BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Order Reserved on : 11.07.2022
12.10.2022
07.11.2022

Date of Decision : 03.01.2023

Appeal No. 431 of 2020

Dukes Products (India) Limited
Having its Registered Office at
4th Floor, Dukes Avenue,
Sy. No. 330 and 336,
Plot No. 8-1-299/85, 86, 87, 88, 94 and
95, Ward No. 13, Block B,
Al-Hamra Colony, Shaikhpet,
Hyderabad – 500 008. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Pesi Modi, Senior Advocate with Mr. Kunal Katariya, Advocate i/b Mr. Vikas Bengani, Advocate for the Appellant.

Mr. Kevic Setalvad, Senior Advocate with Ms. Nidhi Singh, Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 330 of 2020

Mahendra Dhanjibhai Amin
B-308, Shankardhan Plaza,
Mehul Cinema, J.N. Road,
Mulund (W),
Mumbai – 400 080. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Prakash Shah, Advocate with Mr. Kushal Shah, CA i/b Prakash Shah & Associates and Mr. Mahendra Amin, Appellant in person for the Appellant.

Mr. Kevic Setalvad, Senior Advocate with Ms. Nidhi Singh, Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 359 of 2020

Laxmi Kanta Tolasariya
Metrozone, Tower H, Flat No. 1504,
44, Pillaiyar Koil Street,
Beside Vr. Mall,
Anna Nagar,
Chennai – 600 040. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellant.

Mr. Kevic Setalvad, Senior Advocate with Ms. Nidhi Singh, Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 362 of 2020

1. Srikant Karwa (HUF)
(Karta : Shrikant Karwa)

2. Shakuntala Karwa

C/O Ghanshamdas Karwa,
12-10-97, Near Gandhi Chowk,
Raichur, Karnataka – 584 101. …Appellants

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellants.

Mr. Kevic Setalvad, Senior Advocate with Ms. Nidhi Singh, Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 411 of 2020

Viren Shelters LLP
(Previously known as Viren Shelters Limited)
Having its Registered Office at
Sy. No. 330 and 336,
Plot No. 8-1-299/85, 86, 87, 88, 94 and
95, Ward No. 13, Block B,
Al-Hamra Colony, Shaikhpet,
Hyderabad, TG-500 008. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellant.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 420 of 2020

1. Jitendra C. Janani HUF
   2101, 21st Floor, A Wing,
   Hiranandani Heritage,
   S.V. Road, Kandivali West,
   Mumbai – 400 067.

2. Ramesh C. Janani HUF
   111, CIEM Industrial Estate,
   Ramchandra Lane Extn,
   Kachpada, Malad West,
   Mumbai – 400 064.

3. Krunal Ramesh Janani
   64, Tanay Apartment,
   Saibaba Nagar,
   Borivali West,
   Mumbai – 400 067. …Appellants

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Saurabh Bachhawat, Advocate with Mr. Jay Vakil, Advocate i/b Mr. Jay Vakil, Advocate for the Appellants.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 428 of 2020

Gopi Krishna Manepally (HUF)
Karta : Gopi Krishna Manepally,
1-5-8, Dhan Bazar,
Opp. Comtti Dharamkanta,
General Bazar,
Secunderabad, Hyderabad,
Andhra Pradesh – 500 003. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellant.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 429 of 2020

Murali Krishna Manepally (HUF)
Karta : Murali Krishna Manepally,
1-5-8, Dhan Bazar,
Opp. Comtti Dharamkanta,
General Bazar,
Secunderabad, Hyderabad,
Andhra Pradesh – 500 003. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellant.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 430 of 2020

Solex Commercial & Credit Pvt. Ltd.
Having its Registered Office at
Second Floor, Plot No. 82,
IDA, Kattedan,
Hyderabad, TG-500 008. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellant.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 432 of 2020

Dukes Consumer Care Limited
Having its Registered Office at
Plot No. 45,
S.E.I.E., Kattedan,
Hyderabad, TG-500 077. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellant.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 444 of 2020

Ankit Agarwal
Plot No. 23,
Nandagiri Hills,
Hyderabad – 500 033. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellant.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the Respondent.

WITH
Misc. Application No. 367 of 2021
And
Appeal No. 445 of 2020

Umang Projects LLP
(Previously known as Umang Projects Limited)
Having its Registered Office at
Sy. No. 330 and 336,
Plot No. 8-1-299/85, 86, 87, 88, 94 and 95, Ward No. 13, Block B,
Al-Hamra Colony, Shaikhpet,
Hyderabad, TG-500 008. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellant.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 447 of 2020

Omprakash Agarwal HUF
Karta : Dr. Om Prakash Agrawal,
House No. 21-1-366/1,
Ghansi Bazar,
Hyderabad, TG-500 002. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellant.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 450 of 2020

Dr. Om Prakash Agarwal
H.N. 8-2-293/82/A/1023,
Road No. 49, Jubilee Hills,
Hyderabad, TG-500 033. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Somashekar Sundaresan, Advocate with Ms. Prachi Mishra, Mr. Abhishek, Advocates i/b Mr. Vikas Bengani, Advocate for the Appellant.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 464 of 2020

Rakeshkumar Narayanbhai Prajapati
D 82, Sarvoday Nagar Soc. Part – 2,
Nr. Sola Rlw Crossing,
Sola Rd. Ghatlodia,
Ahmedabad – 380 061. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Hardik Vora, Advocate for the Appellant.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the Respondent.

