

**WTM/ AB /EFD - I/DRA-1/ 28 /2018-19**

**SECURITIES AND EXCHANGE BOARD OF INDIA  
CORAM: ANANTA BARUA, WHOLE TIME MEMBER  
ORDER**

**Under Sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 in the matter of Golden Legand Leasing & Finance Limited**

In respect of: -

<b>Noticee No.</b>	<b>Name of the Noticees</b>	<b>PAN</b>
1	Ever Bright Trading Private Limited (earlier known as Mould Trading Private Ltd.)	AAICM3232F
2	Mr. Prateek Shaileshbhai Patel	BSHPP0982J
3	Mr. Chintan Bharatbhai Kapadia	AUDPK9076H
4	Mr. Akshaykumar Aniruddh Pandya	AQBPP1300R
5	Mr. Keval Chandrakant Shah	CDWPS5830H
6	South Asia Portfolios Private Limited	AABCS5265M

*The aforesaid entities are hereinafter referred to by their respective names/serial numbers or collectively as “the Noticees”.*

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***Background:***

1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”) carried out investigation in the scrip of Golden Legand Leasing & Finance Limited (hereinafter referred to as “GLLFL”) for the period of January 29, 2014 to July 31, 2015 (hereinafter referred to as “investigation period”) to ascertain the violations, if any, of the provisions of SEBI Act, 1992 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as “SEBI (PFUTP) Regulation, 2003”). SEBI also received a reference from Directorate of Investigation, Income Tax Department,

Kolkata through letter dated April 27, 2015 alleging that certain entities had used the stock exchange mechanism to generate Long Term Capital Gain Tax (LTCG) and GLLFL was one such scrip mentioned in the aforesaid letter.

2. A Show Cause Notice (hereinafter referred to as, 'SCN') dated September 12, 2017 providing the findings of SEBI's investigation was issued to all the Noticees wherein the following documents were enclosed as annexures.

<b>Table 1</b>	
<b>Annexure no.</b>	<b>Particulars</b>
1	Summary of daily price and volume
2	Transaction statements from depositories
3	Details of trades
4	Off market data
5	UCC details

3. The SCN was delivered to all the Noticees except Noticee no. 1 and 6, namely, Ever Bright Trading Private Limited and South Asia Portfolios Private Limited. As the SCN could not be delivered to the said two noticees, a notice was published in one English daily, Hindustan Times and one Hindi daily, Dainik Jagran on January 20, 2018 informing Noticee no. 1 and 6 that SCN dated September 12, 2017 has been issued to them in connection with their role in the matter of GLLFL and that it could not be delivered at its last known address. The Noticees were directed to collect the said SCN from SEBI's office in Mumbai.
4. Noticee no. 2, Mr. Prateek Shaileshbhai Patel, Noticee no. 3, Mr. Chintan Bharatbhai Kapadia and Noticee no. 5, Mr. Keval Chandrakant Shah have replied vide letters dated October 26, 2017 and Noticee no. 4, Mr. Akshaykumar Aniruddh Pandya has replied vide letter dated October 25, 2017. No replies have been received from Ever Bright Trading Private Limited, Noticee no. 1 and South Asia Portfolios Private Limited, Noticee no. 6.
5. Hearing in the matter was scheduled on September 28, 2018. Hearing notices sent to Mr. Chintan Bharatbhai Kapadia, Noticee no. 3 and Mr. Keval Chandrakant Shah, Noticee no. 5 were delivered but the said Noticees failed to appear for the personal hearing. Hearing notices sent to Mr. Prateek Shaileshbhai Patel, Noticee no. 2 and Mr. Akshaykumar Aniruddh

Pandya, Noticee no. 4 returned undelivered with the remark “Refused”. I note that refusal to accept notice is considered deemed service. Therefore, I observe that Noticee no. 2 and Noticee no. 4 also failed to appear for the personal hearing. Another date of hearing i.e. December 14, 2018 was granted to Ever Bright Trading Private Limited, Noticee no. 1 and South Asia Portfolios Private Limited, Noticee no. 6 as hearing notices were not delivered to these Noticees. The hearing notice was published in one English daily, Times of India and one Hindi daily, Nav Bharat Times on November 07, 2018 informing the Noticees no. 1 and 6 that hearing in the matter has been scheduled on December 14, 2018. The noticees failed to appear on the scheduled date.

