

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/AK/DS/2025- 26/31627-31644]
UNDER SECTION 15-I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA
ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY
AND IMPOSING PENALTIES) RULES, 1995, IN RESPECT OF;

Noticee No.	Noticee Name	PAN
1	Pankaj Rameshchandra Vyas	ADGPV4521L
2	Vaishali Pankaj Vyas	AAPPV4036J
3	Prafulchandra Chimanlal Vora	AAPPV2238Q
4	Pranav Prafulchandra Vora	ACYPV7581R
5	Bhavik Prafulchandra Vora	ADIPV3436E
6	Vishwa Pranavkumar Vora	AGJPV0259R
7	Jinalben Bhavikbhai Vora	AGJPV0338H
8	Jyotsanaben Prafulbhai Vora	AGJPV0379E
9	Vilpaben Pranavbhai Vora	AGJPV0381Q
10	Deshna Traders LLP	AANFD3330M
11	Vilpa Enterprise LLP	AAOFV9242M
12	Bhavik P Vora HUF	AAHNB2782F
13	Pranav P Vora HUF	AAKHP5848M
14	Prafulchandra Chimanlal Vora HUF	AALHP3943G
15	Anustup Trading Private Limited	AASCA1034B
16	Olga Trading Private Limited	AACCO8900C
17	Niraj Harsukhlal Sanghavi	ABVPS5896C
18	Marfatia Stock Broking Private Limited	AADCM6730B

In the matter of

Manipulation in the scrip of SecUR Credentials Limited

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) conducted investigation in the matter of manipulation in the scrip of SecUR Credentials Limited (hereinafter referred to as “**SCL**” / “**the Company**”) for the period February 21, 2022 till April 27, 2022 (hereinafter referred to as “**investigation period**” / “**IP**”) to find out alleged violations, if any, of provisions of SEBI Act, 1992 (**SEBI Act**), SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations**”).
2. SEBI initiated adjudication proceedings u/s 15-I(1) of SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as “**SEBI Adjudication Rules**”) r/w Section 19 of SEBI Act, to enquire into and adjudge the alleged violations of provisions of SEBI Act, PFUTP Regulations, SEBI (Stock Brokers) Regulations, 1992 (hereinafter referred to as “**Stock Brokers Regulations**”) and applicable SEBI Circulars, by the following entities.

Noticee No.	Noticee Name	PAN	U/s
1	Pankaj Rameshchandra Vyas	ADGPV4521L	15HA of SEBI Act
2	Vaishali Pankaj Vyas	AAPPV4036J	
3	Prafulchandra Chimanlal Vora	AAPPV2238Q	
4	Pranav Prafulchandra Vora	ACYPV7581R	
5	Bhavik Prafulchandra Vora	ADIPV3436E	
6	Vishwa Pranavkumar Vora	AGJPV0259R	
7	Jinalben Bhavikbhai Vora	AGJPV0338H	
8	Jyotsanaben Prafulbhai Vora	AGJPV0379E	
9	Vilpaben Pranavbhai Vora	AGJPV0381Q	
10	Deshna Traders LLP	AANFD3330M	
11	Vilpa Enterprise LLP	AAOFV9242M	
12	Bhavik P Vora HUF	AAHNB2782F	
13	Pranav P Vora HUF	AAKHP5848M	

Noticee No.	Noticee Name	PAN	U/s
14	Prafulchandra Chimanlal Vora HUF	AALHP3943G	
15	Anustup Trading Private Limited	AASCA1034B	
16	Olga Trading Private Limited	AACCO8900C	
17	Niraj Harsukhlal Sanghavi	ABVPS5896C	
18	Marfatia Stock Broking Pvt. Ltd.	AADCM6730B	15HB of SEBI Act

(Noticees are hereinafter referred to by their respective names / respective Noticee nos. given in the table above, and collectively referred to as “**the Noticees**”).)

APPOINTMENT OF ADJUDICATING OFFICER

3. The undersigned was appointed as the Adjudicating Officer (**AO**), vide Order dated February 06, 2025 u/s 15-I(1) of the SEBI Act, and Rule 3 of SEBI Adjudication Rules r/w Section 19 of the SEBI Act, to inquire into and adjudge the violations of provisions of SEBI Act, PFUTP Regulations, Stock Brokers Regulations and applicable SEBI Circulars, alleged to have been committed by the Noticees.

SHOW CAUSE NOTICE, REPLY OF THE NOTICEE AND HEARING

4. Show Cause Notice (hereinafter referred to as “**SCN**”) dated February 14, 2025 was issued to the Noticees in terms of rule 4 of SEBI Adjudication Rules, to show cause as to why inquiry should not be held against them and why penalty, if any, be not imposed on them u/s 15HA and 15HB of SEBI Act, as applicable. The SCN was duly delivered to the Noticees.
5. Brief details of the case and the allegations brought out in the SCN are provided below:
 - 5.1. SCL was listed on the SME platform of NSE, viz. NSE Emerge, from November 13, 2017 to October 16, 2022. It migrated to NSE’s main board with effect from October 17, 2022. At BSE also, shares of company were admitted to the main board on October 17, 2022.

5.2. It was observed that the promoter shareholding decreased from 61.59% (as on September 30, 2021) to 5.09% (as on March 31, 2022). Further, the promoter shareholding reduced to “NIL” as on September 30, 2022.

5.3. It was noted that Noticees 1 and 2 were the major promoter shareholders of the Company during the IP and they sold significant number of shares between September 30, 2021 and March 31, 2022, and sold the remainder shares between March 31, 2022 and September 30, 2022.

5.4. From the trade log and order log in the scrip of SCL for the IP, Noticees 1 to 17 were identified as “**suspected entities**”. It was noted that the sellers, namely, Mr. Pankaj Rameshchandra Vyas (Noticee 1) and Ms. Vaishali Pankaj Vyas (Noticee 2), traded in the scrip of SCL during the IP through the stock broker i.e. Marfatia Stock Broking Private Limited (Noticee 18), which was also the stock broker for the buyers in the same scrip. Accordingly, records of suspected entities like account opening forms, Know Your Client (KYC), call recordings etc were obtained from Noticee 18. For the purpose of ascertaining fund flow, Account opening forms and bank statements of suspected entities were obtained from respective banks; and demat statements of suspected entities were obtained from the depositories, NSDL and CDSL.

Connection among suspected entities

5.5. The client listing report, as provided by Noticee 18, is given below:

Sr. No.	Noticee No.	Name	Address	Mobile	Email	Name of Introducer	Register Date
1	5	Vora Bhavik Prafulchandra	8/24-736 Ashapura Park B/H Vimal Nath B/H Gokul Park Surendranagar Pin: 363001	9825222227	bhavik_vora22227@yahoo.in	Vilpaben Pranavbhai Vora	24/05/2010
2	4	Vora Pranav Prafulchandra	B/401, 4th Flr, Wiseroiyvilla Cross Road - Bodakdev Ahmedabad Pin: 363001	9825093974	pranavvora123@yahoo.co.in		03/08/2010
3	7	Vora Jinalben Bhavikbhai	8/24/736 Ashapura Park B/H Vimalnath B/H Gokula Pa Tal - Wadhwani Surendranagar Pin: 363001	9825222227	bhavik_vora22227@yahoo.in		03/08/2010

4	9	Vilpaben Pranavbhai Vora	3 - Ashapura Park B/H, Vimalnath Society Surendra Nagar Surendranagar Pin: 363001	9825093974	pranavvora123 @yahoo.co.in	13/08/2010
5	13	Pranav P Vora (Huf)	3 Ashapura Park Near Vimalnath Society 80 Fet Road Surendranagar Pin: 363001	9825093974	pranavvora123 @yahoo.co.in	20/04/2011
6	3	Vora Prafulch Andra ChimanlaL	3 Asha Pura Park Near Vimalnath Park Society Surendranagar Pin: 363001	9825222227	pranavvora123 @yahoo.co.in	19/04/2011
7	3	Vora Prafulchandra ChimanlaL	3 Asha Pura Park Near Vimalnath Park Society Surendranagar Pin: 363001	9825222227	pranavvora123 @yahoo.co.in	15/04/2011
8	12	Bhavik P Vora (Huf)	3 Ashapura Park Society B/H Vimalnath Society 80 Feet Road Surendranagar Pin: 363002	9825222227	bhavik_vora222 27@yahoo.in	20/04/2011
9	14	Prafulchandra Chimanla L Vora Huf	3 Ashapura Park B/H Vimalnath Society Tal - Vadhvan Surendranagar Pin: 363001	9825222227	pranavvora123 @yahoo.co.in	28/04/2011
10	6	Vishwa Pranavku Mar Vora	B 401 4th Floor Viceroy Villa Near Judges Bunglows At Bodak Dev Ahmedabad Pin: 380054	9825293974	vishvavora11@ gmail.com	14/03/2018
11	11	Vilpa EnterpriSe Llp	B 602 Samudra Opp Shantanu Sardar Patel Road Nr Hotel Classic Navrangpura Ahmedabad Pin:380009	9825093974	vilpaenterprises 22227@gmail.c om	04/10/2017
12	10	Deshna Traders Llp	B 601 Samudra Opp Shantanu Sardar Nagar Road Navrangpura Ahmedabad Pin:380009	9825093974	deshnatraders2 2227@gmail.co m	04/10/2017
13	16	Olga Trading Private Limited	First Floor,45, Jekorbai Chambers Opp Madhavbaug Railwaypura Ahmedabad. Pin: 380002	8200093935	olgatradingspriva telimited@gmail .com	20/01/2021

14	15	Anustup Trading Private Limited	Gf Shop No.4 Ghanshyam Complex Meena Bazar Meghaninagar Ahmedabad Pin: 380016	9824336814	Anustuptra Dingprivate Limited@Gmail.Com	23/11/2021
15	1	Pankaj Rameshc Handra Vyas	407 B Satyam C H S Link Road Opp M H B Post Off Borivali West Mumbai Pin: 400091	9820281743	pankajrvyas@gmail.com	02/03/2022
16	2	Vaishali Pankaj Vyas	407 B Satyam C H S Link Road Opp M H B Post Off Borivali West Mumbai Pin: 400091	9820281743	vaishalivyas14@gmail.com	03/03/2022

5.6. It was noted from the above table that the following entities share common address, mobile number(s)/email ID(s):-

COMMON MOBILE NUMBER i.e.9825222227		COMMON MOBILE NUMBER i.e. 9825093974	
Noticee No.	Noticee Name	Noticee No.	Noticee Name
4	Vora Bhavik Prafulchandra	4	Vora Pranav Prafulchandra
7	Vora Jinalben Bhavikbhai	9	Vilpaben Pranavbhai Vora
3	Vora Prafulchandra Chimanlal	13	Pranav P Vora (Huf)
8	Vora Jyotsanaben Prafulbhai	11	Vilpa Enterprise Llp
12	Bhavik P Vora (Huf)	10	Deshna Traders Llp
14	Prafulchandra Chimanlal Vora Huf		

COMMON EMAIL ID: pranavvora123@yahoo.co.in		COMMON EMAIL ID: bhavik_vora22227@yahoo.in	
Noticee No.	Noticee Name	Noticee No.	Noticee Name
4	Vora Pranav Prafulchandra	5	Vora Bhavik Prafulchandra
9	Vilpaben Pranavbhai Vora	7	Vora Jinalben Bhavikbhai
13	Pranav P Vora (Huf)	12	Bhavik P Vora (Huf)
3	Vora Prafulchandra Chimanlal		
8	Vora Jyotsanaben Prafulbhai		
14	Prafulchandra Chimanlal Vora Huf		

5.7. It was also noted that the following entities shared common address:

Common Address: 8/24-736 ASHAPURA PARK B/H VIMAL NATH B/H GOKUL PARK SURENDRANAGAR Pin: 363001	Common Address: B 401 4TH FLOOR VICEROY VILLA NEAR JUDGES BUNGLOWS AT BODAK DEV AHMEDABAD Pin: 380054
---	---

Noticee No.	Noticee Name	Noticee No.	Noticee Name
5	Vora Bhavik Prafulchandra	6	Vishwa Pranavkumar Vora
7	Vora Jinalben Bhavikbhai	4	Vora Pranav Prafulchandra
9	Vilpaben Pranavbhai Vora		
13	Pranav P Vora (Huf)		
3	Vora Prafulchandra Chimanlal		
12	Bhavik P Vora (Huf)		
14	Prafulchandra Chimanlal Vora Huf		