WITH
Misc. Application No. 557 of 2020
And
Appeal No. 535 of 2020

Bharti Bharatkumar Upadhyay
A/1501, Hubtown Sunmist,
Sai Wadi, Near East West Flyover,
Andheri East,
Mumbai – 400 069. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Kunal Katariya, Advocate with Mr. Sahebrao Wamanrao Buktare, Advocate and Mr. Ravi Vijay Ramaiya, CA i/b Shah & Ramaiya, Chartered Accountants for the Appellant.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the Respondent.

WITH
Misc. Application No. 233 of 2021
And
Appeal No. 198 of 2021

Inventure Finance Pvt. Ltd.
Viraj Towers, 201, 2nd Floor,
Near Landmark, Western Express Highway,
Andheri East, Mumbai,
Maharashtra – 400 069. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Kunal Katariya, Advocate with Mr. Sahebrao Wamanrao Buktare, Advocate and Mr. Ravi Vijay Ramaiya, CA i/b Shah & Ramaiya Chartered Accountants for the Appellant.

Mr. Kevic Setalvad, Senior Advocate with Ms. Nidhi Singh, Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 544 of 2021

Prakashkumar Narayanbhai Prajapati
D 82, Sarvoday Nagar Soc. Part – 2,
Nr. Sola Rlw Crossing,
Sola Rd. Ghatlodia, Ahmedabad – 380 061. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Hardik Vora, Advocate for the Appellant.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 142 of 2022

Madhu Karnesh Shyamsukha
1302, Samarpan Royal,
Opp. Western Express Highway,
Near Rivali Park, Borivali (East),
Mumbai – 400 066. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellant.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the for the Respondent.

WITH
Appeal No. 143 of 2022

Karnesh Pannalal Shyamsukha
1302, Samarpan Royal,
Opp. Western Express Highway,
Near Rivali Park, Borivali (East),
Mumbai – 400 066. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellant.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the for the Respondent.

WITH
Appeal No. 144 of 2022

Prachi Kagzi
21/42, Usha Kiran Building,
15, Carmichel Road,
Mumbai – 400 026. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellant.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the for the Respondent.

WITH
Appeal No. 145 of 2022

Nitin Kagzi
21/42, Usha Kiran Building,
15, Carmichel Road,
Mumbai – 400 026. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellant.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the for the Respondent.

WITH
Appeal No. 146 of 2022

Champalal Mohanlal Jain
1002 Ganesh Darshan,
10th Floor, L.T. Road,
Borivali (West),
Mumbai – 400 092. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellant.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the for the Respondent.

WITH
Appeal No. 147 of 2022

Ruchit Hiralal Jain
1501, Rushab Tower,
Next to Telephone Exchange,
Mazgaon,
Mumbai – 400 010. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellant.

Ms. Nidhi Singh, Advocate with Ms. Binjal Samani, Ms. Aditi Palnitkar, Ms. Moksha Kothari, Advocates i/b Vidhii Partners for the for the Respondent.

WITH
Appeal No. 661 of 2022

Gopi Krishna Manepally HUF
Karta : Gopi Krishna Manepally,
1-5-8, Dhan Bazar,
Opp. Comtti Dharamkanta,
General Bazar,
Secunderabad, Hyderabad,
Andhra Pradesh – 500 003. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellants.

Mr. Akash Rebello, Advocate with Ms. Nidhi Singh, Ms. Deepti Mohan, Ms. Binjal Samani, Ms. Purvi Jain and Mr. Niket Dalal, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 662 of 2022

Murali Krishna Manepally HUF
Karta : Murali Krishna Manepally,
1-5-8, Dhan Bazar,
Opp. Comtti Dharamkanta,
General Bazar,
Secunderabad, Hyderabad,
Andhra Pradesh – 500 003. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellants.

Mr. Akash Rebello, Advocate with Ms. Nidhi Singh, Ms. Deepti Mohan, Ms. Binjal Samani, Ms. Purvi Jain and Mr. Niket Dalal, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 663 of 2022

Laxmi Kanta Tolasariya
Metrozone, Tower H, Flat No. 1504,
44, Pillaiyar Koil Street,
Beside VR. Mall,
Anna Nagar,
Chennai – 600 040. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellants.

Mr. Akash Rebello, Advocate with Ms. Nidhi Singh, Ms. Deepti Mohan, Ms. Binjal Samani, Ms. Purvi Jain and Mr. Niket Dalal, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 664 of 2022

Nainesh Gunvantlal Jain HUF
2nd Floor, Flat No. 22,
Tenerife Building,
Little Gibbs Road,
Malabar Hills,
Mumbai – 400 006. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellants.

Mr. Akash Rebello, Advocate with Ms. Nidhi Singh, Ms. Deepti Mohan, Ms. Binjal Samani, Ms. Purvi Jain and Mr. Niket Dalal, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 665 of 2022

Vaishali Nainesh Jain
2nd Floor, Flat No. 22,
Tenerife Building,
Little Gibbs Road,
Malabar Hills,
Mumbai – 400 006. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellants.

