

WTM/ AB /EFD-1/DRA-1/ 09/2019-20

**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 Ram Minerals and Chemicals Limited**

Noticee no.	Name of the Noticee	PAN
1	All Time Buildtech Pvt. Ltd.	AAKCA0464B
2	Ms. Anuradha Arora	AAXPA1424F
3	Ms. Aradhna Choudhary	APTPC1456J
4	B G Freight Shoppe India Pvt. Ltd.	AACCB4250A
5	Mr. Bharat Aman	AERPA6411N
6	Delicious Diamonds Pvt. Ltd.	AAECD0600N
7	Mr. Gagan Wadhwa	AAZPW9487A
8	Girraj Kumar Gupta HUF	AAGHG4939L
9	Mr. Girraj Kumar Jagdish Prasad Gupta	AESPG6809H
10	Mr. Manoj Singh Bisht	AJGPB8249P
11	Mr. Moti Lal	ALVPP1517D
12	Ever Bright Trading Pvt. Ltd. (earlier known as Mould Trading Pvt. Ltd.)	AAICM3232F
13	Ms. Neetu Gupta	ANZPG4540K
14	Mr. Pradeep	AOVPP1016L
15	Mr. Rajeev Kumar Ram Prasad Gupta	AFCPG5006P
16	Mr. Roshan Kumar Verma	AEPPV0069K
17	Mr. Sanjay Mehta	AGEPM1354P
18	South Asia Portfolios Pvt. Ltd.	AABCS5265M
19	Mr. Vineet Gupta	AAIPG1297R

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

Background

1. The Securities and Exchange Board of India (hereinafter referred to as “SEBI”) observed that the price of the scrip of Ram Minerals and Chemicals Limited (formerly known as “ICVL Chemicals Limited”) (hereinafter referred to as, “Ram Minerals/ RMCL/ the Company”) which is listed on the Bombay Stock Exchange (hereinafter referred to as “BSE”) increased from Rs. 2.2 to Rs. 219.55 during the period of examination. Further, SEBI also received reference from Principal Director of Income Tax (Investigation), Kolkata (hereinafter referred to as “DIT”) vide their letter dated April 27, 2015 alleging

that certain entities had used the stock exchange mechanism to generate Long Term Capital Gain Tax (hereinafter referred to as “LTCG”) and Ram Minerals is one of such scrips mentioned in the aforesaid letter. Therefore, SEBI conducted an investigation into the price manipulation in the scrip of Ram Minerals to ascertain possible violations of SEBI Act, 1992 and other regulations.

Show Cause Notice, Reply to Show Cause Notice and Personal Hearing

2. A Show Cause Notice (hereinafter referred to as “SCN”) dated June 27, 2017 providing the findings of SEBI’s investigation was issued to all the Noticees. The following documents were enclosed as annexures to the SCN.

Table A: Annexures to SCN	
Annex. No.	Particulars
1	Details of 6 distinct group of suspected entities
2	Details of price and volume of Ram Minerals
3	Details of allotment of shares for Ram Minerals
4	Demat statement of Ram Alloy Casting Pvt. Ltd.
5	Bank Account statement for All Time Buildtech Pvt. Ltd.
6	Details of block deals
7	Demat statement of B G Freight Shoppe
8	Bank statement and counter party details of Mould Trading Pvt. Ltd.
9	Master data from MCA for Delicious Diamonds Pvt. Ltd.
10	UCC details obtained from BSE and off-market transfers
11	Last Trade Price (LTP) variation analysis on suspected entities
12	Details of these trades suspected entities
13	Demat statement of Shriji Sales Corporation & Selection Overseas
14	Transaction statements as provided by depositories (NSDL/CDSL)
15	Trading for providing long term capital gain entry to the beneficiaries
16	Bank Account statement for Shri Salasar Trading Co
17	MCA details of Gopayl Biyala & Sanjeev Kumar Sharma
18	List of Shareholders and shareholding details as per RTA statement

3. The SCN was served on all the Noticees through Speed Post/ Affixture. As the SCN could not be served on Noticee no. 5, Mr. Bharat Aman, Noticee no. 6, Delicious Diamonds Pvt. Ltd., Noticee no. 12, Ever Bright Trading Pvt. Ltd. (earlier known as Mould Trading Pvt. Ltd.), Noticee no. 14, Mr. Pradeep, Noticee no. 16, Mr. Roshan Kumar Verma and Noticee

no. 17, Mr. Sanjay Mehta at their last known address through Speed Post/ Affixture, service of SCN was completed through newspaper publication on October 28, 2017. All the noticees except Noticee no. 5, Mr. Bharat Aman, Noticee no. 6, Delicious Diamonds Pvt. Ltd., Noticee no. 12, Ever Bright Trading Pvt. Ltd. and Noticee no. 14, Mr. Pradeep have filed their reply in the matter.

4. An opportunity of hearing was granted to all the Noticees on November 19, 2018. Noticee nos. 7, 10, 11 and 16 appeared on the said date. The other Noticees sought adjournment and the same was granted on December 28, 2018. On December 28, 2019, Noticee nos. 1, 2, 4, 8, 9, 13, 15, 18 and 19 appeared before me and made their submissions. Time was granted to the Noticees to file written submissions, if any.

Consideration of SCN, Reply and Personal Hearing

5. I note from the SCN and the annexures enclosed with it that during the relevant investigation period i.e. December 13, 2013 to December 10, 2014 (hereinafter referred to as “investigation period”), the price of the scrip of Ram Minerals opened at Rs. 2.20 on December 13, 2013 and closed at Rs. 219.55 on December 10, 2014, with a net Last Trade Price (hereinafter referred to as “LTP”) of Rs. 217.35 and a market positive LTP of Rs. 218.12. LTP analysis of the top ten LTP contributors on the buy side as shown in the SCN and details are as follows:

Table 1 - Buy LTP analysis for the period December 13, 2013 – December 10, 2014												
Buyer Name	All trades			LTP Diff. > 0			LTP Diff. < 0			LTP Diff. = 0		% of +ve LTP to Total Market +ve LTP
	Sum of LTP diff	Sum of QTY	No. of trades	Sum of LTP diff	QTY traded	No. of trades	Sum of LTP diff	QTY traded	No. of trades	QTY traded	No. of trades	
Deepa S Pareek	29.35	129	13	29.35	99	12	0.00	0	0	30	1	13.46
Ravi Gupta	21.15	1085	12	21.15	533	6	0.00	0	0	552	6	9.70
N L Rungta Huf	17.71	152	13	17.71	132	12	0.00	0	0	20	1	8.12
South Asia Portfolios Pvt. Ltd.	16.95	272	9	16.95	72	8	0.00	0	0	200	1	7.77
Anil Kumar Sharma	11.05	11	6	11.05	11	6	0.00	0	0	0	0	5.07
Saurabh Jain	9.70	5	4	9.70	5	4	0.00	0	0	0	0	4.45

Girraj Kumar Gupta HUF	9.65	15	3	9.65	15	3	0.00	0	0	0	0	4.42
Rajesh Pravinkumar Jasani	8.05	44	5	8.05	23	3	0.00	0	0	21	2	3.69
Sarojbala Pravinkumar Jasani	6.95	9	3	6.95	9	3	0.00	0	0	0	0	3.19
Rajeev Kumar Ram Prasad Gupta	6.38	1105	29	6.38	141	21	0.00	0	0	964	8	2.93
Top 10 Entities Total	136.94	2827	97	136.94	1040	78	0.00	0	0	1787	19	62.78
Market Total	217.35	35551885	460	218.12	5903089	188	-0.77	13045468	21	16603328	251	100

6. From the above Table 1, I note that during the investigation period the top 10 net LTP contributors on the buy side contributed Rs. 136.94 to net LTP in 97 trades and Rs. 136.94 to positive LTP (62.78% to market positive LTP) in 78 trades. In all the 78 trades carried out by these entities that contributed to positive LTP, buy orders were placed first which contributed Rs.136.94 (62.78%) to market positive LTP.
7. I note from the SCN that in 58 trades out of the 78 trades by the top 10 net LTP contributors on buy side (as shown in Table 1) that contributed to positive LTP, 15 entities appeared as the counterparties (sellers) contributing Rs. 101.43 (46.5%) to positive LTP, details of which are shown in Table 2 below:

Table 2 – Sell LTP Analysis for the period December 12, 2013 – December 10, 2014									
Sl. no	Seller Name	No. of trades (LTP >0)	Total order quantity (LTP >0)	No. of instances with sell order of 1 share	No. of instances with sell order of 2 shares	Positive LTP contribution (Rs.)	% of positive LTP to Total Market positive LTP	No. of shares held before these trades (CDSL/NSDL statements)	Balance no. of shares held (CDSL/NSDL statements / Broker declaration/)
1	Anuradha Arora	2	2	2	0	0.48	0.22	39996	39994
2	Sanjay Mehta	1	2	0	1	0.35	0.16	25000	24998
3	Ever Bright Trading Pvt. Ltd.	6	18	2	2	2	0.91	7248	7185
4	Neetu Gupta	2	2	2	0	2.64	1.21	1500	1498
5	All Time Buildtech Pvt. Ltd.	2	3	1	1	0.57	0.26	1750	1750

6	B G Freight Shoppe India Pvt. Ltd.	2	3	1	1	1.88	0.86	1138	811
7	South Asia Portfolios Pvt. Ltd.	1	2	0	1	3.5	1.6	271	269
8	Pradeep	16	40	3	7	30.31	13.9	497	331
9	Roshan Kumar Verma	4	8	2	1	9.7	4.44	10	0
10	Delicious Diamonds Pvt. Ltd.	5	8	2	3	9.55	4.37	7	0
11	Aradhna Choudhary	4	10	0	2	8.25	3.78	10	0
12	Gagan Wadhwa	3	5	1	2	5.95	2.72	9	3
13	Moti Lal	4	9	0	3	9.8	4.49	9	0
14	Bharat Aman	3	6	0	3	9.5	4.35	8	2
15	Manoj Singh Bisht	3	6	1	1	6.95	3.18	7	0
	Total (15 Entities)	58	124	17	28	101.43	46.50	-	-
	Total (Market)					218.12	100	-	-

8. Based on the SCN and its annexures, I note that during the period from May 05, 2014 to November 27, 2014 (i.e. part of the relevant investigation period), the price of the scrip of Ram Minerals rose from Rs. 12 to Rs. 183.85 out of which the rise of Rs. 101.43 (46.50% to market positive LTP) resulted from the 58 trades done by the aforementioned 15 sellers. It is observed that in the 58 trades, all the 15 sellers had put their sell orders with quantity of shares in single digits i.e. mostly 1 or 2 or 3 shares whereas buy orders were available with quantity in the range of 12 to 5000 shares (mostly 200 or 500 or in thousands). By executing these trades, the counterparties (sellers) 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 also note from Table 2 and Annexure 2 to the SCN that these 58 trades were done on 58 different trading days across the period from May 05, 2014 to November 27, 2014 and each trade resulted in a higher LTP.
9. While Table 1 at para 5 of this order provides the LTP Analysis of the Top 10 LTP contributors on the buy side, Table no. 3 below which was also provided in the SCN, looks at the contributions of the Noticees in the present matter to the buy side LTP. I note that Noticee nos. 8, 9, 12, 15 & 18 contributed to positive LTP on the buy side, details of which are as under:

Table 3 – LTP Contributions of Noticee nos. 8, 9, 12, 15 & 18 on Buy Side

Buyer Name (Noticee no.)	All trades			LTP Diff. > 0			LTP Diff. < 0			LTP Diff. = 0		% of +ve LTP to Total Market +ve LTP
	Sum of LTP diff	Sum of Qty	No. of trade s	Sum of LTP diff	Qty traded	No. of trades	Sum of LTP diff	Qty traded	No. of trades	Qty traded	No. of trades	
South Asia Portfolios (18)	16.95	272	9	16.95	72	8	0	0	0	200	1	7.77
Girraj Kumar Gupta HUF (8)	9.65	15	3	9.65	15	3	0	0	0	0	0	4.42
Rajeev Kumar Ram Prasad Gupta (15)	6.38	1105	29	6.38	141	21	0	0	0	964	8	2.93
Ever Bright Trading (12)	2.8	3060624	10	2.87	822781	4	-0.07	1531550	2	706293	4	1.32
Girraj Kumar Jagdish Prasad Gupta (9)	0.43	2431	11	0.43	2	2	0	0	0	2429	9	0.2
All Time Buildtech (1)	0	1581200	3	0.01	508000	1	-0.01	545000	1	528200	1	0.01
B G Freight Shoppe India (4)	-0.02	2487940	4	0	0	0	-0.02	1403400	2	1084540	2	0
Total Contribution of Noticees	36.19	7133587	69	36.29	1331011	39	-0.1	3479950	5	2322626	25	16.65
Market Total	217.35	35551885	460	218.12	5903089	188	-0.77	13045468	21	16603328	251	100

10. As shown above, during the investigation period five Noticees namely, South Asia Portfolios Private Limited (Noticee no. 18), Girraj Kumar Gupta HUF (Noticee no. 8), Mr. Rajeev Kumar Ram Prasad Gupta (Noticee no. 15), Ever Bright Trading Private Limited (Noticee no. 14) and Mr. Girraj Kumar Jagdish Prasad Gupta (Noticee no. 9) together have contributed Rs. 36.19 to market positive LTP in 38 trades on the buy side. Based on the SCN, I note that in all the 38 trades carried out by these Noticees that contributed to positive LTP on the buy side, buy orders were placed first. It was also observed that out of these 38 trades, 28 trades were with following 11 Noticees (Noticee no. 6, 7, 14, 5, 13, 14, 2, 1, 17, 4 and 19 as shown in Table 4 below) on the sell side which contributed Rs. 24.46 to positive LTP.