5.8. From the perusal of account opening forms, Know Your Client (KYC) records and information received from Noticee 18, as well as information received from the NSE, following relationships/association amongst suspected clients were observed:

Noticee No.	Client Name	Basis of Relationship
9	Vora Vilpaben Pranavbhai	Introducer in KYC form to: Olga Trading Pvt Ltd, Past directors of company Pankaj Vyas & Vaishali Vyas, Anustup Trading pvt Ltd.
4	Vora Pranav Prafulchandra	Husband of Vilpa Vora as per KYC
6	Vishwa Pranavkumar Vora	Daughter of Pranav Vora and Vilpaben Pranavbhai Vora as per KYC
3	Vora Prafulchandra Chimanlal	Father-in-law of Vilpa Vora & husband of Jyotsana Vora as per KYC
8	Vora Jyotsanaben Prafulbhai	Husband Praful Vora & daughter- in -law Vilpa Vora as per KYC.
5	Vora Bhavik Prafulchandra	Brother- in -law of Vilpa Vora as per KYC
7	Vora Jinalben Bhavikbhai	Sister- in-law of Vilpa Vora as per KYC
11	Vilpa Enterprise LLP	Partners of this entity are Pranav Vora & Vilpa Vora
13	Pranav P Vora HUF	Karta Pranav Vora (Husband of Vilpa Vora) as per KYC
12	Bhavik P Vora HUF	Karta Bhavik Vora (Brother in law of Vilpa Vora) as per KYC
14	Prafulchandra Chimanlal Vora HUF	Karta is Prafulchandra Chimanlal Vora as per KYC
10	Deshna Traders LLP	Partners of this entity are Pranav Vora, Vilpa Vora & Nishil Surendra Marfatia (MD of Marfatia Stock broking)
16	Olga Trading Private Limited	Shares common directorship with Anustup trading Private limited.
15	Anustup Trading Private Limited	Vilpa Vora is introducer in KYC form
1	Pankaj Rameshchandra Vyas	Director of company along with his wife Vaishali Vyas. Vilpa Vora is introducer in KYC form

Noticee No.	Client Name	Basis of Relationship
2	Vaishali Pankaj Vyas	Director of company & spouse is Pankaj Vyas as per KYC records. Vilpa Vora is introducer in KYC form

5.9. On the basis of the aforesaid relationships/connections between the entities, i.e., sharing common address/common mobile number/ common email ID and belonging to same family account of Vilpa Vora who introduced these accounts to Noticee 18, it was observed that the 12 entities, being Noticees 3 to 14, were connected to each other. Therefore, they were collectively referred to as “**Vora Group**”.

5.10. In respect of their trading in the scrip of SCL during the IP, relevant information was sought from “Vora Group” vide email dated April 23, 2024 and reminder email dated April 29, 2024. One of the “Vora Group” entities, namely, Mr. Bhavik Vora (Noticee 5) replied on April 30, 2024 that they are in the process of collecting the information and sought time till May 03, 2024 to send the reply. Thereafter, vide separate emails dated May 07, 2024, the “Vora Group” entities furnished their replies. It was observed that all “Vora Group” entities submitted their response on similar lines.

5.10.1. In his reply, Noticee 4 provided the below table showing the relationship/ association amongst “Vora Group” entities:

Sr. No.	Noticee No.	Name	Relationship
1	4	Mr. Pranav Vora	-
2	5	Mr. Bhavik Vora	Brother
3	6	Ms. Vishwa Vora	Daughter
4	7	Ms. Jinal Vora	Sister-in-law
5	8	Ms. Jyotsana Vora	Mother
6	9	Ms. Vilpa Vora	Wife
7	10	M/s Deshna Traders LLP	LLP where my wife and I are partners with shareholding 50% each.
8	11	M/s Vilpa Enterprise LLP	LLP where my wife and I are partners with shareholding 50% each.

9	12	M/s Bhavik P. Vora HUF	Brother's HUF
10	13	M/s Pranav P. Vora HUF	My HUF
11	14	M/s Prafulchandra Chimanlal Vora HUF	Father's HUF
12	3	Mr. Prafulchandra Vora	Father

5.10.2. With respect to trading decision and rationale for trading in the scrip of SCL, it was stated in the replies that trading decision on behalf of all Vora Group entities was taken by Noticee 4. The same was confirmed by Noticee 4 himself in his reply.

5.10.3. Noticee 4 also stated that though his wife, Ms. Vilpa Vora (Noticee 9) was the Authorized Person of the stock broker, Marfatia Stock Broking Pvt Ltd. (Noticee 18), all the work was done by Noticee 4 only. With respect to mode of placing orders for trading in the scrip of SCL, Noticee 4 replied that *“I used to place orders online personally, in my own account as well as in the accounts of other Noticees, I used the respective log in and passwords of my family members, which had been shared by them and directly placed the trades online through the respective accounts.”*

5.11. From the aforesaid, it was found that Vora Group entities, i.e. Noticees 3 to 14 were connected to each other and belonged to the same family.

5.12. Noticees 15 and 16 –

5.12.1. It was noted from the client listing sheet provided by Noticee 18 that Noticees 15 and 16 were clients of Noticee 18 and they were introduced by Noticee 9, who had signed as introducer in their Account opening form/KYC of Marfatia Stock Broking Pvt. Ltd (Noticee 18). Thus, it was observed that Noticees 15 and 16 were connected to “Vora Group”.

5.12.2. As per the UCC from NSE, bank account statements of Vora Group entities were sought from ICICI Bank. It was noted from account statements of Vora Group entities held with ICICI Bank that on March 16, 2022, nine (9) Vora Group entities received money from another entity

named “M/s Padmavati Investment”. Therefore, account details of “M/s Padmavati Investment” were sought from ICICI Bank. From the perusal of copy of account opening form and bank statement of Padmavati Investment provided by ICICI Bank vide email dated March 16, 2024, it was observed that Mr. Bhavik P. Vora and Ms. Jinal B. Vora, who are part of Vora Group, are the partners of M/s Padmavati Investment. Thus, it was observed that M/s Padmavati Investment is related to “Vora Group”.

5.12.3. The bank account statement of M/s Padmavati Investment shows that it had fund transactions (both Debit & Credit) with another entity, M/s Premium Tradelink. Bank Account details of M/s Premium Tradelink were sought from HDFC Bank. Vide emails dated March 19, 2024 and March 22, 2024, HDFC Bank provided the bank statement and copy of account opening form of M/s Premium Tradelink respectively. From the bank statement of M/s Premium Tradelink it was noted that it had fund transactions with Noticee 15, i.e. M/s Anustup Trading Private Limited, which indicates that these two entities were connected. Further, from the perusal of the account opening form, it was noted that the authorized signatories of M/s Premium Tradelink were Mr. Kamlesh A Dhanrajani and Mr. Krunal Khamar. From the account opening form of M/s Olga Trading Private Limited received from Noticee 18, it was noted that the authorized signatories of Noticee 16, i.e. M/s Olga Trading Private Limited are also Mr. Kamlesh Arjundas Dhanrajani and Mr. Krunal Jashvantlal Khamar. Thus, it was observed that Premium Tradelink and Noticee 16 were part of the same group.

5.12.4. From the fund transactions among the aforesaid entities as well as other evidence cited hereinabove, it was noted that a common thread linking these entities, viz., M/s Padmavati Investment, M/s Premium Tradelink, Noticees 15 and 16, which reinforces the finding that Noticees 15 and 16 were connected to Vora Group.

5.13. Noticee 17 –

- 5.13.1. It was noted that Mr. Niraj Harsukhlal Sanghavi (Noticee 17) contributed ₹41.70/- and M/s Sairam Infratrade LLP contributed ₹33.35/- to positive LTP. Noticee 17 and M/s Sairam Infratrade LLP contributed positive LTP of 9.57% and 7.66% respectively.
- 5.13.2. It was further noted that Noticee 17 was one of the partners of the entity, Kenilworth Consultancy Services LLP, the other partner being Mr. Khanak Budhiraja.
- 5.13.3. From the bank statements of Noticee 17 received from HDFC Bank vide email dated August 06, 2024, it was noted that Noticee 17 had fund transactions with his own firm, namely, Kenilworth Consultancy Services LLP bearing A/c No. 50200021055347. From the perusal of bank statement of Kenilworth Consultancy Services LLP provided by HDFC Bank on October 09, 2024, it was noted that Kenilworth Consultancy Services LLP had high value fund transactions with M/s Padmavati Investment during March 2022. The details are provided below:

Date	Narration	Chq./Ref.No.	Withdrawal Amt.	Deposit Amt.
10/03/22	CHQ PAID-MICR CTS-MU-PADMAVATI INVESTMEN	0000000000000187	20000000	0
10/03/22	CHQ PAID-MICR CTS-MU-PADMAVATI YIRESY ME	0000000000000188	20000000	0
10/03/22	CHQ PAID-MICR CTS-MU-PADVATI INES MENT	0000000000000189	20000000	0
15/03/22	RTGS CR-ICIC0000011-PADMAVATI INVESTMENT-KENILWORTH CONSULTANCY SERVICES LLP- ICICR42022031500555742	ICICR42022031500555742	0	10000000
15/03/22	RTGS CR-ICIC0000011-PADMAVATI INVESTMENT-KENILWORTH CONSULTANCY SERVICES LLP- ICICR42022031500555608	ICICR42022031500555608	0	10000000
16/03/22	RTGS CR-ICIC0000011-PADMAVATI INVESTMENT-KENILWORTH	ICICR42022031600541045	0	10000000

Date	Narration	Chq./Ref.No.	Withdrawal Amt.	Deposit Amt.
	CONSULTANCY SERVICES LLP- ICICR42022031600541045			
16/03/22	RTGS CR-ICIC0000011-PADMAVATI INVESTMENT-KENILWORTH CONSULTANCY SERVICES LLP- ICICR42022031600541235	ICICR42022031600541235	0	10000000
23/03/22	RTGS CR-ICIC0000011-PADMAVATI INVESTMENT-KENILWORTH CONSULTANCY SERVICES LLP- ICICR42022032300542059	ICICR42022032300542059	0	10000000
24/03/22	RTGS CR-ICIC0000011-PADMAVATI INVESTMENT-KENILWORTH CONSULTANCY SERVICES LLP- ICICR42022032400541558	ICICR42022032400541558	0	10000000

5.13.4. The table above shows that ₹6 crore was paid to Padmavati Investment on March 10, 2022 (in 3 transactions of ₹2 crore each) from the account of Kenilworth Consultancy Services LLP. Further, ₹6 crore was received from Padmavati Investment in 6 transactions of ₹1 crore each during March 15, 2022 to March 24, 2022.

5.13.5. Thus, Noticee 17, through his partnership firm, had financial dealings with the Vora Group, through their connected entity, M/s Padmavati Investment. Therefore, it was observed that Noticee 17 was connected to Vora Group, i.e., the buyers and was thus, considered as one of the suspected entities.

5.13.6. Further, on the basis of Call Data Record details received from Bharti Airtel Ltd., it was noted that a phone call was exchanged on 16/05/2022 between the mobile no. '9833344074' belonging to Noticee 17 with number '9825093974' which belongs to Vora Group. The duration of the said phone call as recorded in CDR data is 36 seconds. This further strengthened the above conclusion that Noticee 17 is connected to Vora Group.

- 5.14. In view of the above, it was observed that Vora Group consisted of 15 entities, i.e. Noticees 3 to 17.
- 5.15. Noticees 1 and 2 – From the perusal of account opening forms/ KYC of Noticees 1 and 2, it was noted that Noticee 1 is the husband of Noticee 2 and their accounts were opened with Noticee 18 on March 02, 2022 i.e. during the IP. It was further noted that their accounts were introduced by Noticee 9, as she had signed as introducer in their Account opening form/KYC. As already stated above, Noticee 9 was part of the Vora Group.
- 5.16. To further examine this aspect, both Noticees 4 and 9 were asked to explain the nature of their relation/ connection as well as details of their communication with Noticees 1 and 2. In their replies, both Noticees 4 and 9 provided evasive replies and also denied having any communication/meeting with Noticees 1 and 2.
- 5.17. Replying to further queries raised vide email dated May 10, 2024, Noticee 4, vide email dated May 15, 2024, forwarded scanned copy of account opening form/KYC of Noticees 1 and 2, used for opening of account with Noticee 18. He further clarified that trading account of Noticees 1 and 2 were opened with Noticee 18 through e-KYC process and therefore, there was no need of sharing any executed documents with Noticees 1 and 2.
- 5.18. In the absence of clear replies in the submissions of Noticees 4 and 9 to queries relating to their relationship with Noticees 1 and 2, it was inferred that Noticee 9, being the introducer in AOF/KYC of Noticees 1 and 2, as well as Noticee 4, was known to them.
- 5.19. Further, vide email dated March 22, 2024, list of suspected clients (except Noticee 17) was provided to Noticee 18 and details were sought with respect to “Mode of placing order” in the scrip of SCL by these entities. Noticee 18, vide email dated April 02, 2024, informed that all orders were placed by its Authorized Person (AP), Ms. Vilpa Vora (Noticee 9). In reply to further query in this regard, M/s Marfatia Stock Broking Pvt. Ltd. vide email dated April 08, 2024, informed that all buy and sell orders were also placed by its AP.