Mr. Akash Rebello, Advocate with Ms. Nidhi Singh, Ms. Deepti Mohan, Ms. Binjal Samani, Ms. Purvi Jain and Mr. Niket Dalal, Advocates i/b Vidhii Partners for the Respondent.

WITH
Misc. Application No. 1059 of 2022
And
Appeal No. 666 of 2022

Nainesh Gunvantlal Jain HUF
Karta : Nainesh Gunvantlal Jain
2nd Floor, Flat No. 22,
Tenerife Building,
Little Gibbs Road,
Malabar Hills,
Mumbai – 400 006. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellants.

Mr. Akash Rebello, Advocate with Ms. Nidhi Singh, Ms. Deepti Mohan, Ms. Binjal Samani, Ms. Purvi Jain and Mr. Niket Dalal, Advocates i/b Vidhii Partners for the Respondent.

WITH
Misc Application No. 1060 of 2022
And
Appeal No. 667 of 2022

Vaishali Nainesh Jain
2nd Floor, Flat No. 22,
Tenerife Building,
Little Gibbs Road,
Malabar Hills,
Mumbai – 400 006. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Vikas Bengani, Advocate for the Appellants.

Mr. Akash Rebello, Advocate with Ms. Nidhi Singh, Ms. Deepti Mohan, Ms. Binjal Samani, Ms. Purvi Jain and Mr. Niket Dalal, Advocates i/b Vidhii Partners for the Respondent.

WITH
Appeal No. 779 of 2022

Prakashkumar Narayanbhai Prajapati
D 82, Sarvoday Nagar Soc. Part – 2,
Nr. Sola Rlw Crossing,
Sola Rd. Ghatlodia,
Ahmedabad – 380 061. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Hardik Vora, Advocate for the Appellant.

Mr. Akash Rebello, Advocate with Ms. Nidhi Singh, Ms. Deepti Mohan, Ms. Binjal Samani, Ms. Purvi Jain and Mr. Niket Dalal, Advocates i/b Vidhii Partners for the Respondent.

AND
Appeal No. 780 of 2022

Rakeshkumar Narayanbhai Prajapati
D 82, Sarvoday Nagar Soc. Part – 2,
Nr. Sola Rlw Crossing,
Sola Rd. Ghatlodia,
Ahmedabad – 380 061. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Hardik Vora, Advocate for the Appellant.

Mr. Akash Rebello, Advocate with Ms. Nidhi Singh, Ms. Deepti Mohan, Ms. Binjal Samani, Ms. Purvi Jain and Mr. Niket Dalal, Advocates i/b Vidhii Partners for the Respondent.

CORAM : Justice Tarun Agarwala, Presiding Officer
Justice M.T. Joshi, Judicial Member
Ms. Meera Swarup, Technical Member

Per : Justice Tarun Agarwala, Presiding Officer

1. 33 appeals by 36 noticees have been filed against orders of the Whole Time Member ('WTM' for short) and Adjudicating Officer ('AO' for short) of the Securities and Exchange Board of India ('SEBI' for short) out of which 26 appeals have been filed against the order dated August 31, 2020 passed by the WTM issuing directions under 11 and 11B of the Securities and Exchange Board of India Act, 1992 ('SEBI Act' for short) cautioning some noticees and debarring other noticees for specified period ranging from 3 months to 1 year and 7 appeals have been filed by the noticees against the order dated June 30, 2022 passed by the AO wherein penalties have been imposed ranging from Rs. 25,000/- to Rs. 5 lakh. Since the issue is common, all the appeals are being decided together.

2. The facts leading to the filing of the present appeal is, that the shares of Kelvin Fincap Limited (formerly known as Dahyabhai Sons Ltd. and hereinafter referred to as 'Kelvin or the 'Company') were suspended on the Bombay Stock Exchange Limited ('BSE' for short) till November 2011 and till

March 29, 2012 there was no trading of its shares except one. The Company was in the business of financing and investment. As per the Annual Report of 2011-12 and 2012-13, the Company earned a negligible profit of Rs. 25,869/- in 2011-12 and Rs. 43,957/- in 2012-13. The Annual Reports indicated that Kelvin had poor fundamentals and there was no positive corporate announcement, yet the Company issued preferential allotment of shares on March 20, 2012 to 256 persons raising Rs. 13 crores by issuing Rs. 1.30 crore shares in physical form on a premium. As a result of the issuance of the preferential shares, the promoters shareholding decreased to 5.31% and total number of shareholders increased from 176 to 225.

3. SEBI examined the sharp rise in price / volume in the scrip during 2013-14. Upon examination it was found that 361 connected entities traded substantially amongst themselves and created artificial volume and contributed to artificial price rise in the scrip. Further, the promoters transferred 7,11,058 shares to group entities off market and thereafter these group entities transferred the shares to the other noticees including the appellants.

4. Pending investigation and in order to protect the interest of the investors and integrity of the securities market, SEBI passed

an *ex parte ad interim* order dated August 14, 2014 restraining 44 entities from accessing the securities market and further prohibited them from buying, selling or dealing in securities in any manner whatsoever till further directions. The interim order was confirmed by an order dated March 31, 2015 against 42 entities. Thereafter, detailed investigation was carried out and, by an order dated October 3, 2017 a revocation order against 20 entities were passed revoking the interim order.