Table 4 – Trades between Noticees						
Buyer Name Seller Name↓	South Asia Portfolios Private Limited - LTP Contribution (No. Of Trades)	Girraj Kumar Gupta HUF – LTP Contribution (No. Of Trades)	Rajeev Kumar Ram Prasad Gupta - LTP Contribution (No. Of Trades)	Ever Bright Trading Private Limited – LTP Contribution (No. Of Trades)	Girraj Kumar Jagdish Prasad Gupta - LTP Contribution (No. Of Trades)	Total LTP As Seller (No. Of Trades)
Delicious Diamonds Private Limited	5.80 (3)	-	-	-	-	5.80 (3)
Gagan Wadhwa	2.10 (1)	-	-	-	-	2.10 (1)
Pradeep	4.20 (2)	3.10 (1)	1.26 (4)	0.40 (1)	-	8.96 (8)
Bharat Aman	-	3.25 (1)	-	-	-	3.25 (1)
Neetu Gupta	-	-	0.24 (1)	-	-	0.24 (1)
Ever Bright Trading Private Limited	-	-	2.00 (6)	-	0.23 (1)	2.23 (7)
Anuradha Arora	-	-	0.48 (2)	-	-	0.48 (2)
All Time Buildtech Private Limited	-	-	0.57 (2)	-	-	0.57 (2)
Sanjay Mehta	-	-	0.35 (1)	-	-	0.35 (1)
B G Freight Shoppe India Private Limited	-	-	0.28 (1)	-	-	0.28 (1)
Vineet Gupta	-	-	-	-	0.20 (1)	0.20 (1)
Total LTP As Buyer (No. Of Trades)	12.10 (6)	6.35 (2)	5.18 (17)	0.40 (1)	0.43 (2)	24.46 (28)

11. I note from the SCN that the Noticees are connected amongst each other through off market transfers in the shares of Ram Minerals during December 13, 2013 to December 10, 2014, common address, common email ids and fund transactions. Details of these connections are given as under:

A. Connection between the Noticees based on off-market transfers:

Table 5: Details of off market transfers between Noticees in shares of Ram Minerals during December 13, 2013 to December 10, 2014				
Sr. no.	Name of Noticee & No. (Transferor)	Date of Transfer	No. of Shares	Name of Noticee & No. (Transferee)
1	Ever Bright Trading Pvt. Ltd. (12)	December 23, 2013	40,000	Ms. Anuradha Arora (2)
		February 20, 2014	25,000	Mr. Sanjay Mehta (17)
		February 25, 2014	20,000	Mr. Vineet Gupta (19)
		March 14, 2014	1,50,000	B G Freight Shoppe India Pvt. Ltd. (4)
		May 08, 2014	500	Mr. Pradeep (14)
		June 28, 2014	10	Ms. Aradhna Choudhary (3)

		July 02, 2014	10	Mr. Gagan Wadhwa (7)
			10	Mr. Moti Lal (11)
			10	Mr. Bharat Aman (5)
			10	Mr. Manoj Singh Bisht (10)
		August 25, 2014	25	South Asia Portfolios Pvt. Ltd. (18)
2	Mr. Pradeep (14)	August 05, 2014	10	Delicious Diamonds Pvt. Ltd (6)
			10	Mr. Roshan Kumar Verma (16)
3	All Time Buildtech Pvt. Ltd. (1)	March 29, 2014	1,500	Mr. Girraj Kumar Gupta (9)
			1,500	Ms. Neetu Gupta (13)
			1,500	Mr. Rajeev Kumar Gupta (15)
4	B G Freight Shoppe India Pvt. Ltd. (4)	March 28, 2014	6,000	All Time Buildtech Pvt. Ltd. (1)
			60,000	Ever Bright Trading Pvt. Ltd. (12)

- i. From the above Table 5, I note that the four Noticees namely, Mr. Gagan Wadhwa (Noticee No.7), Moti Lal (Noticee No.11), Mr. Bharat Aman (Noticee No.5), Mr. Manoj Singh Bisht (Noticee No.10) acquired the same number of shares i.e. 10 shares in the same scrip, Ram Minerals on the same day i.e. July 02, 2014 through off market transfer from the same seller, i.e. Ever Bright Trading Pvt. Ltd. (hereinafter referred to as “Ever Bright”). Similarly, Mr. Roshan Kumar Verma (Noticee no.16) and Delicious Diamonds Pvt. Ltd (Noticee no 6) also acquired the same number of shares i.e. 10 shares in the same scrip, Ram Minerals on the same day i.e. August 05, 2014 through off market transfer from the same seller, i.e. Mr. Pradeep. Furthermore, Mr. Girraj Kumar Gupta (Noticee no. 9), Ms. Neetu Gupta (Noticee No.13) and Mr. Rajeev Kumar Gupta (Noticee no. 15) acquired the same number of shares i.e. 1500 shares in the same scrip, Ram Minerals on the same day i.e. March 29, 2014 through off market transfer from the same seller, i.e. All Time Buildtech Pvt. Ltd. (hereinafter referred to as “All Time Buildtech”).
- ii. For off market transaction to be executed successfully, the following four parameters are essential: (1) the buyer and seller should know each other, (2) the buyer must have knowledge of the fact that seller is holding the shares of the scrip which the buyer is

interested to buy, (3) the buyer must have knowledge of the fact that seller is willing to sell the shares in that scrip and (4) the buyer must have knowledge of the price at which the seller is willing to sell the shares. I note that only when the buyer and seller are known to each other and knows about the holding of such shares by the seller, they can negotiate the price and quantity of shares. In view of the above and off market transfers as seen from Table 5, I note that it can be reasonably concluded that the Noticees knew each other and thus, connected to each other through off-market transfers. Further, I note that it cannot be a mere coincidence that the aforesaid Noticees happen to acquire the same number of shares in the same scrip, Ram Minerals on the same day through off market transfer from the same respective sellers.

B. Connections through common director, address, email ID:

- i. I note that Mr. Praveen Kumar Tavatiya is a director of both, All Time Buildtech (Noticee no. 1) and B G Freight Shoppe India Pvt. Ltd. (Noticee no. 4) (hereinafter referred to as “B G Freight”).
- ii. I note that All Time Buildtech’s letters dated May 28, 2018 and December 21, 2018 which were printed on the company’s letter head contains the registered address as “Plot no. M -17, 4/2514, Bihari Colony, Shahdara, Delhi – 110092”. It is pertinent to note that the registered address of B G Freight is also, “4/2514, Bihari Colony, Shahdara, Delhi – 110092”. Therefore, the two companies share a common registered address. Therefore, I note that Noticee nos. 1 and 4, namely All Time Buildtech and B G Freight are connected to each other through common address and common director.
- iii. Based on the Unique Client Code (UCC) details obtained from BSE by SEBI, I note that Girraj Kumar Gupta HUF (Noticee no. 8) and Mr. Girraj Kumar Gupta (Noticee no. 9) share common address i.e. FF – 41 (A), F Block, Mangal Bazar, Laxmi Nagar, New Delhi and common email id i.e. girrajkgupta@gmail.com.

C. Connections through fund transaction:

- i. I note from the fund transactions in the form of bank transfers which were brought out in the SCN and Annexure 5 to the SCN, that there were debits from the bank account of Noticee no. 1, All Time Buildtech in favour of Noticee no. 4, B G Freight and Noticee no. 12, Ever Bright.
- ii. Details of transfers by All Time Buildtech through its bank account number 200003277847 maintained with IndusInd Bank, Preet Vihar Branch are as under:

Table 6 - Transfers by All Time Buildtech			
Date of transaction	Name of Transferor	Name of Transferee	Amount (in Rs.)
28/11/2013	All Time Buildtech	Mould Trading Pvt. Ltd. (now known as Ever Bright, N. 12)	20,00,000
01/01/2014	All Time Buildtech	B G Freight (N. 4)	15,00,000
02/01/2014	All Time Buildtech	B G Freight (N. 4)	7,00,000
21/01/2014	All Time Buildtech	B G Freight (N. 4)	3,00,000

12. Based on the discussions in para 9 and 10 of this order, I note that Noticee nos. 8, 9, 12, 15 and 18 namely, Girraj Kumar Gupta HUF, Mr. Girraj Kumar Jagdish Prasad Gupta, Ever Bright Trading Private Limited, Mr. Rajeev Kumar Ram Prasad Gupta and Mr. Vineet Gupta, respectively, who are connected with each other as shown in para 11 (A), (B) and (C) contributed to Rs. 36.19 to market positive LTP on the buy side in the scrip of Ram Minerals during the investigation period. Based on the discussions in para 7 and 8 of this order, I note that Noticee nos. 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 16, 17 and 18 namely, All Time Buildtech Private Limited, Ms. Anuradha Arora, Ms. Aradhna Choudhary, B G Freight Shoppe India Private Limited, Mr. Bharat Aman, Delicious Diamonds Private Limited, Mr. Gagan Wadhwa, Mr. Manoj Singh Bisht, Mr. Moti Lal, Ever Bright Trading Pvt. Ltd., Ms. Neetu Gupta, Mr. Pradeep, Mr. Roshan Kumar Verma, Mr. Sanjay Mehta, South Asia Portfolios Private Limited who are connected with each other as shown in para 11 (A), (B) and (C) contributed to Rs. 101.43 to market positive LTP on the sell side through 58 trades in the scrip of Ram Minerals during the investigation period. I also note that despite holding sufficient number of shares of Ram Minerals, the said Noticees (sellers) put their sell orders with quantity of shares in single digits i.e. mostly 1 or 2 or 3

shares when buy orders were available with quantity in the range of 12 to 5000 shares. By executing these trades, the Noticees (sellers) 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. From the connections shown between the Noticees in para 11 (A), (B) and (C) and the pattern of trading as shown in para 7 to 10 of this order including the impact of their trades as shown in Table 2, 3 and 4, I note that the Noticees were acting in concert in manipulating the scrip price of Ram Minerals with the intention to mark the price higher.

13. The Noticees have submitted their replies to the SCN and appeared before me for hearing on the scheduled dates. The submissions of the Noticees are dealt in the following paragraphs. The submissions of Noticee no. 1, All Time Buildtech Pvt. Ltd. and findings thereon are as under:

- a. Noticee no. 1, All Time Buildtech in its reply dated May 28, 2018 has submitted that that there has been a delay of three and half years in issuing the SCN when the transactions pertain to 2013-14. In this regard, the Noticee has relied on the order of the Hon'ble SAT in *Subhkam Securities Pvt. Ltd. v. SEBI* (Appeal no. 73 of 2012). I note that in the said case, the Hon'ble SAT observed that investigation in the matter started in or around June, 2001 and the impugned order had been passed only in March, 2012. The Noticee has also argued that that the power to issue directions under section 11(4) and 11B of the SEBI Act is a drastic power having serious civil consequences on the reputations and livelihoods of those against whom it is directed and that the SCN should have stated the need to invoke such a power belatedly after three and half years. The Noticee has relied upon the order dated March 31, 2008 of the Hon'ble SAT in *Libord Securities Ltd. v. SEBI* (Appeal no. 37 of 2008, decided on March 31, 2008) wherein the Hon'ble SAT had set aside the order of SEBI inter alia observing that the long delay of eight years in issuing the SCN after the violation occurred causes grave injustice to the delinquent and results in the violation of the principles of natural justice. I note that the present matter before me is a complex case of manipulation of scrip involving a large number of suspected entities. As noted above, the period under investigation is

from December 13, 2013 to December 10, 2014. I note that investigation began in the year 2015 and involved examining several entries in the order logs and trade logs; off market transactions; gathering evidences from stock exchanges, depositories, RTAs etc.; analyzing the aforesaid; and establishing nexus and manipulation. The collection of evidence, analysis of the same was a tedious and time consuming process. I note that soon after conclusion of investigation and approval of action to be taken, SCN was issued in June 2017. In view of the above, I opine that the observations of the Hon'ble SAT in *Shubhkam Securities Pvt. Ltd.* and *Libord Securities Ltd.* are not applicable in the facts and circumstances of this matter.

- b. Noticee no. 1, All Time Buildtech Pvt. Ltd. in its submissions before me in the hearing held on December 28, 2018 relied on the order of the Hon'ble SAT in *Libord Securities Ltd.* and submitted that the power to issue directions under section 11(4) and 11B is regulatory in nature and not punitive. The Noticee has argued that therefore, SEBI cannot use the power to punish the Noticee. In this regard, I note that the said order of SAT was challenged by SEBI by filing an appeal before Hon'ble Supreme Court which disposed of the appeals by its order dated January 07, 2016, observing as under:

*“.....However, we find that certain observations have been made on the scope of the appellant's powers to issue directions under Section 11(B) of the Securities and Exchange Board of India Act 1992 (For short the SEBI Act). We leave the question as to the powers of SEBI under Section 11(B) of the SEBI Act open to be decided in a fit case.
The appeals are disposed of accordingly.”*

As seen above, the Hon'ble Supreme Court in the appeals filed by SEBI against the order passed by the SAT in Libord Finance matter (*supra*) has left the question as to the powers of SEBI under Section 11(B) of the SEBI Act open. Therefore, the said case law cited by the Noticee would not help the Noticee's case.