- 5.20. In order to further examine the connection between suspected entities, necessary information including “Order placement details” along with documentary proof was sought from Noticee 18. However, Noticee 18 did not provide complete information and relevant documentary evidence in respect of orders placement details by suspected entities in the scrip of SCL during the IP. Therefore, summons dated June 04, 2024 were issued to Noticee 18 to provide information regarding “Mode of order placement” by suspected entities in the scrip of SCL. Noticee 18, vide email and letter dated June 06, 2024, submitted that 12 Vora Group entities are family accounts of its AP and the other 4 entities, i.e. Noticees 1, 2, 15 and 16, are clients introduced by its AP. Noticee 18 also submitted that all orders were placed by its AP from their office through trading terminal allotted to them.
- 5.21. From the perusal of details with respect to Mode of Order placement, it was noted that in respect of all suspected entities, it was mentioned that “*Orders placed by Sub-broker/Authorized person through trading terminal over call/walk-in*”. Further, it was also stated that “*No Call recording available as Family Account of Sub broker / Authorized Person-signed order confirmation provided*” (for Noticees 3 to 14, i.e. Vora Group). In respect of remaining 4 entities (Noticees 1, 2, 15 and 16), it was mentioned that “*No Call recording available-signed order confirmation provided*”. The documents attached as proof of order placement in the aforesaid reply were not indicative of any order placement by the suspected entities, but were post trade confirmation statements.
- 5.22. Order placement details were also received from the NSE vide email dated December 09, 2024. NSE had forwarded the reply along with proofs of order placement by sellers as provided by Noticee 18. Upon perusal of these documents, which were referred as order placement records, did not contain important details viz. time stamp, mode of receipt of order placement slip etc. and were also not part of any proper register maintained by Noticee 18 for this purpose. Thus, these documents were observed to have been fabricated

by Noticee 18 as an afterthought and were not evidence of orders placed by the sellers.

5.23. Despite repeatedly asking for records of order placement, Noticee 18 failed to provide documentary evidence to show the details of the orders placed by the buyers, i.e, Vora Group and the sellers, i.e., Noticees 1 and 2. Considering Noticee 18's reply that "*all orders were placed by its AP, i.e., Ms. Vilpaben Pranavbhai Vora from their office through trading terminal allotted to them*" and absence of any documentary evidence of order placement by the aforesaid suspected entities, it was inferred that buyers and sellers did not place any orders individually with Noticee 18 and that all decisions for orders of Vora Group as well as those of Noticees 1 and 2 were placed by the same person from the same location i.e., by Noticee 4.

5.24. During the course of investigation, certain information was also sought from Noticees 1 and 2 vide email dated May 13, 2024. Noticee 1, vide email dated May 22, 2024 submitted his response as well as the reply on behalf of his wife, Ms. Vaishali Pankaj Vyas (Noticee 2).

5.25. With respect to trading through Noticee 18 and mode of placing orders, Noticee 1 informed as under:

"I had already decided to sell my shares of SecUR Credentials Ltd. I had reached out to my regular broker which is Angel One Limited but was told by them and also came to know from my circle in general conversations that they were not keen in the SME shares. I don't remember clearly but during that time our office received a sales call or some reference about Marfatia broking. I was anyway looking for an additional broker so I opened a Demat account with them.

.....

My office would call for sale request and they would send us the contract note once any sale was done in the open market. [Attached Bank Account for your reference]. I am not sure who would be speaking from their side."

5.26. To seek further clarification in the matter, Noticee 1 was called for personal appearance for statement recording vide summons dated June 04, 2024.

During the course of statement recording, regarding placing of orders in the scrip of SCL, in his statement, Noticee 1 mentioned that sometimes, orders would be placed over phone calls and sometimes he would send his peon to the broker's office. Noticee 1 was asked about his relationship with Noticee 9 as she had signed as the introducer in his and his wife's (Noticee 2) AOF/KYC documents. In reply, he stated that he did not know Noticee 4 or 9 and all the documentation had been done by the broker, i.e. Noticee 18.

- 5.27. The statement and submission by Noticee 1 regarding his relationship with the Vora Group as well as the mode of sell order placement by him with the broker were observed to be contradictory and hazy. Further, the statement of Noticee 1 regarding mode of placing orders was also observed to be contradicting the reply given by Noticee 18, which had stated that call recordings regarding orders placed by Noticee 1 and 2 were not available since these were physically placed by the sellers as "Walk-in" clients.
- 5.28. In his submissions, Noticee 4 also informed that he placed orders 'online' for trading in scrip of SecUR Credentials Limited. However, contrary to the aforesaid statement, the trade log shows that all orders placed by Vora Group were from the broker's terminal. This has also been confirmed by the broker, Noticee 18, in its reply.
- 5.29. In view of the absence of evidence of placement of orders by the suspected entities along with the contradictory replies and submissions of the broker and the sellers, Noticees 1 and 2, it was inferred that decisions for both buy and sell orders in the impugned trades in the scrip of SCL were being taken by Noticee 4, using his wife, Noticee 9, as a front as AP of the broker, Noticee 18. The aforesaid submissions of Noticee 18 relating to the relationship of the sellers with the Vora group were observed to further strengthen the finding that the buyers and sellers were in fact connected to each other and the decisions relating to the impugned buy and sell orders in the scrip of SCL were being taken by Noticee 4. The denial by Noticee 1 of his relationship with Noticees 4 and 9, are misleading statements and untruths.

5.30. Based on the above, it was concluded that 15 buyers, i.e. Vora Group / Noticees 3 to 17, were connected to the sellers, i.e. Noticee 1 and 2. These 17 entities were, therefore, referred to as “suspected entities” / “connected entities”.

5.31. Noticee 1 sold 6,54,000 shares, out of which 4,32,000 shares were bought by “Vora Group” on March 16, 2022. From analysis of banking transactions, it was noted that on same day i.e. March 16, 2022, each of the Vora Group entities transferred Rs. 29,70,000/- to Marfatia Stock Broking Private Limited.

Trading activity by suspected entities

5.32. The summary of trading activity in the scrip during the period of investigation, observed from the trade log of SCL, is tabulated below:

Particulars	Buy quantity	Sell quantity	Gross quantity	% Contribution (gross)
Suspected Entities	17,81,400	23,33,400	41,14,800	62.13
Other market participants	15,30,000	9,78,000	25,08,000	37.87
Total traded quantity	33,11,400	33,11,400	66,22,800	100.00%

5.33. It was observed that 15 suspected entities traded as buyers and 5 suspected entities traded as sellers during the IP. Details of their trading are given below:

Noticee No.	Noticee Name	Buy Traded Qty	%Buy tq	Sell Traded Qty	%Sell tq
15	Anustup Trading Private Limited	652200	19.70%	0	0.00%
17	Niraj Harsukhlal Sanghavi	333000	10.06%	127800	3.86%
10	Deshna Traders Llp	222000	6.70%	15600	0.47%
11	Vilpa Enterprise Llp	114000	3.44%	15600	0.47%
3	Vora Prafulchandra Chimanlal	42000	1.27%	0	0.00%
6	Vishwa Pranavkumar Vora	42000	1.27%	0	0.00%
7	Vora Jinalben Bhavikbhai	42000	1.27%	0	0.00%
9	Vora Vilpaben Pranavbhai	42000	1.27%	0	0.00%
8	Vora Jyotsanaben Prafulbhai	42000	1.27%	0	0.00%
4	Vora Pranav Prafulchandra	42000	1.27%	0	0.00%
12	Bhavik P Vora HUF	42000	1.27%	0	0.00%
5	Vora Bhavik Prafulchandra	42000	1.27%	0	0.00%
14	Prafulchandra Chimanlal Vora HUF	42000	1.27%	0	0.00%

13	Pranav P Vora HUF	42000	1.27%	0	0.00%
16	Olga Trading Private Limited	40200	1.21%	0	0.00%
1	Pankaj Ramesh Vyas	0	0.00%	1728000	52.18%
2	Vaishali Pankaj Vyas	0	0.00%	446400	13.48%
	Total	17,81,400	53.80%	23,33,400	70.47%
	Market total	33,11,400	100.00%	33,11,400	100.00%

5.34. From the table above, it was observed that suspected entities contributed 53.80% to buy volume and 70.47% to sell volume in the scrip of SCL and contributed 48.67% to total market volume through trades amongst themselves during the IP.

5.35. It was also observed that Noticee 1 sold 17,28,000 shares spread across 7 days during the IP. Date wise details of his trades are given below:

Date	Member Name	Buy Quantity	Sell Quantity	Total Traded Qty. for the Day	%age of Day volume
22-Feb-2022	M/s ANGEL ONE LIMITED	0	7,800	21600	36.11
03-Mar-2022	M/s MARFATIA STOCK BROKING PRIVATE LIMITED	0	2,16,000	2,22,600	97
09-Mar-2022		0	3,36,000	3,39,600	98.94
16-Mar-2022		0	6,54,000	6,89,400	94.86
22-Mar-2022		0	1,20,000	1,41,000	85
23-Mar-2022		0	1,62,000	1,69,200	95.74
25-Mar-2022		0	2,32,200	2,91,000	79.80

5.36. Date-wise details of quantities of shares sold by Noticee 1, which were bought by the buyers who were connected entities, are provided below:

Date	Client Name	Sell Quantity	Buy Quantity (by Connected Entities)	%age of sale
22-Feb-2022	Mr. Pankaj Rameshchandra Vyas (Noticee 1)	7,800		-
03-Mar-2022		2,16,000	1,08,000	50.00
09-Mar-2022		3,36,000	3,36,000	100.00
16-Mar-2022		6,54,000	4,32,000	66.00
22-Mar-2022		1,20,000	67,800	56.50
23-Mar-2022		1,62,000	-	-
25-Mar-2022		2,32,200	1,95,600	84.24
	TOTAL	17,28,000	11,39,400	

5.37. Summary of counterparties, who were part of suspected entities, to the sale trades of Noticee 1 during the IP is given below:

Sr.no.	Noticee No.	Name of Client / Noticee	Buy Quantity (No. of Shares)	% of Qty traded
1	10	M/s DESHNA TRADERS LLP	2,22,000	12.85
2	15	M/s ANUSTUP TRADING PRIVATE LIMITED	2,13,000	12.33
3	11	M/s VILPA ENTERPRISE LLP	1,14,000	6.60
4	7	Ms VORA JINALBEN BHAVIKBHAI	42,000	2.43
5	4	Mr VORA PRANAV PRAFULCHANDRA	42,000	2.43
6	8	Ms VORA JYOTSANABEN PRAFULBHAI	42,000	2.43
7	3	Mr VORA PRAFULCHANDRA CHIMANLAL	42,000	2.43
8	9	Ms VORA VILPABEN PRANAVBHAI	42,000	2.43
9	14	PRAFULCHANDRA CHIMANLAL VORA HUF	42,000	2.43
10	5	Mr VORA BHAVIK PRAFULCHANDRA	42,000	2.43
11	6	Ms. VISHWA PRANAVKUMAR VORA	42,000	2.43
12	13	Mr PRANAV P VORA HUF	40,200	2.33
13	12	Mr BHAVIK P VORA HUF	38,400	2.22
14	17	Mr. NIRAJ HARSUKHLAL SANGHAVI	1,75,800	10.17
		Total	11,39,400	65.94

5.38. From the tables above, it was observed that Noticee 1 sold 17,28,000 shares of SCL during the IP, out of which of which 11,39,400 shares were sold to other suspected entities which accounted for 65.94% of his total quantity sold during the IP.

