribution of 1.22% is too insignificant to have any impact on the total market volume or price movement. Hence, his trades cannot be*

categorized as manipulative, and the allegation of volume manipulation is baseless and unsustainable.

(g) Noticee denied the allegation of reversal of trades. He did not know to whom his trades were matched and holds no connection with the person with whom he has been charged for reversal of trades. His percentage of reversal quantity to market value is 0.399% which is again insignificant as this percentage cannot manipulate the market, and this charge of reversal trades must be dropped and cannot be sustained.

(h) The notice highlights his contribution to positive LTP. His trading decisions were aimed at profit, like any other trader. His trades were genuine and the contribution to LTP was an exceptional and incidental outcome, not a manipulative objective. In *M/s Nishith M. Shah HUF v. SEBI*, Appeal No. 97 of 2019 decided on January 16, 2020, Hon'ble SAT held:

"In Jagruti Securities Limited v. Securities and Exchange Board of India (Appeal No. 102 of 2006 decided on October 27, 2008) and in Vikas Ganeshmal Bengani v. Whole Time Member, SEBI (Appeal No. 225 of 2009) decided on February 25, 2010) the Tribunal held that the charge of raising price artificially has to be established and the element of collusion between the buyer and the seller is a sine quo non. We are in the entire agreement with the aforesaid decisions and reiterate that in the absence of any finding of collusion between the buyer and the seller the charge contributing to the LTP cannot be sustained."

(i) That SEBI had also alleged that he contributed to NHP. This allegation is completely baseless. His contribution to NHP is 0%, and in fact, only 12 entities have been named as contributing to NHP with a combined impact of 5.80% of the total NHP. His name does not appear among those 12 entities. Therefore, the charge of NHP against Noticee is unfounded and must be dropped immediately, as it cannot be sustained any further.

(j) In the present matter, the Hon'ble SAT had set aside AO order qua the Noticees Nos. 18 and 25 in the order dated July 6, 2023 in *Vishalkumar Krishnakant Borisha & Anr. v. SEBI* (Appeal Nos. 734 and 735 of 2022), and held that two noticees, (Nos. 18 and 25) in same SCN were wrongly penalised by the AO and accordingly relieved them of all charges, as under;

"We also find that there is no iota of evidence that 26 noticees were connected to each other. Thus, all the 26 noticees including the appellants were strangers to each other and were trading on their own without knowing who the counterparty was. There is no finding of meeting of minds or acting in tandem by the noticees including the appellants These cumulative market volumes of trade of the 26 suspected noticees thus cannot be taken into consideration to arrive at a finding of an artificial increase in the price of the scrip or reversal increase in the market volume"

It further states that;

"In the absence of any connection with the suspected entities and or the counterparties, the charge of reversal trades cannot be accepted. There is no

evidence to show that the appellants were trading with the counterparties who were known to them or there was a meeting of mind.”

- (k) *The doctrine of equality amongst co-delinquents has been affirmed in Mr. P.F. Sundesha & Ors. v. SEBI (Appeal No. 534 of 2019 & batch, decided on 27.06.2022), where Hon'ble SAT, relying upon Rajendra Yadav v. State of M.P. (2013) 3 SCC 73, held:*

“The doctrine of equality applies to all who are equally placed; even among persons who are found guilty. The persons who have been found guilty can also claim equality of treatment, if they can establish discrimination while imposing punishment when all of them are involved in the same incident.”