5. The investigation was divided into 3 patches. Patch – 1 is for the period June 18, 2013 to July 28, 2013 wherein the price rose from Rs. 151.55 paise to Rs. 225/- i.e. an increase of 48%. The shares were thereafter split in the ratio 1:10 and Patch – 3 was for the period July 24, 2013 to May 29, 2014 wherein the price rose from Rs. 118 to Rs. 535. It was also noticed that after the lock in period, there was heavy trading wherein preferential allottees off-loaded their shares after June 18, 2013.

6. Based on the investigation, the show cause notice dated December 7, 2017 was issued to only 216 noticees out of 361 noticees. The show cause notice alleged that the price rose drastically during the Patch – 3 period in spite of the fact that the Company had very poor fundamentals and there was no

corporate announcement which could lead to an increase in the price of the scrip. The show cause notice alleged that in Patch – 3 period 369 group entities traded out of which 46 group entities traded as buyers and rest as sellers. The group entities and the other noticees which included the appellants contributed to Rs. 552.25 to net LTP and the trading volume was 82,53,011 shares of a Company which had no fundamentals. It was, thus, alleged that these trades contributed to price rise and manipulated the price of the scrip. The show cause notice also alleged that 37 preferential allottees sold 50,31,597 shares for Rs. 115.01 crore which was 99.05% of the shares.

7. Out of 116 noticees 84 noticees filed their replies alleging that they had no connection with the promoters, directors or with the Company and that they were trading in the ordinary course of business and had received shares from off market from one of the group entities who had not executed any trades and was also not a counter party to the trades executed by the noticees. It was also urged that no action was taken against the group entities and that only a few trades of the noticees were found to be manipulative which were minuscule compared to the total number of trades executed by the group noticees.

8. The WTM after considering the material evidence, found the noticees to be connected with the Company, promoters and directors either directly or through group entities of the Company in some form or the other. The WTM found that it was not necessary to proceed against the group entities as there was no evidence against them. The WTM found that noticees 1 to 18 acted as buyers, as well as noticees 114, 115 and 116 and have aided these buyers in contributing to the price of the shares by selling their shares with the sole purpose of increasing the price of the scrip during Patch – 3. The WTM further found that the buy orders in small quantities were being placed above LTP at a higher price when sell orders were already existing on the Stock Exchange platform and that trading was being done amongst themselves between the noticees and the group entities which was manipulative in nature as well as fraudulent which amounted to unfair trade practices. It was found that noticees / appellants as buyers and sellers subsequently placed orders above LTP thereby increasing the price.

9. Accordingly the WTM cautioned some of the noticees and directed them to be careful in future as the volume of trades was miniscule as compared to others. The WTM for other noticees debarred them for specified period as mentioned in the

impugned order. Similarly, AO imposed a penalty ranging from Rs. 25,000/- to Rs. 5 lakh.

10. We have heard Shri Pesi Modi, the learned senior counsel, Shri Somasekhar Sundaresan, Shri Prakash Shah, Shri Kunal Katariya, Shri Vikas Bengani, Shri Saurabh Bachhwat, Shri Hardik Vora, Ms. Rinku Valanju, Shri Rushin Kapadia, the learned counsels for the appellants in respective appeals and Shri Kevic Setalvad, the learned senior counsel, Shri Sumit Rai, Shri Akash Rebello and Ms. Nidhi Singh, the learned counsels for the respondent in respective appeals.

11. All the appellants before us have sold shares in Patch – 3 and are alleged to have raised the price of the scrip.

12. In Appeal no. 431 of 2020 Dukes Products (India) Ltd. it is alleged that the appellant was shown to be connected to Geeta Shah from whom the appellant had bought 10,000 shares off market. It was alleged that Geeta Shah was subsequently exonerated and that no show cause notice was issued and consequently the appellant should have been exonerated as the alleged link with the Company and / or group entities was broken especially when there is no evidence that the appellant was connected to any other noticees or group entities. It was

also urged that only 8 trades out of 106 trades contributed to positive LTP and only 2 trades contributed to new high price which was miniscule for which the debarment and penalties imposed was harsh and disproportionate. It was further alleged that there was no intelligible differentia adopted by the respondent in as much as investigation was against 361 connected noticees and show cause notice was issued to only 116 noticees. Further, 69 noticees have been cautioned and others have been penalized by way of debarment which is discriminatory as well as arbitrary. It was also urged that the appellant had only placed sell orders and could not manipulate the price in as much only buyers can manipulate the price as they had placed orders above LTP. In support of his submissions the learned counsel placed reliance upon the decision in ***BP Comtrade Pvt. Ltd., Appeal no. 189 of 2020, decided on November 20, 2020 and Manish Suresh Joshi vs SEBI, Appeal no. 2 of 2020, decided on January 13, 2020***.

13. In Appeal no. 330 of 20020, Mahendra Dhanjibhai Amin, the appellant contended that he had no connection with the buyer and the connection through off market from GFL Financials India Ltd. is disputed. The appellant contends that he was a preferential allottee and had paid allotment money. Such

assertion is backed by a bank statement which shows that the appellant had paid money for the preferential allotment of the shares. The appellant disputed that he had purchased shares through off market. Alternatively, it was contended that the appellant, as seller in Patch – 3, had a miniscule impact on the LTP which was less than 1% and therefore for such miniscule trades the appellant should not be penalized. The appellant denied that he had indulged in price manipulation.