5.39. It was observed that Noticee 2 sold 4,46,400 shares spread across 4 days during the IP and almost her entire transaction was with the connected entities. Date-wise trading details of Noticee 2 are given below:

Date	Member Name	Buy Quantity	Sell Quantity	Total Sell Qty. for the Day	% sale to total traded quantity
25-Mar-2022	M/s ANGEL ONE LTD	0	18,600	2,91,000	6.39
28-Mar-2022	M/s MARFATIA	0	1,00,800	1,66,200	60.65
29-Mar-2022	STOCK BROKING	0	1,00,200	1,98,000	50.60
31-Mar-2022	PRIVATE LIMITED	0	2,26,800	2,95,200	76.83

5.40. Details of counterparties to the aforementioned trades of Noticee 2 are given below:

Client	Noticee No.	Sum of traded quantity	% of Qty.
M/S Anustup Trading Private Limited	15	3,95,400	88.58
M/S Olga Trading Private Limited	16	40,200	9.00
Mr. NIRAJ HARSUKHLAL SANGHAVI	17	5,400	1.21
Total		4,41,000	98.79

5.41. Date-wise trading details of counterparties to Noticee 2 are given below:

Date	Sell Quantity by Noticee 2	Counterparties Buyers (connected entities)	Counterparties Buyers Noticee No.	Buy quantity (by connected entities)	%age sale with connected entities
25-Mar-2022	18,600	M/S Anustup Trading Private Limited	15	18,600	100
28-Mar-2022	1,00,800		15	1,00,800	100
29-Mar-2022	1,00,200		15	54,000	99.40
29-Mar-2022		M/S Olga Trading Private Limited Mr. Niraj Harsukhlal Sanghavi	16	40200	
			17	5,400	
31-Mar-2022	2,26,800	M/S Anustup Trading Private Limited	15	2,22,000	97.88
	4,46,400			4,41,000	

5.42. It was observed from the above tables that out of 4,46,400 shares of SCL sold by Noticee 2 during the IP, 4,41,000 shares were sold to Noticees 15, 16 and 17, which accounted for 98.79% of total quantity of shares of SCL sold by her (Noticee 2) during the IP.

5.43. From the trade log, it was observed that Noticees 1 and 2 sold a total of 21,74,400 shares of SCL during the IP, out of which the quantity of shares sold to the connected entities, i.e., the Vora Group entities, was 15,80,400 shares. Thus, 72.68% of the sale by the sellers was executed with the connected entities, i.e., the Vora Group entities.

Details of synchronized trades executed by suspected entities within the group during the IP:

5.44. It was observed that the suspected entities executed synchronized trades amongst themselves in the scrip of SCL during the IP, i.e. the trades where the buy and sell order quantity and rate are identical and orders for these transactions are placed within a time gap of less than 1 minute. Details of such synchronized trades among the suspected entities are provided below:

Noticee No.	Client name	Gross Buy	Gross Sell	Gross Total	Total Traded Qty Among Suspected Entities	Synchronized Traded Qty Among Suspected Entities	Sync Trades As % Of Total Traded Qty Among Suspected Entities	Sync Trades As % Of Total Market Volume	Sum Of LTP of Sync Trades
3	Vora Prafulchandra Chimanlal	42000	0	42000	42000	0	0.00%	0.00%	0.00
8	Vora Jyotsanaben Prafulbhai	42000	0	42000	42000	0	0.00%	0.00%	0.00
14	Prafulchandra Chimanlal Vora HUF	42000	0	42000	42000	0	0.00%	0.00%	0.00
4	Vora Pranav Prafulchandra	42000	0	42000	42000	0	0.00%	0.00%	0.00
13	Pranav P Vora HUF	42000	0	42000	40200	0	0.00%	0.00%	0.00
9	Vora Vilpaben Pranavbhai	42000	0	42000	42000	0	0.00%	0.00%	0.00
6	Vishwa Pranavkumar Vora	42000	0	42000	42000	0	0.00%	0.00%	0.00
11	Vilpa Enterprise Llp	114000	15600	129600	114000	90000	5.58%	2.72%	-2.00
10	Deshna Traders Llp	222000	15600	237600	222000	138000	8.56%	4.17%	0.00
5	Vora Bhavik Prafulchandra	42000	0	42000	42000	0	0.00%	0.00%	0.00
12	Bhavik P Vora HUF	42000	0	42000	38400	0	0.00%	0.00%	0.00
7	Vora Jinalben Bhavikbhai	42000	0	42000	42000	0	0.00%	0.00%	0.00
15	Anustup Trading Private Limited	652200	0	652200	639600	146400	9.08%	4.42%	1.00
16	Olga Trading Private Limited	40200	0	40200	40200	34800	2.16%	1.05%	0.00
1	Pankaj Ramesh Vyas	0	1728000	1728000	0	0	0.00%	0.00%	0.00
2	Vaishali Pankaj Vyas	0	446400	446400	0	0	0.00%	0.00%	0.00
17	Niraj Harsukhlal Sanghavi	333000	127800	460800	181200	166800	10.35%	5.04%	-4.50

Noticee No.	Client name	Gross Buy	Gross Sell	Gross Total	Total Traded Qty Among Suspected Entities	Synchronized Traded Qty Among Suspected Entities	Sync Trades As % Of Total Traded Qty Among Suspected Entities	Sync Trades As % Of Total Market Volume	Sum Of LTP of Sync Trades
	Total	17,81,400	23,33,400	41,14,800	16,11,600	5,76,000	35.74%	17.39%	-5.50

5.45. Details of entity-wise synchronized trades are provided below:

Buyer Pan	Buyer Noticee No.	Buyer Name	Seller Pan	Seller Noticee No.	Seller Name	Synchronized Quantity	Sum of LTP Diff	Number of Days	Number Of Trades	%Market volume
AACCO8900C	16	Olga Trading Private Limited	AAPPV4036J	2	Vaishali Pankaj Vyas	34800	0.00	1	9	1.05%
AANFD3330M	10	Deshna Traders Llp	ADGPV4521L	1	Pankaj Ramesh Vyas	138000	0.00	1	5	4.17%
AAOFV9242M	11	Vilpa Enterprise Llp	ADGPV4521L	1	Pankaj Ramesh Vyas	90000	-2.00	1	3	2.72%
AASCA1034B	15	Anustup Trading Private Limited	AANFD3330M	10	Deshna Traders Llp	15600	1.00	1	1	0.47%
AASCA1034B	15	Anustup Trading Private Limited	AAOFV9242M	11	Vilpa Enterprise Llp	15600	0.00	1	1	0.47%
AASCA1034B	15	Anustup Trading Private Limited	AAPPV4036J	2	Vaishali Pankaj Vyas	115200	0.00	2	13	3.48%
ABVPS5896C	17	Niraj Harsukhlal Sanghavi	ADGPV4521L	1	Pankaj Ramesh Vyas	166800	-4.50	2	2	5.04%
Total						5,76,000	-5.50	5	34	17.39%

5.46. It was observed from the tables above, that the suspected entities executed 34 synchronized trades among themselves on 5 trading days, involving synchronized quantity of 5,76,000 shares. Such synchronized trades of suspected entities contributed 17.39% to market volume. Date-wise details are provided below:

Date	No. of Trades	Quantity
03/03/2022	1	108000
09/03/2022	8	228000
22/03/2022	1	58800
29/03/2022	12	120000
31/03/2022	12	61200
Grand Total	34	5,76,000

5.47. Thus, the percentage of the aforesaid synchronized trades in the scrip of SCL during the IP by the suspected entities to the total traded volume amongst themselves was 35.74%.

5.48. From the trade log, it was observed that thirteen (13) Vora Group entities, i.e. Noticees 3 to 14 and Noticee 16 had sold 16,43,040 shares of SCL from June 03 to June 09, 2022. It was also observed from the aforesaid trade details that quantity of shares of SCL sold by these entities was more than twice the quantity of shares purchased by them from Noticees 1 and 2 during the IP.

5.49. It was observed that in the reply filed by Noticee 4 on behalf of Vora Group entities, namely, Deshna Traders LLP, Vilpa Enterprise LLP, and ten individuals, vide email dated May 07, 2024, he stated that he had taken trading decisions on behalf of all these entities. It was further stated in the reply that “On March 09, 2022, I purchased around 3,00,000 quantity through trading accounts of both my LLPs- Deshna Traders LLP and Vilpa Enterprises LLP.... In mid-March, I purchased around 42000 quantity each in my own trading account as well as in accounts of my other family members....
...on April, 04, 2022, there was a bonus issue in the ration of 110:100 which instantly increased my notional profit by substantially increasing my shareholding in all trading accounts....

Somewhere around the beginning of June 2022, I realized that the prices were fluctuating Therefore, in order to not further lose out on holding these shares at a profit, I decided that I had clocked in a good profit in the shares due to bonus shares and therefore, I sold off the shareholding from all the trading accounts in the beginning of June and exited from the company.”

- 5.50. In this regard, demat statements, from the date of opening of demat accounts till December 31, 2022, of the aforesaid thirteen suspected entities were sought from the depositories, NSDL and CDSL. Clarification on bonus issue was also sought from NSE. The demat account statements of the aforesaid thirteen suspected entities show that prior to purchase of shares from the sellers, Noticees 1 and 2, they had “Nil” shares in their Demat Accounts.
- 5.51. In reply to the query in this regard, NSE vide email dated June 24, 2022 informed that SCL had set record date on May 19, 2022 for bonus issue (Bonus Ratio 110:100). Even though the announcement of the bonus issue by SCL was in the public domain through a public announcement on 04.04.2022, the aforesaid disclosure made by SCL to NSE speaks of an earlier intimation from SCL on the same matter to NSE on March 25, 2022. This indicates that the consideration of bonus issue of shares was very much in the offing in the company in the month of March, 2022 itself. Records show that bonus shares of SCL were credited in the accounts of the suspected entities on June 01, 2022.
- 5.52. Thereafter, post the credit of the bonus shares into their accounts on June 01, 2022, thirteen Vora Group entities exited from SCL by disposing of their entire expanded portfolio in SCL during the month of June 2022 itself. Thus, the suspected entities did not sell any of their shares in the intervening period, i.e. April 01, 2022 to June 01, 2022 even though the price of the scrip was considerably higher during this period. The price volume data shows that the closing price of the scrip of SCL reached its highest of around Rs.140/- per shares on April 27, 2022. However, these thirteen suspected entities, instead of selling the SCL shares in April 2022 and booking profits, chose to wait for

the bonus share issue before deciding to sell their shareholding in SCL in order to reap the benefits of the additional bonus shares.

- 5.53. Vora Group entities, as buyers and Noticees 1 and 2, as sellers carried out a significant percentage of their trading in the scrip of SCL during the IP through synchronized trades. The suspected entities indulged in 34 synchronized trades amongst themselves on five (5) trading days involving synchronized quantity of 5,76,000 shares, which contributed 17.39% to market volume. It was also noted that the percentage of the synchronized trades to the total traded volume amongst the suspected entities was 35.74%.
- 5.54. Such repeated instances of synchronization of orders, price and quantity on a regular basis in such significant volume were not considered as mere coincidence especially when such trades were executed between entities which were already connected to each other. It was inferred that there was prior meeting of minds between the buyers, i.e., the Vora Group entities and the sellers, i.e., Noticees 1 and 2, and that the transactions were carried out with the intention that these orders of the suspected entities should match among themselves which shows that there was a prior arrangement with respect to these transactions.
- 5.55. The aforesaid pattern of trading was observed to further corroborate the earlier finding that the Vora Group entities were connected to Noticees 1 and 2 and all buy and sell orders were being decided and placed through one entity only, Noticee 4, who was operating on behalf of his wife and also executing the trades on behalf of his wife, Noticee 9, the so-called AP of Noticee 18.
- 5.56. It was concluded that the suspected entities entered into such voluminous quantity of synchronized trades amongst themselves with the intention to abuse the market mechanism. It was observed that there was a tacit arrangement for the promoters viz., Noticees 1 and 2, who were also the sellers, to exit as reflected in the majority of sale of shares of SCL by the sellers being executed with the Vora Group entities. The Vora Group entities

were acting hand-in gloves with the sellers to enable them to exit through a mechanism of trading amongst themselves during the IP.