6. In another matter before me, wherein Noticee no. 6, South Asia Portfolios Private Limited has been appearing before me, it has been responding through email id: southasiaportfolios@gmail.com. Therefore, in the interest of natural justice, another date of hearing was granted to Noticee no. 6 on February 22, 2019. A copy of the SCN was also sent onto the said email id. However, the Noticee no. 6 failed to appear on the said date.

***Consideration of SCN, reply and personal hearing***

7. The SCN has alleged that Noticee nos. 1 to 6 violated Regulations 3(a),(b),(c),(d) and Regulations 4(1), 4(2)(a) & 4(2)(e) of SEBI (PFUTP) Regulations, 2003. The SCN has alleged that during the investigation, it was observed that the price of the scrip of GLLFL at the Bombay Stock Exchange (BSE) opened at Rs. 11.39 on January 29, 2014 and rose to Rs. 292.00 on November 03, 2014 and then closed at Rs. 116 on July 31, 2015. During this period, the shares of company were traded for an average volume of 14,600 shares per trading day with a total trading volume of 25,05,044 shares in 5601 trades for a total of 175 days. The Company has been suspended for trading on BSE with effect from August 28, 2015 as an interim preventive and remedial measure. The last traded scrip price as on August 27, 2015 was Rs. 109.80.
8. Investigation observed that the scrip price of GLLFL had increased from Rs. 11.39 to Rs. 345 during the period from January 29, 2014 to December 05, 2014. However, the trading volumes were low during the period January 29, 2014 to September 30, 2014 and the trading

volumes were high for the period October 01, 2014 to December 05, 2014. Based on the variance in quantum of trading volumes and the price movement of the scrip during the investigation period, the following patches were identified for investigation, details of which are given in the table below:

<b>Table 2</b>								
<b>Patch es</b>	<b>Price/Volume trend</b>	<b>Period</b>		<b>Price Movement</b>				<b>Avg. Vol.</b>
		<b>From</b>	<b>To</b>	<b>Open</b>	<b>High</b>	<b>Low</b>	<b>Close</b>	
Patch-I	Price rise with low trading volume	29/01/2014	30/09/2014	11.39	232.4	11.39	232.40	382
Patch-II	Price rise with high trading volume	01/10/2014	05/12/2014	237	356	236	345	38605
Patch-III	Price fall with high trading volume	08/12/2014	31/07/2015	345	346.2	109.3	116	15992

9. Investigation carried out Last Traded Price (hereinafter referred to as “LTP”) analysis for the trades executed by the suspected entities during patch II and III and the price rise/fall could be attributed to trades of any entity.
10. Investigation carried out analysis for Patch I (January 29, 2014 to September 30, 2014), the details of which are given below:
  - a. Investigation observed that the price of the scrip at BSE opened at Rs. 11.39 (previous day closed at Rs. 10.85), touched a high of Rs. 232.4 and closed at Rs. 232.4.
  - b. Investigation carried out LTP analysis on the buy side as there was a price rise. Details of top 10 LTP contributors during this patch are given in the table below:

<b>Table 3</b>												
<b>Buyer Name</b>	<b>All Trades</b>			<b>LTP &gt; 0</b>			<b>LTP &lt; 0</b>			<b>LTP = 0</b>		<b>% of Positive LTP to Total Market Positive LTP</b>
	<b>Net LTP</b>	<b>Sum of Qty</b>	<b>No. of Trades</b>	<b>LTP impact</b>	<b>Qty Traded</b>	<b>No of Trades</b>	<b>LTP impact</b>	<b>Qty Traded</b>	<b>No of Trades</b>	<b>Qty Traded</b>	<b>No of Trades</b>	
Bharti Goyal	33	13	8	33	13	8	0	0	0	0	0	14.39
Neetu Gupta	30.25	21	6	30.25	16	5	0	0	0	5	1	13.19
Ankit Mahendra Kachhara	27.7	14	14	27.7	14	14	0	0	0	0	0	12.08

Keval Chandrakant Shah	14.85	63	6	14.95	61	5	-0.1	2	1	0	0	6.52
Dhaval Chandrakant Shah	13.7	2	1	13.7	2	1	0	0	0	0	0	5.98
Rakesh Singh	12.8	16	3	12.8	16	3	0	0	0	0	0	5.58
Krishan Kumar & Sons (Huf)	12.7	3	2	12.7	3	2	0	0	0	0	0	5.54
Roshan Kumar Verma	9.9	8	2	9.9	8	2	0	0	0	0	0	4.32
Shyam Kanhey Lal Vyas	7.64	8	8	7.64	8	8	0	0	0	0	0	3.33
Om Prakash Pal	7.45	3	2	7.45	3	2	0	0	0	0	0	3.25
<b>Top 10</b>	<b>169.99</b>	<b>151</b>	<b>52</b>	<b>170.09</b>	<b>144</b>	<b>50</b>	<b>-0.1</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>74.18</b>
<b>Market Total</b>	<b>221.55</b>	<b>28664</b>	<b>92</b>	<b>229.30</b>	<b>186</b>	<b>76</b>	<b>-7.75</b>	<b>3</b>	<b>2</b>	<b>28475</b>	<b>14</b>	<b>100</b>

c. The counterparties to trades by entities in the sell side that contributed to positive LTP as given in the table below in Patch I were analysed and the investigation made following observations:

(i) For the 76 trades that contributed to positive LTP of Rs. 229.30 in patch I, it was observed that there were 6 connected counterparty sellers who contributed Rs. 175.74 (76.64% of total market positive LTP) to positive LTP in 59 trades. Details of connections between 6 sellers entities who have appeared as counterparties are tabulated below:

<b>Table 4</b>			
<b>S. No.</b>	<b>Seller name</b>	<b>Connections Details</b>	<b>Basis of connection</b>
1	Ever Bright Trading Private Limited (Noticee no 1)	Noticee no 1 transferred share to Noticee no. 2, 3 and 6 through off market.	Off market transactions in shares of GLLFL
2	Prateek Shaileshbhai Patel (Noticee no 2)	Noticee no 2 has received shares from Noticee no 1 through off market.	Off market transactions in shares of GLLFL

3	Chintan Bharatbhai Kapadia (Noticee no 3)	Noticee no 3 has received shares from Noticee no 1 through off market.  Noticee no 3 transferred shares to Noticee no 4 through off market.	Off market transactions in shares of GLLFL
4	Akshaykumar Aniruddh Pandya (Noticee no 4)	Noticee no 4 has received shares from Noticee no 3 through off market.	Off market transactions in shares of GLLFL
5	Keval Chandrakant Shah (Noticee no 5)	Noticee no 2, 3 and 4 transferred shares to Dhaval Chandrakant Shah through off market. Further, Dhaval Chandrakant Shah is related to Keval Chandrakant Shah (Noticee No.5) based on common Email id, Mobile Number and Address.	a) Off market transactions in shares of GLLF b) UCC Details
6	South Asia Portfolios Private Limited (Noticee no 6)	Noticee no 6 has received shares from Noticee no 1 through off market.	Off market transactions in shares of GLLFL

(ii) The number of trades and quantity of shares sold by Noticee nos. 1 to 6 as a counterparty sellers in Patch I which contributed to positive LTP are summarized hereunder:

Table 5								
S No.	Date of transaction	Seller name	Sell order volume	Buy order volume	LTP contribution (Rs)	LTP contribution (%)	No of shares held before trade	Balance no of shares after trade
1	29.01.2014	Ever Bright Trading Private Limited (earlier known as Mould Trading Private Limited) (Noticee no 1)	1	1000	0.54	0.24	NIL*	NIL*
2	30.01.2014		1	2000	0.56	0.24	NIL*	NIL*
3	01.04.2014		1	250	0.69	0.30	25000**	24999
4	30.05.2014		1	1000	1.45	0.63	399	398
5	09.06.2014		1	1000	1.70	0.74	398	397
6	11.06.2014		1	1000	1.85	0.81	397	396
7	12.06.2014		1	1000	1.95	0.85	396	395
8	26.06.2014		1	1000	2.25	0.98	395	394
9	10.07.2014		1	1000	2.75	1.20	394	393
10	06.08.2014		5	2000	4.05	1.77	393	388
11	08.08.2014		5	2000	4.25	1.85	388	383
12	11.08.2014		6	2000	4.50	1.96	383	377
13	13.08.2014		2	2	4.95	2.16	377	375
14	14.08.2014		1	110	5.20	2.27	375	374
15	19.08.2014		5	1000	5.45	2.38	372	367
16	21.08.2014		2	500	5.75	2.51	367	365

Table 5								
S No.	Date of transaction	Seller name	Sell order volume	Buy order volume	LTP contribution (Rs)	LTP contribution (%)	No of shares held before trade	Balance no of shares after trade
Total			35	16862	47.89	20.89		
1	09.04.2014	Prateek Shaileshbhai Patel (Noticee No.2)	1	1000	0.72	0.31	500	499
2	15.04.2014		1	5000	0.75	0.33	499	498
3	22.04.2014		1	5000	0.87	0.38	498	497
4	29.04.2014		1	2000	0.96	0.42	497	496
5	06.05.2014		1	5000	1.05	0.46	496	495
6	13.05.2014		1	5000	1.15	0.50	495	494
7	20.05.2014		1	1000	1.25	0.55	494	493
8	27.05.2014		1	1000	1.35	0.59	493	492
9	03.06.2014		1	1000	1.55	0.68	492	491
10	10.06.2014		1	1000	1.80	0.78	491	490
11	20.06.2014		1	1000	2.05	0.89	90	89
12	30.06.2014		1	1000	2.40	1.05	89	88
13	08.07.2014		1	1000	2.65	1.16	88	87
Total			13	30000	18.55	8.09		
1	10.04.2014	Chintan Bharatbhai Kapadia (Noticee No.3)	1	2000	0.73	0.32	500	499
2	21.04.2014		1	5000	0.83	0.36	499	498
3	28.04.2014		1	5000	0.92	0.40	498	497
4	05.05.2014		1	5000	0.97	0.42	147	146
5	12.05.2014		1	5000	1.10	0.48	146	145
6	19.05.2014		1	1000	1.20	0.52	145	144
7	28.05.2014		1	1000	1.40	0.61	144	143
8	04.06.2014		1	1000	1.60	0.70	143	142
9	23.06.2014		1	200	2.15	0.94	142	140
10	03.07.2014		10	25	2.50	1.09	140	130
11	15.07.2014		1	1000	2.90	1.26	130	129
Total			20	26225	16.30	7.11		
1	05.08.2014	Akshaykumar Aniruddh Pandya (Noticee No.4)	1	1000	3.90	1.70	129	128
2	02.09.2014		2	25	13.70	5.97	128	126
3	12.09.2014		1	100	3.60	1.57	126	125
4	15.09.2014		2	48	3.65	1.59	125	123
5	24.09.2014		2	5	4.20	1.83	123	121
6	25.09.2014		2	5	4.25	1.85	121	119
7	29.09.2014		2	5	4.45	1.94	119	117
Total			12	1188	37.75	16.46		
1	01.08.2014	Keval Chandrakant Shah (Noticee No.5)	1	1	3.60	1.57	6	5
2	16.09.2014		1	10	3.70	1.61	60	59
3	17.09.2014		2	25	3.80	1.66	59	57
4	19.09.2014		1	10	3.95	1.72	57	56
5	22.09.2014		1	5	4.05	1.77	56	55
6	23.09.2014		2	100	4.10	1.79	55	53
7	26.09.2014		3	1	4.30	1.88	53	52
8	30.09.2014		2	5	4.55	1.98	54	52