14. In Appeals no. 359 of 2020 (Laxmi Kanta Tolasariya), 362 of 2020 (Srikant Karwa HUF and Shakuntala Karwa), 411 of 2020 (Viren Shelters LLP), 428 of 2020 (Gopi Krishna Manepally HUF), 429 of 2020 (Murali Krishna Manepally HUF), 430 of 2020 (Solex Commercial & Credit Pvt. Ltd.), 432 of 2020 (Dukes Consumer Care Limited), 444 of 2020 (Ankit Agarwal), 445 of 2020 (Umang Projects LLP), 447 of 2020 (Omprakash Agarwal HUF), 142 of 2022 (Madhu Karnesh Shyamsukha), 143 of 2022 (Karnesh Pannalal Shyamsukha), 144 of 2022 (Prachi Kagzi), 145 of 2022 (Nitin Kagzi), 146 of 2022 (Champalal Mohanlal Jain), 147 of 2022 (Ruchit Hiralal Jain), 544 of 2021 (Prakashkumar Narayanbhai Prajapati), 666 of 2022 (Nainesh Gunvantlal Jain HUF) and 667 of 2022 (Vaishali Nainesh Jain) it was contended that there is no

connection of the appellants with the Company, promoters and directors of group entities and that a discriminatory policy has been adopted. It was urged that the preferential allottees have been exonerated who had gained the maximum by selling the shares and earned Rs. 11 crores profits and, on the other hand, the appellants have been indicted on the basis of sale of a few shares which were found to be above LTP. It was urged that they have not manipulated the price while executing sell orders in Patch – 3. It was further contended that the trades in question were miniscule compared to the total volume and, in many cases, the volume of trades was less than 1%. It was, thus, urged that SEBI in various decisions itself has taken a stand that if the volume of trades is less than 1% then no action should be taken against such noticees. In support of their submissions reliance was placed on a decision of WTM, SEBI in ***Nikki Global Finance Ltd. dated February 26, 2021 and AO dated December 29, 2021***. It was also urged that the WTM while considering the miniscule trades made by them had only issued a word of caution and directed the appellants to be careful in future in spite of which the AO has imposed a penalty of Rs. 25,000/- on each of the appellants. It was urged that even the direction of caution should not have been imposed by the WTM since the trades were miniscule and the imposition of penalty by

AO was wholly arbitrary. In support of their submissions reliance was placed on a decision of this Tribunal in ***Surendra Kumar Gupta vs SEBI, Appeal no. 343 of 2021 decided on February 7, 2022 and in the matter of Kaushik Rajnikant Mehta vs SEBI in Appeal no. 76 of 2019 decided on May 5, 2021***.

15. Similar arguments was raised in Appeal no. 420 of 2020, Jitendra C. Janani HUF, Ramesh C. Janani HUF and Krunal Ramesh Janani and Appeal no. 464 of 2020 Rakesh Prajapati . It was urged that there was no connection with the Company or its group entities and that sell orders were placed before the buy orders and were not connected to the counter parties and trades were below 1%. The appellants had received shares off market from Universal Credit and Securities Ltd., SDFC Finance Ltd. and RFL International Ltd. who were not issued any show cause notice. In support of their submissions have relied upon a decision of this Tribunal in ***Manish Suresh Joshi vs SEBI, Appeal no. 2 of 2020, decided on January 13, 2020 and in Kaushik Rajnikant Mehta vs SEBI in Appeal no. 76 of 2019 decided on May 5, 2021***.

16. In Appeal no. 450 of 2020, Dr. Omprakash Agarwal it was urged that the appellant did not contribute to positive LTP in Patch – 3 and that the appellant has been linked on the basis of an alleged connection with the promoters and that the promoter has been exonerated by the respondent and therefore the connection with the Company is broken and consequently the appellant could not be charged. It was also urged that connection shown with Narendra Shah is erroneous in as much as Narendra Shah was not a party to the proceedings as no show cause notice was issued.

17. In Appeal no. 535 of 2020, Bharti Upadhyay it was urged that the appellant is a housewife and a widow and had no knowledge of the trades being executed as the same was being done by her father. It was urged that the appellant had purchased shares off market from a group entity Cromakem Limited who was in turn was exonerated and therefore the link was broken and no penalty could have been awarded.

18. In Appeal no. 198 of 2021, Inventure Finance Pvt. Ltd. it was urged that finding that appellant had contributed to increase the LTP and NHP by selling shares at a higher price was not based on any evidence. Further there was no connection with

the Company or the group entities. Further, the trades executed by the appellant were not manipulative.

19. Appeals no. 663 of 2022 (Laxmi Kanta Tolasariya), 661 of 2022 (Gopi Krishna Manepally HUF), 780 of 2022 (Rakeshkumar Narayanbhai Prajapati), 779 of 2022 (Prakashkumar Narayanbhai Prajapati), 662 of 2022 (Murali Krishna Manepally HUF), 664 of 2022 (Nainesh Gunvantlal Jain HUF), 665 of 2022 (Vaishali Nainesh Jain) have been filed by the appellants challenging the order of the AO whereby penalty has been imposed ranging from Rs. 25,000/- to Rs. 5 lakh. The ground urged is the same as stated earlier against the order passed by the WTM.