- (l) *That, he is similarly placed as other noticees, and no distinguishing facts exist to justify different treatment. Continuing to impose penalty on the him, while exonerating co-noticees on identical facts, amounts to arbitrary and discriminatory action, squarely hit by Article 14 of the Constitution and it is against the Principle of Parity.*

- (m) *Further, he submitted that though the allegation has been alleged in the SCN, no evidence has been placed on record to show that his action was in any way fraudulent. Here the definition of the term ‘fraud’ as defined in the PFUTP Regulations needs to be referred, which states that any act, expression, omission or concealment committed should have induced another person to deal in the securities market. In this regard, it is submitted that through his trading he did not induce any person to trade in the said scrip. Hence, the allegation of violation of the provisions of PFUTP Regulations fails on facts and law.*

7. Vide notice of hearing dated September 30, 2025, an opportunity of personal hearing on October 13, 2025 was granted to the Noticee. Authorised representative of the Noticee, Mr. Jitendra Sharda, (hereinafter referred to as ‘AR’), attended the personal hearing on the said date through video-conferencing and reiterated the submissions made by the Noticee vide e-mail dated September 19, 2025. AR was granted permission to furnish additional submissions in the matter within 2 days. Vide e-mail dated October 29, 2025, Noticee furnished copies of orders of Hon'ble SAT which he had relied upon in the present matter.

CONSIDERATION OF ISSUES AND FINDINGS

8. In the instant matter, I note that Hon'ble SAT vide order dated August 07, 2025, *inter alia*, observed that *“the matter is remitted to the SEBI to pass fresh order in accordance with law.”* I have perused the charges levelled against the Noticee in the SCN, his reply, submissions made during the personal hearing and material

available on record. The issues that arise for consideration in the present matter are as follows:

- I. Whether Noticee manipulated the price of the scrip of GGPL during the investigation period and thereby violated the provisions of section 12A (a), (b), (c) of the SEBI Act read with regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a), (e) and (g) of the PFUTP Regulations?
 - II. Does the violation, if any, attract monetary penalty under 15HA of the SEBI Act?
 - III. If so, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in section 15-J of the SEBI Act read with rule 5(2) of the Rules?
9. Before proceeding further, it is pertinent to refer to the provisions of the SEBI and PFUTP Regulations, which are allegedly violated by the Noticee, as under:

SEBI Act

“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;.”*

PFUTP 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 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;
 -
 - (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;”

10. The issues raised in this matter are dealt in the following paragraphs.

Issue I. Whether Noticee manipulated the price of the scrip of GGPL during the investigation period and thereby violated the provisions of section 12A (a), (b), (c) of the SEBI Act read with regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a), (e) and (g) of the PFUTP Regulations?

11. It was alleged in the SCN that the Noticee was one of the 26 suspected entities, who had traded in the scrip of GGPL and contributed significantly to the gross trading volume in the scrip of GGPL during the investigation period. Noticee allegedly entered into synchronized trades and repetitive reversal trades with other suspected entities, thereby he created a misleading appearance of trading in the scrip of GGPL without any intention to change the ownership and contributed to price rise in the scrip of GGPL (i.e., from Rs. 161/- to Rs. 397/-). The said 26 suspected entities including Noticee contributed Rs. 913.55/- to positive LTP (30.27% of total market positive LTP) and Noticee contributed 1.21% of the total market positive LTP in the scrip of GGPL during the investigation period. Further, it was alleged that the Noticee and said other 25 suspected entities traded amongst themselves and thereby they

collectively contributed an amount of Rs. 632.1/- to positive LTP (i.e., 20.94% of market positive LTP) in the scrip of GGPL. Therefore, the Noticee allegedly violated the provisions of section 12A (a), (b), (c) of the SEBI Act read with regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a), (e) and (g) of the PFUTP Regulations.