In addition to the above, it is pertinent to note section 11 (4) amended vide SEBI (Amendment) Act, 2002 which is reproduced as under:

(4) Without prejudice to the provisions contained in sub-sections (1), (2), (2A) and (3) and section 11B, the Board may, by an order, for reasons to be recorded in writing, in the interests of investors or securities market, take any of the following measures, either pending investigation or inquiry or on completion of such investigation or inquiry, namely:—

- (a) suspend the trading of any security in a recognised stock exchange;*
- (b) restrain persons from accessing the securities market and prohibit any person associated with securities market to buy, sell or deal in securities;*
- (c) suspend any office-bearer of any stock exchange or self-regulatory organisation from holding such position;*
- (d) impound and retain the proceeds or securities in respect of any transaction which is under investigation;*
- (e) attach, after passing of an order on an application made for approval by the Judicial*

Magistrate of the first class having jurisdiction, for a period not exceeding one month, one or more bank account or accounts of any intermediary or any person associated with the securities market in any manner involved in violation of any of the provisions of this Act, or the rules or the regulations made thereunder :

Provided that only the bank account or accounts or any transaction entered therein, so far as it relates to the proceeds actually involved in violation of any of the provisions of this Act, or the rules or the regulations made thereunder shall be allowed to be attached;

- (f) direct any intermediary or any person associated with the securities market in any manner not to dispose of or alienate an asset forming part of any transaction which is under investigation.*

[Emphasis Supplied]

I note that section 11 (4) use the words ‘without prejudice to the provisions contained in sub-sections (1), (2), (2A) and (3) and section 11B, the Board may, by an order, for reasons to be recorded in writing, in the interests of investors or securities market, take any of the following measures, either pending investigation or inquiry or *on completion of such investigation or inquiry*’. The said provision expressly states that the actions under the said sub-section can be taken on completion of investigation also. While clauses (d), (e) and (f) are interim in nature, measures specified under clauses (a) to (d) can also be used as final measures. Thus, it can be said that the said directions are maintainable after completion of investigation as well. As per the Statement of Objects and Reasons of the SEBI (Amendment) Act, 2002 whereby section 11(4) was inserted in the SEBI Act, the powers stated herein above were needed to strengthen the mechanisms available to the SEBI for investigation and enforcement so that it is better equipped to investigate and enforce against market malpractices. The SCN in

the present matter has been issued under sections 11 (1), 11(4) and 11B of the SEBI Act. Therefore, I hold that SEBI can issue such directions contemplated under section 11(4) (a) to (d) against a Noticee, if the facts of the case so warrant.

- c. The Noticee, All Time Buildtech has stated that it bought total 15, 81,000 shares of Ram Minerals in block deals of 5,45,000 shares; 5,28,200 shares and 5,08,000 shares on December 02, 2013 and January 03, 2014. Thereafter the Noticee sold these shares in off-market to various entities in lieu of consideration. The Noticee further stated that during the price rise period from May 2014 to November 2014 the Noticee had carried out total 7 transactions during the during the months of May and June 2014 out of which only 2 transactions out of total 58 objectionable trades are alleged to have contributed towards higher LTP and other 5 transactions carried out during the investigation period i.e. 3 bulk deals and 2 normal market transactions are treated as genuine. The Noticee also stated that its trade on 2 days out of 2018 days allegedly resulted into Rs. 0.57 positive LTP which is 0.26% of the total market positive LTP and the purported positive LTP contribution is miniscule to the total market positive LTP.
- d. I note that in a case of manipulation of price of a scrip, all the trades between all the Noticees including off market transfers, trading pattern and its impact have to be looked into holistically, and not in isolation. Further, from the discussions from para 5 to 12 of this order it is clear that the intention of the Noticees including Noticee no. 1, All Time Buildtech was to manipulate and mark the price of scrip of Ram Minerals higher. As regards the submission made by the Noticee, All Time Buildtech, I note that despite holding 1750 shares of Ram Minerals as on April 21, 2014, All Time Buildtech traded in 2 shares and 1 share of Ram Minerals on May 16, 2014 and May 23, 2014 which contributed to a positive LTP of Rs. 0.57 (0.26%) on the sell side. I also note that the counterparty to these trades was Noticee no. 15, Mr. Rajeev Kumar Gupta who is connected with All Time Buildtech through off market transfer as shown in Table 5, para 11 (A). I also note that All Time Buildtech transferred 1500 shares each through off market transfers to Mr. Girraj Kumar Gupta (Noticee no. 9), Ms. Neetu Gupta

(Noticee No.13) and Mr. Rajeev Kumar Gupta (Noticee no. 15) on March 29, 2014 as shown in Table 5, para 11 (A). I am unable to infer from the aforesaid that the Noticees, Mr. Girraj Kumar Gupta, Ms. Neetu Gupta and Mr. Rajeev Kumar Gupta merely happen to purchase the same number of shares i.e. 1500 in the same scrip, Ram Minerals on the same day i.e. March 29, 2014 through off market from All Time Buildtech. Further, the Noticees, Ms. Neetu Gupta has contributed Rs. 2.64 to the positive LTP on the sell side and the counterparty to her trade as Mr. Rajeev Kumar Gupta. Mr. Girraj Kumar Gupta and Mr. Rajeev Kumar Ram Prasad Gupta have contributed to Rs. 0.43 and Rs. 5.18 to positive LTP on the buy side. I note that All Time Buildtech not only contributed to the positive LTP by its own trades, it also aided and abetted the rise of price in the scrip of Ram Minerals indirectly through its connected entities. Further, fund transactions are observed in the bank account of All Time Buildtech with Noticee no. 4, B. G. Freight and Noticee no. 12, Ever Bright, as shown in Table 6, para 11 (C). I note from Table 2 that Noticee no. 4, B. G. Freight contributed Rs. 1.88 and Noticee no. 12, Ever Bright and the Noticees to whom Ever Bright made off market transfers (see, Table 5) contributed to a total positive LTP of Rs. 98.22 on the sell side and Rs. 16.95 on the buy side. Therefore, I am unable to accept the contention of the Noticee, All Time Buildtech that its positive LTP contribution is miniscule to the total market positive LTP.

- e. The Noticee stated that during the price rise period, the total increase in price was about Rs. 218 (i.e. May 2014 to November 2014). However, the purported group alleged to have contributed less than 50% of the price rise during the period. I note from Table 2 that the total market positive LTP contribution is Rs. 218.12 and the positive LTP contribution of Noticee nos. 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 16, 17 and 18 namely, All Time Buildtech Private Limited, Ms. Anuradha Arora, Ms. Aradhna Choudhary, B G Freight Shoppe India Private Limited, Mr. Bharat Aman, Delicious Diamonds Private Limited, Mr. Gagan Wadhwa, Mr. Manoj Singh Bisht, Mr. Moti Lal, Ever Bright Trading Pvt. Ltd., Ms. Neetu Gupta, Mr. Pradeep, Mr. Roshan Kumar Verma, Mr. Sanjay Mehta, South Asia Portfolios Private Limited who were acting in concert to manipulate the scrip price of Ram Minerals, contributed Rs. 101.43. I note that

Regulation 4 (2) (e) of the SEBI (PFUTP) Regulations states that dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves any act amounting to manipulation of the price of a security. As shown in para 13 (c) & (d), the Noticee along with the other connected Noticees through its scheme involving transfer of shares of Ram Minerals through off market transfers, despite having sufficient quantity of shares placing sell orders of 1 or 2 shares every day and thereby increasing the LTP in the scrip trades, manipulated the price of the scrip, Ram Minerals. I note that even 50% price rise by a group of connected entities is a substantial rise. Therefore, it is immaterial whether the contribution of the group was less than 50% of the net market LTP when there is clear finding the price of the scrip had been manipulated by the Noticee along with the other Noticees.

- f. The Noticee, All Time Buildtech has also stated that it is wrongly bunched with the 14 entities and that the connection should be reflected in the trading pattern, however it is not so in the present case. In this connection, I note that the purpose of classifying entities into groups is to narrow down the investigation to a few who may be further be probed for inquiry into the alleged violation. It aids the investigation to focus on the identified groups and avoids any roving and fishing enquiry. Generally, the entities are classified into groups based on common parameters observed amongst the constituents such as common address, common directorship, common partnership, funds transfer between constituents, linkage with promoter, director or KMP of the company, similar trading pattern in the same scrip, impact of their trading on the price/volume of the scrip etc. In the present case, the connections between the All Time Buildtech and other Noticees is shown in para 11 (A), (B) and (C) of this order and contributions of the said connected Noticees to the positive LTP is shown in Tables 2 and 3. Therefore, it is incorrect to say that the Noticee has been wrongly bunched with 14 entities.
- g. The Noticee, All Time Buildtech has also stated that during the period from December 2013 to December 2014, the share price of Ram Minerals was continuously hitting upper circuit almost on all the trading days. It appears to the Noticee that on account of huge demand, the buyers were placing orders at incremental rate which was permissible

upper circuit rate on that day. Since the prices were continuously increasing, the Noticee had adopted the wait and watch approach. The Noticee sold 450 shares on April 17, 2014, 2 shares on May 16, 2014, 1 share on May 23, 2014 and 100 shares on Jun 05, 2014. The matching of order have taken place after a gap of 3 – 5 hours as reflected in the order/ trade logs. The Noticee states that the if the buyer would not have placed the order at a higher rate than the Noticee as a seller could not have placed the order at an incremental rate as that of the buyer. In this regard, I note that LTP contributors on the buy side, namely, South Asia Portfolios, Girraj Kumar Gupta HUF, Mr. Rajeev Kumar Gupta, Ever Bright Trading and Mr. Girraj Kumar Gupta who are connected to the Noticee, All Time Buildtech directly and indirectly through off – market transfers, fund transactions etc. as shown in Para 11 (A), (B) and (C), contributed to a positive LTP of Rs. 36.19. I note that as the Noticees connected to All Time Buildtech contributed in increasing the price of the scrip on the buy side, the Noticee, All Time Buildtech's argument that it was only responding to the buyer's price is not acceptable. It is surprising to note that if the Noticee was only responding to the buyer then there is no reason for the Noticee to place sell order of only 1 or 2 shares despite holding 1750 shares of Ram Minerals.

- h. The Noticee no. 1, All Time Buildtech has stated that the trades done by the Noticee cannot be held to be manipulative because each trade resulted into delivery and there was a change in beneficial ownership. It was also stated that had it been the intention of the Noticee to manipulate the price of the scrip of Ram Minerals, then the Noticee could have sold shares in smaller quantity on a daily basis as it was holding around 1750 shares in his demat account. Hence, according to the Noticee, the analysis of positive LTP contribution qua the Noticee is incorrect and no wrongdoing can be attributed to the Noticee's genuine transactions. In this connection, I note that as shown above, All Time Buildtech transferred same number of shares i.e. 1500 shares each through off market transfers to Mr. Girraj Kumar Gupta (Noticee no. 9), Ms. Neetu Gupta (Noticee No.13) and Mr. Rajeev Kumar Gupta (Noticee no. 15) on the same day i.e. March 29, 2014. Further, the Noticees, Ms. Neetu Gupta has contributed Rs. 2.64 to the positive LTP on the sell side and the counterparty to her trade as Mr. Rajeev

Kumar Gupta. Mr. Girraj Kumar Gupta and Mr. Rajeev Kumar Ram Prasad Gupta have contributed to Rs. 0.43 and Rs. 5.18 to positive LTP on the buy side. Further, fund transactions are observed in the bank account of All Time Buildtech with Noticee no. 4, B. G. Freight and Noticee no. 12, Ever Bright. I note from Table 2 that Noticee no. 4, B. G. Freight contributed Rs. 1.88 and Noticee no. 12, Ever Bright and the Noticees to whom Ever Bright made off market transfers contributed to a total positive LTP of Rs. 98.22 on the sell side and Rs. 16.95 on the buy side. As seen from above, the Noticee, All Time Buildtech was part of a scheme whereby the Noticees were transferring and receiving shares of Ram Minerals through off market transfers along with other Noticees, and despite having sufficient quantity of shares they were trading in 1 or 2 shares every day and thereby increasing the LTP in the scrip of Ram Minerals.

- i. In this regard, it is pertinent to note the following observations of the Hon'ble SAT in its order dated October 25, 2016 in Appeal No. 126 of 2013 (Pan Asia Advisors Limited vs. SEBI), while interpreting the expression 'fraud' under the PFUTP Regulations, 2003:

"From the aforesaid definition (of 'fraud') it is absolutely clear that if a person by his act either directly or indirectly causes the investors in the securities market in India to believe in something which is not true and thereby induces the investors in India to deal in securities, then that person is said to have committed fraud on the investors in India. In such a case, action can be taken under the PFUTP Regulations against the person committing the fraud, irrespective of the fact any investor has actually become a victim of such fraud or not. In other words, under the PFUTP Regulations, SEBI is empowered to take action against any person if his act constitutes fraud on the securities market, even though no investor has actually become a victim of such fraud. In fact, object of framing PFUTP Regulations is to prevent fraud being committed on the investors dealing in the securities market and not to take action only after the investors have become victims of such fraud."

In view of the above, it suffices if the investors have been misled by the manipulative trading of the Noticee. Therefore, I am unable to accept the contention of the Noticee that it did not have any intention to manipulate the price of the scrip of Ram Minerals as noted in para 12.