Table 5								
S No.	Date of transaction	Seller name	Sell order volume	Buy order volume	LTP contribution (Rs)	LTP contribution (%)	No of shares held before trade	Balance no of shares after trade
Total			13	157	32.05	13.98		
1	25.08.2014	South Asia	8	200	6.30	2.75	25	17
2	26.08.2014	Portfolios	3	5	6.65	2.90	17	14
3	28.08.2014	Private	1	1000	6.95	3.03	14	13
4	08.09.2014	Limited (Noticee no 6)	2	200	3.30	1.44	12	10
Total			14	1405	23.20	10.12		
<b>Total of 6 connected entities</b>			<b>107</b>	<b>75837</b>	<b>175.74</b>	<b>76.64</b>		

\*shares of the company were not held by the entity. Hence, the transaction was settled through auction mechanism.

\*\* received by Noticee no 1 from one Mr. Mukesh Ramchandra Lade through off market.

11. In this regard, the relevant provisions of law alleged to have been violated are as under:

***PFUTP Regulations, 2003***

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

*“No person shall directly or indirectly*

*(a) buy, sell or otherwise deal in the 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.*

***Regulation 4. Prohibition of manipulative, fraudulent and unfair trade practices***

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



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

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

*.....*

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

12. I note that the Noticees are connected with each other through off market transfers. Off market transfers are usually carried out through negotiation between known parties. The stock exchange provides a platform for investors to buy and sell securities from each other in an organized and regulated manner. Normally, investors come to the stock exchange in order to get a competitive price and a liquid market in which transactions can be completed efficiently. Off market transfers, on the other hand, require the investor to scout for a buyer or seller, as the case may be, without the benefits of regulatory, settlement and redressal provisions of the bye-laws of the stock exchange. I note that normally genuine buyer and seller trade through stock exchanges as stock exchanges and clearing corporations ensures settlement of trades. Based on off market data (Annexure 4 to SCN), I note that Noticee nos. 2 and 3 viz, Mr. Prateek Shaileshbhai Patel and Mr. Chintan Bharatbhai Kapadia received 500 shares each of GLLFL through off market transfer from Noticee no. 1, Ever Bright Trading Private Limited (earlier known as Mould Trading Private Limited) on April 07, 2014. Noticee no. 6, South Asia Portfolios Pvt. Ltd. received 25 shares of GLLFL through off market transfer from Noticee no. 1, Ever Bright Trading Private Limited (earlier known as Mould Trading Private Limited) on August 25, 2014. Noticee no. 4, Mr. Akshaykumar Anirudh Pandya received 129 shares of GLLFL through off market transfer from Noticee no. 3, Mr. Chintan Bharatbhai Kapadia on July 24, 2014. Mr. Prateek Shaileshbhai Patel, Mr. Chintan Bharatbhai Kapadia and Mr. Akshaykumar Anirudh Pandya each transferred 350, 400 and 90 shares to one Mr. Dhaval Chandrakant Shah on various dates. Noticee no. 5, Mr. Keval Chandrakant Shah and Mr. Dhaval Chandrakant Shah are brothers and have a common address. As per the KYC of Mr. Dhaval Chandrakant Shah for opening an account with Jhaveri Securities Limited, Mr. Keval Chandrakant Shah was the introducer.