12. In response to above allegations, Noticee submitted that he is a regular trader and his trading in the scrip was in a bona fide manner and was not part of any scheme or pre-meditated plan to manipulate the market. Noticee stated that the SCN had not provided any relation / connection / nexus / link with any suspected entity. Further, he has no fund/financial transaction with other 25 suspected entities and he was never involved in any kind of manipulative trading and generation of artificial volumes during the investigation period. He submitted that mere act of synchronized trade is not illegal, there shall be some sort of connection between other co-entities for synchronized transactions. Noticee further submitted that the gross buy percentage attributable to him is only 1.22% of the total market value, which is negligible compared to the overall volume and it is insignificant to have any impact on the total market volume or price movement. Further, his percentage of reversal quantity to market volume is 0.399% which is also insignificant as this percentage cannot manipulate the market. In this regard, Noticee relied on the observation of Hon'ble SAT in the matter of *Vishalkumar Krishnakant Borisha & Anr. v. SEBI (order dated July 06, 2023)* in respect of the impugned AO Order dated March 22, 2022, where Hon'ble SAT had set aside the AO Order qua two other Noticees (i.e., Noticee No. 18 and 25) named in this SCN.

13. In this regard, I note that the Noticee along with the 25 suspected entities allegedly indulged in synchronized and reversal trades without any intention to change the ownership, thereby generated the artificial volume and increased the price of the scrip of GGPL and also contributed to positive LTP during the during the investigation period. The said allegations in the SCN are based on the total market volume of trades contributed by the 26 suspected entities. However, Noticee contended that SCN has failed to provide his relation or connection or nexus or link with the other suspected entities or amongst them. In this regard, it is pertinent to refer to the observations of Hon'ble SAT in the matter of *Vishalkumar Krishnakant Borisha & Anr. v. SEBI (Supra)* in respect of the impugned AO Order, wherein it was held that:

“9. Having perused the record and submissions made by the learned counsel for the parties, we find that AO found that 26 suspected entities / noticees had indulged in synchronized / reversal trades and thereby increased the market volume as well as artificial price rise and further contributed to LTP and NHP. This finding is based on the basis of total market volume of trades contributed by the 26 noticees which was 35.37%. In our opinion taking the total contribution made by the 26 noticees in the present facts and circumstances of the case is erroneous and is untenable. The total volume of trades can be taken as a factor in holding market manipulation and artificial increase in a situation when there is a specific finding that the 26 noticees were connected to each other and that there was a meeting of minds and that they were acting in tandem which resulted in synchronized trades and / or reversal trades.

10. In paragraph 3 of the impugned order a categorical assertion was made by the AO that 26 entities including the appellants were suspected entities and they are not connected to the Company, promoters or directors of GGPL.

11. We also find that there is no iota of evidence that 26 noticees were connected to each other. Thus, all the 26 noticees including the appellants were strangers to each other and were trading on their own without knowing who the counterparty was. There is no finding of meeting of minds or acting in tandem by the noticees including the appellants. These cumulative market volumes of trade of the 26 suspected noticees thus cannot be taken into consideration to arrive at a finding of an artificial increase in the price of the scrip or reversal increase in the market volume.

12. Thus, individual trading vis-à-vis the market volume has to be taken into consideration. Insofar as Vishalkumar Krishnakant Borisha is concerned we find that out of 44,33,515 shares that were traded by the 26 suspected entities. Vishalkumar Krishnakant Borisha had only traded 58,852 shares which is 0.47% of the total market volume. Similarly Arpan Darshakkumar Bhatt has only traded 36,265 shares which works out to 0.29% of the total market volume. In our opinion the contribution made by these appellants is insignificant and miniscule compared to the gross trading volume in the shares of GGPL. The trades executed by the appellants does not give any misleading appearance of trading nor can it lead to a finding that they contributed to the price rise in violation of Section 12A of the SEBI Act read with Regulation 3 and 4 of the PFUTP Regulations.

13. In the absence of any connection with the suspected entities and or the counterparties, the charge of reversal trades cannot be accepted. There is no evidence to show that the appellants were trading with the counterparties who were known to them or there was a meeting of mind.”

14. Therefore, considering the above observations of Hon’ble SAT in relation to the SCN in the instant matter which resulted in the said AO Order and that the Noticee had no connection/relation with the other suspected entities or the counterparties to his trades as per the available records, I hold that the allegations of Noticee’ involvement

in the synchronized and reversal trades along with said suspected entities and thereby manipulating the price of the scrip of GGPL are not established.