- 5.57. The suspected entities traded amongst themselves over ten days which resulted in significantly higher trading volume in the scrip of SCL during the IP. It was observed that there was negligible trading in the scrip of SCL before the start of the IP. The average traded volume in the scrip was only 2905 in the pre-IP period from 21.12. 2021 to 18.02.2022. However, during the IP, the average trading volume in the scrip of SCL increased significantly to 77,009 shares. The volume of trades registering an increase of around 27 times in a span of 2 months, definitely created a misleading appearance of high trading volume in the scrip of SCL and other investors would have been influenced by this increased volume /interest in the scrip. During the IP, the share price of the scrip of SCL also increased from Rs. 41.90/- as on 21.02.2022 to Rs.140.05 on 27.04.2022, which is a significantly high jump of 234.73% in just 2 months.
- 5.58. Thus, it was observed from the nature of synchronisation of trades between the buyers and the sellers and the entire scheme hatched by the suspected entities to provide an exit route to the sellers, Noticees 1 and 2, i.e. promoters shows abuse of stock exchange platform by them. Instead of opting for other options such as off-market transactions or negotiated deal for the purpose of providing an exit route to the promoters, the suspected entities chose to abuse the exchange trading platform for the aforesaid purpose.
- 5.59. Based on the above, it was alleged that Noticees 1 to 17 have violated the provisions of Section 12(A)(a), (b), (c) of SEBI Act r/w Regulations 3(a), (b), (c) & (d) and Regulation 4(1) and 4(2)(a) of PFUTP Regulations.
- 5.60. Role of Noticee 18 –All the suspected entities except Noticee 17, traded through M/s Marfatia Stock Broking Private Limited, i.e. Noticee 18, in the scrip of SCL during the IP.
- 5.61. With respect to connection of suspected entities with Noticee 18, it was noted that M/s Deshna Traders LLP / Noticee 10 is a “Vora Group” entity. Noticee

10 was incorporated vide certificate of incorporation dated March 06, 2017 issued by Registrar, Ahmedabad. Address of Noticee 10, as mentioned in certificate of incorporation is: B-601, Samudra, Opp. Shantanu, Sardar Patel Nagar Road, Nr. Hotel Classic, Navrangpura, Ahmedabad, Gujarat, 380054. Partners details are given below:

Name	DIN OR DPIN (PAN)	Address	Designation	Appointment At Current Designation On	Originally Appointed On	Cess Ation Date	% Contribution Received
Mr Pranav Prafulch Andra Vora 15/12/1976	07402499 (ACYPV7 581R)	B 401 4th Floor Viceroy Villa Near Judges Bunglow Char Rasta Bodakdev Gujarat 380054	Designated Partner	06/03/2017	06/03/2017	-	50.00 % (As On 31/03/2020)
Ms Vora Vilpaben Pranavbhai 21/11/1975	07744340 (AGJPV03 81Q)	B-401,Viceroy Velly,4th Floor,Opp.Vij Aya Bank Near Judges Bunglows Road Char Rasta Bo Dakdev Gujarat 380054 India	Designated Partner	06/03/2017	06/03/2017	-	50.00 % (As On 31/03/2020)
Mr Nishil Surendra Marfatia 30/08/1971	00014455 (ADWPM9 452H)	-	Partner	03/03/2022	03/03/2022	-	- (As On -)

- 5.62. From the table above, it was noted that Noticees 4 and 9 are designated partners of Noticee 10 w.e.f. March 06, 2017. It was also noted that Mr. Nishil Surendra Marfatia was appointed as partner of Noticee 10 on March 03, 2022 i.e. during the investigation period. Mr. Nishil Surendra Marfatia is Managing Director of Marfatia Stock Broking Private Limited, the stock broking entity, through whom all the suspected entities have traded in the scrip of SCL during the IP. This shows that Noticee 18 is also connected to the suspected entities.
- 5.63. As noted in the trading pattern analysis of the connected entities, orders of suspected entities were placed through the same dealer of same broker i.e.,

Noticee 18. It has also been observed earlier that Noticee 18 allowed both buyers and sellers to punch their orders through its common dealer using its terminals.

- 5.64. It was concluded from the above findings that Noticee 18, acting as stock broker for all suspected entities, facilitated their synchronized trades which created false and misleading appearance of trading in the scrip of SCL during the IP through synchronized trades. It was also observed that Noticee 18 failed to maintain proper evidence in the form of call recordings, email from authorized email id, proper physical documents etc. as mandated by SEBI vide circular ref no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018.
- 5.65. Thus, it was alleged that Noticee 18 has violated the provisions of Clause A(1), (2) & (5) of the Code of Conduct for Stock Brokers as specified under Schedule II r/w Regulations 9 (f) of Stock Brokers Regulations and circular ref no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018.
6. The SCN was duly delivered to Noticees. Brief details regarding seeking inspection of documents and replies submitted by the Noticees are provided below:
- 6.1. Noticees 1 and 2 replied vide email dated March 17, 2025.
- 6.2. Noticees 3 to 14 – sought inspection of documents vide email dated February 27, 2025. The same was conducted on March 11, 2025. Noticees 3 to 14 submitted their reply vide email dated May 20, 2025.
- 6.3. Noticees 15 – The SCN returned undelivered from the registered address of Noticee 15, with the remark “unclaimed” as it could not be delivered within three attempts of delivery. However, the SCN was delivered through digitally signed email at the email address of Noticee 15 provided in the MCA records. Vide email dated September 03, 2025, Noticee 18 confirmed that the registered address of Noticee 15, at which the SCN was sent was the most recent address of Noticee 15 available in the records of Noticee 18, being the stock broker of Noticee 15. No reply was received from Noticee 15.

6.4. Noticee 16 – The SCN returned undelivered from the registered address of Noticee 16, with the remark “refused”. However, the SCN was delivered through digitally signed email at the email address of Noticee 16 provided in the MCA records. Vide email dated September 03, 2025, Noticee 18 confirmed that the registered address of Noticee 15, at which the SCN was sent was the most recent address of Noticee 16 available in the records of Noticee 18, being the stock broker of Noticee 16. No reply was received from Noticee 16.

6.5. Noticee 17 –sought inspection of documents vide letter dated February 24, 2025. Vide email dated March 18, 2025, he was granted inspection of documents on March 28, 2025. Noticee 17 made submissions vide letter dated March 27, 2025. Vide email dated March 28, 2025, Noticee 17 requested for rescheduling of the inspection of documents. The same was rescheduled and conducted on April 01, 2025. Vide letter dated April 03, 2025, Noticee 17 requested for provision of certain documents and information. Noticee 17 submitted his reply to the SCN vide letter April 30, 2025. Vide email dated May 08, 2025, Noticee 17 was provided various documents along with response with respect to Noticee 17’s request. Vide email dated May 21, 2025, Noticee 17 again requested for the same documents. In this regard, vide email dated May 22, 2025, Noticee 17 was advised to refer to the previous email and documents provided to him. Vide letter dated May 23, 2025, Noticee 17 requested for certain call data records, which were provided to him vide email dated May 26, 2025. Noticee 17 made additional submissions vide email dated May 28, 2025.

6.6. Noticee 18 – sought inspection of documents vide letter dated February 25, 2025, received on March 04, 2025. The same was conducted on March 21, 2025. Noticees 18 submitted its reply vide email dated April 17, 2025.

7. The submissions made by the Noticees are summarized below:

Noticees 1 and 2

- 7.1. While it is stated that Ms. Vilpa Vora is mentioned as the introducer in the KYC form, it is solely the discretion of the broker to decide whom they appoint as an introducer. Noticees 1 and 2 no role in selecting or appointing the introducer and have no knowledge of Ms. Vilpa Vora.
- 7.2. Noticees 1 and 2 acknowledged and affirmed that the statement made by Noticee 4 and Noticee 9, asserting that no meeting took place between them and Noticees 1 and 2, is accurate. Furthermore, Noticees 1 and 2, also submitted that they had not met with Noticees 4 and 9.
- 7.3. For opening the demat account with Noticee 18, Noticees 1 and 2's office had filled up the online forms in coordination with their DP department. Any inference to any wrong doing is misplaced and unsubstantiated.
- 7.4. The mere fact that Noticee 9 was listed as the introducer in the Account Opening Form (AOF) or Know Your Customer (KYC) documentation does not establish any connection or acquaintance between Noticees 1 and 2 and Noticee 9. The selection of an introducer is typically a matter determined by the broker or intermediary, and we have no role in the process. They denied deny having any personal or professional association with Noticee 9 in relation to this matter.
- 7.5. With reference to the Annexure provided by the Broker, which includes the instruction slip, it is evident that Noticee 1 and Noticee 2 executed the orders themselves through the broker, without any interference from any third party. Accordingly, the claims suggesting that the orders were placed by Noticee 4 are baseless and lack any factual support.
- 7.6. With respect to orders placed by Noticees 1 and 2 for selling the shares of SCL, Noticees 1 and 2 would have called to understand their co-ordinates and subsequently the sales were done by walk in and they would send us the contract note once any sale was done in the open market. Any inference to any wrong doing is misplaced and unsubstantiated.
- 7.7. The allegations made in the SCN are solely made on inferences, and there is no direct or conclusive evidence establishing any relationship between Noticees 1 and 2 and Noticees 4 and 9. There has not even been a single phone call between them. The entire

case rests on unfounded allegations which are insufficient to invoke penal action under the provisions of the SEBI Act.

7.8. There is no factual or legal basis for inferring that the trades in question were executed with any prior meeting of minds or arrangements between the buyers (Vora Group entities) and the sellers (Noticees 1 and 2).

7.9. The allegation of synchronization of orders, price, and quantity is a matter connected to the buying decision of the buyers and was completely out of our realm of control or consideration. If an individual or group decides that any script is right for buying it is entirely their call and not under influence from the sellers. There was no prior understanding, agreement, or coordination between the entities involved, nor was there any intent to match the orders in any manner. The execution of these trades was purely independent and carried out in the normal course of business, without any pre-arranged collusion or concerted effort to manipulate the market. Any inferences otherwise is grossly unsubstantiated and misleading. Moreover, the mere fact that trades were executed between entities connected in some way does not, in and of itself, establish any illegal or improper conduct, nor does it warrant the inference of a prior arrangement. Such inferences are speculative and not supported by any substantive evidence.

Noticees 3 to 14

7.10. Only Noticees 3 to 14 are Vora Family Entities. Noticee 4 was executing trades on behalf of them. However, Noticee 4 has not executed any trade on behalf of other than Vora Family Entities.

7.11. Major synchronization has occurred with respect to the trades placed by Noticees 15 and 16, which were not within the control of Noticee 4 or the Vora Family Entities.

7.12. While SCN attributes knowledge of bonus issue by SCL as the motivating factor for fraudulent trades, SEBI has conveniently ignored the fact that the information pertaining to bonus issue was already in public domain in April 2022.

7.13. Noticee 9, as AP has introduced many clients to Marfatia, who wanted to open demat accounts. Therefore, merely because she was an introducer of Noticee 1 and 2 does not necessary prove that she was associated with them.

- 7.14. *Noticee 1, in his statement recorded before SEBI, has categorically stated that he only provided the documents as were requested by the broker, Noticee 18 for opening the account. He has also denied any association with either Noticee 9 or Noticee 4 or any other Vora Family Entities.*
- 7.15. *Noticee 9, as AP has introduced multiple clients to Marfatia Stock Broking. However, such role as an 'introducer' is merely clerical and the same does not show any association between Noticee 9 and the Vora Family Entities and Noticees 15 and 16. The only connection between Vora family entities and Noticees 15 and 16 are the bank transactions of Padmavati Investments with Premium Tradelink. Padmavati investments is a partnership firm owned by two of the Vora Family Entities, engaged in trading and providing finance. The bank transactions were in the course of the financing business. Similarly, Padmavati Investments had also provided financial services to Kenilsworth Consultancy Services, in which Noticee 17 was also a partner, and the call between Noticee 17 and one of the Vora Family Entities on May 16, 2022 was in this regard.*
- 7.16. *The induction of Mr. Nishil Marfatia as a partner with Deshna Traders LLP was in respect of a different business arrangement which Nishil and Noticee 4 were trying to work on. For that purpose, he was only inducted as a partner with 2% share in the profits of the LLP. However, the business arrangement did not fructify and in May 2022 itself, he was removed as a partner of Deshna Traders LLP.*
- 7.17. *Top 10 LTP contributors have contributed Rs. 130.20 to the net LTP and Rs. 159.15 to the total market positive LTP and none of this is attributable to the Vora Family Entities.*
- 7.18. *Even after perusing the bank statements and call records of Sairam Infratrade LLP, who was the top LTP contributor for the scrip of SCL during the investigation period, no connection or association was established between Sairam and any of the Vora Family Entities. None of the Vora Family Entities purchased the shares sold by Vaishali Vyas during the investigation period.*
- 7.19. *Regarding the shares purchased by the Vora Family Entities matching with the shares sold by Pankaj Vyas, it is important to note that only a small percentage of trades have*

matched with Vora Family Entities because the trades took place on the floor of the exchange, which is an anonymous platform. Furthermore, majority of the shares have matched with different entities which do not belong to the Vora Family Entities. However, the buy volume of the Vora Family Entities was less than half i.e. 22.84% (7,56,000 shares out of total buy volume of 33,11,400 in the market) whereas the sell volume was miniscule i.e. only 0.94% viz. 31,200 shares out of 33,11,400 shares.