13. On perusing the table 6 below, I note that GLLFL had reported 'nil' income for the financial year ended 2014 to 2016. Further, losses reported by the Company increased significantly for the financial year ended 2016, in comparison to financial year ended 2014.

(Source – bseindia.com) (Rs. In Crores)

<b>Table 6</b>			
<b>Particulars</b>	<b>Year Ended</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
Net Sales	0	0	0
Other Income	0	0	0
Total Sales	0	0	0
Profit /Loss after Tax	<b>-0.02</b>	<b>-0.05</b>	<b>-0.15</b>

14. I also note that during the investigation period, no major corporate announcements were made by the GLLFL other than declaration of financial results, change of registered office of the company and appointment/change of directors of the company. As observed in Table 6 in para 13, the company reported 'nil income' and further reported losses for three consecutive financial years. Therefore, the rise of the price of the scrip of GLLFL from Rs. 11.39 to Rs. 232.4 during the period from January 29, 2014 to September 30, 2014 is very intriguing.
15. I note that the price of the scrip of GLLFL rose from Rs. 11.39 to Rs. 232.4 during the period from January 29, 2014 to September 30, 2014 out of which the rise of Rs. 175.74 (76.64% of total market positive LTP) resulted from the 59 trades done by the Noticees as shown in Table 5 in para 10(c)(ii). I also note that in the 59 trades, where the buy orders were available with quantity in the range of 5 to 5000 shares (mostly 1000 or 5000 shares), all the Noticees put their sell orders with quantity of shares in single digits i.e. mostly 1 or 2 shares as shown in Table 5 in para 10(c)(ii). By executing these trades, the Noticees had matched the prices of prevailing buy orders which were placed at a higher price than the last traded price and thus contributed to the increased scrip price with each of their trades. I note that these 59 trades were done on 59 different trading days across the period and each trade resulted in a higher LTP.
16. I note that on perusing the transaction statements from depositories, I note that the Noticees were holding substantial quantity of shares during the period of their respective sale

transactions. Despite holding substantial quantity of shares (as shown in the column entitled, “No. of shares held before trade” in Table 5 in para 10 (c)(ii)), the Noticees released very small amount of shares i.e. mostly 1 or 2 shares (as shown in the column entitled, “Sell Order Volume” in Table 5) even though large buy orders i.e. mostly 1000 shares were available (as can be seen from the column entitled, “Buy Order Volume”). I note that the Noticees matched the buy orders which were above LTP with volume in small quantities as shown above in para 10(c)(ii). Therefore, I note that such trades, in the facts and circumstances of this case, are non-genuine and that the only intention of such trading was to mark the price higher than LTP and thereby to manipulate the scrip price of GLLFL. Furthermore, the Noticees executed not more than one transaction in a day by placing orders of not more than 1 or 2 shares which contributed to a positive LTP of 76.64%.

17. Based on the above facts and circumstances, I note that Noticees 1 to 6, were acting in concert and contributed to manipulation in the scrip price by marking the price higher than the LTP as shown in Table 5 at para 10(c)(ii) and contributed to increase in price of the scrip with each of their small trades, thereby creating a misleading appearance of trading in the scrip.
18. I note that Noticee no. 2, Mr. Prateek Shaileshbhai Patel in his reply dated October 26, 2017 has stated that he usually makes small investments by taking various expert advice from business news channels. He came in contact with one Mr. Ashok Hiralal Shah at the office of his broker and offered him and his friends to use their demat accounts in return for a reasonable consideration. According to the Noticee, Mr. Ashok Hiralal Shah utilized the Noticee No.2's demat account for trading in the shares of GLLFL. The sale proceeds were given back to Mr. Ashok Hiralal Shah in cash by the Noticee. It has also been submitted that Mr. Ashok Hiralal Shah was the holder of 12,00,000 locked in shares of GLLFL. According to the Noticee, as the lock in period was from January 2014 to December 2014, the real beneficiaries of the said price increase started the tactics of manipulating the price of the scrip by utilizing the demat account of people known to him in the said period. Noticee no. 3, Mr. Chintan Bharatbhai Kapadia, Noticee no. 4, Mr. Akshaykumar Aniruddh Pandya and Noticee no. 5, Mr. Keval Chandrakant Shah have made the same submissions as that of Noticee no. 2, Mr. Prateek Shaileshbhai Patel. The Noticees have not furnished any evidence