15. Further, I find that during the investigation period, Noticee's contribution to the total market volume in the scrip of GGPL was only 1.22%, which is insignificant and negligible and cannot lead to a conclusion that the Noticee generated artificial volume in the market or artificially increased the price of the scrip. Further, his percentage of trade reversal quantity to market volume was 0.399%, which is also miniscule and negligible as this percentage cannot manipulate the market. Similarly, Noticee's contribution in the total market positive LTP in the scrip of GGPL was only 1.21%, which is again insignificant and negligible for the manipulation in the GGPL's scrip.

16. It is also relevant to note that the average daily volumes in the scrip of GGPL during the investigation period was approx. 2,05,960 shares. The scrip of GGPL being liquid with lot of traders, it impossible to synchronize or reverse trades in the absence of meeting of minds or nexus between the buyer and seller. Given the circumstances, it is highly unlikely that a Noticee could synchronize or reverse trades, in the absence of connection between counterparties as categorically found in the SCN.

17. In this context, reliance is placed on the observations Hon'ble SAT in the matter of *HB Stockholdings Limited v. SEBI (Appeal No. 114 of 2012, Date of decision: August 27, 2013)*, as under:

"17.... It may be noted that synchronization of trades is not per se illegal. It is actionable only if it is illegitimate and is the outcome of a mischievous meeting of minds among certain parties. For this purpose, the counter party, namely, Gloria Investment Limited has already been exonerated by the Respondent. Moreover, no cogent and convincing reasons are forthcoming from a reading of the SCN or the impugned order to sustain such a charge of synchronization or creation of artificial volumes against the Appellants. In this connection, we may also pertinently note that the mere factum of one or two Appellants sharing common address or one of the Appellants being the promoter of the other group at some point in time are not in themselves sufficient to bring home the residual charge against the Appellants. There has to be sufficient evidence on record to clearly prove connivance on the part of the Appellants with a counter party to prove the charge in question against the Appellants. In the absence of any such evidence and unambiguous findings by the learned WTM to this effect, we have no option but to quash the impugned order in question." (**emphasis supplied**).

18. Similarly, in the matter of *S.P.J. Stock Brokers Pvt. Ltd. v. SEBI (Appeal No. 52 of 2013, Date of decision: November 04, 2013)*, Hon'ble SAT held that:

"13. In this case, save and except recording that trades executed by appellant with one group were synchronized, no other particulars are set out in the impugned order. Neither names of persons forming group with whom appellant had traded nor their connection with appellant has been set out in the impugned order. Unless some connection between appellant and counterparties with whom appellant traded is established, it is difficult to hold that trades in question were carried out with a view to manipulate market by creating false volumes resulting in upsetting market equilibrium."

19. In view of the above, I hold that the allegations levelled against the Noticee in the SCN that by synchronized or reversal trades, he generated artificial volume and manipulated the price of the scrip of GGPL and thereby violated the provisions of section 12A (a), (b), (c) of the SEBI Act read with regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a), (e) and (g) of the PFUTP Regulations, are not established.

20. As the alleged violations against the Noticee are not established, issues II and III do not merit consideration.

ORDER

21. Taking into account the facts and circumstances of the case, material available on record, submissions of the Noticee, findings hereinabove and factors mentioned in section 15J of the SEBI Act, in exercise of the powers conferred upon me under section 15-I of the SEBI Act read with rule 5 of the Rules, I conclude that the adjudication proceedings initiated against the Noticee (Mr. Harish Kumar Sakaria) vide SCN dated July 22, 2019, are disposed of without imposition of penalty.

22. In terms of rule 6 of the Rules, copy of this order is sent to the Noticee and also to SEBI.

Place: Mumbai

Date: November 11, 2025

JAI SEBASTIAN

ADJUDICATING OFFICER