20. Having considered the submissions of the parties we find that vague allegation has been made by the appellants with regard to the connection. The WTM and the AO have dealt in detail the connection of the appellants with the other noticees. Such connection has not been disputed except a few which will be discussed herein below. It is submitted that the appellants along with other noticees were connected amongst themselves by way of common address, e-mail id, mobile numbers, fund transfers, off market transfers etc. and were part of a common scheme of artificially inflating the price of the scrip of the

Company which barely had any financial worth and business performance. The appellants along with other noticees contributed to positive LTP and also created a NHP during Patch-1 and Patch-3 by trading among themselves. We are of the opinion that in the absence of any strong evidence the contention of the appellants that they had no connection with the other noticees is not based on any sound reasoning.

21. In this regard the appellant Dukes Products (India) Ltd. contended that he has been shown to be connected with one Geeta Shah from whom 10,000 shares were bought off market. It was alleged that since Geeta Shah was subsequently exonerated and no show cause notice was issued, the alleged link with the Company and / or with the group entities was broken and the appellants should also be exonerated is patently misconceived. This submission cannot be accepted as we find that apart from Geeta Shah the appellant was connected with other entities. Further, Geeta Shah is connected to the counter party buyer Do Max Steel Limited and also had a common e-mail with Cromakem Limited. Further we find that an *ex parte ad interim* order dated August 14, 2014 was passed against 44 entities which included Geeta Shah as she was suspected to have carried out price manipulation and had fund transaction

with the Company and had also acquired shares off market from the promoters of Kelvin. This restraint order continued for almost 3 years when it was revoked on October 13, 2017. Thus, it is not a case of exoneration of Geeta Shah but it was a case that upon further investigation no further evidence came out to prosecute or take further action against Geeta Shah. Thus, the contention that the link was broken because Geeta Shah was exonerated is erroneous and cannot be accepted.

22. Similar is the case of Om Prakash Agarwal in Appeal no. 450 of 2020 who contended that the connection with Narendra Shah was broken as Narendra Shah was exonerated and no show cause notice was issued to him. We find that further proceedings under Section 11(4) and 11B read with Section 11(1) of the SEBI Act were recommended and undertaken against Narendra Shah for aiding and abetting the Company and its promoters directors for violation of the provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('ICDR Regulations' for short). Even though Narendra Shah was not made a party to the show cause as he had not undertaken any trades with the connected entities, the connection with Narendra Shah was rightly retained in the show cause. We further find

that the appellant was connected with other noticees directly or indirectly.

23. Insofar as the appellant Bharti Bharatkumar Upadhyay in Appeal no. 535 of 2020 is concerned the said appellant not only received shares from Cromakem Limited in off market transfer but was also a counter party to one of the impugned trades with Cromakem Limited. We further find that Cromakem Limited was found to be connected not only to the Company but also to various entities of the Company and its promoters. The mere fact that no action was taken against Cromakem Limited due to lack of evidence is no ground for exonerating the appellant.

24. Reliance by the appellants in the case of ***Manish Suresh Joshi vs SEBI, Appeal no. 2 of 2020, decided on January 13, 2020*** wherein the said appellant was exonerated of the PFUTP violation on the ground that once the link in the chain is broken and there was no other connection between the said appellant with the other entities is distinguishable on facts as in the instant case we find that there were other links which connected the appellants with the other entities. The decision of this Tribunal in ***BP Comtrade Pvt. Ltd., Appeal no. 189 of 2020 decided on November 20, 2020 and in Surendra Kumar Gupta vs SEBI,***

Appeal no. 343 of 2021 decided on February 7, 2022 and in Kaushik Rajnikant Mehta vs SEBI in Appeal no. 76 of 2019 decided on May 5, 2021 are not applicable in the facts and circumstances of the present case.

25. Thus, the contention that certain entities from whom the appellants had acquired shares off market were let off is incorrect.

26. The contention that the preferential allottees were let off is again misconceived. It has been found that three of the preferential allottees, namely, Inventure Finance Pvt. Ltd., Mukesh N Desai and Suryamangal Media and Entertainment Ltd. have violated the securities laws. The allegation of price manipulation in the scrip of contributing to LTP was established and they have been penalized accordingly. In respect of other preferential allottees, no findings of price manipulation were found in the investigation and consequently no action was taken against them. The appellant Mahendra Dhanjibhai Amin may have also been a preferential allottee but had also purchased 10,000 shares off market from GL Financials Ltd. the same is reflected in his demat account and no objection was raised by him. Whereas, he continues to feign ignorance of the receipt of

the shares, the fact that he sold 5770 shares out of 10,000 shares on different dates has not been disputed by him. Thus, his stand cannot be accepted.