to prove their claim. In this regard, I note the observations of the Hon'ble Securities Appellate Tribunal (hereinafter referred to as "SAT") in *Manish Arvindbhai Waghela v. SEBI* (Appeal no. 156 of 2018, decided on March 15, 2019) which is as under:

*Misusing the e-mail id, mobile number and bank account etc. and trading in securities market using the same is a serious issue. In such matters one is expected to take immediate action soon after knowing the same.*

The misuse of demat account is a very serious issue. The Noticees have not adduced any evidence to show that they have taken action against Mr. Ashok Hiralal Shah for allegedly misusing their demat account. Therefore, I am unable to accept the contention of the Noticees.

19. I note that the Noticees were instrumental in establishing a price higher than the last traded price and thus contributed to increased scrip price with each of their trades. I note that the repeated nature of such trades by the Noticees, establishes their culpability in increasing the price as illustrated in paras 10 to 18. Therefore, I note that the trading pattern of the Noticees shows that the Noticees created a misleading appearance of trading.
20. I further note that the Hon'ble SAT in *Sanjay Kumar Tayal & Others v. SEBI* (Appeal No. 68 of 2013, decided on February 11, 2014), where an entity was found to have raised the New High Price by placing just 1 share in buy order, in each of nine transactions, when sell orders were available for higher quantity (contributing to 9.17% of NHP), upheld the findings and penalty imposed by the Adjudicating Officer, inter alia observed as under:

*“ 9..... Very fact that the appellant had indulged in self trades/ LTP/ NHP without giving justifiable reason, clearly justifies the inference drawn by the AO that the trades executed by the appellant were manipulative trades.*

*10. . ....In the facts of the present case, in our opinion, no fault can be found with the decision of the AO that the trades executed by the appellant were manipulative trades and hence, the appellant was guilty of violating the SEBI Act and the PFUTP Regulations.”*

In the facts and circumstances of this case, I note that trades executed by the Noticees by placing sell orders as illustrated in para 10(c)(ii) were manipulative trades.

21. Hence, in view of the above, I find the six Noticees to be guilty of violating 3(a),(b),(d) and Regulation 4(1), 4(2) (a) & 4(2) (e) of SEBI (PFUTP) Regulations, 2003 and accordingly I pass the following directions:

**ORDER & DIRECTIONS**

22. I, in exercise of the powers conferred upon me under section 19 read with sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992, hereby restrain the following Noticees from accessing the securities market and further prohibit them from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of four (4) years, from the date of this order. During the period of restraint, the aforesaid Noticees' existing holding, including units of mutual funds, of the Noticees shall remain frozen.

Noticee No.	Name of the Noticees	PAN
1	Ever Bright Trading Private Limited (earlier known as Mould Trading Private Ltd.)	AAICM3232F
2	Mr. Prateek Shaileshbhai Patel	BSHPP0982J
3	Mr. Chintan Bharatbhai Kapadia	AUDPK9076H
4	Mr. Akshaykumar Aniruddh Pandya	AQBPP1300R
5	Mr. Keval Chandrakant Shah	CDWPS5830H
6	South Asia Portfolios Private Limited	AABCS5265M

23. This order shall come into force with immediate effect.
24. A copy of this order shall be sent to the Directors of Income Tax (Inv.), Kolkata.
25. A copy of this order shall be served on all recognized stock exchanges, depositories and RTAs of mutual funds to ensure compliance with above directions.

**Date: March 26, 2019**

**Place: Mumbai**

**Sd/-  
ANANTA BARUA**

**WHOLE TIME MEMBER**