- 7.20. *It is further relevant to note that while even Noticee 2 sold her shares during the investigation period, none of the Vora Family Entities were counterparties to the shares sold by her.*
- 7.21. *Synchronized trading in case of Vilpa Enterprises LLP and Deshna Traders LLP was the consequence of active selling by Noticees 1 and 2, and thus, coincidental. Furthermore, the allegation of synchronized trading is not applicable to the remaining Vora Family Entities because it is SEBI's own case that there has been no synchronized trading from these accounts.*
- 7.22. *The decision to trade in SCL was taken because of the scrip was showing good potential and the price of the shares was increasing. Thereafter, once the bonus shares were announced, Vora Family Entities held on to the shares instead of selling them even though the price was high in April 2022. It was only after the prices started getting fluctuated post issuance of bonus shares, when Vora Family Entities decided to sell the shares of SCL so that they do not lose out on the gains which they were making by virtue of the bonus issue.*
- 7.23. *They relied upon and quoted from the orders passed by Hon'ble SAT in Saroj & Co., proprietor Sanjay Agrawal (Appeal No. 213 of 2011), Jagruti Securities (2008 SCC online SAT 184) and S.P.J Stockbroker Pvt Ltd (2013 SCC Online SAT 67) and Narendra Vallabhji Bahuva (Order dated July 14, 2021).*

Noticee 17

- 7.24. *He has no connections with any other Noticees or SCL or its promoters and directors. None of the Vora Group entities' name was mentioned on his AOF and there is no common mobile number, email or address.*

- 7.25. *His buy and sell transactions were executed “on market”, in compliance with applicable securities markets laws. He was not aware of any wrongdoing taking place in the scrip of SCL during that time.*
- 7.26. *His trades are independent and in total isolation to the trades carried out by other entities*
- 7.27. *With respect to the fund transfers between his firm Kenilworth and Padmavati Investments, it was submitted that Kenilworth had transferred Rs. 6 crore to Padmavati Investment as the latter was a broker of the seller of a land, and the funds were transferred to show interest in the deal. However, as the deal could not materialise, the same amount was returned by Padmavati to Kenilworth within March, 2022. He also submitted the ledger account of Padmavati in the books of Kenilworth for the relevant period, and submitted that the said transactions had no relation to Noticee 17’s trades.*
- 7.28. *He has been roped into the present proceedings merely because he was one of the top LTP contributors during the IP. However, there is no allegation of LTP contribution in the SCN.*
- 7.29. *The whole basis of connection of Noticee 17 to the other Noticees is through Padmavati Investment, which is not even a part of the SCN.*
- 7.30. *His transactions were at the prevailing market price and had no impact on the market equilibrium. The trades were made without the knowledge of the counterparty, through the screen based trading software, and were delivery based. Further, no alerts were generated by any regulatory authority at that time.*
- 7.31. *SEBI has not considered that out of the 3,33,000 shares of SCL bought by Noticee 17 during the IP, the buy trades for 1,51,800 shares of SCL had multiple counterparties and no adverse inference is recorded in respect of those trades. Further, no adverse inference has been drawn with respect to his sell trades. Thus, SEBI has not picked only selective buy trades, and not all buy and sell trades.*
- 7.32. *The alleged fund transaction is not with Noticee 17, but with a firm in which Noticee 17 is a partner. During the relevant time of fund transfers, there were no transactions between Noticee 17 and his firm Kenilworth, which is evident from the bank statement.*

Thus, there is no correlation between the fund transactions and Noticee 17's trading in the SCL shares. He relied and quoted from the Orders of Hon'ble SAT in the matter of Manjulaben Bhaveshkumar Rangee (Appeal No. 1030 of 2022), Abhinandan Jain (Appeal No. 129 of 2023), and Baldevsinh Vijaysinh Zala (Appeal No. 150 of 2019).

- 7.33. *On 03/03/2022, there was reduction in the LTP from Rs. 55.50 to Rs. 51 from the buy trades executed by Noticee 17, which shows that his rationale was to buy the shares at the best possible price, which shows trading in normal course of business.*
- 7.34. *With respect to trade of 58,800 shares of SCL from Mr. Pankaj on 22/03/2022, Noticee 17's buy order was open in the market for more than 2 minutes and it could have matched with anyone willing to sell at that price.*
- 7.35. *Apart from the alleged two dates, Noticee 17 has also traded in the scrip of SCL on 21 other trading days, and in those two dates, and apart from that, he has also traded in the same scrip in 2021-22, 2022-23 and 2023-24. He had also purchased shares of SCL after the IP. Further, he has also traded in various other scrips on the above-mentioned two dates..*
- 7.36. *Noticee 17 also relied and quoted from the Hon'ble Supreme Court Order dated 08/02/2018 in the case of SEBI vs. Rakhi Trading Private Limited.*
- 7.37. *There is no allegation with respect to Noticee 17's contribution to LTP in the SCN.*
- 7.38. *Noticee 17 also relied and quoted from the Order of Hon'ble SAT in the matter of R.K Global (Appeal No. 158/2008 dated 16/09/2010), Narendra Ganatra (Appeal No. 47 of 2011 dated 29/07/2011); Videocon International (4 CLJ 402) (2002) and Parsoli Corporation (Appeal No. 146/2011 dated 12/08/2011), and also on various judgements of Hon'ble Supreme Court in the case of Ram Sharan Yadav vs Thakur Muneshwar Nath Singh (1984) [4 SCC 649 (AIR 1985 SC 24)].*
- 7.39. *There is no reference of Noticee 17's name in the statement of Noticee 1. Further, there is only one call of 36 seconds of Noticee 17 with someone from the Vora group, and this call was made after the IP. One call cannot be the basis to allege connection between two entities.*
- 7.40. *None of the Vora family persons are mentioned in Noticee 17's account opening form of the broker, as mentioned in the case of Noticees 15 and 16. Further, all the suspected*

entities except Noticee 17 traded through Noticee 18 during the IP, which clearly demonstrates that Noticee 17 was not part of the alleged scheme, and his trades were independent and in individual capacity.

- 7.41. *The trades were executed through normal screen based trading, and there was change in beneficial ownership of the shares of SCL, and there was no positive LTP contribution as a consequence of the alleged trades. Thus, the transactions did not create artificial volume and did not upset the market equilibrium in any manner.*
- 7.42. *On 22/03/2022, Noticee 1 sold 1,20,000 shares of SCL, out of which 58,800 shares bought by Noticee 17 were alleged to be synchronized. Apart from this, Noticee 17 made two other buy trades in the same scrip on the same day for 3000 and 6000 shares, which were also sold by Noticee 1. However, these two trades and the trades of Noticee 1 with other buyers were not alleged to be synchronized, even though the timing was similar. Further, the other buyers are not even part of the SCN.*

Noticee 18

- 7.43. *Noticee 18 has carried out business with integrity and in compliance with various statutory requirements.*
- 7.44. *All the functioning and working of the AP, i.e. Noticee 9 was carried out by her husband, i.e. Noticee 4. The dealer of the AP executed the said trades from the terminals allocated to them. Noticee 18 had no role in execution of the alleged trades and it was not even aware of these trades.*
- 7.45. *All the suspected entities except Noticee 17 were registered as clients of Noticee 18 only after obtaining the Client Registration Forms. As required, Noticee 18 had obtained bank and financial details, identity / address proofs, copy of PAN card and executed broker-client agreement as per the applicable guidelines. Noticee 18 did not have any other relations with the suspected entities of the AP.*
- 7.46. *The value of trades in SCL by the suspected clients of the AP was very miniscule as compared to its overall volume during the IP.*
- 7.47. *All the executed trades were in compliance to the applicable rules / regulations. All the suspected clients honoured all their obligations, and there has been no default by*

them. No alerts were generated for the trades executed by suspected clients by SEBI or the Exchange.

7.48. *With respect of connection of Mr. Nishil Marfatia with Noticee 10, it was in his personal individual capacity and not related to Noticee 18.*

7.49. *There has not been violation of provisions of SEBI Circular dated 22/03/2018. There is no allegation of unauthorised trading against Noticee 18. Noticee 18 and its branches and APs are maintaining order placement records via call recordings. If the same are not available, they provide client signed order slip to Noticee 18, which is treated as “any other legally verifiable record”.*

7.50. *Noticee 18 has not violated any of the alleged clauses of Code of Conduct for Stock Brokers.*

7.51. *Broker cannot be held liable for the alleged wrongdoings of the client. In this regard, Noticee 18 relied and quoted from the Hon'ble SAT Order dated 13.08.2010 in the matter of Vidyut Shah (Appeal No. 35 of 2007); Pravin V Shah Stock Broking Private Limited (Appeal No. 126 of 2006) and various other orders of Hon'ble SAT.*

8. In the interest of natural justice, the Noticees were granted an opportunity of hearing.

8.1. Vide notice dated May 19, 2025, Noticees 1 and 2 were granted hearing on May 28, 2025. Noticees 1 appeared for the scheduled hearing on behalf of himself and Noticee 2, and reiterated the submissions already made vide email dated March 17, 2025.

8.2. Vide notice dated May 20, 2025, Noticees 3 to 16 were granted an opportunity of hearing on May 28, 2025. Noticees 3 to 14 requested for rescheduling of the hearing to second week of June, 2025, vide email dated May 21, 2025. Accordingly, the hearing was rescheduled. Noticees 3 to 14 appeared through their authorized representative (AR) for the hearing rescheduled to June 12, 2025. The AR reiterated the submissions already made vide letter dated May 20, 2025, and also made additional submissions, which were subsequently

submitted in writing vide letter dated June 23, 2025. Noticees 15 and 16 did not appear for the hearing.

8.3. Vide notice dated May 19, 2025, Noticee 17 was granted an opportunity of hearing on May 28, 2025. Noticee 17 appeared for the hearing through AR. The AR reiterated the submissions already made vide letters dated April 30, 2025 and May 28, 2025, and also made additional submissions, which he subsequently submitted in writing vide email dated June 20, 2025.

8.4. Vide notice dated May 19, 2025, Noticee 18 was granted hearing on May 28, 2025. Noticee 18 appeared for the scheduled hearing through AR, and reiterated the submissions already made vide email dated April 17, 2025 and also made additional submissions, which it submitted in writing vide letter dated June 17, 2025.

9. I note that the SCN and the hearing notice were duly served to Noticees 15 and 16, as the delivery was made through digitally signed email at the email addresses of these Noticees as per the MCA records. As the SCNs sent through SPAD returned undelivered with remarks “refused” and “unclaimed” at the registered addresses of Noticees 15 and 16. Further, their addresses were also confirmed with their broker, i.e. Noticee 18, which were found to be same as the addresses at which the SCN was sent to Noticees 15 and 16. However, Noticees 15 and 16 failed to respond and avail the opportunity of personal hearing. I further note that no prejudice has been caused to them and that the principle of natural justice has been duly followed in the matter. I am, therefore, inclined to take a view that Noticees 15 and 16 have nothing to submit in the matter.

10. Further, the Hon’ble SAT in the matter of Sanjay Kumar Tayal & Others vs SEBI (Appeal No. 68 of 2013 decided on February 11, 2014), has also, inter alia, observed that: “..... appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication

proceedings and, therefore, appellants are presumed to have admitted charges leveled against them in the show cause notices...”

11. In view of the observations made by Hon'ble SAT, I find no reason to take a different view and accordingly, in terms of Rule 4(7) of SEBI Adjudication Rules, the matter is being proceeded ex-parte so far as Noticees 15 and 16 are concerned, on the basis of material available on record.