27. The contention that the respondent had adopted no intelligible differentia in choosing entities in the show cause notice and that the same was arbitrary and discriminatory is patently erroneous. It is submitted that pursuant to detection of a huge rise in traded volume and price of the shares of the Company, the preliminary enquiry found on the basis of analysis of trading activities that the shares of the Company had low liquidity but increased substantially after 361 related entities started trading among themselves and contributed to artificial price rise in the scrip. Based on the preliminary examination an *ex parte ad interim* order was passed against 44 entities which included buyers, sellers and even promoters and group entities who had a substantial shareholding in the Company. Subsequently, after detailed investigation the show cause notice was issued to 116 entities. The investigation report and the impugned order indicates that out of the larger group of 361 entities after due analysis and investigation found that some of the entities were not connected with the promoters and directors or other group entities and that 116 connected entities

out of the larger group were found to have traded amongst themselves and contributed significantly to the net positive LTP as well as NHP. The show cause notice indicates that the entities were consistently trading amongst themselves and have successfully being pushing the LTP and NHP upwards sometimes by placing miniscule orders. Nothing has been brought before us to show that the other entities who were earlier identified were also trading amongst themselves with the appellants and were pushing the LTP and NHP upwards. In the absence of any evidence being placed by the appellants other than the fact that the investigation identified 361 noticees which was reduced to 116 entities when the show cause was issued, in our opinion, is not sufficient to show that no intelligible differentia was exercised by the respondent while issuing the show cause notice. Classification is based on intelligible differentia. The differentia bears a reasonable nexus with the object sought to be achieved. In our opinion, we find that the classification is based on an intelligible criteria and has a nexus with the objectives of the Regulations. The Board exercised intelligible differentia based on the material before it and issued show cause notice to the relevant entities in the attendant circumstances relating to the *modus operandi* of fraudulent trade practices committed by the appellants. Thus, the

contention that the show cause notice issued to 116 entities was not based on any intelligible differentia is patently erroneous.

28. The contention that no manipulative trades was carried out by the appellants and there was no manipulative trading pattern is patently erroneous. The evidence that has come on record indicates that the appellants and all the connected entities apparently traded as a cohesive group with a predetermined mindset to manipulate the price of the group by cumulatively contributing to the LTP of the scrip over a long period of time. As a result each appellants contributed to the LTP in small or large percentage.

29. In this regard, we find that the trades of the present appellants in question were in Patch-3 of the investigation period (24.07.2013 to 29.05.2014), when the price of the scrip opened at Rs. 118 and closed at Rs. 535 in 205 trading days. The impugned trading activity found in this Patch was of 111 connected entities (18 buyers and 93 sellers), (including the appellants (all sellers) who were found to have traded among themselves and contributed significantly to the net positive LTP as well as NHP of the scrip.

30. These 111 noticees (including the appellants herein) together contributed Rs. 746.85 to the LTP of the scrip (37.77% of the market positive LTP) involving 2,02,204 shares during Patch-3. Further 17 noticees (including 10 appellants) by trading with other noticees had cumulatively contributed to NHP of Rs. 161.3 as sellers in 29 trades amounting to 38.21% of the total NHP contribution during the relevant period.

31. Insofar as LTP contribution is concerned these 111 noticees (including the appellants herein) together contributed Rs. 746.85 to the LTP of the scrip (37.77%) of the market positive LTP) involving 2,02,204 shares during Patch-3. It was found that 155 trades executed amongst the 111 noticees amounted to positive contribution to LTP. The time difference between the buy orders and sell orders ranged from mere 2 seconds to a bit more than 5 hours, but no difference in buy order limit price and sell order limit price was noticed. The individual LTP contribution of each of the 111 noticees (including the appellants) are been set out at Table 6 of SCN which remains undisputed. The details of the 155 trades executed between the buyer noticees and seller noticees as set out in Table 12 of impugned order is also not disputed.

32. The *modus operandi* followed by the appellants and other entities comprising of buyers as well as sellers was to consistently place buy orders in small quantities at prices above the LTP which were subsequently matched by sell order; or place sell order at higher than LTP (majority of the sell orders were placed first), which were then matched by the buyers in small quantities.

33. The evidence on record shows that the trading pattern timing of order placement, order rate, order quantity, trade time, trade rate, trade quantity, time difference, price difference, LTP difference etc. in respect of the trades of the appellants as sellers indicates that all the orders were placed above LTP by the appellants. The time difference in the execution of the trades ranged from mere 2 seconds to 5 hours which indicates that trade were being matched almost immediately or within a short span of time after placement of order which is the peculiar trade behavior in an illiquid scrip such as that of the Company. In all the cases, the sell order was placed first at a specific rate above the LTP by the appellants and was bought by a connected buyer at the same price within a short span of time. In the case of Dukes Products (India) Limited out of 8 positive LTP trades 4

trades matched with the same buyer, namely, Do Max Steel Limited.

34. From the perusal of the impugned order it is clear that the *modus operandi* was that the buyers and sellers aided each other, wherein the buyers purchased the shares placed by the sellers at an increased price from the last traded price of the scrip thereby contributing significantly to the positive LTP of the scrip. The time difference between the buy orders and the sell orders ranged from a mere 2 seconds to a bit more than 5 hours, but no difference in buy order limit price and sell order limit price was noticed. Such a peculiar trading pattern of matching and concentrated trades by the 111 noticees who were a group of connected entities cannot be a mere coincidence. The role performed by each of the noticees (including the appellants) was in aid of one another and raised the price of the scrip and the same could not have been possible without these noticees having engaged in a pre-conceived scheme to manipulate the price of the scrip. The overall trading pattern of all the noticees combined (including the appellants) clearly evidences the preponderance of a larger conspiracy between them. The buyer noticees have accepted their manipulative trading behavior as none of them have challenged the impugned order.