- j. As regards the off market transaction with Noticee no. 13, Ms. Neetu Gupta, it has been stated by the Noticee no.1, All Time Buildtech that the said transaction was for value and commercial in nature and hence no wrongdoing can be established. It has been further stated that the transactions of Ms. Neetu Gupta resulted into Rs. 2.64 positive LTP which is 1.21 % to the total market positive LTP which is miniscule and insignificant to the total market positive LTP. I note that All Time Buildtech transferred same number of shares i.e. 1500 shares each through off market transfers to Mr. Girraj Kumar Gupta (Noticee no. 9), Ms. Neetu Gupta (Noticee No.13) and Mr. Rajeev Kumar Gupta (Noticee no. 15) on the same day i.e. March 29, 2014 as shown in Table 5. According to Table 2, the Noticee, Ms. Neetu Gupta has contributed Rs. 2.64 to the positive LTP on the sell side and the counterparty to her trade as Mr. Rajeev Kumar Gupta who, as stated above, received shares in off-market transfer from All Time Buildtech. Further, Mr. Girraj Kumar Gupta and Mr. Rajeev Kumar Ram Prasad Gupta have contributed to Rs. 0.43 and Rs. 5.18 to positive LTP in the scrip of Ram Minerals on the buy side. Therefore, the Noticee's contention that Ms. Neetu Gupta's contribution to the positive LTP is miniscule cannot be accepted because all the trades between all the Noticees including off market transfers, trading pattern and impact of such trading have to be looked into holistically, and not in isolation, as noted in para 12.
- k. As regards, the transactions of the Noticee with Noticee no. 12, Ever Bright, the Noticee has stated that the said fund transfer was commercial in nature. In this regard, I note that fund transactions between All Time Buildtech and Ever Bright have been relied on to establish connection between the two Noticees. I note from Table 5 that All Time Buildtech is connected to Noticee no. 15, Mr. Rajeev Kumar Gupta through off-market transfers. I also note from Annexure 12 to the SCN that Mr. Rajeev Kumar Gupta was the counterparty (buyer) to all the six trades of Ever Bright. The Noticee, All Time Buildtech also stated that the transactions of Ever Bright resulted in positive LTP of Rs. 2/- which is 0.91% of the total market positive LTP. Thus, according to the Noticee, the purported positive LTP contribution is miniscule and insignificant. I note that Ever Bright transferred shares of Ram Minerals to Mrs. Anuradha Arora (Noticee

no. 2), Ms. Aradhna Choudhary (Noticee No.3), Mr. Bharat Aman (Noticee No.5), Mr. Gagan Wadhwa (Noticee No.7), Mr. Moti Lal (Noticee No.11), Mr. Manoj Singh Bisht (Noticee No.10), Mr. Pradeep (Noticee no. 14), Mr. Sanjay Mehta (Noticee No.17) and Mr. Vineet Gupta (Noticee no. 19) through off-market transfers. I note that Ever Bright and the Noticees to whom Ever Bright made off market transfers led to a total positive LTP of Rs. 98.22 on the sell side and Rs. 16.95 on the buy side. I note that all the trades between all the Noticees including off market transfers, trading pattern and its impact, connection between various Noticees as noted in para 12 has to be looked into holistically, and not in isolation. Therefore, the Noticee's submission that positive LTP contribution of Noticee no. 12, Ever Bright is miniscule and insignificant is not acceptable.

14. The submissions of Noticee no. 2, Ms. Anuradha Arora and findings thereon are as under:

- a. Noticee no. 2, Ms. Anuradha Arora vide letter dated July 21, 2017, submitted that she sold only 6 shares of Ram Minerals to check whether they are saleable. She has also stated that it is not possible for her to manipulate price of the scrip with such a small quantity of shares. I note that in a case of manipulation of price of a scrip, all the trades between all the Noticees including off market transfers, trading pattern and its impact have to be looked into holistically, and not in isolation. I note that as per the holding statement of the Noticee obtained from CDSL, Ms. Anuradha Arora sold the said 6 shares on April 01, 2014 (2 shares), April 09, 2014 (2 shares), May 05, 2014 (1 share) and May 12, 2014 (1 share). I note that there is a gap of at least six days in the trades executed by the Noticee which span across two months. From the trading pattern of the Noticee, it is difficult to conclude that the Noticee traded on the said dates to ascertain whether the shares are tradeable. Furthermore, tradeability of a share can be ascertained from the website of the stock exchange. I also note that despite holding 40,000 shares in her demat account, the Noticee dealt in only 1 or 2 shares without any feasible justification when there were buy orders of 2000/ 3000 shares on the days she traded. I also note that Ms. Anuradha Arora received 40,000 shares through off market transfers from Noticee no. 12, Ever Bright on December 13, 2014 as shown in Table 5.

Other Noticees namely, Ms. Aradhna Choudhary (Noticee No.3), B G Freight (Noticee no. 4), Mr. Bharat Aman (Noticee No.5), Mr. Gagan Wadhwa (Noticee No.7), Mr. Moti Lal (Noticee No.11), Mr. Manoj Singh Bisht (Noticee No.10), Mr. Pradeep (Noticee no. 14), Mr. Sanjay Mehta (Noticee No.17), South Asia Portfolios (Noticee no. 18) and Mr. Vineet Gupta (Noticee no. 19) also received shares of Ram Minerals through off-market transfers from Ever Bright (Noticee no. 12) as shown in Table 5. I note that Ever Bright and the Noticees to whom Ever Bright made off market transfers led to a total positive LTP of Rs. 98.22 on the sell side and Rs. 16.95 on the buy side. Therefore, the Noticee's contention that it is not possible for her to manipulate price of the scrip with such a small quantity of shares is not acceptable. As noted in para 12, the Noticee along with other Noticees was acting in concert for manipulating the scrip price of Ram Minerals with the intention to mark the price higher.

- b. In her second reply dated November 29, 2018, the Noticee, Ms. Anuradha Arora has submitted that the SEBI Act, the Securities Contract (Regulation) Act, 1956 and the Depositories Act, 1996 recognize off market transactions and that off market transactions are permitted under the law. Further, it has been stated that she has paid the necessary sale consideration of Rs. 1,00,000/- through ING Vysya Bank on December 16, 2013 for purchase of 40,000 shares. The Noticee has also stated that mere receipt of shares in off market cannot be reason enough to be connected to the counter party. In this regard, I note that 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. Buyer and seller trade through stock exchanges as stock exchanges and clearing corporations ensure settlement of trades. Off market transfers, on the other hand, require the investor to scout for a buyer/ seller, as the case may be, without the benefits of regulatory and redressal provisions of the bye-laws of the stock exchange. I note that normally for off market transaction to be executed successfully, the following four parameters are essential: (1) the buyer and seller should know each other, (2) the buyer must have knowledge of the fact that seller is holding the shares of the scrip the buyer is interested

to buy, (3) the buyer must have knowledge of the fact that seller is willing to sell the shares in that scrip and (4) the buyer must have knowledge of the price at which the seller is willing to sell the shares. I note that only if the above parameters are met, the buyer and seller can negotiate the price and quantity of shares. From Table 5, I note that the Noticee entered into off market transfer with Ever Bright and therefore, it can be said that they were known and well connected to each other. In this regard, I note from Table no. 5 that Noticee no. 2, Ms. Anuradha Arora received 40,000 shares in off market transaction from Noticee no. 12, Ever Bright. Ever Bright is connected to All Time Buildtech, Noticee no. 1 via fund transactions as shown in Table 6. Further, All Time Buildtech is connected to Mr. Rajeev Kumar Gupta, Noticee no. 15 through off market transfers. Mr. Rajeev Kumar Gupta was the counter party to both the trades of the Noticee, Ms. Anuradha Arora. As stated above in para 13 (i), it suffices if the investors have been misled by the manipulative trading of the Noticee. Therefore, I am unable to conclude that the trades executed by Ms. Anuradha Arora were executed without any intention to manipulate the price of the scrip of Ram Minerals. As noted in para 12, the Noticee along with other Noticees was acting in concert for manipulating the scrip price of Ram Minerals with the intention to mark the price higher.

- c. According to the Noticee, Ms. Anuradha Arora the trade log shows that her sale orders were much prior to the buy order and the buyer has matched his order with her to ensure that trade takes place. In this regard, I note that Ms. Anuradha Arora traded on May 05, 2014 and May 12, 2014. On the said dates, the buy orders were placed at 09:00 hours whereas the sell orders by Ms. Anuradha Arora were placed at 13:13:57 hours and 14:37:03 hours on the said dates. Therefore, the submission of Ms. Anuradha Arora that she placed her sale orders prior to the buy orders is incorrect.

15. The submissions of Noticee no. 3, Ms. Aradhna Choudhary and findings thereon are as under:

- a. Vide email dated July 17, 2017, Noticee no. 3, Ms. Aradhna Choudhary submitted that she does not know any of the Noticees mentioned in the SCN nor is she related to them. The Noticee has stated that she bought only 10 shares of Ram Minerals in July 2014

based on somebody's recommendation and sold the same in October 2014. Further, she has also stated that there was no mala fide intention on her part. I note that in a case of manipulation of price of a scrip, all the trades between all the Noticees including off market transfers, trading pattern and its impact have to be looked into holistically, and not in isolation. In this regard, I note that Noticee no. 3, Ms. Aradhna Chaudhary dealt in the shares of Ram Minerals on July 28, 2014, September 01, 2014, September 24, 2014 and October 07, 2014 which led to a positive LTP of Rs. 8.25 (3.78%). The Noticee received 10 shares of Ram Minerals from Ever Bright, Noticee no. 12 through off market transfer. Other Noticees namely, Ms. Aradhna Choudhary (Noticee No.3), B G Freight (Noticee no. 4), Mr. Bharat Aman (Noticee No.5), Mr. Gagan Wadhwa (Noticee No.7), Mr. Moti Lal (Noticee No.11), Mr. Manoj Singh Bisht (Noticee No.10), Mr. Pradeep (Noticee no. 14), Mr. Sanjay Mehta (Noticee No.17), South Asia Portfolios (Noticee no. 18) and Mr. Vineet Gupta (Noticee no. 19) also received shares of Ram Minerals through off-market transfers from Ever Bright (Noticee no. 12) as shown in Table 5. I note that Ever Bright and the Noticees to whom Ever Bright made off market transfers led to a total positive LTP of Rs. 98.22 on the sell side and Rs. 16.95 on the buy side. As stated above in para 13 (i), it suffices if the investors have been misled by the manipulative trading of the Noticee. Therefore, the Noticee's contention that she is not related to other Noticees and had no intention to manipulate price of the scrip is not acceptable. As noted in para 12, the Noticee along with other Noticees was acting in concert for manipulating the scrip price of Ram Minerals with the intention to mark the price higher.

16. The submissions of Noticee no. 4, B G Freight and findings thereon are as under:

- a. Noticee no. 4, B G Freight vide its reply dated May 28, 2018 made similar submissions as Noticee no. 1, All Time Buildtech which have been dealt with at para 13 (a) and (b). Further, the Noticee stated that its trade on 2 days of 218 days resulted into Rs. 1.88 positive LTP. Thus, the purported positive LTP contribution is miniscule. I note that in a case of manipulation of price of a scrip, all the trades between all the Noticees including off market transfers, trading pattern and its impact have to be looked into

holistically, and not in isolation. In this connection, I note that B G Freight transferred 6000 shares of Ram Minerals through off market transfers to All Time Buildtech as shown in Table 5. Further, B G Freight is connected with All Time Buildtech through common director, common address, fund transactions etc. as shown in para 11 (A), (B), and (C) of this order. All Time Buildtech and the Noticees namely, Ms. Neetu Gupta, Mr. Rajeev Prasad Gupta and Mr. Girraj Kumar Gupta who are connected to All Time Buildtech through off market transfers (as shown in Table 5, para 11) led to a total positive LTP of Rs. 16.46 on the buy side and Rs. 3.21 on the sell side.

- b. B G Freight received 1,50,000 shares of Ram Minerals from Ever Bright on March 14, 2014 through off – market transfers. The Noticee also transferred 60,000 shares of Ram Minerals to Ever Bright on March 29, 2014 through off – market transfers. Other Noticees namely, Ms. Anruadha Arora (Noticee no. 2), Ms. Aradhna Choudhary (Noticee No.3), Mr. Bharat Aman (Noticee No.5), Mr. Gagan Wadhwa (Noticee No.7), Mr. Moti Lal (Noticee No.11), Mr. Manoj Singh Bisht (Noticee No.10), Mr. Pradeep (Noticee no. 14), Mr. Sanjay Mehta (Noticee No.17), South Asia Portfolios (Noticee no. 18) and Mr. Vineet Gupta (Noticee no. 19) also received shares of Ram Minerals through off-market transfers from Ever Bright (Noticee no. 12) as shown in Table 5. Furthermore, Ever Bright and the Noticees to whom Ever Bright made off market transfers led to a total positive LTP of Rs. 98.22 on the sell side and Rs. 16.95 on the buy side.
- c. As noted in para 12, the Noticee along with other Noticees was acting in concert for manipulating the scrip price of Ram Minerals with the intention to mark the price higher. Therefore, although the individual contribution of B G Freight is only Rs. 1.88, as all the trades between all the Noticees including off market transfers have to be looked into holistically, and not in isolation, the argument of the Noticee that its trade resulted into a miniscule positive LTP of Rs. 1.88 cannot be accepted.