12. The additional submissions made by the Noticees are summarized below.

Noticees 3 to 14

- 12.1. *There is no connection of Noticees 3 to 14 (Vora Family) with Noticees 1, 2, 15, 16 or 17. There is not a shred of evidence to show that Vora family had control over or even the slightest knowledge of the trades and trading decisions of Noticees 1, 2, 15, 16 and 17.*
- 12.2. *When clients open accounts with stock brokers, often the stock brokers refer them to any AP, and the same can in no manner be evidence of any connivance. The mere formality of being the AP/introducer in KYC form with the broker, cannot be stretched to draw an inference that these entities are connected to the Vora family. Noticee 1 has also stated that he had no connection with Vora family.*
- 12.3. *Padmavati Investments is one of the Vora family entities and is engaged in providing short term loans to several entities and its loan book runs to hundreds of crores. SEBI has alleged a connection merely because Padmavati has engaged in a financial transaction with one entity which in turn has engaged in a financial transaction with Noticee 15. Padmavati is neither in control or aware of the utilization of funds by its borrowers.*
- 12.4. *Most of the alleged synchronized trades between the suspected entities were undertaken by Noticees 15 to 17, which amounted to 21.59% out of the 35.74% of the alleged synchronization among the suspected entities.*
- 12.5. *While the trading volume of suspected entities is 17.39% of the total market volume, most of the trades having created this volume were undertaken by Noticees 15 to 17*

and the Vora family entities merely accounted for 6.89% of the total market volume, which is miniscule.

- 12.6. *The scrip of SCL was an illiquid scrip, and if there are certain trades executed by existing shareholders, some of them are bound to match with other shareholders. Further, Vora family entities were trading in the scrip of SCL even after the IP, which has not taken into consideration by the SEBI.*
- 12.7. *Out of the 53.80% of total buy volume contributed by the suspected entities, 30.97% of the volume was contributed by Noticees 15 and 16. Further, none of the orders were executed between any of the Vora Group entities and Noticee 2.*

Noticee 17

- 12.8. *Noticee 17 reiterated and summarized the submissions already made in his previous responses.*
- 12.9. *With respect to the funds transferred by Noticee 17's partnership firm Kenilworth to Padmavati Investment, the transaction/deal was handled by my partner Ms. Khanak Budhiraja ("Khanak"). Initially, Kenilworth received a proposal from the partner of Padmavati for an Investment opportunity in Ahmedabad. On going through the proposal and the Project brochure it was understood that the said Investment opportunity in respect of Royal Goa City Resorts near Ahmedabad. Noticee 17 has submitted copy of the brochure.*
- 12.10. *Hence, she took the lead and discussed the matter with Padmavati, and Noticee 17 was not involved in the transaction. Padmavati agreed to take Rs. 6 crore initially in respect to the said deal although, they demanded more initially. Only after the said payment of Rs. 6 crores. Padmavati agreed to provide further documents. Hence, Rs 6 crores were transferred to Padmavati on 10.03.2022 to show interest in the said Royal Goa City Resorts near Ahmedabad. However, out of all the documents of the said project only 2-3 documents were provided till 14.03.2022 and in fact even in respect to the documents provided there were glaring inconsistencies in the documents and the factual position. Hence, it was decided that the said deal will be cancelled, and a request was made to initiate a refund of the advance amount of Rs. 6 Crore paid by*

Kenilworth on an urgent and priority basis. Thus, the deal was initiated, lead and cancelled by his partner on behalf of Kenilworth.

12.11. *In support of the submissions, Noticee 17 also submitted a letter dated 17/02/2022 received from Padmavati and letter dated 14/03/2022 sent to Padmavati intimating cancelling of the deal.*

12.12. *Noticee17 has traded from his own funds in the shares of SCL.*

CONSIDERATION OF ISSUES AND FINDINGS

13. Considering the allegations made out in the SCN and the submissions made by the Noticee, I find that following issues require consideration in the present case:

ISSUE I - Whether Noticees 1 to 17 have violated the provisions of Section 12(A)(a), (b), (c) of SEBI Act r/w Regulations 3(a), (b), (c) & (d) and Regulation 4(1) and 4(2)(a) of PFUTP Regulations? Whether Noticee 18 has violated the provisions of Clause A(1), (2) & (5) of the Code of Conduct for Stock Brokers as specified under Schedule II r/w Regulations 9 (f) of Stock Brokers Regulations and circular ref no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018?

ISSUE II - Do the violations, if any, attract penalty u/s 15HA and 15HB of the SEBI Act, as applicable?

ISSUE III - If so, what should be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?

14. The said provisions under which violations have been alleged against the Noticees are reproduced below –

Securities and Exchange Board of India Act, 1992

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;

SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003

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 manipulative, fraudulent or an unfair trade practice in securities markets.

Explanation.— For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market.

(2) Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves any of the following :—

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

SEBI (Stock Brokers) Regulations 1992

Conditions of registration.

9. Any registration granted by the Board under regulation 6 shall be subject to the following conditions, namely, -

(f) he shall at all times abide by the Code of Conduct as specified in Schedule II;

SCHEDULE II - CODE OF CONDUCT FOR STOCK BROKERS

A. General.

(1) Integrity: A stock-broker, shall maintain high standards of integrity, promptitude and fairness in the conduct of all his business.

(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.

(5) Compliance with statutory requirements: A stock-broker shall abide by all the provisions of the Act and the rules, regulations issued by the Government, the Board and the Stock Exchange from time to time as may be applicable to him.

SEBI Circular No.: SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018

Circular on Prevention of Unauthorised Trading by Stock Brokers.

<https://www.sebi.gov.in/legal/circulars/mar-2018/circular-on-prevention-of-unauthorised-trading-by-stock-brokers-38365.html>

15. I now proceed to deal with the issues on merits as under:

ISSUE I - Whether Noticees 1 to 17 have violated the provisions of Section 12(A)(a), (b), (c) of SEBI Act r/w Regulations 3(a), (b), (c) & (d) and Regulation 4(1) and 4(2)(a) of PFUTP Regulations? Whether Noticee 18 has violated the provisions of Clause A(1), (2) & (5) of the Code of Conduct for Stock Brokers as specified under Schedule II r/w Regulations 9(f) of Stock Brokers Regulations and circular ref no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018?

16. From the SCN, I note that Noticees 1 to 18 have allegedly violated the aforesaid provisions of SEBI Act, PFUTP Regulations and Stock Brokers Regulations and applicable SEBI Circulars, as Noticees 3 to 17 were part of the Scheme to provide

an exit route to Noticees 1 and 2 and Noticee 18 acted as stock broker for Noticees 1 to 16 and facilitated their synchronized trades which created false and misleading appearance of trading in the scrip of SCL during the IP through synchronized trades and also failed to maintain proper evidence in the form of call recordings, email from authorized email id, proper physical documents etc.

Connection among the Noticees

17. From the material available on record, I note the following with respect to connection among Noticees 1 to 18.

17.1. Noticee 9 was the introducer in account opening forms of Noticees 1 and 2.

In this regard, Noticees 1 and 2 have submitted that they wanted to sell their shareholdings in SCL, but were not able to sell through their previous broker. Later, they were approached by someone from Marfatia Stock Broking Private Limited (Noticee 18) who agreed to help them in selling the shares.

17.2. Noticee 9 was also the introducer in account opening forms of Noticees 3 to 14, who are admittedly, members and entities of the Vora Family.

17.3. Noticee 9 was the introducer in account opening forms of Noticees 15 and 16.

17.4. Noticee 9 was the AP of Noticee 18. Noticee 4 is the husband of Noticee 9.

17.5. Admittedly, Noticee 4 was operating the demats accounts of Noticees 3 to 14. As per Noticee 18's submissions, Noticee 4 was also responsible for all transactions made through the AP, i.e. Noticee 9.

17.6. Noticees 5 and 7 were partners of an entity M/s Padmavati Investment. M/s Padmavati Investment had fund transactions with M/s Premium Tradelink. Authorised signatories of M/s Premium Tradelink were also the authorised signatories of Noticee 16. Further, Noticees 15 and 16 share common directorships. Also, Noticee 9 was the introducer of Noticees 15 and 16 in their account opening forms with Noticee 18. Therefore, Noticees 15 and 16 were connected to Noticees 3 to 14.

- 17.7. Noticee 17 was a partner in M/s Kenilworth Consultancy Services, which had high value fund transactions with M/s Padmavati Investment during the IP. Also, there was a phone call exchanged on 16/05/2022 between Noticee 17 and one of the Noticees from Vora Family, i.e. Noticees 3 to 14.
- 17.8. Most of the orders executed by Noticees 1 to 16 in the scrip of SCL during the IP, were placed through the AP i.e Ms Vilpaben Vora (Noticee 9) of Noticee 18.
- 17.9. Noticee 10 is a partnership firm of Noticees 4, 9 and also Mr. Nishil Marfatia, who was the MD of Noticee 18. Further, Mr. Nishil Marfatia was made partner in the firm on March 03, 2022, i.e. during the IP.
- 17.10. In view of the above, I note that Noticees 1 to 18 were connected to each other.
18. In this regard, I also note that Noticees 1 and 2 have submitted vide email dated May 22, 2024 that the orders during the IP were placed over call, and they were not aware about the person speaking from the broker's side. In his statement recording on June 04, 2024, Noticee 1 submitted that he would place the orders through phone calls or sometimes he would send the peon to the broker's office. Further, Noticee 18 has submitted signed paper sheets with summary of orders placed on multiple dates, as order placement records available with it. Noticee 18 has submitted that in the absence of phone recordings, email, etc. Noticee 18 would take confirmations from its clients for the orders placed by them. Thus, I note that in the absence of specific evidence, it cannot be known whether the orders were placed through phone calls, or walk-in by the peon of Noticees 1 and 2. However, from the order placement details submitted by Noticee 18 vide email dated May 06, 2024, I find that all the sell orders on behalf of Noticees 1 and 2 were placed by the AP, i.e. Noticee 9. In view of the same, I am not inclined to accept the submissions of Noticees 1 and 2 and Noticee 4 that they were not known to each other, while Noticee 4's wife (Noticee 9) was the introducer in the

account opening form and also, the AP (Noticee 9) placed all the sell trades in the scrip of SCL during the IP for Noticees 1 and 2.

19. Noticee 4 has submitted that Noticee 9, being an AP of Noticee 18, has introduced many clients. When the clients open accounts with stock brokers, often the stock brokers refer them to AP. Thus, the mere formality of being an introducer cannot be considered as connection between two persons. In this regard, I note that apart from being merely an introducer, Noticee 9 had also placed all sell orders on behalf of Noticees 1 and 2 and simultaneously placed buy orders on behalf of Noticees 3 to 16, on multiple days. Thus, the contention cannot be accepted.
20. Noticee 4 has also contended that Padmavati Investments is a Vora family entity, and is engaged in providing short term loans, and merely because Padmavati Investments has a financial transaction with an entity which is connected with Noticees 15 and 16, Noticees 3 to 14 cannot be considered as connected with Noticees 15 and 16. In this regard, I note that Noticee 4 has implied that one isolated transaction is the only basis of connection, observed by SEBI. However, I note from the SCN that there are several observations on the basis of which connections were alleged. Firstly, Noticee 9 was the introducer for Noticees 15 and 16 in their account opening forms. Secondly, Noticees 5 and 7 were partners in a firm which has financial transaction with a firm, whose authorised signatory is also an authorised signatory of Noticee 15, and further Noticee 15 and 16 had common directorships. As the partnership firms and companies, though distinct and separate entities, cannot act by themselves, it becomes essential to find the persons acting on behalf of these entities. As the person acting on behalf of Premium Tradelinks was also authorised signatory of Noticee 15 and 16, and as Premium Tradelinks had financial transaction with Padmavati Investments which was controlled by Noticees 5 and 7, who are Vora family entities, in addition to the fact that Noticee 9 was the introducer in the account opening forms of Noticees 15 and 16, I find that Noticee 4's contention is not tenable.