35. We also find that 17 noticees (including the appellants namely Inventure Finance Pvt. Ltd., Dukes Products (India) Ltd., Mahendra Dhanjibhai Amin, Umang Projects LLP, Dukes Consumer Care Ltd., Solex Commercial Credit Pvt. Ltd., Viren Shelters, Bharti Upadhyay, Prakashkumar Prajapati and Rakesh Prajapati by trading with other noticees had cumulatively contributed to NHP (new high price) of Rs. 161.3 as sellers in 29 trades amounting to 38.21% of the total NHP contribution during the relevant period. In the present case it was observed that the scrip witnessed sustained increase of market price over a period of time due to consistent contribution to the LTPs and repeated creation of NHPs owing to the manipulative trades of the aforesaid noticees (including the aforesaid appellants). The individual NHP contribution of each of the 111 noticess (including the appellants) are set out at Table 15 of impugned order.

36. It was urged that the trades made were miniscule which had no impact in the market and further no penalty could have been imposed upon the appellant. This submission cannot be accepted in as much as the evidence indicates that the appellants who have traded among themselves consistently with the sole

purpose to increase the LTP. The contribution of each participant in such trades howsoever miniscule it may be in quantity cannot be ignored since the *modus operandi* was that the appellants in connivance with the buyers were trading amongst themselves. The collective volume has to be considered rather than few and miniscule trades of an individual noticee. In this regard this Tribunal in ***Hemant Sheth & Ors. vs SEBI, Appeal no. 205 of 2019 decided on March 4, 2020*** held as follows:-

> *"Further, the submission that self trades are very insignificant percentage of the total market volume to prove charges is not in tune with the SEBI's own policy that small quantity of self trades happens sometimes automatically has no meaning in the larger context where it is clear that the appellants were trying to manipulate the trade through various means including synchronized and reversed trades."*

> *"In a scheme of manipulative and unfair trading it is not necessary that every participant should be indulging in every type of trading violation or even in the same / similar magnitude. Once they are found to be part of a group trying to manipulate the volume or price of the scrip they became party to the violation. Hair splitting arguments that some traded more than others or on more days or some indulged in synchronized reversal and self trade while others did only one of those types do not cast away their violations."*

37. In ***Yashwant Deoras vs Walchand Ramchand, AIR 1951 SC 16***, the Supreme Court held:-

> *"In the very nature of things, fraud is secret in its origin or inception and in the means adopted for its success. Each circumstances by itself may not mean much, but taking all of them together, they may reveal a fraudulent or dishonest plan."*

The said principle is applicable in the instant case.

38. In view of the aforesaid, we are of the confirmed opinion that the order of the WTM and the AO holding that the appellants had violated the provisions of Regulation 3 and 4 of the PFUTP Regulations read with Section 12A of the SEBI Act does not suffer from any error of law. The WTM and the AO after taking into the factors contemplated under Section 15J rightly issued the directions under Section 11 and 11B of the SEBI Act by the WTM and penalties by the AO which we do not find any error.

39. However, we find that the WTM has only issued a "caution" to certain appellants as the trades were found to be miniscule which did not warrant any directions for debarment, etc. The WTM has cautioned and directed them to be careful in future. Black's Law Dictionary, Sixth Edition, defines 'caution' as 'to warn, exhort, to take heed, or to give notice of danger'. Once a caution / a warning has been given to the appellant to be careful in future by the WTM considering the trades executed

by these appellants as not being so grievous to issue a direction of debarment under Section 11 and 11B of the SEBI Act we are of the opinion when such caution / warning is given it is not appropriate for the AO to impose a penalty for the same violation. In view of the aforesaid, the imposition of penalty by the AO on these appellants who have been cautioned by the WTM cannot be sustained.

40. For the reasons stated aforesaid, while affirming the violation committed by the appellants all the appeals filed against the orders of the WTM are dismissed.

41. The Appeals no. 661 of 2022 (Gopi Krishna Manepally HUF, 662 of 2022 (Murali Krishna Manepally HUF), 663 of 2022 (Laxmi Kanta Tolasariya), 664 of 2022 (Nainesh Gunvantlal Jain HUF, 665 of 2022 (Vaishali Nainesh Jain) and 779 of 2022 (Prakashkumar Narayanbhai Prajapati) against the order of AO imposing a penalty of Rs. 25, 000 is quashed. The appeals are allowed. Appeal no. 780 of 2022 (Rakeshkumar Narayanbhai Prajapati) against the order of the AO is dismissed with no order as to costs. Miscellaneous applications are disposed of.

42. This order will be digitally signed by the Private Secretary on behalf of the bench and all concerned parties are directed to act on the digitally signed copy of this order. Certified copy of this order is also available from the Registry on payment of usual charges.

Justice Tarun Agarwala
Presiding Officer

Justice M.T. Joshi
Judicial Member

Ms. Meera Swarup
Technical Member

03.01.2023
msb

MADHUKAR SHAMRAO BHALBAR Digitally signed by MADHUKAR SHAMRAO BHALBAR Date: 2023.01.06 17:05:19 +05'30'