17. Noticee no. 5, Mr. Bharat Aman did not submit any response in the matter nor appeared for hearing before me. However, findings in connection with Noticee no. 5, Mr. Bharat Aman are as under:

- a. The trades of Mr. Bharat Aman led to a price rise of Rs. 9.5 on the sell side. I note that Noticee no. 5, Mr. Bharat Aman received same number of shares i.e. 10 shares each from the same seller i.e. Ever Bright along with three other noticees namely, Mr. Gagan Wadhwa (Noticee No.7), Moti Lal (Noticee No.11), and Mr. Manoj Singh Bisht (Noticee No.10) on the same day i.e. July 02, 2014 through off market route. Unless the Noticees are connected, it is difficult to infer that all four Noticees merely happen to purchase the same number of shares in the same scrip from the same seller on the same day. Further, other Noticees namely, Ms. Anuradha Arora (Noticee no. 2), Ms. Aradhna Choudhary (Noticee No.3), Mr. Pradeep (Noticee no. 14), Mr. Sanjay Mehta (Noticee No.17) and Mr. Vineet Gupta (Noticee no. 19) also received shares of Ram Minerals through off-market transfers from Ever Bright as shown in Table 5. I note that Ever Bright and the Noticees to whom Ever Bright made off market transfers led to a total positive LTP of Rs. 98.22 on the sell side and Rs. 16.95 on the buy side.
- b. The counter party to one of the total 3 trades of Mr. Bharat Aman was Girraj Gupta HUF, Noticee no.8. Girraj Gupta HUF is connected with Mr. Girraj Kumar Gupta, Noticee no. 9 through common address and email ID as shown in para 11 (C). Girraj Gupta is connected to All Time Buildtech through off market transfer as seen from Table 5. All Time Buildtech is in turn related to Ever Bright through fund transactions as shown in para 11 (C) above. Noticee no. 8, Girraj Gupta HUF and Noticee no. 9, Mr. Girraj Kumar Gupta contributed Rs. 6.35 and Rs. 0.43 to the positive LTP.
- c. As noted in para 12, the Noticee along with other Noticees was acting in concert for manipulating the scrip price of Ram Minerals with the intention to mark the price higher. Therefore, although the individual contribution of Mr. Bharat Aman is Rs. 9.65 on the sell side, all the trades between all the Noticees connected to each other through off market transfers have to be looked into holistically, and not in isolation.

18. Noticee no. 6, Delicious Diamonds Pvt. Ltd. did not submit any response in the matter and was not represented before me during the hearing in this matter. However, findings in connection with Noticee no. 6, Delicious Diamonds Pvt. Ltd. are as under:

- a. I note that Noticee no 6, Delicious Diamonds Pvt. Ltd received 10 shares from Mr. Pradeep (Noticee no. 14). The trades of Delicious Diamonds contributed to a positive LTP of Rs. 9.55 on the sell side. Other Noticees namely, Ms. Aradhna Choudhary (Noticee No.3), B G Freight (Noticee no. 4), Mr. Bharat Aman (Noticee No.5), Mr. Gagan Wadhwa (Noticee No.7), Mr. Moti Lal (Noticee No.11), Mr. Manoj Singh Bisht (Noticee No.10), Mr. Pradeep (Noticee no. 14), Mr. Sanjay Mehta (Noticee No.17), South Asia Portfolios (Noticee no. 18) and Mr. Vineet Gupta (Noticee no. 19) also received shares of Ram Minerals through off-market transfers from Ever Bright (Noticee no. 12) as shown in Table 5. I note that Ever Bright and the Noticees to whom Ever Bright made off market transfers led to a total positive LTP of Rs. 98.22 on the sell side and Rs. 16.95 on the buy side.
- b. The counterparties to the trades of Delicious Diamonds were Noticee no. 8, Girraj Gupta HUF and Noticee no. 18, South Asia Portfolios who contributed Rs. 9.65 and Rs. 16.95 to the positive LTP in the scrip of Ram Minerals on the buy side.
- c. As noted in para 12, the Noticee along with other Noticees was acting in concert for manipulating the scrip price of Ram Minerals with the intention to mark the price higher. Therefore, although the individual contribution of Delicious Diamonds is Rs. 9.55 on the sell side, all the trades between all the Noticees connected to each other through off market transfers have to be looked into holistically, and not in isolation.

19. The submissions of Noticee no. 7, Mr. Gagan Wadhwa and findings thereon are as under:

- a. Noticee no. 7, Mr. Gagan Wadhwa vide letter dated July 21, 2017, email dated July 22, 2017 and letter dated February 17, 2018, has submitted that he had bought 10 shares and sold 9 such shares in 6 trades. He also submitted that he later purchased 95 shares

of Ram Minerals and continued to hold them. The Noticee has contended that it is not possible for him to manipulate the price of the scrip of Ram Minerals with such a small holding. I note that in a case of manipulation of price of a scrip, all the trades between all the Noticees including off market transfers, trading pattern and its impact have to be looked into holistically, and not in isolation. I note that Mr. Gagan Wadhwa dealt in the shares of Ram Minerals and contributed Rs. 5.95 to the positive market LTP. I note that Mr. Gagan Wadhwa received 10 shares each from Ever Bright along with Mr. Moti Lal (Noticee No.11), Mr. Bharat Aman (Noticee No.5), Mr. Manoj Singh Bisht (Noticee No.10) on July 02, 2014 through off market transfer on the same day from the same seller, Ever Bright. I am unable to infer from the aforesaid that all the 4 Noticees namely, Mr. Gagan Wadhwa (Noticee No.7), Moti Lal (Noticee No.11), Mr. Bharat Aman (Noticee No.5), Mr. Manoj Singh Bisht (Noticee No.10) merely happen to purchase the same number of shares in the same scrip, Ram Minerals on the same day through off market from the same seller. Further, other Noticees namely, Ms. Anuradha Arora (Noticee no. 2), Ms. Aradhna Choudhary (Noticee No.3), B G Freight (Noticee no. 4), Mr. Pradeep (Noticee no. 14), Mr. Sanjay Mehta (Noticee No.17), South Asia Portfolios (Noticee no. 18) and Mr. Vineet Gupta (Noticee no. 19) also received shares of Ram Minerals through off-market transfers from Ever Bright as shown in Table 5. I note that Ever Bright and the Noticees to whom Ever Bright made off market transfers led to a total positive LTP of Rs. 98.22 on the sell side and Rs. 16.95 on the buy side.

- b. In his additional submissions dated December 06, 2018, the Noticee stated that he was not aware of the counterparty to his trades. I note that Mr. Gagan Wadhwa traded in the scrip of Ram Minerals on July 25, 2014, October 13, 2014 and October 28, 2014. The counter party to Mr. Gagan Wadhwa's trade on October 13, 2014 was South Asia Portfolios (Noticee no. 18). Both Mr. Gagan Wadhwa and South Asia Portfolios received shares of Ram Minerals through off-market transfers from Ever Bright through off market transfer. South Asia Portfolios also traded in the scrip of Ram Minerals and contributed Rs. 16.95 to the positive LTP on the buy side.
- c. In his reply dated December 06, 2018, the Noticee, Mr. Gagan Wadhwa has stated that pre and post his sale transaction, the price of the scrip of Ram Minerals was generally

at the same level compared to the price at which he sold his shares. The Noticee has also annexed the price volume chart of Ram Minerals downloaded by him from the website of BSE. Mr. Gagan Wadhwa's trade on October 28, 2014 contributed to a positive LTP of Rs. 2.45. On October 29, 2014 and October 31, 2014, Mr. Pradeep traded in the shares of Ram Minerals and contributed a positive LTP of Rs. 2.50 and Rs. 2.60. Mr. Gagan Wadhwa and Mr. Pradeep both received shares of Ram Minerals through off market transfers from Ever Bright, Noticee no. 14, and both played a role in increasing the price of the scrip. Therefore, I am unable to accept the contention of the Noticee that the price of the scrip of Ram Minerals was generally at the same level compared to the price at which he sold his shares. In view of the above, I note that Mr. Gagan Wadhwa along with other Noticees was clearly acting in pursuance of a scheme/ device to manipulate the price of the scrip along with the connected persons.

- d. As noted in para 12, the Noticee along with other Noticees was acting in concert for manipulating the scrip price of Ram Minerals with the intention to mark the price higher. I note that although the individual contribution of Mr. Gagan Wadhwa is Rs. 5.95 on the sell side, all the trades between all the Noticees connected to each other through off market transfers have to be looked into holistically, and not in isolation.

20. Noticee no. 9, Mr. Girraj Kumar Gupta, on behalf of Noticee no. 8, Girraj Kumar Gupta HUF has forwarded an undated letter received by SEBI on August 07, 2017 wherein it has been stated that the Noticee has been in the business of 'advisory in trading of shares' for past several years and never in these years the Noticee has violated any law. Further, it has also stated that all trades pertaining to Ram Minerals were done in normal course and online. I note that both Mr. Girraj Kumar Gupta and Girraj Kumar Gupta HUF contributed to Rs. 0.43 and Rs. 6.35 respectively to the positive LTP on the buy side. I also note that Girraj Kumar Gupta HUF is connected to Mr. Girraj Kumar Gupta (Noticee no. 9) through common address and common email ID. It also appears that Mr. Girraj Kumar Gupta is the Karta of the Girraj Kumar Gupta HUF, and I also note that he bought 1500 shares from All Time Buildtech, Noticee no. 1. All Time Buildtech and the Noticees namely, Ms. Neetu Gupta, Mr. Rajeev Prasad Gupta and Mr. Girraj Kumar Gupta who are connected to All

Time Buildtech through off market transfers (as shown in Table 5, para 11) led to a total positive LTP of Rs. 16.46 on the buy side and Rs. 3.21 on the sell side. I note that in a case of manipulation of price of a scrip, all the trades between all the Noticees including off market transfers, trading pattern and its impact have to be looked into holistically, and not in isolation. As noted in para 12, the Noticee along with other Noticees was acting in concert for manipulating the scrip price of Ram Minerals with the intention to mark the price higher.

21. The submissions of Noticee no. 10, Mr. Manoj Singh Bisht and findings thereon are as under:

- a. Noticee no. 10, Mr. Manoj Singh Bisht in his reply vide email dated September 07, 2017 has responded that one Mr. Mukund Sonu transferred shares in his account and told him to sell the shares at every rise. I note that the Noticee, Mr. Manoj Singh Bisht contributed to Rs. 6.95 (3.18%) to the positive LTP on the sell side. Further, I note that Mr. Manoj Singh Bisht received 10 shares of Ram Minerals each from Ever Bright along with Mr. Gagan Wadhwa (Noticee No. 7), Mr. Moti Lal (Noticee no. 11) and Mr. Bharat Aman (Noticee No.5) on July 02, 2014 through off market transfer on the same day. I am unable to infer from the aforesaid, that all the 4 Noticees namely, Mr. Gagan Wadhwa (Noticee No.7), Moti Lal (Noticee No.11), Mr. Bharat Aman (Noticee No.5), Mr. Manoj Singh Bisht (Noticee No.10) merely happen to purchase the same number of shares in the same scrip, Ram Minerals on the same day through off market transfer from the same seller. Further, other Noticees namely, Ms. Anuradha Arora (Noticee no. 2), Ms. Aradhna Choudhary (Noticee No.3), B G Freight (Noticee no. 4), Mr. Pradeep (Noticee no. 14), Mr. Sanjay Mehta (Noticee No.17), South Asia Portfolios (Noticee no. 18) and Mr. Vineet Gupta (Noticee no. 19) also received shares of Ram Minerals through off-market transfers from Ever Bright as shown in Table 5. I note that Ever Bright and the Noticees to whom Ever Bright made off market transfers led to a total positive LTP of Rs. 98.22 on the sell side and Rs. 16.95 on the buy side. I note that in a case of manipulation of price of a scrip, all the trades between all the Noticees including off market transfers, trading pattern and its impact have to be looked into holistically, and not in isolation. As noted in para 12, the Noticee along with other

Noticees was acting in concert for manipulating the scrip price of Ram Minerals with the intention to mark the price higher.

- b. In his reply dated December 03, 2018, the Noticee, Mr. Manoj Singh Bisht has stated that pre and post his sale transaction on August 08, 2014, September 05, 2014 and September 23, 2014, the price of the scrip of Ram Minerals was generally at the same level compared to the price at which he sold his shares. The Noticee has also annexed the price volume chart of Ram Minerals downloaded by him from the website of BSE. In this regard, I note that around September 05, 2014 i.e. the date of Mr. Manoj Singh Bisht's trade, specifically, on September 01, 2014, Noticee no. 3, Ms. Arandhna Chaudhary contributed a positive LTP of Rs. 3.05 and on September 03, 2014, Noticee no. 14, Mr. Pradeep contributed a positive LTP of Rs. 3.20 through their trades. Further, around September 23, 2014 (date of Mr. Manoj Singh Bisht's trade) specifically, on September 24, 2014, Noticee no. 3, Ms. Arandhna Chaudhary contributed a positive LTP of Rs. 1.75 and on September 25, 2014, Mr. Pradeep contributed a positive LTP of Rs. 1.80. Mr. Manoj Singh Bisht, Ms. Aradhna Chaudhary and Mr. Pradeep who traded around the same time and contributed to the positive LTP had received shares of Ram Minerals through off market transfer from Ever Bright, Noticee no. 12. Therefore, I am unable to accept the contention of the Noticee that the price of the scrip of Ram Minerals was generally at the same level compared to the price at which he sold his shares.