21. Noticee 17 has submitted that his partnership firm M/s Kenilworth Consultancy Services had fund transactions with Padmavati Investments with respect to a land deal, and the deal was lead by Noticee 17's partner in Kenilworth, Ms. Khanak Budhiraja. Noticee 17 has also submitted a letter and brochures received from Padmavati Investments and a request letter to cancel the deal submitted by Kenilworth to Padmavati, in support of his submissions. He has also submitted that mere phone call of 36 seconds after the completion of IP cannot be the basis of connection. In this regard, I note that Noticee 17's firm had transferred Rs. 6 crore to Padmavati Investments, without executing any registered agreement, and to substantiate their submissions, have provided copies of letters, the authenticity of which cannot be verified. Thus, the submissions cannot be accepted. Noticee 17's submission that mere phone call of 36 seconds with one of the Vora Family entities was observed, is incorrect. In addition to the phone call, the fund transaction during the IP was also observed.
22. Noticee 17 has also submitted that these funds were not used in any manner to purchase the shares of SCL during the IP. The observation regarding fund transactions of Rs. 6 crore was made to bring forth the connection between Noticee 17 and Vora Family entities, Noticees 3 to 14, and there is no allegation that these funds were used to trade in the scrip of SCL. Thus, Noticee 17's submission in this regard is not relevant to the present case.
23. Noticee 17 has also submitted that none of the Vora family entities' name was mentioned in the account opening form of Noticee 17, and he was not trading through Noticee 18. I note that there is no such observation made in the SCN or the Investigation Report, which is herein refuted by Noticee 17. Other observations and Noticee 17's contentions with respect to his connection with Noticees 3 to 14 have already been dealt above.
24. Noticee 17's contention that he has been roped into the present proceedings merely because he was one of the top LTP contributors during the IP, is

misplaced. I note from the SCN that allegations were made against him based on his connection with other Noticees and his trading in the scrip of SCL during the IP. No adverse observations were made in the Investigation report with respect to various entities who had traded in the scrip of SCL during the IP or even contributed to LTP, but had no connections with the Noticees in the present case.

25. Noticee 17 has contended that the whole basis of connection is through Padmavati Investments, which is not even a part of the SCN. I note that the contention is irrelevant based on the facts that Padmavati Investments has not traded in the scrip of SCL during the IP. Reference of Padmavati Investments has been made only for demonstrating the connections between Noticee 17 and Vora Family entities (Noticees 3 to 14).

26. Noticee 18 has submitted that all Noticees 1 to 16 were handled by the AP, i.e. Noticee 9 and all the working and functioning of the AP was handled by Noticee 4. Thus, it had no role in the execution of the alleged trades and it was not even aware of these trades. I note that the MD of Noticee 18, Mr. Nishil Marfatia was made partner in Noticee 10, which was a partnership firm with Noticee 4 and 9 as partners.

27. Noticee 18 has also submitted that its branches and APs are maintaining order placement records via call recordings, and if the same are not present, signed order slips of the clients are maintained. Coincidentally in the present case, no call recordings are present and for all the trades executed by Noticees 1 to 16 in the scrip of SCL during the IP, Noticee 18 has submitted the order slips signed by its clients after executing multiple transactions. The order slips are not time stamped, and in the absence of any other supporting document, they are not verifiable, with respect to details such as when and how the clients had requested the AP / broker to execute trades on their behalf.

28. To summarize the above, I find that Noticees 1 to 18 were connected entities.

Trading activity by Noticees 1 to 17

29. I note the following with respect to the trading activity of Noticees 1 to 17:

- 29.1. Noticees 1 to 17 contributed 53.80% to buy volume and 70.47% to sell volume and contributed 48.67% to total market volume through trade among themselves in the scrip of SCL during the IP.
- 29.2. Noticee 1 sold 17,28,000 shares of SCL across 7 trading days during the IP, out of which 11,39,400 shares were purchased by Noticees 3 to 15 and Noticee 17, i.e. 65.94% of the shares sold by Noticee 1.
- 29.3. Noticee 2 sold 4,46,400 shares of SCL across 4 days during the IP, out of which 4,41,000 shares were purchased by Noticees 15, 16 and 17, i.e. 98.79% of the shares sold by Noticee 1.
- 29.4. Thus, Noticees 1 and 2 sold a total of 21,74,000 shares of SCL during the IP, out of which 15,80,400 shares were purchased by Noticees 3 to 17, i.e. 72.68% of the shares sold by Noticee 1.
- 29.5. Noticees 1, 2, along with Noticees 10, 11, 15, 16 and 17 executed 34 synchronized trades among themselves in 5 trading days. These trades contributed 17.39% to market volume.

30. Based on the material available on record, I note that Noticees 1 to 17 were connected entities. Noticee 4 was acting on behalf of the AP, i.e. Noticee 9. Noticee 4 was taking trading decisions on behalf of all the Noticees. Most of the buy and sell trades among the connected entities were placed by Noticee 4 or his associates through the terminal allocated by Noticee 18 to its AP, Noticee 9. While Noticee 4 was taking decisions and placing orders for other Noticees registered as clients with Noticee 18, the other Noticees had played an equally important part in execution of the scheme by allowing their demat accounts to be used by Noticee 4 for executing the creation of artificial volume through trades amongst the Noticees.

31. Thus, Noticees 1 to 17 traded amongst themselves over ten days which resulted in significantly higher trading volume in the scrip of SCL during the IP. I note that there was negligible trading in the scrip of SCL before the start of the IP. The

average traded volume in the scrip was only 2905 in the pre-IP period from 21.12.2021 to 18.02.2022. However, during the IP, the average trading volume in the scrip of SCL increased significantly to 77,009 shares. The volume of trades registering an increase of around 27 times in a span of 2 months, created a misleading appearance of high trading volume in the scrip of SCL and other investors would have been influenced by this increased volume /interest in the scrip.

32. Thus, the nature of synchronisation of trades between the buyers and the sellers and the entire scheme hatched by the Noticees to provide an exit route to the sellers, Noticees 1 and 2, i.e. promoters, shows abuse of stock exchange platform by them. Instead of opting for other options such as off-market transactions or negotiated deal for the purpose of providing an exit route to the promoters, the Noticees chose to abuse the exchange trading platform for the aforesaid purpose, which created an appearance of an artificial volume.
33. The MD of Noticee 18 was made a partner in Noticee 10 during the IP, which clearly shows that he was known to Noticees 4 and 9, and the whole scheme was being executed with his knowledge. While Noticee 18 has referred to various orders of Hon'ble SAT to contend that brokers cannot be held liable for wrongdoings of the clients, I note that the trading in the scrip of SCL during the IP has taken place on multiple trading days by the clients of Noticee 18, through the same AP (Noticee 9) of Noticee 18, and buy and sell orders were placed through the same terminal. A stock broker is expected to carry out due diligence for trades placed through their APs. Therefore, such trades should not have been allowed by Noticee 18. Not only did it allow such trades to be executed on multiple occasions, its MD was also a partner of one of Noticee 18's clients, i.e. Noticee 10, during the IP.
34. Noticee 18 has submitted that no alerts were generated by SEBI or the Exchange for the executed trades. I note that stock exchanges merely provide a platform for

carrying out the trades. Absence of real time alerts cannot be considered as the sole criteria for the trades to be categorised as genuine.

35. Noticees 1 and 2 have submitted that there is no legal or factual basis for inferring that trades in question were executed by prior meeting of minds or arrangements between buyers and sellers. Noticees 4 has submitted that the scrip of SCL was an illiquid scrip, therefore some of the trades are bound to match with the same entities. In this regard, I note that most of the trades of the buyers and sellers were being placed through the same terminal by the same dealer, who was employed by Noticee 9, being the AP of Noticee 18. Noticee 4, admittedly was executing trades on behalf of Noticees 3 to 14. Noticee 18 has submitted that Noticee 4 was practically running the AP business in the name of his wife, i.e. Noticee 9. In light of the same, their contentions are not sustainable.

36. Noticees 3 to 17 have contended that their trading in the scrip of SCL before and after the IP has not been considered during investigation in the present matter. I am of the view that the investigation has rightly referred and based the allegations on the trades executed knowingly among the connected entities through the Exchange, which has led to creation of artificial volume, which induces other investors to trade in the scrip.

37. Noticees 3 to 14 have submitted that they accounted for merely 6.89% of the total market volume, which is miniscule. Noticee 17 has also submitted that a very small volume of his trades in the scrip of SCL was made with other Noticees. In this regard, I note that Noticees 1 to 17 were connected to each other and therefore, their volume in the scrip of SCL during the IP is considered collectively, and not individually.

38. Noticee 18 has acted as stock broker for Noticees 1 to 16, and facilitated their synchronized trades, which created false and misleading appearance of trading in the scrip of SCL during the IP. Further, Noticee 18 failed to maintain proper evidence for order placement in the form of call recordings, emails from authorized

email IDs, proper physical documents, etc., as mandated by SEBI vide Circular Reference No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018. In view of the above, I find that Noticee 18 has not maintained high standards of integrity and fairness and has not acted with due skill, care and diligence in the conduct of its business.

39. Based on the above, the allegation of violation of provisions of Section 12(A)(a), (b), (c) of SEBI Act r/w Regulations 3(a), (b), (c) & (d) and Regulation 4(1) and 4(2)(a) of PFUTP Regulations against Noticees 1 to 17, stands established. Also, the allegation of violation of provisions of Clause A(1), (2) & (5) of the Code of Conduct for Stock Brokers as specified under Schedule II r/w Regulations 9(f) of Stock Brokers Regulations and circular ref no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018 against Noticee 18 stands established.

ISSUE II - Do the violations, if any, attract penalty u/s 15HA and 15HB of the SEBI Act?

40. I note that since the above violations are established, Noticees 1 to 18 are liable for monetary penalty u/s 15HA and 15HB of the SEBI Act, as applicable, the text of which is reproduced hereunder:

SEBI Act

Penalty for fraudulent and unfair trade practices.

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

Penalty for contravention where no separate penalty has been provided.

15HB. *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 shall not be less than one lakh rupees but which may extend to one crore rupees.*

ISSUE III - If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?

41. While determining the quantum of penalty u/s 15HA and 15HB of the SEBI Act, it is important to consider the factors stipulated in Section 15J of the SEBI Act, which read as under:

SEBI Act

15J 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.*

42. In the present matter, it is noted that no quantifiable figures are available to assess the disproportionate gain or unfair advantage made as a result of the defaults by the Noticees. Further, from the material available on record, it is not possible to ascertain the exact monetary loss to the investors /clients on account of default by the Noticees. As per the available records, I note that that Noticees 4, 16 and 17 have been charged earlier for the violations of PFUTP Regulations and Noticee 18 has been penalised earlier for the violation of clauses of code of conduct under Stock Brokers Regulations. Therefore, suitable penalty must be imposed for non-compliances in order to ensure that the violations can be prevented in future.

ORDER

43. Having considered all the facts and circumstances of the case, the material available on record, submissions made by the Noticees, and the factors mentioned in Section 15J of the SEBI Act, in light of judgment of the Hon'ble Supreme Court in SEBI vs. Bhavesh Pabari (2019) 5 SCC 90, in exercise of power conferred u/s 15-I of the SEBI Act r/w Rule 5 of the SEBI Adjudication Rules, I impose the following penalty upon the Noticees for the violations as mentioned hereunder.

Noticee No.	Provisions violated	Penalty under	Penalty Amount
1,2	Section 12(A)(a), (b), (c) of SEBI Act r/w Regulations 3(a), (b), (c) & (d) and Regulation 4(1) and 4(2)(a) of PFUTP Regulations	Section 15HA of SEBI Act	Rs. 5,00,000/- (Rupees Five Lakhs Only) to be paid jointly and severally by Noticees 1 and 2
3 to 14			Rs. 10,00,000/- (Rupees Ten Lakhs Only) to be paid jointly and severally by Noticees 3 to 14
15, 16			Rs. 6,00,000/- (Rupees Six Lakhs Only) to be paid jointly and severally by Noticees 15 and 16
17			Rs. 6,00,000/- (Rupees Six Lakhs Only)
18	Clause A(1), (2) & (5) of the Code of Conduct for Stock Brokers as specified under Schedule II r/w Regulations 9(f) of Stock Brokers Regulations and circular ref no. SEBI/HO/MIRSD/DO P1/CIR/P/2018/54 dated March 22, 2018	Section 15HB of SEBI Act	Rs. 3,00,000/- (Rupees Three Lakhs Only)

I find the said penalty to be commensurate with the violation on the part of the Noticees.

44. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link:

ENFORCEMENT → Orders → Orders of AO → PAY NOW.

45. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings u/s 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.

46. In terms of Rule 6 of the SEBI Adjudication Rules, copy of this order is sent to the Noticees and also to SEBI.

DATE: SEPTEMBER 03, 2025

PLACE: MUMBAI

**AMIT KAPOOR
ADJUDICATING OFFICER**