22. The submissions of Noticee no. 11, Mr. Moti Lal and findings thereon are as under:

- a. I note that Mr. Moti Lal received 10 shares each of Ram Minerals from Ever Bright along with Mr. Bharat Aman (Noticee No.5), Mr. Gagan Wadhwa (Noticee No. 7) and on July 02, 2014 through off market transfer on the same day. I am unable to infer from the aforesaid, that all the 4 Noticees namely, Mr. Gagan Wadhwa (Noticee No.7), Moti Lal (Noticee No.11), Mr. Bharat Aman (Noticee No.5), Mr. Manoj Singh Bisht (Noticee No.10) merely happen to purchase the same number of shares in the same scrip, Ram Minerals on the same day through off market transfer from the same seller.

Further, other Noticees namely, Ms. Anuradha Arora (Noticee no. 2), Ms. Aradhna Choudhary (Noticee No.3), B G Freight (Noticee no. 4), Mr. Pradeep (Noticee no. 14), Mr. Sanjay Mehta (Noticee No.17), South Asia Portfolios (Noticee no. 18) and Mr. Vineet Gupta (Noticee no. 19) also received shares of Ram Minerals through off-market transfers from Ever Bright as shown in Table 5. I note that Ever Bright and the Noticees to whom Ever Bright made off market transfers led to a total positive LTP of Rs. 98.22 on the sell side and Rs. 16.95 on the buy side. I note that in a case of manipulation of price of a scrip, all the trades between all the Noticees including off market transfers, trading pattern and its impact have to be looked into holistically, and not in isolation. As noted in para 12, the Noticee along with other Noticees was acting in concert for manipulating the scrip price of Ram Minerals with the intention to mark the price higher.

- b. Noticee no. 11, Mr. Moti Lal in his reply dated December 05, 2018 has stated that pre and post his sale transaction on August 14, 2014, August 21, 2018, August 22, 2014 and August 26, 2014, the price of the scrip of Ram Minerals was generally at the same level compared to the price at which he sold his shares. The Noticee has also annexed the price volume chart of Ram Minerals downloaded by him from the website of BSE. I note that on the aforesaid dates of trades of Mr. Moti Lal he contributed to a positive LTP of Rs. 2.15, Rs. 2.40, Rs. 2.50 and Rs. 2.75. Having increased the price of the scrip of Ram Minerals, the Noticee cannot argue that the price of the scrip of Ram Minerals was generally at the same level compared to the price at which he sold his shares. Moreover, on August 13, 2014 and August 25, 2014 i.e. around the time Mr. Moti Lal traded, Mr. Pradeep and Mr. Roshan Kumar Verma had trades in the shares of Ram Minerals and contributed to a positive LTP of Rs. 2.05 and Rs. 2.65 respectively. Mr. Moti Lal is connected to Mr. Pradeep and Mr. Roshan Kumar Verma through off market transfers as shown above. Therefore, I am unable to accept the contention of the Noticee that the price of the scrip of Ram Minerals was generally at the same level compared to the price at which he sold his shares.

23. Noticee no. 12, Ever Bright did not submit any response in the matter and was not represented before me during the hearing in this matter. However, findings in connection with Noticee no. 12, Ever Bright are as under:

- a. Noticee no. 12, Ever Bright traded in the scrip of Ram Minerals and contributed Rs. 2/- to the positive LTP. I note that in a case of manipulation of price of a scrip, all the trades between all the Noticees including off market transfers, trading pattern and its impact have to be looked into holistically, and not in isolation. I note from Table no. 5 that Ever Bright (Noticee no. 12) transferred 40,000 and 25,000 shares each to Ms. Anuradha Arora (Noticee No.2) and Mr. Sanjay Mehta (Noticee No.17) on December 23, 2013 and February 20, 2014 respectively through off market route. Ever Bright transferred 10 shares each to five noticees namely, Ms. Aradhna Choudhary (Noticee No.3) on June 28, 2014 and to Mr. Gagan Wadhwa (Noticee No.7), Moti Lal (Noticee No.11), Mr. Bharat Aman (Noticee No.5), Mr. Manoj Singh Bisht (Noticee No.10) on July 02, 2014 through off market route. Ever Bright had also transferred 500 shares through off market route to Mr. Pradeep (Noticee No.14) on May 08, 2014. Mr. Pradeep (Noticee no. 14) who had received 500 shares in off market from Ever Bright (Noticee No.12), transferred 10 shares each to two Noticees namely Mr. Roshan Kumar Verma (Noticee no.16) and Delicious Diamonds Pvt. Ltd (Noticee no 6) respectively through off market on the same day i.e. August 05, 2014. I am unable to infer from the aforesaid, that all the aforesaid Noticees merely happen to purchase the same number of shares in the same scrip, Ram Minerals on the same day through off market from the same seller. Further, Ever Bright transferred 25,000 shares to Mr. Sanjay Mehta (Noticee no. 17) on February 20, 2014 and Mr. Vineet Gupta on February 25, 2014. Ever Bright transferred 25 shares to South Asia Portfolios Pvt. Ltd. (Noticee no. 17) on August 25, 2018 through off market. I note that Ever Bright and the Noticees to whom Ever Bright made off market transfers led to a total positive LTP of Rs. 98.22 on the sell side and Rs. 16.95 on the buy side.
- b. Noticee no. 12, Ever Bright traded on May 26, 2014, May 30, 2014, June 06, 2014, June 05, 2016, June 09, 2014 and June 12, 2014. On each of these days, the quantity of

shares is 1 or 2 shares (except on two occasions when the traded quantity was 5 and 7 shares). The Noticee held 7198 shares of Ram Minerals in its demat account on May 26, 2014. Despite having substantial number of shares, the Noticee put in orders in the range of 1 to 7 shares.

- c. On the all the aforesaid dates when the Noticee executed the trades, its counterparty was Mr. Rajeev Kumar Gupta, Noticee no. 15 who is connected with All Time Buildtech through off market transfers as shown in Table 5, para 11(A). Mr. Rajeev Kumar Ram Prasad Gupta has contributed Rs. 5.18 to positive LTP on the buy side. The Noticee, All Time Buildtech is connected with Ever Bright through fund transactions as shown in Table 6, para 11 (C).
- d. In view of the above and as noted in para 12, the Noticee along with other Noticees was acting in concert for manipulating the scrip price of Ram Minerals with the intention to mark the price higher.

24. The submissions of Noticee nos. 9, Mr. Girraj Kumar Gupta, Noticee no. 13, Ms. Neetu Gupta and Noticee no.15, Mr. Rajeev Kumar Ram Prasad Gupta findings thereon are as under:

- a. Noticee no. 13, Ms. Neetu Gupta in her undated letter received by SEBI on August 07, 2017 has submitted that she is a housewife and trades in shares to earn a living. She has also stated that she purchased the shares of Ram Minerals in the normal course. The trades executed by her are bonafide and genuine. It is also stated that she is not part of any alleged price manipulation of the shares of Ram Minerals. Noticee no.9, Mr. Girraj Kumar Gupta in his undated letter received by SEBI on August 07, 2017 and Noticee no.15, Mr. Rajeev Kumar Ram Prasad Gupta in an undated letter received by SEBI on August 10, 2017 have submitted similar replies.
- b. The Noticee, Ms. Neetu Gupta has contributed Rs. 2.64 (1.21 %) to the positive LTP on the sell side. The Noticees, Mr. Girraj Kumar Gupta and Mr. Rajeev Kumar Ram

Prasad Gupta have contributed to Rs. 0.43 and Rs. 5.18 to positive LTP on the buy side. It is pertinent to note that the said Noticees received 1500 shares each i.e. same quantity of Ram Minerals through off market transfer on March 29, 2014 i.e. same day from All Time Buildtech i.e. same seller as shown in Table 5. I am unable to infer from the aforesaid that the Noticees, Mr. Girraj Kumar Gupta (Noticee no. 9), Ms. Neetu Gupta (Noticee No.13) and Mr. Rajeev Kumar Gupta (Noticee no. 15) merely happen to purchase the same number of shares in the same scrip, Ram Minerals on the same day through off market from the same seller.

- c. In view of the above and as noted in para 12, the aforesaid Noticees along with other Noticees was acting in concert for manipulating the scrip price of Ram Minerals with the intention to mark the price higher.

25. The Noticee no. 14, Mr. Pradeep has not submitted any reply to the SCN till date nor has he appeared before me for a hearing. However, the findings in connection with Noticee no. 14, Mr. Pradeep are as under:

- a. Mr. Pradeep traded in the shares of Ram Minerals on May 22, 2014, May 28, 2014, June 03, 2014, June 10, 2014, June 25, 2014, August 13, 2014, September 03, 2014, September 29, 2014, October 17, 2014, October 22, 2014, October 29, 2014, October 31, 2014, November 17, 2014, November 21, 2014 and November 27, 2014. On the all the said dates, the Noticee placed sell orders of shares of Ram Minerals in the range of 1 to 4 shares. Despite having sufficient shares, the Noticee placed sell orders of 1 to 4 shares. The Noticee's trades led to a positive LTP of Rs. 30.31 i.e. the highest individual LTP contribution on the sell side as is seen from Table 2.
- b. Mr. Pradeep received 500 shares in off market from Ever Bright (Noticee No.12). He also transferred 10 shares each to two Noticees namely Mr. Roshan Kumar Verma (Noticee no.16) and Delicious Diamonds Pvt. Ltd (Noticee no 6) respectively through off market on the same day i.e. August 05, 2014. Other Noticees namely, Ms. Anuradha Arora (Noticee no. 2), Ms. Aradhna Choudhary (Noticee No.3), B G Freight (Noticee

- no. 4), Mr. Bharat Aman (Noticee No.5), Mr. Gagan Wadhwa (Noticee No.7), Mr. Moti Lal (Noticee No.11), Mr. Manoj Singh Bisht (Noticee No.10), Mr. Sanjay Mehta (Noticee No.17), South Asia Portfolios (Noticee no. 18) and Mr. Vineet Gupta (Noticee no. 19) also received shares of Ram Minerals through off-market transfers from Ever Bright (Noticee no. 12) as shown in Table 5. I note that Ever Bright and the Noticees to whom Ever Bright made off market transfers led to a total positive LTP of Rs. 98.22 on the sell side and Rs. 16.95 on the buy side.
- c. The counterparty to the trades of Mr. Pradeep were Noticee no. 15, Mr. Rajeev Kumar Gupta, Noticee no. 8, Girraj Gupta HUF and Noticee no. 8, South Asia Portfolios, Noticees. Mr. Rajeev Kumar Gupta and Girraj Kumar Gupta are connected with All Time Buildtech through off market transfer as shown in Table 5. Noticee no. 1, All Time Buildtech and Noticee no. 18, South Asia Portfolios are connected to Noticee no. 12, Ever Bright as shown in para 11. As has been shown above, Mr. Pradeep is directly connected with Ever Bright through off market transfers.
- d. I note that in a case of manipulation of price of a scrip, all the trades between all the Noticees including off market transfers, trading pattern and its impact have to be looked into holistically, and not in isolation. As noted in para 12, the Noticee along with other Noticees was acting in concert for manipulating the scrip price of Ram Minerals with the intention to mark the price higher.
26. The submissions of Noticee no. 16, Mr. Roshan Kumar Verma and findings thereon are as under:
- a. Vide email dated July 18, 2017 and letter dated June 22, 2018, Noticee no. 16, Mr. Roshan Kumar Verma submitted that he bought only 10 shares of Ram Minerals and sold these shares gradually when the price of the scrip increased. The Noticee has also stated that he did not intend to manipulate the price of the scrip. I note that Mr. Roshan Kumar Verma dealt in the shares of Ram Minerals on 4 days viz., August 25, 2014, October 16, 2014, October 21, 2014 and October 30, 2014 which led to a positive LTP

of Rs. 8.25 (3.78%). Further, Mr. Roshan Kumar Verma received 10 shares from Mr. Pradeep (Noticee no. 14) who had in turn received 500 shares in off market from Ever Bright (Noticee No.12). Other Noticees namely, Ms. Anuradha Arora (Noticee no. 2), Ms. Aradhna Choudhary (Noticee No.3), B G Freight (Noticee no. 4), Mr. Bharat Aman (Noticee No.5), Mr. Gagan Wadhwa (Noticee No.7), Mr. Moti Lal (Noticee No.11), Mr. Manoj Singh Bisht (Noticee No.10), Mr. Sanjay Mehta (Noticee No.17), South Asia Portfolios (Noticee no. 18) and Mr. Vineet Gupta (Noticee no. 19) also received shares of Ram Minerals through off-market transfers from Ever Bright (Noticee no. 12) as shown in Table 5. I note that Ever Bright and the Noticees to whom Ever Bright made off market transfers led to a total positive LTP of Rs. 98.22 on the sell side and Rs. 16.95 on the buy side.

- b. In his reply dated December 07, 2018, Mr. Roshan Kumar Verma has stated that pre and post his sale transaction on August 25, 2014, October 16, 2014, October 21, 2014 and October 30, 2014, the price of the scrip of Ram Minerals was generally at the same level compared to the price at which he sold his shares. The Noticee has also annexed the price volume chart of Ram Minerals downloaded by him from the website of BSE. I note that through his trade on August 25, 2014 (Monday), the Noticee contributed to positive LTP of Rs. 2.65. I also note that on August 21, 2014 (Thursday) and August 22, 2014 (Friday), Mr. Moti Lal, Noticee no. 11, had traded in 2 and 3 shares of Ram Minerals and contributed to positive LTP of Rs. 2.4 and Rs. 2.5 respectively. Further, on August 26, 2018, Noticee no. 11, Mr. Moti Lal had traded in 2 shares of Ram Minerals and contributed to positive LTP of Rs. 2.75. Further, Mr. Roshan Kumar Verma also traded on October 16, 2014, October 21, 2014 and October 30, 2014. On October 17, 2014, October 22, 2014 and October 29, 2014, Mr. Pradeep traded in the shares of Ram Minerals and contributed to positive LTP of Rs.2.25, Rs. 2.35 and Rs. 2.5 respectively. Mr. Roshan Kumar Verma is directly connected to Mr. Pradeep and indirectly connected to Mr. Moti Lal through off market transfers as shown in Table 5 and hereinabove (Mr. Roshan Kumar Verma received shares in off market from Mr. Pradeep. Ever Bright had transferred shares through off market transactions to Mr. Pradeep and Mr. Moti Lal). From the above, I note that the Noitcees connected to Mr.

Roshan Kumar Verma contributed to rise in price of the scrip of Ram Minerals pre and post his sale transactions. Therefore, I am unable to accept the contention of the Noticee that the price of the scrip of Ram Minerals was generally at the same level compared to the price at which he sold his shares.

- c. In view of the above and as noted in para 12, the Noticee along with other Noticees was acting in concert for manipulating the scrip price of Ram Minerals with the intention to mark the price higher.

27. The submissions of Noticee no. 17, Mr. Sanjay Mehta and findings thereon are as under:

- a. Noticee no. 17, Mr. Sanjay Mehta vide letter dated November 13, 2018 has submitted that he bought the shares of Ram Minerals in the offline mode as he was unable to buy them online. He acquired 25,000 equity shares of Ram Minerals at Rs. 3.50 per share amounting to Rs. 87,500/- and made the payment by way of cheque drawn on ICICI Bank. I note that 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. Buyer and seller trade through stock exchanges as stock exchanges and clearing corporations ensure settlement of trades. Therefore, I am unable to accept the argument of the Noticee, that he bought the shares of Ram Minerals in the offline mode as he was unable to buy them online.
- b. The Noticee has also submitted that to check whether the shares are tradeable he placed a sell order of 2 shares. I note that tradeability of a share can be ascertained from the website of the stock exchange. Therefore, I am unable to accept the said argument of the Noticee.
- c. I note that Mr. Sanjay Mehta received 25,000 shares of Ram Minerals from Ever Bright, Noticee no. 12. Further, other Noticees namely, Ms. Anuradha Arora (Noticee no. 2), Ms. Aradhna Choudhary (Noticee No.3), B G Freight (Noticee no. 4), Mr. Bharat Aman

- (Noticee No.5), Mr. Gagan Wadhwa (Noticee No.7), Mr. Moti Lal (Noticee No.11), Mr. Manoj Singh Bisht (Noticee No.10), Mr. Pradeep (Noticee no. 14), South Asia Portfolios (Noticee no. 18) and Mr. Vineet Gupta (Noticee no. 19) also received shares of Ram Minerals through off-market transfers from Ever Bright (Noticee no. 12) as shown in Table 5. I note that Ever Bright and the Noticees to whom Ever Bright made off market transfers led to a total positive LTP of Rs. 98.22 on the sell side and Rs. 16.95 on the buy side. I note that in a case of manipulation of price of a scrip, all the trades between all the Noticees including off market transfers, trading pattern and its impact have to be looked into holistically, and not in isolation. As noted in para 12, the Noticee along with other Noticees was acting in concert for manipulating the scrip price of Ram Minerals with the intention to mark the price higher.
- d. I note that the counter party buyer to the Noticee, Mr. Sanjay Mehta's trade is Mr. Rajeev Kumar Gupta (Noticee no. 15). Mr. Rajeev Kumar Gupta also received shares in off market transfer from All Time Buildtech (Noticee no. 1). All Time Buildtech is also connected to Ever Bright through fund transactions as shown in Table 6, para 11 (C).
28. The submissions of Noticee no. 18, South Asia Portfolios Pvt. Ltd. and findings thereon are as under:
- a. Noticee no. 18, South Asia Portfolios Pvt. Ltd. in an undated letter received by SEBI on August 07, 2017 has stated that it has been in the business of 'advisory in trading of shares' for past several years and never in these years the Noticee has violated any law. Further, it has also stated that all trades pertaining to Ram Minerals were done in normal course and online. The Noticee also submitted that its connection with Noticee no. 12, Ever Bright Trading is totally irrelevant. I note that in a case of manipulation of price of a scrip, all the trades between all the Noticees including off market transfers, trading pattern and its impact have to be looked into holistically, and not in isolation. I note that South Asia Portfolios contributed to Rs. 3.5 to the positive LTP on the sell side. Further, on the buy side, it contributed to Rs. 16.95 to the positive LTP. South Asia Portfolios received 25 shares of Ram Minerals on August 25, 2014 through off market

transfers from Noticee no. 12, Ever Bright. Further, other Noticees namely, Ms. Anuradha Arora (Noticee no. 2), Ms. Aradhna Choudhary (Noticee No.3), B G Freight (Noticee no. 4), Mr. Bharat Aman (Noticee No.5), Mr. Gagan Wadhwa (Noticee No.7), Mr. Moti Lal (Noticee No.11), Mr. Manoj Singh Bisht (Noticee No.10), Mr. Pradeep (Noticee no. 14), South Asia Portfolios (Noticee no. 18) and Mr. Vineet Gupta (Noticee no. 19) also received shares of Ram Minerals through off-market transfers from Ever Bright (Noticee no. 12) as shown in Table 5. I note that Ever Bright and the Noticees to whom Ever Bright made off market transfers led to a total positive LTP of Rs. 98.22 on the sell side and Rs. 16.95 on the buy side.

- b. From the trade details, I note that the counter party to the trades of South Asia Portfolios were Delicious Diamonds (Noticee no. 6) and Mr. Pradeep (Noticee no. 14). Ever Bright had also transferred 500 shares of Ram Minerals in off market to Mr. Pradeep. Mr. Pradeep had further transferred 10 shares of Ram Minerals to Delicious Diamonds.
- c. In view of the above and as noted in para 12, the Noticee along with other Noticees was acting in concert for manipulating the scrip price of Ram Minerals with the intention to mark the price higher.

29. The submissions of Noticee no. 19, Mr. Vineet Gupta vide letter dated July 19, 2017 are that the shares of Ram Minerals were purchased by him through off market transfer and that he has sold only 4 shares on three different dates to check whether the shares are tradeable. In his reply dated December 18, 2018, the Noticee, Mr. Vineet Gupta denied having any connection with Noticee no. 12, Ever Bright Trading Pvt. Ltd. (earlier known as Mould Trading Pvt. Ltd.). According to him, shares of Ram Minerals were purchased by him in off market after making the necessary payment through the bank for which complete record is available, and hence, such transaction does not warrant any kind of allegation of connection with any entity. The Noticee has submitted that he sold 20,000 shares in approximately 150 trades and out of those trades in one trade 1 share matched with one Mr. Girraj Kumar Jagdish Prasad Gupta. According to the Noticee the trade of 1 share which contributed to LTP of Rs. 0.20 cannot be termed as fraudulent and unfair trade.

I note that in a case of manipulation of price of a scrip, all the trades between all the Noticees including off market transfers, trading pattern and its impact have to be looked into holistically, and not in isolation. I note that Noticee, Mr. Vineet Gupta received 20,000 shares from Ever Bright on February 25, 2014. The counter party to his trade was Mr. Girraj Kumar Jagadish Prasad Gupta who is connected to All Bright which is in turn connected to Ever Bright through fund transaction as shown in para 11(C). As noted in para 12, the Noticee along with other Noticees was acting in concert for manipulating the scrip price of Ram Minerals with the intention to mark the price higher.

30. The Noticees, Mr. Roshan Kumar Verma (letter dated June 22, 2018), Gagan Wadhwa (letter dated June 22, 2018) and Mr. Manoj Singh Bisht (letter dated June 21, 2018) have relied on the observations of the Hon'ble SAT in *R. K. Global v. SEBI* (Appeal no. 158 of 2008, decided on September 16, 2010) and *Narendra Ganatra v. SEBI* (Appeal no. 47 of 2011, decided on July 29, 2011) wherein the Hon'ble SAT observed that to establish a serious charge such as fraud, a higher degree of probability must exist. They have also relied on the observations of the Hon'ble Supreme Court in *Ram Sharan Yadav v. Thakur Muneshwar Nath Singh* (AIR 1958 SC 24) wherein the Hon'ble Supreme Court observed that a charge of corrupt practice has to be proved by convincing evidence and merely by preponderance of probabilities. In this regard, it is pertinent to note the observations of the Hon'ble Supreme Court *Kanaiyalal Baldev Bhai Patel v. SEBI* [2017] 143 SCL 124 (SC) while dealing with the definition of "fraud" as provided under SEBI (PFUTP) Regulations, 2003, observed as under:

"...The difference between inducement in criminal law and the wider meaning thereof as in the present case, is that to make inducement an offence the intention behind the representation or misrepresentation of facts must be dishonest whereas in the latter category of cases like the present the element of dishonesty need not be present or proved and established to be present. In the latter category of cases, a mere inference, rather than proof, that the person induced would not have acted in the manner that he did but for the inducement is sufficient. No element of dishonesty or bad faith in the making of the inducement would be required...."

The Hon'ble Supreme Court further observed as under:

"...14. To attract the rigor of Regulations 3 and 4 of the 2003 Regulations, mens rea is not an indispensable requirement and the correct test is one of

preponderance of probabilities. Merely because the operation of the aforesaid two provisions of the 2003 Regulations invite penal consequences on the defaulters, proof beyond reasonable doubt as held by this Court in Securities and Exchange Board of India Vs. Kishore R. Ajmera(supra) is not an indispensable requirement. The inferential conclusion from the proved and admitted facts, so long the same are reasonable and can be legitimately arrived at on a consideration of the totality of the materials, would be permissible and legally justified....”

Therefore, as laid down by the Hon’ble Supreme Court, the test to examine whether “fraud” has been committed is preponderance of probability. Further, the off market transfer on the same day of same quantity of shares from the same seller and the trading pattern of the Noticee as shown in Table 5, para 11 (A) satisfies the test of probability.

31. The Noticees, Mr. Anuradha Arora, Mr. Roshan Kumar Verma (letter dated June 22, 2018), Mr. Gagan Wadhwa (letter dated June 22, 2018), have relied on the observations of the Hon’ble SAT in *Rajendra G. Parikh v. SEBI* (Appeal no. 44 of 2009, decided on January 01, 2010) wherein it has been stated that off-market transactions are not per se illegal. I note that off market transfers require the investor to scout for a buyer/ seller, as the case may be, without the benefits of regulatory and redressal provisions of the law. I note that for off market transaction to be executed successfully, the following four parameters are essential: (1) the buyer and seller should know each other, (2) the buyer must have knowledge of the fact that seller is holding the shares of the scrip which the buyer is interested to buy, (3) the buyer must have knowledge of the fact that seller is willing to sell the shares in that scrip and (4) the buyer must have knowledge of the price at which the seller is willing to sell the shares. As noted in para 12, the Noticees in the matter were acting in pursuance of a scheme whereby they were receiving shares of Ram Minerals through off market transfers along with other Noticees, despite having sufficient quantity of shares they were trading in 1 or 2 shares every day and thereby increasing the LTP in the scrip. By way of example, it can be seen that Mr. Roshan Kumar Verma received 10 shares of Ram Minerals from Mr. Pradeep, Noticee no. 14 (see, Table 5, para 11A). Despite holding 10 shares, the Noticee traded in the range of 1 to 2 mostly and thereby contributed to a positive LTP of Rs. 9.70. In the case of *Rajendra G. Parikh* (supra), the promoters of

the company, JIK Industries Ltd., transferred shares of the company through off market transfers. The entities to whom the shares were transferred formed a cartel to ultimately offload the shares in the market. It was alleged that while transferring the shares in off market the promoters were hand in glove with the entities who offloaded the shares so that they could conceal their identity and escape any liability. The Hon'ble SAT in this case observed that as per the SCN there was no allegation of price manipulation by any of the appellants therein nor was it alleged that the shares had been offloaded to arrest the price of the scrip from falling drastically. With this background, the Hon'ble SAT set aside the order of the Adjudicating Officer and observed that off-market transfer is not per se illegal. The facts of this case can be distinguished from the facts of *Rajendra G Parikh* (supra) case. In the said case, there was no allegation of price manipulation against the appellants who had transferred shares in off market. However, in this case as noted in para 12 of this order the manner and nature in which the shares of Ram Minerals have been dealt with by the Noticees leads to the conclusion that the same was done with a view to manipulate the price of the scrip. I would also like to note that off market transfer cannot be misused by market participants in such a manner which has a bearing on the price of the scrip and may mislead the investors.

32. The Noticee no. 19, Mr. Vineet Gupta in his reply dated December 18, 2018 has stated that the shares sold by him were through his broker on the anonymous, electronic and faceless trading platform of the Stock Exchange. Noticee no. 10, Mr. Manoj Singh Bisht in his reply dated June 21, 2018 & December 03, 2018, Noticee no. 11, Mr. Moti Lal in his reply dated June 29, 2018 and Noticee no. 16, Mr. Roshan Kumar Verma in his reply dated December 07, 2018 have each stated that all their transactions were executed through normal screen based trading system of stock exchange. According to them, in case of screen based trading, the automated system itself matches orders on a price-time priority basis and thus it is not possible for anybody to have access over the details of order/ trades/ identity of the counter party dealing in any scrip. The Noticee has denied all the allegations in the SCN. Similar submissions were made by Ms. Anuradha Arora in her reply dated November 29, 2018.

33. In this regard, I note the observations of the Hon'ble Supreme Court in *Securities and Exchange Board of India v. Kishore R. Ajmera* (2016) 6 SCC 368:

“While the screen-based trading system keeps the identity of the parties anonymous it will be too naive to rest the final conclusions on said basis which overlooks a meeting of minds elsewhere. Direct proof of such meeting of minds elsewhere would rarely be forthcoming. The test, in our considered view, is one of preponderance of probabilities so far as adjudication of civil liability arising out of violation of the Act or the provisions of the Regulations framed thereunder is concerned.

29...

30.The conclusion has to be gathered from various circumstances like that volume of the trade effected; the period of persistence in trading in the particular scrip; the particulars of the buy and sell orders, namely, the volume thereof; the proximity of time between the two and such other relevant factors.”

This position was further reiterated in *Securities and Exchange Board of India v. Rakhi Trading Pvt. Ltd.* [2018] 207 Comp Cas443(SC)wherein the Hon'ble Supreme Court based on the facts of the case held that

“Considering the reversal transactions, quantity, price and time and sale, parties being persistent in number of such trade transactions with huge price variations, it will be too naive to hold that the transactions are through screen-based trading and hence anonymous.”

34. I note from Table no. 5 (details of off market transfers) all the 4 Noticees namely, Mr. Gagan Wadhwa (Noticee No.7), Moti Lal (Noticee No.11), Mr. Bharat Aman (Noticee No.5), Mr. Manoj Singh Bisht (Noticee No.10) acquired the same number of shares in the same scrip, Ram Minerals on the same day through off market from the same seller, i.e. Ever Bright. Similarly, Mr. Roshan Kumar Verma (Noticee no.16) and Delicious Diamonds Pvt. Ltd (Noticee no 6) also acquired the same number of shares in the same scrip, Ram Minerals on the same day through off market from the same seller, i.e. Mr. Pradeep. Furthermore, Mr. Girraj Kumar Gupta (Noticee no. 9), Ms. Neetu Gupta (Noticee No.13) and Mr. Rajeev Kumar Gupta (Noticee no. 15) acquired the same number of shares in the same scrip, Ram Minerals on the same day through off market from the same seller, i.e. All Time Buildtech. I also note that the Noticees have put sell orders with quantity of

shares in single digits i.e. mostly 1 or 2 or 3 shares whereas buy orders were available with quantity in the range of 12 to 5,000 shares (mostly 200 or 5000 or in thousands) despite having substantial quantity of shares (as shown in Table 2) thereby together contributing to positive LTP of Rs. 101.43 on the sell side. Based on the above and the observations of the Hon'ble Supreme Court in *Securities and Exchange Board of India v. Kishore R. Ajmera* and *Securities and Exchange Board of India v. Rakhi Trading Pvt. Ltd.*, I am not inclined to accept the argument of the Noticees that all their transactions were executed through normal screen based trading system of stock exchange, and hence they had not committed any irregularities.

35. In their written submissions dated January 09, 2019, the Noticee nos. 8, 9, 13 and 15 viz., Girraj Kumar Gupta HUF, Mr. Girraj Kumar Jagadish Prasad Gupta, Ms. Neetu Gupta and Mr. Rajeev Kumar Ram Prasad Gupta and Noticee no. 18, South Asia Portfolios Pvt. Ltd. vide its written submissions dated January 14, 2019 have submitted that proceedings under Chapter VIA of the SEBI Act (Adjudication) have also been initiated against the Noticees. In this regard, it was submitted that the present proceedings are likely to prejudice the Adjudicating Officer (hereinafter referred to as 'AO') where orders are yet to be passed as the inquiry under Chapter VIA of the SEBI Act is conducted by an Officer appointed by the Board. The Noticees also submitted that the decision of the AO of imposition of penalty or not, is circumscribed under section 15-I (3) of the SEBI Act wherein the Board has the power to examine the correctness of the decision of AO and can order enhancing the penalty.

36. In this regard, I note that AO being a quasi-judicial authority is bound by the principles of natural justice. Natural justice comprises of three components, viz., absence of bias, fair hearing and reasoned order. It is pertinent to note Rule 5 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995) which states that if upon consideration of the evidence produced before the AO, the AO is satisfied that the person has become liable to penalty under any of the sections specified in sub-section (1) of section 15-I, he may, by order in writing, impose such penalty as he thinks fit in accordance with the provisions of the relevant section or

sections specified in section 15-I. Thus, firstly, the AO is required to independently consider the evidence placed before him by either parties, SEBI or the Noticee, and the AO is required to satisfy himself that the person/ Noticee has become liable to penalty, he may pass order imposing such penalty. Furthermore, the power to review under sub-section 3 of section 15 – I of the SEBI Act is only available to enhance the quantum of penalty if the circumstances of the case so justify. The power cannot be used to reverse an acquittal into conviction.

37. In this regard, a reference may be made to observations of the Hon'ble SAT in *Dushyant Dalal v. SEBI* (Appeal no. 181 of 2011, decided on October 04, 2012) wherein the Hon'ble SAT observed the following in connection with adjudication proceedings under the SEBI Act:

“15. Even though the Board is empowered to conduct parallel proceedings in respect of a delinquent with regard to a single offence, the proceedings are separate and independent. It does not follow as a natural corollary that a delinquent can be punished in adjudication proceedings because certain directions have been issued against him under section 11 and 11B of the Act which have acquired finality.... ..”

Section 15HA deals with the penalty for fraudulent and unfair trade practices and this obviously takes us to regulations contained in FUTP Regulations. FUTP Regulations, the investigation procedure set out therein and the penal provisions contained in section 15HA and 15I are composite provisions which have to be implemented as laid down therein. In short, the adjudication proceedings for FUTP violation which is the subject matter of the present appeal are independent and so they should stand on their own factual and legal foundation.”

*“19. The Board has been authorized to conduct multiple proceedings in respect of a wrong doing in a parallel manner. But each proceeding is independent by itself and a competent authority has to come to a well reasoned out conclusion after proper application of mind to the facts and legal issues. It cannot be held that the consequences in one of the proceedings can be automatically followed in other proceedings without observing the statutory requirements laid down in respect of the separate proceedings. In fact, the decision of the Hon'ble Supreme Court in *Sri T. Ashok Pai vs. Commissioner of Income Tax, Bangalore* [292 ITR 11], lays down the legal principle in a very clear manner. It has been held therein that penalty proceedings must be considered to be different from proceedings relating to quantum of income since the burden of proof in penalty proceedings is different.*

“18. The order imposing penalty is quasi-criminal in nature and, thus, burden lies on the department to establish that the assessee had concealed

his income. Since burden of proof in penalty proceedings varies from that in the assessment proceeding, a finding in an assessment proceeding that a particular receipt is income cannot automatically be adopted, though a finding in the assessment proceeding constitute good evidence in the penalty proceeding. In the penalty proceedings, thus, the authorities must consider the matter afresh as the question has to be considered from a different angle.”

20. This Tribunal, in the case of Dilip S. Pendse vs. Securities and Exchange Board of India, [Appeal no.90 of 2007 dated November 20, 2008] has considered the separate and independent character of adjudication proceedings and held that the finding in adjudication proceedings cannot be mixed up with the result of an enquiry under section 11 of the Act. “Every finding of the adjudicating officer must be passed on an independent appraisal of evidence on record and cannot be allowed to be influenced by extraneous factors. For the same reason, we do not appreciate the adjudicating officer’s reference to the appellant being penalized for the same alleged mischief in an enquiry under section 11 of the Act.....”

[Emphasis Supplied]

The Hon’ble SAT has reiterated that the Board has been authorized to conduct multiple proceedings in respect of any violation in a parallel manner, however, each proceeding against a Noticee is independent by itself and it cannot be held that the consequences in one of the proceedings can be automatically followed in other proceedings without observing the statutory requirements laid down in respect of the separate proceedings. Therefore, the apprehension of the Noticee that the proceedings before the AO are likely to be prejudiced is misplaced.

38. At this juncture, it is relevant to note the provisions of law applicable to the present case:

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;*

39. From the above, I note that the aforementioned Noticees are connected to each other through a web of off market transfers and through other connections as shown in para 11 (A), (B) and (C). I note that that the Noticees were acting in concert to manipulate the price of the scrip. I also note from the trading pattern that the trades of the Noticees had an impact on the price of the scrip. Despite sufficient buy orders being available in the market, they released very small quantity of shares in each transaction and performed not more than one transaction a day. By these trades, they matched the price of prevailing buy orders which were placed at a higher price than the last traded price and thus contributed to increased scrip price with each of their trades, and thereby misled the investors. In view of the repeated nature of such trades by these Noticees, their culpability in increasing the price is thus established. From the above trading pattern, I further note that the intention of these Noticees was to mark the price higher and not merely to enter into the sale transactions carried out by them.

40. 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.”

The Noticees while acting in concert contributed to a positive LTP of Rs. 101.4 (46.50%) on the sell side and Rs. 32.98 (15.12%) on the buy side.

41. In view of the above, I note that by indulging in trades that resulted in manipulation of the price of the scrip and by indulging in a trading pattern which created misleading appearance of trading in the scrip, Noticee no.1 to 19 namely, (1) All Time Buildtech Private Limited, (2) Ms. Anuradha Arora, (3) Ms. Aradhna Choudhary, (4) B G Freight Shoppe India Private Limited, (5) Mr. Bharat Aman,(6) Delicious Diamonds Private Limited,(7) Mr. Gagan Wadhwa, (8) Girraj Kumar Gupta HUF, (9) Mr. Girraj Kumar Jagdish Prasad Gupta,(10) Mr. Manoj Singh Bisht, (11) Mr. Moti Lal, (12) Ever Bright Trading Private Limited (earlier known as Mould Trading Private Limited), (13) Ms. Neetu Gupta, (14) Mr. Pradeep, (15) Mr. Rajeev Kumar Ram Prasad Gupta, (16) Mr. Roshan Kumar Verma,(17) Mr. Sanjay Mehta, (18) South Asia Portfolios Private Limited and (19) Mr. Vineet Gupta have violated Regulation 3 (a),(b), (c), (d) and Regulation 4 (1), 4 (2) (a), (e) of SEBI (PFUTP) Regulations, 2003 and, hence, in view of the above, I find the Noticees to be guilty of violating 3(a),(b), (c),(d) and Regulation 4(1), 4(2) (a) & 4(2) (e) of SEBI (PFUTP) Regulations, 2003. However, the actions to be taken against Noticees may vary depending on their shareholding, frequency of trading and other facts and circumstances of the case. Accordingly I pass the following directions:

ORDER & DIRECTIONS

42. 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 existing holding including units of mutual funds, of the Noticees shall remain frozen.

Noticee No.	Name of the Noticees	PAN
1	All Time Buildtech Pvt. Ltd.	AAKCA0464B
2	Ms. Anuradha Arora	AAXPA1424F
4	B G Freight Shoppe India Pvt. Ltd.	AACCB4250A
8	Girraj Kumar Gupta HUF	AAGHG4939L
9	Mr. Girraj Kumar Jagdish Prasad Gupta	AESPG6809H
12	Ever Bright Trading Pvt. Ltd.	AAICM3232F
13	Ms. Neetu Gupta	ANZPG4540K
14	Mr. Pradeep	AOVPP1016L
15	Mr. Rajeev Kumar Ram Prasad Gupta	AFCPG5006P
17	Mr. Sanjay Mehta	AGEPM1354P
18	South Asia Portfolios Pvt. Ltd.	AABCS5265M
19	Mr. Vineet Gupta	AAIPG1297R

43. The trades of the following Noticees contributed towards a establishing a positive LTP and thereby increased the price of the scrip, however, keeping in view the meagre shareholding of the following Noticees, few number and meagre frequency of trades and taking into consideration the submissions of the following Noticees, the show cause notice dated June 27, 2017 issued to the following Noticee Nos. 1 to 5 is disposed of with a warning to refrain from such behavior in the future.

Noticee No.	Name of the Noticees	PAN
3	Ms. Aradhna Choudhary	APTPC1456J
5	Mr. Bharat Aman	AERPA6411N
6	Delicious Diamonds Pvt. Ltd	AAECD0600N
7	Mr. Gagan Wadhwa	AAZPW9487A
10	Mr. Manoj Singh Bisht	AJGPB8249P
11	Mr. Moti Lal	ALVPP1517D

16	Mr. Roshan Kumar Verma	AEPPV0069K
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44. This order shall come into force with immediate effect.

45. A copy of this order shall be forwarded to the Principal Director of Income Tax (Investigation), Kolkata.

46. A copy of this order shall be served on all the Noticees, recognized stock exchanges, depositories and RTAs of mutual funds to ensure compliance with above directions.

Sd/-

ANANTA BARUA

WHOLE TIME MEMBER

Date: June 04, 2019

Place: Mumbai

SECURITIES AND EXCHANGE BOARD OF INDIA